

Spectrum Management Master Plan for Jamaica (Policies, Practices and Requirements)

ITU-BDT



1. ICT Regulation and Spectrum Management Institutional Structure
2. ICT and SM Legislation
3. Spectrum Pricing and Financial Aspects
4. Strategy and Operational Aspects





With a population of 2.8 million of which approximately 53.9% live in the urban areas the country demonstrates one of the higher GDPs in the region.

In recent years ICT has demonstrated sustainable growth:

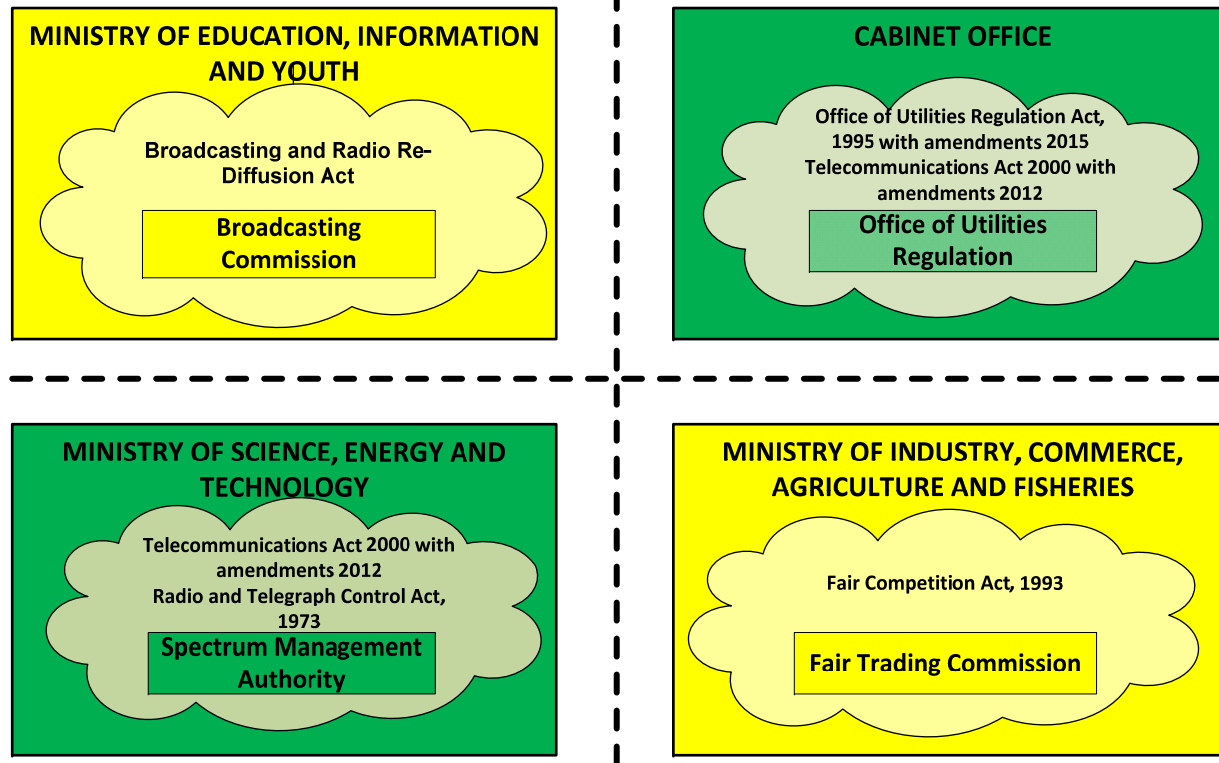
- ICT is the thriving sector with notable M&A cases - Columbus Communications was acquired by Cable & Wireless in mobile, Digicel Jamaica acquired Telstar in broadband and cable TV.
- Cable & Wireless embarked on \$150 million investment program. In 2015 it secured spectrum in the AWS band 1710 – 2200 MHz.
- East-West cable between Jamaica, the BVI and the Dominican Republic has significantly augmented capacity for data and telephony services.
- Cable & Wireless and Digicel in 2014 renewed their licences for spectrum in 800, 900, 1800 and 1900 MHz bands for another 15 years. Both companies acquired additional blocks of spectrum in 700 MHz and 1700/2100 MHz frequency bands.



1. ICT Regulation and Spectrum Management Institutional Structure



Telecom regulation is distributed currently between the Ministry of Science, Energy & Technology and the Office of the Prime Minister, while the Ministry of Education, Information and Youth regulates electronic media and the Ministry of Industry, Commerce, Agriculture and Fisheries is in charge of fair competition issues.



