



OFFICE OF UTILITIES REGULATION

3rd Floor, PCJ Resource Centre, 36 Trafalgar Road, Kingston 10
Tel: 1.876.968.6053 | Toll Free: 1.888.Call.OUR (2255.687) | Fax: 1.876.929.3635

Regulating Utilities for the Benefit of All

E-mail: consumer@our.org.jm

Special Feature - Wednesday, September 21, 2011

Website: www.our.org.jm

Overseas Travels by the Director General of the Office of Utilities Regulation (the OUR)

1. In response to questions regarding the cost of travels by the Director General (DG) of the Office of Utilities Regulation (the OUR) and officials accompanying him on official missions, the OUR has compiled the enclosed information. It must be noted that as a matter of policy the OUR provides details of its travel budget both as part of its consultation with stakeholders prior to publishing its work plan and subsequently in its annual report to the Parliament which is then made available to the public. It must also be noted that all such travel receives the approval of the Cabinet Office at least one month prior to being undertaken. Given that specific questions have been raised about the DG's travels and the OUR's commitment to transparency, the OUR outlines the main variables that influence the need to travel and the specific details of the DG's travel since taking Office in February 2009.
2. Jamaica is a member of many international organizations. The OUR represents Jamaica on many of these Organizations and is required to participate in their various fora both in its capacity as the national multi-sector utilities regulator and also from time to time as the representative of the Government of Jamaica. Indeed, as national budget constraints have forced the government to cut back on its participation and interventions in many of the meetings and fora attendant on participation in these bodies, the OUR has been required

to increase its own interventions to ensure that Jamaica continues to benefit from among other things: the dissemination of knowledge with respect to new and path-breaking developments, maintenance of network relationships, knowledge sharing and exchange of ideas and the facilitation of cooperation to make advances against common problems. The OUR also participates in the discussions relating to the annual budgetary requirements of some of these agencies and the impact they are likely to have on Jamaica's membership fees. These organizations inter alia include:

- a. **The International Telecommunications Union (ITU)**, which is the United Nations specialized agency (UNSA) for information and communication technologies – ICTs. It allocates global radio spectrum and satellite orbits, develops the technical standards that ensure networks and technologies seamlessly interconnect, and strives to improve access to ICTs in underserved communities worldwide. It has various fora, some of which are regular, the others are held on two to four year cycles such as Plenipotentiary. Participation in these fora and mandatory meetings ensures that Jamaica remains fully compliant with evolving standards and technological developments. Notably the payments to the ITU come directly from the OUR's annual budget.
- b. **The Commonwealth Telecommunications Organization (CTO)**, which is an international development partnership between the Commonwealth and non-Commonwealth governments, business and civil society organisations. It provides its members with effective means to help bridge the digital divide and achieve social and economic development, by delivering to developing countries unique knowledge-sharing programmes in the use of Information and Communication Technologies (ICT) in the specific areas of telecommunications, IT, broadcasting and the internet. It has established a regular forum to discuss the issues relating to Cyber Security and Child Protection. The OUR is a key member of CTO's Executive Council and plays an important role in internalizing the lessons that we learn from other emerging economies and network developments. Here again the OUR is required to make provision in its budget to pay for Jamaica's membership in the CTO.
- c. **The Caribbean Telecommunications Union (CTU)** is a Caribbean intergovernmental organisation dedicated to facilitating the development of the regional telecommunications sector. It has been established under the ambit of CARICOM Ministers. It facilitates sharing of regional experiences on Telecoms within the context of global developments. Dues for CTU are also paid from the OUR's budget.
- d. **The Organisation of Caribbean Utility Regulators (OOCUR)** assists in the improvement of utility regulation, to foster transparent and stable utility regulation through autonomous and independent regulators in member countries. It fosters research, joint training and

development and facilitates understanding of regulatory issues and sharing of information and experience. The OUR is a founding member of OOCUR and pays its annual dues from its budget.

