



**Digicel's Comments: Call for Inputs on The Future of
Local Television Broadcasting (Ref: CD 2014-1)**

7th May 2014



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We thank you for inviting Digicel to provide its reply comments. We are available for any questions you may have.

Chris Hayman
CEO
Digicel Cayman



Response

1. Should each Television Service Licencee be obligated to provide a Local Television service?

In order to answer this question we need to look at the wider market and services that now compete head on with broadcast services and in particular streamed video content over the internet. The most obvious examples here are NetFlix and YouTube but there are no doubt many others. Full length films and other programmes can now be streamed on demand for a very modest fee in the case of NetFlix and free (other than the transport cost ie the internet connection) in the case of YouTube for example.

In this environment there is no place for compulsory obligations to provide local television services. Any person in the Cayman Islands can set up their own television service in effect by establishing a YouTube channel and, thanks to the extent of internet penetration, reach the vast majority of persons in the Cayman Islands on an on demand basis. If there is any chance of establishing viable way of delivering local content we think that the wider population is better able to provide that via the internet rather than the traditional broadcasting medium.

Indeed this is what the Cayman Islands Government Information Services Authority is already doing:

<https://www.youtube.com/user/CIGovtInfoServices>

Therefore we already have local tv funded by the Cayman Islands Government and delivered via YouTube. We think that any further content should be delivered via the same medium (the internet) and should continue to be funded by the Government as now. A proportion of the existing licence fees could be used to add to that content if so desired.

If any local content provisions were enforced on broadcasting licencees in the Cayman Islands on the other hand we think that they will be forced to subsidise that content. As a result they would be placed at a competitive disadvantage with providers such as NetFlix which have no such costs imposed on them. That will simply weaken local broadcasters at the expense of the people and the economy of the Cayman Islands.

2. How should Local Content be defined?

It would involve cultural, social, educational, and Government content about the Cayman Islands.



3a. Should there be a quality standard as to the Local Content produced?

No, poor quality content would not be watched, therefore content will manage itself

3b. In relation to 3. a., if there should, what should that quality standard be?

While we do not believe this is necessary a standard could be based on the codes imposed by Ofcom in the UK: <http://stakeholders.ofcom.org.uk/broadcasting/broadcast-codes/broadcast-code/>

3c. Who is best placed to assess whether Local Content meets the quality standard?

As indicated we do not believe that there is justification to require a broadcaster to produce local content. It is not practical to impose a quality standard as local content is being, and will continue to be delivered over the Internet. There is no practical means of maintaining control over that content. However if any controls are applied we believe that the ICTA should be responsible.

4a. How many hours of Local Content per day should each Licensee provide?

As explained above there should be no local content obligation since this would be counter-productive and undermine local investment. Internet providers of content equal to or better than broadcast content cannot be managed or required to provide local content.

4b. When should the Local Content be shown?

We disagree with the imposition of any licence requirement for local content. Further, we have now moved to an era of on demand content. It is becoming an anachronism to force people to have their television watching times dictated by the time of the company or organization providing the content. There is no need to require such a thing as all content can be made available on the Internet (which is on demand by its nature) or via broadcast on demand services.

4c. How much of that Local Content should be original?

We disagree with the imposition of any licence requirement for local content. Further, in the modern world with unlimited possible content broadcast provision services via the internet it would not be practical to monitor the imposition of such constraints. It would also mean that broadcast licensees would be unable to compete with all the internet providers with no such requirement.

5. How should the production and provision of Local Television be funded?



The Government already has a local television service in effect via YouTube and this is funded by Government. This should continue to be the case. Any other funding should come from existing Licence Fees.

6. Should Licensees be obligated to commission a certain percentage of their Local Content from local producers?

No, artificially created markets through legislation or protectionism are inherently inefficient. There should be no requirement for this.

7. How should Local Television be provided to customers?

The technology should be a matter for the provider. The Government has chosen the Internet.