

# Regulating in a Changing Technological Environment

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# Agenda

- Apology and Caveat
- The “traditional” regulatory model
- International variations
- The Cayman model
- Questions and discussion

# Reservations

- Cayman's pre-liberalisation organization made the transition easier.
- Cayman is small – there might be practical difficulties in a larger jurisdiction.

# “Traditional”



Telephony



Sound & TV  
Broadcasting



Law



Regulator



Ship



Aircraft

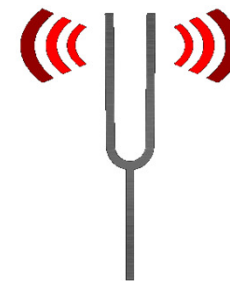


Land



Amateur

Radio



Spectrum  
Management

# Canada



Telephony



Sound & TV  
Broadcasting



Law



Regulator



Ship



Aircraft

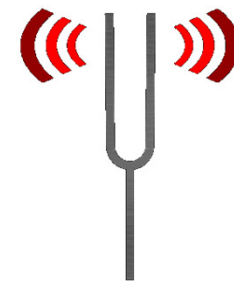


Land



Amateur

Radio



Spectrum  
Management

# UK



Telephony



Sound & TV  
Broadcasting



Law



Regulator



Ship



Aircraft

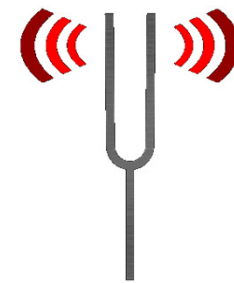


Land



Amateur

Radio



Spectrum  
Management

# Cayman Islands



Telephony



Sound & TV  
Broadcasting



Internet Domain



Ship



Aircraft

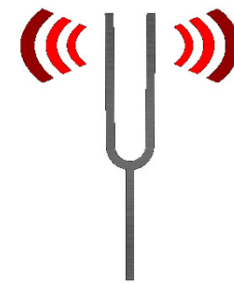


Land



Amateur

Radio



Spectrum  
Management

# History prior to Liberalisation (2002)

- Single Ministry responsible for licensing single telecom provider, FM and TV broadcasters.
- Each licence negotiated separately and so had different terms and conditions.
- Joint public/private sector committee charged with updating Telephone, Broadcasting and Radio Laws.
- Decided on single law that initially enabled liberalisation but later modified to mandate competition.
- All existing licensees required to re-apply for ICT Licence.
- Government agreed that Royalty Fees could be harmonised (at 6% of Gross Turnover).

# Benefits

- Consistent legal framework.
- Consistent economic principles.
- Consistent regulatory decisions.
- Simpler licensing processes.
- Encourages innovation and the adoption of new technology by industry.
- Allows more rapid response by the regulator to advances in technology.
- A single regulator is more efficient and cost-effective.

# The Authority

- An independent statutory body that reports to the Legislative Assembly through the Minister.
- Board of Directors appointed by Cabinet.
- Licences are issued and revoked by the Authority, not government.
- Funded by licensees via a Regulatory Fee.
- Staff are employed by the Board, and are public servants rather than civil servants.

# The ICT Authority Law

Mentions **Broadcasting** and **Radio** only once, and does not mention **Telephony** at all.

# Definitions

- “telecommunications” means any form of transmission, emission or reception of signs, text, images and sounds or other intelligence of any nature by wire, radio, optical or other electromagnetic means;
- “ICT service” means any information technology service, telecommunications service, electronic media and broadcast service, Internet service, digital library and commercial information service, network-based information service and related specialised professional service provided by electronic means and any other similar service;
- “ICT network” means any network used in connection with the provision of an ICT service;



# Section 23(2) of the Law

The Authority is given considerable flexibility by Section 23(2) of the ICTA Law which states:

*...the Authority, by notice published in the Gazette, shall specify the ICT services and ICT networks that are required to be licensed.*