- e. **World Forum on Energy Regulation (WFER)** meets every four years and is the ultimate meeting point for global energy regulators. It facilitates: i) Discussion and exchange on the state of regulation and current issues; ii) Presents and exchanges views on regulatory best practices; and iii) Promotes cooperation between regulators/regulatory agencies. It has also facilitated the formation of the International Confederation of Energy Regulators (ICER).
- f. **The International Confederation of Energy Regulators (ICER)** is a framework for cooperation between energy regulators from around the globe. Its aim is to improve public and policy-maker awareness and understanding of energy regulation and its role in addressing a wide spectrum of socio-economic, environmental, public interest and market issues. By establishing this confederation, with regular and structured contacts and cooperation between regulators, the regulatory community expects to exchange information and best practices in the regulation field and to contribute to the evolution towards a sustainable development. To this end, it undertakes joint analysis of a variety of regulatory topics and promotes exchanges on training and education practices. It focuses its work around four key areas: reliability and security of supply; the role of regulators in responding to climate change; competitiveness and affordability; and the independence, powers, responsibilities, best practices and training of regulators. Through ICER, energy regulatory issues can transcend regional and national boundaries and be addressed through dialogue and cooperation on a global level. It was established at the WFER IV in Athens (held every four years). It is actively involved with the organization of WFER V, which will be held in Canada in 2012. Its membership includes over 200 regulatory authorities and spans 6 continents. ICER is currently chaired by Lord Mogg, President of the Council of European Energy Regulators (CEER). Its Working Groups regularly meet through teleconferencing and hold webinars.
- g. **The National Association of Regulatory Utility Commissioners (NARUC)**. NARUC founded in 1889, is dedicated to representing the public service commissions which regulate the utilities that provide essential services such as energy, telecommunications, water, and transportation not only in the United States (the US) but incorporates affiliates from the Americas region. It serves the public interest by improving the quality and effectiveness of public utility regulation. Its members have an obligation to ensure the establishment and maintenance of utility services as may be required by law and to ensure that such services are provided at rates and conditions that are fair, reasonable and non-discriminatory for all consumers. It receives extensive support from the US Federal Government and the US Agency for International Development (USAID). The OUR serves on many of its committees.

3. Jamaica serves in many leadership positions in these organizations. For example, currently Jamaica has the honour of serving as the 1st Vice Chairman of the CTO and Chairman of OOCUR. In view of Jamaica's interest in introducing natural gas into its energy supply mix, Jamaica has secured a seat on the Natural Gas Committee of NARUC. An effort was also made to secure a Council Seat on the ITU in order to ensure the representation of regional interests. However a late decision by the government to participate in the election at the last Plenipotentiary resulted in Jamaica not securing sufficient votes to win a seat on the Council. Even so, through negotiations spearheaded by the OUR, the Secretary General of the ITU, Dr. Hamadoun Touré, agreed that the region would be afforded opportunities via two observers to ensure that the English Speaking Caribbean's interests are not compromised at the Council Meetings.
4. The OUR is a knowledge based organization. Its biggest asset is its staff that is required to be better qualified than the staff of utilities it regulates. They must at all times be at the cutting edge of the technology and international best practices. These empower the organisation to align the private behaviour with the public interest as an independent regulator. The OUR monitors the available training that keeps its staff and Office members up to-date on the latest developments. It is also the case, that very often the expertise and resources to conduct training are found outside of Jamaica and the region and so there is a need to travel. In this regard, from inception, a significant component of the OUR's budget has been devoted to Training and associated international travel expenses. All Office members and relevant staff are sent on the necessary training or on refresher courses at various regulatory training centres, which among others, have been established with the assistance of the World Bank or the European Union. The required training, due to its specialist nature, is not available from local training institutions but the OUR and OOCUR are in discussions with regional institutions with the aim to build the capacity to deliver regulatory training programmes.
5. The OUR benefits from financing for a number of projects by the Inter-American Development Bank (IDB) and the World Bank and on occasions interacts with the appropriate managers at the headquarters through face to face meetings or teleconferencing.
6. The OUR's statutory mandate requires it to render policy advice to the policy makers and sector ministries. For the energy and electricity sectors this includes such matters as articulating the vision regarding the role of renewable energy, coal, oil/oil pricing, natural gas, future developments in other energy supply sources such as the potential to deploy nuclear technology to reduce the cost of electricity to Jamaican consumers and other emerging developments. Notably the OUR has responsibility under the All Island Electric Licence 2001 to prepare least cost expansion and generation plans for Jamaica. These are the backbone of the future development strategy for the power sector, hence it avails itself of available conferences or courses that are relevant to its remit.

7. The OUR is also mandated to prepare the regulatory framework for the introduction of natural gas into Jamaica's energy supply mix. Similarly, for both the information and communication and water sectors there is a need to ensure that policy in Jamaica is informed by the latest thinking around the globe both with respect to emerging technology and best and next practices. The issues of infrastructure cost and convergence of utilities that can help share the infrastructure are of critical interest to the OUR. Within this context, the OUR must keep its finger on the pulse of all emerging technologies and convergence issues such as the use of copper lines (power lines) for broadband and assess the potential to deploy such technologies in Jamaica.