The distribution of responsibilities between several different entities significantly burdens the regulatory process in the country in general and spectrum management in particular.



Institutional Drawbacks and Actions Recommended

Complicated Institutional Structure

Spectrum management related functions and operations are proliferated among several authorities.

Drawbacks and Risks

Demarcation of functional responsibilities of different authorities is not evident. Overlapping and gaps in the terms of responsibilities of different regulators.

Actions Recommended

The standalone ICT regulator should be established as the matter of urgency. It should encompass full set of responsibilities of the SMA, telecom responsibilities of the OUR and technical regulation of broadcasting transmissions of the BCJ.

Technology Specific Regulation

Different Radio Services are subjects to technology specific regulation by separate independent authorities.

Drawbacks and Risks

Lack of regulatory unification for different classes of spectrum users (e.g. broadcasting is not the subject of the SMA's spectrum licencing and spectrum pricing). Contrary to service/technology convergence the existing regulatory regime remains technology/service specific.

Actions Recommended

The standalone ICT authority should apply innovative regulatory practices corresponding to converged environment

Independence of Regulator

The SMA lacks independency in decision-making process, financial aspects, licencing and capacity building.

Drawbacks and Risks

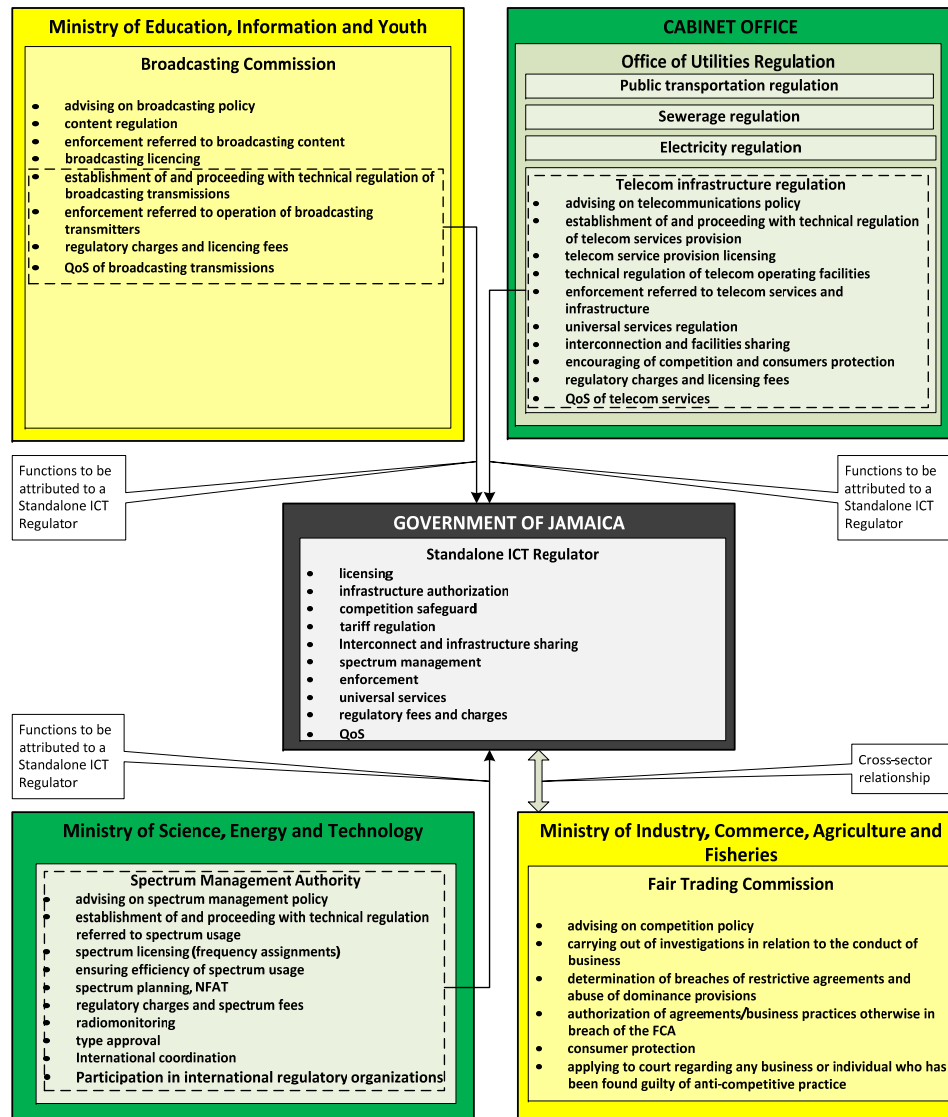
Results in tightness in adoption of subsidiary legislation, formal limitations in spectrum licencing and pricing practices, uncertainties in capital investment programmes etc.

