
SUBMISSIONS TO THE TELECOMMUNICATIONS COMMISSION OF THE TURKS AND CAICOS ISLANDS ON THEIR PUBLIC CONSULTATION ON IPTV

THE FOLLOWING IS THE POSITION AND RESPONSE OF THE ENTITIES NAMED BELOW (HEREAFTER REFERRED TO AS “THE LOCAL BROADCASTING GROUP”) REGARDING THE ISSUES RAISED BY THE TELECOMMUNICATIONS COMMISSION IN RELATION TO THE REGULATION OF IPTV IN THE TURKS AND CAICOS ISLANDS.

The issues will be addressed as responses to the terms of reference raised by the Commission. Responses are in italics.

Local Broadcasting Group: Andrew’s Communications Ltd, Island T.V. Ltd and Island Cable Network/Claudette Gardiner

5. Objectives for television services and content in the TCI

This consultation considers what are appropriate set of goals for the provision of television services and content in the TCI, and assesses how well the market delivers these goals. It then considers the scope there is for regulation to improve on the status quo.

This objective does not in any way comply with the objectives addressed by the Judicial Review Proceedings brought by the Local Broadcasting group. The terms of reference of the inquiry as agreed by the Consent Order entered into between the Commission and the Local Broadcasting Group. The inquiry as constituted is not addressing these issues.

We propose the following as goals for television services and content in the TCI:

1. Consumers should have access to a broad range of high-quality content

Customers already have access to a broad range of high quality content through the existing Government approved Local Broadcasting Group. There is no real need for any additional content to be introduced. Content is already at international standard with appropriate local input.

2. Content should be available at reasonable prices

The available content should be marketed at a cost that the market can bear and provide the consumers with value for money.

3. Consumers should have a good choice of providers and delivery Platforms

The Local Broadcasting Group disagrees with this as a relevant term of reference as framed. This objective is not a part of the TCIG policy and it is not necessary in order to provide good service to Consumers.

4. Local programming should be widely available

Local programming is already being provided.

5. Consumers should be protected from harmful or offensive content

There are already policies in place to ensure this objective is met and the objective as far as the Local Broadcasting Group, providers of Subscription TV service is concerned, is being met.

6. There should be a level playing field between television network operators and content providers.

Before such a provision can be made, the issues raised in proposed goal (3) (above) must be addressed.

6. Options for regulation television in the TCI

We have identified four possible broad approaches to the licensing of television in TCI, with the aim of helping deliver the objectives we have proposed. There are three entities to consider in our proposals:

- **Public telecommunications networks:** these are networks which carry public television services.
- **Television services:** these are television services provided to the public. Television service providers negotiate rights to carry channels, package them and provide them either free-to-air, or through a subscription. In general, television service providers distribute channels over their own public telecommunications network (in which case the public telecommunications network is also a television

services provider). However, this isn't always the case: a television service provider can make an agreement with a third-party public telecoms network to carry its services. This is how Vodafone offers TV services in the UK for example.

- **Television channels:** these can be foreign channels such as CNN, or TCI based channels such as TCI Channel 4 News or PTV8. These channels are distributed by public television service providers. Sometimes a public television service provider will have its own television channels. We call television channels which provide a minimum level of local news or current affairs output "public service channels".

Response: The Turks and Caicos Islands is a micro- market and cannot sustain multiple providers within certain industries, TV Broadcasting is one industry that cannot sustain multiple large providers especially if those providers have an economic advantage, i.e. the resources and ability to dominate the market. This was the basis of the existing government policies. The economic cost of infrastructure/maintenance/upgrades across the Islands makes it prohibitive for all but the largest entities to remain viable. It is standard Government policy globally to maintain a nominal amount of provider(s), and to ensure that all providers are locally owned and operated or there is majority involvement of local players. This has always been the TCI Government's Policy ie, Reserved Category/Belonger owned and or controlled for more than 25 years.

Option 1 is a do-nothing option. There are then three variants to Option 2, each of which involves licensing public telecoms networks which carry television services, and also the television services themselves. In addition, Option 2C involves licensing TCI-based channels. The following table summarises the obligations on public telecoms networks, television services, and television channels under each of the option 2 variants.

7. Consultation questions

We invite stakeholders to answer the following questions.

Consultation questions for PART 1

- ***Do you agree with the definition of IPTV [in section 4.5]?***

There are a number of similar definitions even within the ITU, though the presented one (Section 4) is the more commonly used. However: Internet Protocol TV more simply defined is the process of transmitting/broadcasting television programs through the Internet using Internet Protocol. Series of encoded IP packets for streaming broadcast, sending only the requested program to the viewer. A new streaming broadcast is setup and sent to viewer when the channel is changed. In short, this is another form of Subscription TV Service.

- ***Do providers of IPTV services in the TCI need to be licensed for the business activity of television broadcasting under the Business Licensing Ordinance and Regulations?***

Yes. Since it is Subscription TV service, if it is based/setup, and disturbing within the TCI such licensing is required by Law. In addition, it must meet the required Government Policy for the Belonger Only/Reserved Category.

Does the 2006 licence under the Telecommunications Ordinance authorise a holder to provide IPTV services in TCI?

This question is not clearly defined and needs to be. The Commission contends that it does not regulate Television Broadcasting. Yet in a precarious manner it used the Ordinance's definitions of "Telecommunications" and "Broadcasting". Internet Services Provision, Broadcasting Services Provision, all require a License. As such, any person/entity offering public subscription TV service is required to obtain approval from the Minister in Cabinet after meeting all the relevant requirements via the Commission.

Consultation questions for PART 2

• Do you agree with the objectives we have set out for television in TCI? If not, what is an appropriate set of objectives?

While there is merit in formally addressing the Regulations for Television Broadcasting in TCI, there are a number of concerns for Broadcasting in general which need more urgent attention. At present the Telecommunications Commission is required to meet a "Consent Order" by the Courts concerning this matter; it would seem best for the Court matter to be concluded.

• Do you agree with our assessment of how well the market currently delivers against these objectives?

There are other service offerings within the TCI market which the Commission has not addressed. The purpose of subscription TV in TCI under the “Service Offering” in accordance with the Commission’s mandate has not been completely met.

- ***Do you agree with our assessment of the potential for regulation, appropriately and proportionately designed, to play a role in helping to deliver these objectives?***

Governments and their agencies are always ready and can at times be very convincing to introduce, advance and modify regulations whether or not the market/industry is in agreement. Globalization through the Internet is fast paced and amorphous; the Commission’s attempt to regulate this dynamic industry through this publicized inquiry lessens the potential and distorts the role that the Commission was created and expected to play.

- ***Do you agree with our two priority areas for regulation: promoting the wide availability of local television content, and seeking to protect consumers from harmful and offensive content?***

The TCI Government approved Local Broadcasting Group already operate in this manner.

- ***Which of the options suggested for regulating television in TCI is most appropriate and why?***

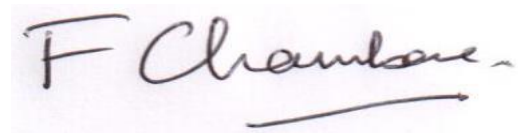
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to meet a "Consent Order" by the Courts concerning this matter; it would seem best for the Court matter to be concluded.

• Are there any other options that should be considered?

It is premature to address this issue when the issues raised in legal proceedings by the Local Broadcasting Group remains unaddressed.

Dated the 21st day of November 2017

A handwritten signature in black ink that reads "F Chambers". The signature is written in a cursive style with a long horizontal stroke underneath the name.

FOR THE LOCAL BROADCASTING GROUP