8. The OUR has compiled the enclosed tables regarding the foreign travel associated with the responsibility of the DG and other senior officials that accompanied him during some of these overseas visits. Annexes showing information for the period 2009 (February – December), 2010 (January – December) and 2011 (January – August) are as follows:
 - **Annex A:** Representation at ITU (UNSA), CTO, CTU, NARUC and OOCUR.
 - **Annex B:** Training Workshops on Regulation, Rate Making, Regulatory Accounting, and Utility Bench Marking/Best Practices.
 - **Annex C:** Participations at International Fora and Conferences on Regulation, Utilities and Technology Advancement.
 - **Annex D:** Attendance at Overseas Operational Meetings.

Annex A: Overseas Travel by Director General (DG) - February 2009 - August 2011

Representation at ITU (UNSA), CTO, CTU, NARUC and OOCUR

Purpose	Year	Cost J\$ '000				Total Cost
		Other Mission Members*	Director General			
			Travel	Per Diem	Registration	Total
OUR Represents Jamaica's interests at ITU, CTO, CTU, NARUC and OOCUR	February - December 2009	1,943.8	1,861.0	1,507.3	97.3	5,409.4
	January - December 2010	908.7	2,064.3	1,533.9	63.0	4,569.9
	January - August 2011	323.0	1,739.3	1,459.0	-	3,521.3
<p>*: Officials Accompanying the Director General on some missions:</p> <p>2009: Deputy Director General, Director Consumer & Public Affairs and Manager Electricity Generation. 2010: Deputy Director General and Director Consumer & Public Affairs. 2011: Director Consumer & Public Affairs and Director Utilities Monitoring.</p>						
Source: Office of Utilities Regulation - September 13, 2011						

Jamaica is a Member of these organizations and OUR represents Jamaica by participating in their Working Groups. At some working groups other officials with sector responsibility accompanied the Director General. Their positions are noted below.

Annex B: Overseas Travel by Director General (DG) - February 2009 - August 2011

Training Workshops on Regulation, Rate Making, Regulatory Accounting and Utility Bench Marking/Best Practices

Purpose	Year	Cost J\$ '000					Comments
		Other Mission Members*	Director General			Total	
			Travel	Per Diem	Registration		
The OUR Office Members, officials and staff members attend training courses at PURC/World Bank Training Facility, Public Administration International (PAi) Training Workshops, Florence School of Regulation (FSR) and other courses sponsored by CTO, ITU, OOCUR or NARUC.	February - December 2009	2,505.4	280.8	288.0	754.1	3,828.3	The OUR is a knowledge based agency with specialized skills. Upon joining the organization, the Office Members as well as all staff members must acquire specialized skills and be fully trained in regulatory tools/and economics of regulation. Thereafter, as needed, they continue to attend refresher courses as well as acquire new tools to keep up to date with emerging technologies and global best practices. Other officials from the OUR also participated in some of these training activities and their positions are noted below.
	January - December 2010	-	423.8	687.6	397.1	1,508.5	
	January - August 2011	-	294.2	275.1	64.5	633.8	

--	--	--	--	--	--	--	--

***: Officials Accompanying the Director General on some training courses:**
2009: Director Consumer & Public Affairs and five Regulatory Analysts.

Source: Office of Utilities Regulation - September 13, 2011

Annex C: Overseas Travel by Director General (DG) - February 2009 - August 2011

Participations at International Fora and Conferences on Regulation, Utilities and Technology Advancement

Purpose	Year	Cost J\$ '000				Comments
		Travel	Per Diem	Registration	Total	
World Forum on Energy Regulation (WFER) and the International Confederation of Energy Regulators (ICER); Clean coal as diversification fuel and technologies; and potential for deploying Small Modular Nuclear Reactor Systems for small island economies.	February - December 2009	361.3	365.3	105.5	832.1	The OUR provides policy advice to the government regarding the long term strategies and closely monitors development of new technologies and their potential applications to Jamaica. These include, natural gas, coal gasification, petroleum supply/procurement and pricing options and the potential for deploying nuclear technology in the longer term. These international conferences provide state of the art information on the issues that are of interest to Jamaica.
	January - December 2010	106.0	202.3	-	308.3	
	January - August 2011	278.3	158.7	-	437.0	
Source: Office of Utilities Regulation - September 13, 2011						

Annex D: Attendance at Overseas Operational Meetings

Purpose	Year	Cost J\$ '000				Comments
		Travel	Per Diem	Registration	Total	
World Bank and Inter American Development Bank. LNG Road Show to determine the potential interest of sellers to supply LNG to the Jamaican Market.	February - December 2009	-	-	-	-	Discussions with senior managers at WB/IDB regarding their support for OUR's on-going ICT Project and proposed energy program and bid for new generation capacity. Joining the GOJ Team to assess the LNG supply potential for Jamaica. Travel cost was borne by the Government.
	January - December 2010	56.2	99.7	-	155.9	
	January - August 2011	-	114.4	-	114.4	
Source: Office of Utilities Regulation - September 13, 2011						