

# CITNPRODUCTIONS

G R A N D C A Y M A N

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**Information and Communications Technology Authority**

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CAYMAN ISLANDS

via email to [consultations@icta.ky](mailto:consultations@icta.ky)

RE: Response to Call for Inputs on The Future of Local Television Broadcasting (Ref: CD 2014-1)

To Whom It May Concern

Below please find the response of CITN Productions to the ICTA public consultation. We are thankful for the opportunity to provide our unique perspective as the creators of Cayman 27 and a wealth of other local content that has enriched the lives of the people of this country. Please feel free to contact us for additional information at any time.

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

Yes. If private companies are given the right to generate income from public resources such as the broadcast spectrum or roads where fibre is laid, a portion of that income should be devoted to ensuring a free, over the air local station for those who can not afford to partake in subscription services. Access to information and entertainment should not belong only to those who can afford to pay for it.

It is a proper price to pay for use of public resources, it benefits "the needs of those living here," and is good for democracy in the Cayman Islands.

## **2. How should Local Content be defined?**

Local Content should

- (i) serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of the Cayman Islands
  
- (ii) encourage the development of Caymanian expression by providing a wide range of programming that reflects the attitudes, opinions, ideas, values and artistic creativity, by displaying Caymanian talent in entertainment programming and by offering information and analysis concerning the Cayman Islands and other countries from a Caymanian point of view,
  
- (iii) through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations, of Caymanian men, women and children as well as the other residents of this country.

### **3. a. Should there be a quality standard as to the Local Content produced? b. In relation to 3. a., if there should, what should that quality standard be?**

Yes, there should be a quality standard. Technically, the content should be HD, digital and meet traditional broadcast television standards. It would be preferable to base this on U.S. standards due to its proximity and Cayman's existing infrastructure.

With regard to the content itself, we believe the answer to Questions #2 in conjunction with the technical quality standards outlined above create the essential framework that will result in quality content. CITN would be happy to participate in additional discussions on this but we believe that following the standards set out by traditional broadcast television will achieve this.

News/journalism for example should be fair, balanced and accurate with the content striving to provide a platform to highlight local talent, allow expressions to be seen, and give a voice to the silent majority allowing important causes and charities airtime they would not be able to receive without the medium of quality local television.

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

A committee comprised of ICTA, industry and community leaders would be a helpful first step. This should not result in compensation of any kind. An annual survey of viewers would be an important tool to assist in area.

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

At a minimum, 10% of the programming on the public television service should be local - originating in the Cayman Islands.

**b. When should the Local Content be shown?**

Year round, whenever is appropriate for that content.

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

A single program on a 24 hour loop that does not vary significantly from day to day should **not** meet the requirement. While there is some repetition in news programming, what Cayman 27 provides is standard for the industry and is the minimum for what should be occurring to meet the local public services television requirements.

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

Licensees are (and should be) required to have a public service television license in order to receive a license to sell subscription television. These licensees should be required to set aside a percentage of revenue or a per subscriber fee to pay for the production and provision of local television. This should be seen as a cost of doing business. Additional revenue needed to offset the costs can be generated from advertising and sponsorships.

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

Only if if the licensee is not currently providing the local content itself. Weststar, Logic, Lime and C3 can choose to create their own content by hiring staff and operating their own stations rather than purchase content from CITN or one of the other local producers. If not, then the local content should come from local people, who live and work here. This is best for the Cayman Islands. Bringing in overseas crews who don't live in the Cayman Island, will take their money back home with them. It is better for the country that we use people who live and work here whenever possible.

## **7. How should Local Television be provided to customers?**

Free, over the air and on their respective paid cable/fibre tv systems.

## **8. Do you have any other inputs on this topic?**

### **Local Television Service Requirement on Use of Public Resources**

As mentioned above, licensees only have the opportunity to make money because they are using public resources: the limited broadcast spectrum (as a way to move their signals in an orderly fashion around the Cayman Islands), and public lands (as a way to lay cable and erect towers) that also are not limitless. The first dollar a Licensee makes come from requiring people to pay for a subscription that would not be available for sale were it not for public resources.

It is not unreasonable for the people's government to insist that a portion of that gross revenue and a portion of a Licensee's channel space be used to serve the people whose funds make those Licences possible. Again, the needs of the people must be served before the players in a particular market enterprise.

Government does not (or, at least, should not) provide services to the public based primarily on "current market conditions." It should always place "the needs of those living here" as the higher priority.

The dissemination of important public information is not something the public can take or leave based on market conditions. It is a vital service that should be protected from the vagaries of the market. It is a base upon which a Licensee can build other communication and information technology services that create revenue streams and potential profits.

"Current market conditions" are an appropriate factor when weighing shorter term requirements. For example, a requirement to convert from analog to digital transmission might be delayed if an economic downturn would make such an investment detrimental to the financial health of Licensees. There is less urgency in the type of signal Caymanians receive on their televisions.

But the delivery of Local Television Service in return for a potentially profitable Licence is essential to "the needs of those living here." It is those who live here whose resources are being used by commercial Licensees in the first place.

From a government standpoint, local television service should not be about profitability. It is and should be a service funded **in part by advertising and by the companies** required to provide it. That is not to say that it can not be a stand alone profit center, but a 100% advertising based model is not feasible in the current market.

### **Local Television Service Benefits the Free Market and a Free Government**

Requiring a degree of public service is about more than making sure Licensees aren't getting something for nothing. Local Television Service is good for private sector markets, and it is good for the marketplace of ideas.

Local Television Service creates revenue opportunities where Licensees can compete for viewers and advertising revenue. The lack of financial windfalls from the current limited Local Television Service (with its lack of competition) does not mean such a marketplace won't be successful in the future, especially if Licensees use competition as a means to increase quality and the long term benefit of more advertising revenue as viewers reward quality programming. The population will eventually grow and make profitability more feasible. Other businesses in Cayman will benefit as their use of television advertising reaches new subscribers and attracts new customers.

Further, the creation of a robust marketplace for local news guarantees that not all public news, opinions or political information will come from the government itself. By licensing non-government entities with a requirement to provide some form of Local Television Service, the government is exercising the most free-market friendly option, rather than insisting that only government broadcasters can provide information and convey opinions over public airwaves. Licensees whose journalists ask hard questions, objectively edit images and measure public response to government's actions place themselves in a position that is beneficial both to their commercial interests and the wants and needs of their neighbors throughout Cayman.

A consortium fund established by all the providers in the market is worth exploring as long as the costs are fairly shared between the parties. Weststar should not be punished for having invested in the significant sums required to set up a high quality broadcast operation.

## **Summary**

Put simply, because some Licensees have provided low quality programming and because WestStar has made it known that its high quality local programming has not turned a profit, there is an assumption that nothing will change. Nothing will, if expectations and requirements continue at this low threshold. Caymanians deserve better. They deserve higher quality local programming options, they deserve choices, they deserve local news that is not solely delivered by government broadcasters.

Caymanians pay for television service. Their money should be used, in part, for local television service and local news.

Sincerely,

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