# ICT Networks

Type	Description	Comments or explanatory notes
A	Fixed wireline	A wireline network providing access to ICT Service(s) to residential and/or business Subscribers.
B	Fixed wireless	A wireless network (other than Mobile) providing access to ICT Service(s) to residential and/or business Subscribers.
C	Mobile (cellular)	Mobile networks normally operating in the 800, 900, 1800 ,1900 or 1800 to 2200 MHz frequency bands.
D1	Fibre optic cable - Domestic	Whether "lit" or "unlit".
D2	Fibre optic cable - International	Whether "lit" or "unlit".
E1	Satellite (incl VSAT) - Domestic	
E2	Satellite (incl VSAT) - International	
F	Broadcast network	As used for "over-the-air" radio and TV broadcasters

# ICT Services (1)

Type	Description	Comments or explanatory notes
1	Fixed Telephony	Whether utilising fixed wireline or fixed wireless networks.
2	Fall-back International Voice and Data Communications	Must hold, or apply simultaneously for, a Type E2 (International Satellite) Network Licence
3	Mobile Telephony	
4	Resale of Telephony	
5	Internet Telephony	Voice over the Public Internet
6	Public Service Television Broadcasting	Refer to paragraph 7b of this Notice.
7	Subscription Television Broadcasting	
8	Sound Broadcasting	Refer to paragraph 7d of this Notice.

# ICT Services (2)

Type	Description	Comments or explanatory notes
9	Internet Service Provider	
10	Information Security Services	
11	The provision, by lease or otherwise, of ICT infrastructure other than dark fibre to a Licensee.	
11a	The provision, by lease or otherwise, of dark fibre to a Licensee.	
12	Retail sale of ICT equipment	
13	The publication of directories derived from ICT subscriber records	
14	Application Service Provider	
15	Video on Demand	Whether viewable real-time or near real-time.

# Part I - The Licence

- Definitions and Interpretation
- Scope of the licence
- Licence Fee
- Provision of information
- Compliance
- Exceptions to and limitations on the licensee's obligations
- Duration and renewal

# Part II – Service Obligations

- Universal Service
- Development of licensed ICT networks and licensed ICT services
- Licensee's obligations to users
- Anti-competitive practices: Agreements
- Anti-competitive practices: Conduct
- Content
- Infrastructure
- Regulatory treatment

# Part III – General Provisions

- Assignment
- Licence Commencement Date
- Amendments
- Compliance with laws

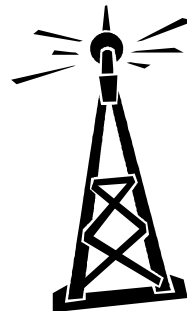
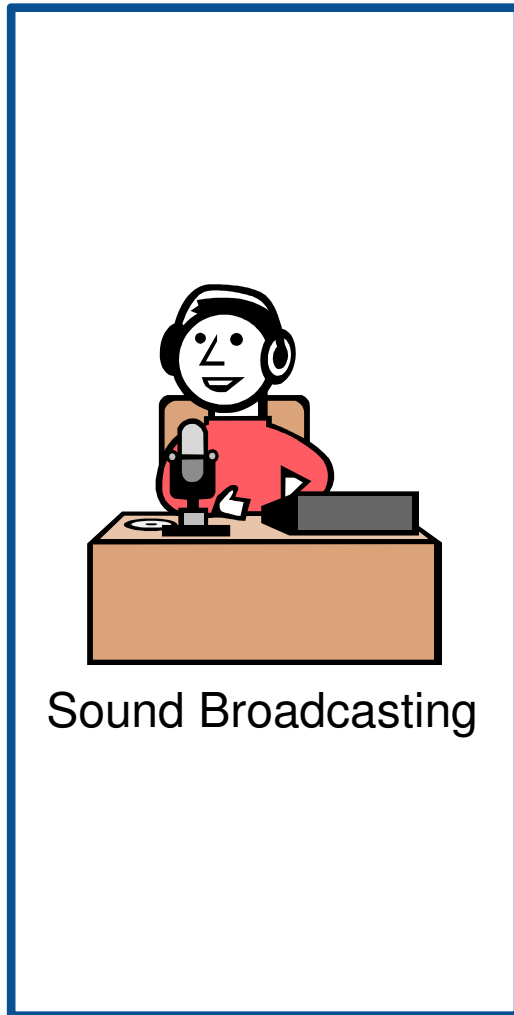
# Annexes

