

PRIVATISATION OF
THE BAHAMAS TELECOMMUNICATIONS
COMPANY LIMITED (BTC)

(SUCCESSOR COMPANY TO BATELCO)

EXPLANATORY NOTE

ON

THE ROLE OF THE TENDERS COMMISSION

The aims of the privatization of BTC

The aims of the privatisation process are to enable the Government of The Bahamas:

- to sell 49% of its shareholding in BTC (formerly Batelco) to the major investor which the Government considers can provide the technical and financial resources and management capabilities to enable BTC to attain the highest levels of international and national competitiveness in the telecommunications sector; and
- to raise money (from the Government's sale of its 49% shareholding) for the benefit of the citizens of the Commonwealth of The Bahamas.

Therefore, the privatization process is an exhaustive search to identify the potential investor who can:

- ❖ streamline BTC to the highest possible levels of international competitiveness (thereby facilitating the competitiveness of the Bahamian economy and safeguarding employment in the tourism and financial services sectors); and

- ❖ **give the best possible price to Government for the 49% shareholding in BTC which the Government is selling on behalf of the Bahamian people so as to make an impact on the public finances and Government debt.**

Government's Advisors

***Deutsche Bank*, and its associate the legal firm of *Denton Wilde Sapte*, has been retained as external experts by Government specifically to advise on all aspects of the privatization process.**

The stages in the privatization process

The privatisation process of BTC involves several stages:-

- **In the first stage, potential investors are invited to apply to become “Registered Bidders”. Registration involves satisfying criteria such as details about the potential investors business qualifications (experience in the telecommunications business, capital funds available etc.). Those potential investors whose applications have been accepted by the Ministry and its advisors to become “Registered Bidders” are then given limited and controlled access to confidential information about BTC, and to confidential documentation about the privatization process, to enable them to formulate a “preliminary bid”. The Registered Bidders are required to undertake to respect the confidentiality of the information and documentation.**
- **The second stage - the current stage - involves those Registered Bidders interested in doing so submitting “Preliminary Bids”. In this stage, the Registered Bidders involved provide confidential information about their own proposals in relation to developing BTC in the event that they are selected to purchase the 49% shareholding; the**

confidential information which the Preliminary Bids contain relates, among other things, to the business plans and strategic intentions of the entities submitting Preliminary Bids. Clearly, this information is highly confidential and safeguards must be in place to protect this information which belongs to the entities submitting the Preliminary Bids. The work of the Tenders Commission arises in this second stage in evaluating the Preliminary Bids and in recommending to Government the Bidders who should be invited to submit Final Bids. Further details about the Commission and its work are given below.

- **The third stage involves those investors who have been selected from the previous stage submitting Final Bids. These Final Bids will be evaluated and recommendations made to the Government to finalise the process of privatization.**

The work of the Tenders Commission

At this time, the purpose of the Tenders Commission is to evaluate the Preliminary Bids arising in the second stage, and to recommend to the Government the Bidders who should be invited to submit Final Bids.

Detailed records of the Commission's deliberations and work will be maintained to demonstrate the transparency and integrity of the Commission's work.

The membership of the Commission has been selected by the Government to provide expertise in legal, technical and financial and economic matters relevant to evaluating the Preliminary Bids. The Ministry's external advisors, *Deutsche Bank* and its associate *Denton Wilde Sapte* are available to assist the Commission.

At present, the Commission consists of the following 13 persons:-

Mrs. Ruth Millar, Financial Secretary (Chairman of Commission),
Ms. Rowena Bethel, Legal Advisor, Ministry of Finance,
Mr. Leander Bethel, Telecommunications Advisor, Ministry of
Finance,
Mrs. Wendy Craig, Deputy Governor, Central Bank of The Bahamas,
Ms. Antionette Bonamy, Deputy Director of Legal Affairs, Office of
The Attorney General,
Mr. Reno Brown, Chairman, BTC,
Mr. Michael Symonette, President, BTC,
Mr. Leon Williams, Senior Vice-President, BTC,
Ms. Felicity Johnson, Vice-President BTC and Corporate Secretary,
Mr. Winston Millett, Chief Financial Officer, BTC
Mr. Basil Albury, Director of Investments, Ministry of Financial
Services and Investments
Mr. Claude Hanna, President, Bahamas Communications & Public
Managers Union, (BCPMU),
Mr. Robert Farquharson, President, Bahamas Communications &
Public Officers Union (BCPOU)

Ms. Deborah Bastian, Ministry of Finance is Secretary to the Commission.

It is intended to make an additional appointment to the Commission of a person with expertise in financial analysis.

Each Member of the Commission has provided an undertaking to maintain the confidentiality of the Commission's deliberations and consultations; to maintain the confidentiality of the documentation provided to each Member (bearing in mind that this documentation provided in the Preliminary Bids will contain sensitive information in relation to the Bidders); to ensure that there is no conflict of interest between the Commission's work and

the Member; and not to discuss any aspect of the Commission's work without the prior written approval of the Ministry of Finance.

Any public communications concerning the work of the Commission will emanate only from the Financial Secretary, Ministry of Finance.

Ministry of Finance

February, 2003