- 1 Licensed ICT Networks and ICT Services
  - 1a Roll-out schedule
  - 1b Caymanian Participation
- 2 Licence Fees
- 3 Universal Service
- 4 Authorised Frequencies
- 5 Customer Feedback Procedures
- 6 Content

**ICT Service**

**ICT Network**

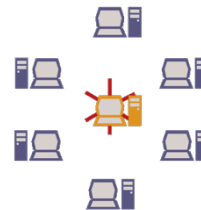
**Network  
Licence?**



Own  
transmitter



Music  
channel on  
cable TV



Stream  
over  
Internet



### ICT Network



### ICT Service



Subscription TV



Internet Service Provider

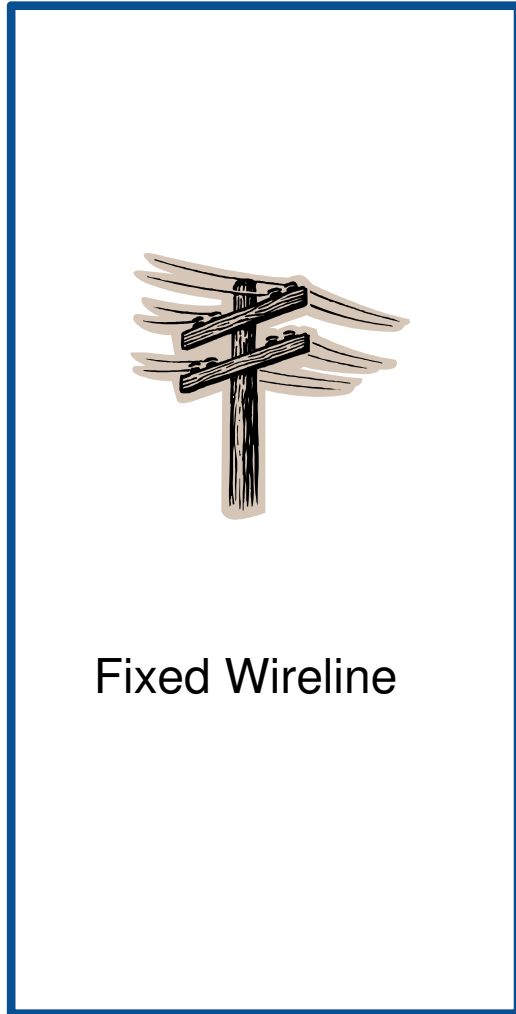


Fixed Telephony

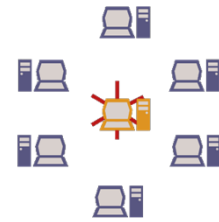
### Service Licence?



### ICT Network



### ICT Service



Internet Service Provider



Fixed Telephony



Subscription TV

### Service Licence?



# Summary

- Consistent legal and economic framework.
- Consistent approach to competition issues.
- Only licence annexes vary from company to company.
- Flexibility to quickly licence and regulate new technology.

All legislation, regulations, notices, licences, etc. are available on line at [www.icta.ky](http://www.icta.ky)



# Parting Question

- How are YOU going to regulate IPTV?
- Is it :
  - TV Broadcasting
  - Mobile Telephony
  - Data, or
  - Internet?
- For us, it is a relatively simple licence amendment and the “rules” are already in place.

# THANK YOU

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