Actions Recommended

The SMA should become the integrated part of the future standalone converged ICT regulator.



Target Institutional Scheme



The key objective is to concentrate the full set of ICT regulatory functions within the single entity taking into account convergence of different technologies and services.

1. Future regulator should be independent including the responsibility for granting of operating and spectrum licenses.

2. The FTC is proposed to remain an independent agency with responsibility for competition regulation, with a strengthening of the mechanisms for consultation with a standalone ICT regulator.

3. Policy development and decision-making is recommended to become the function of a Ministry with ICT portfolio responsibility.

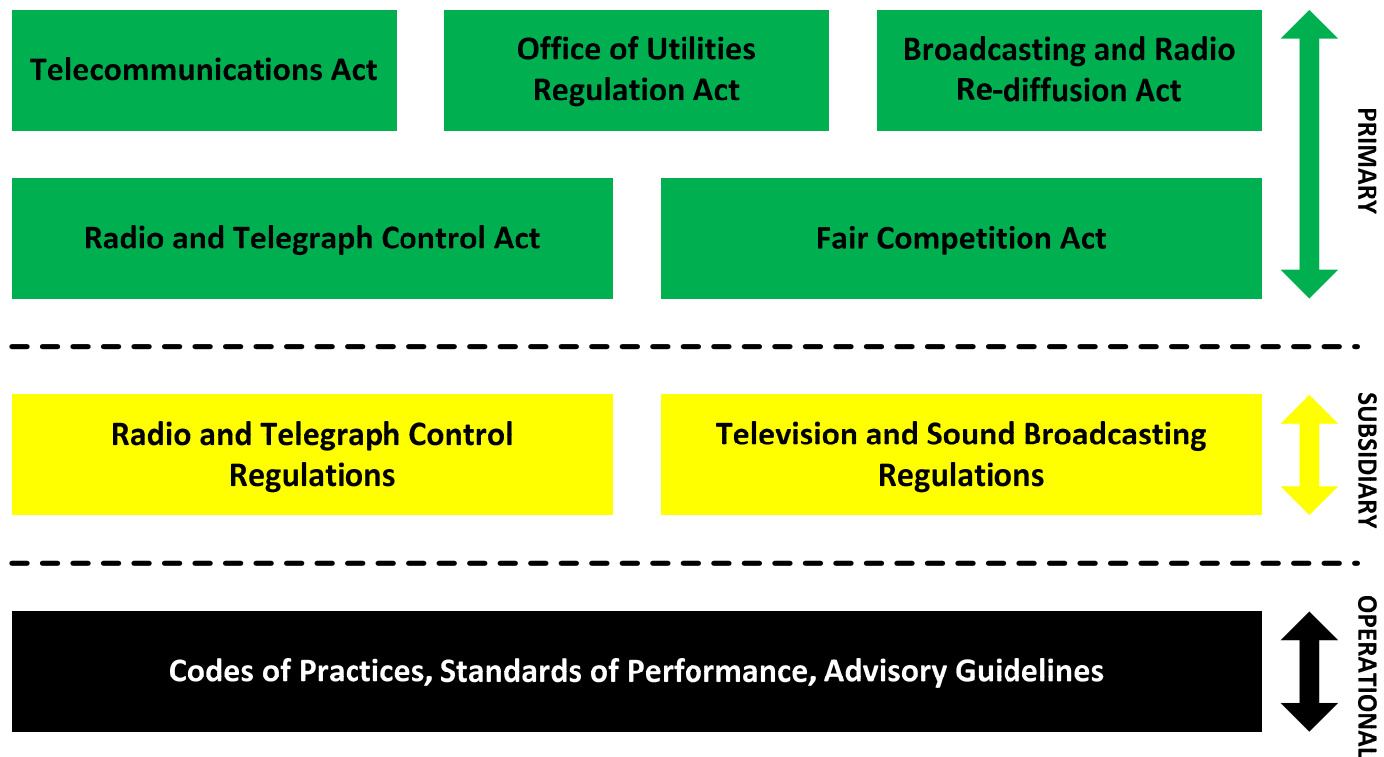


2. ICT and SM Legislation

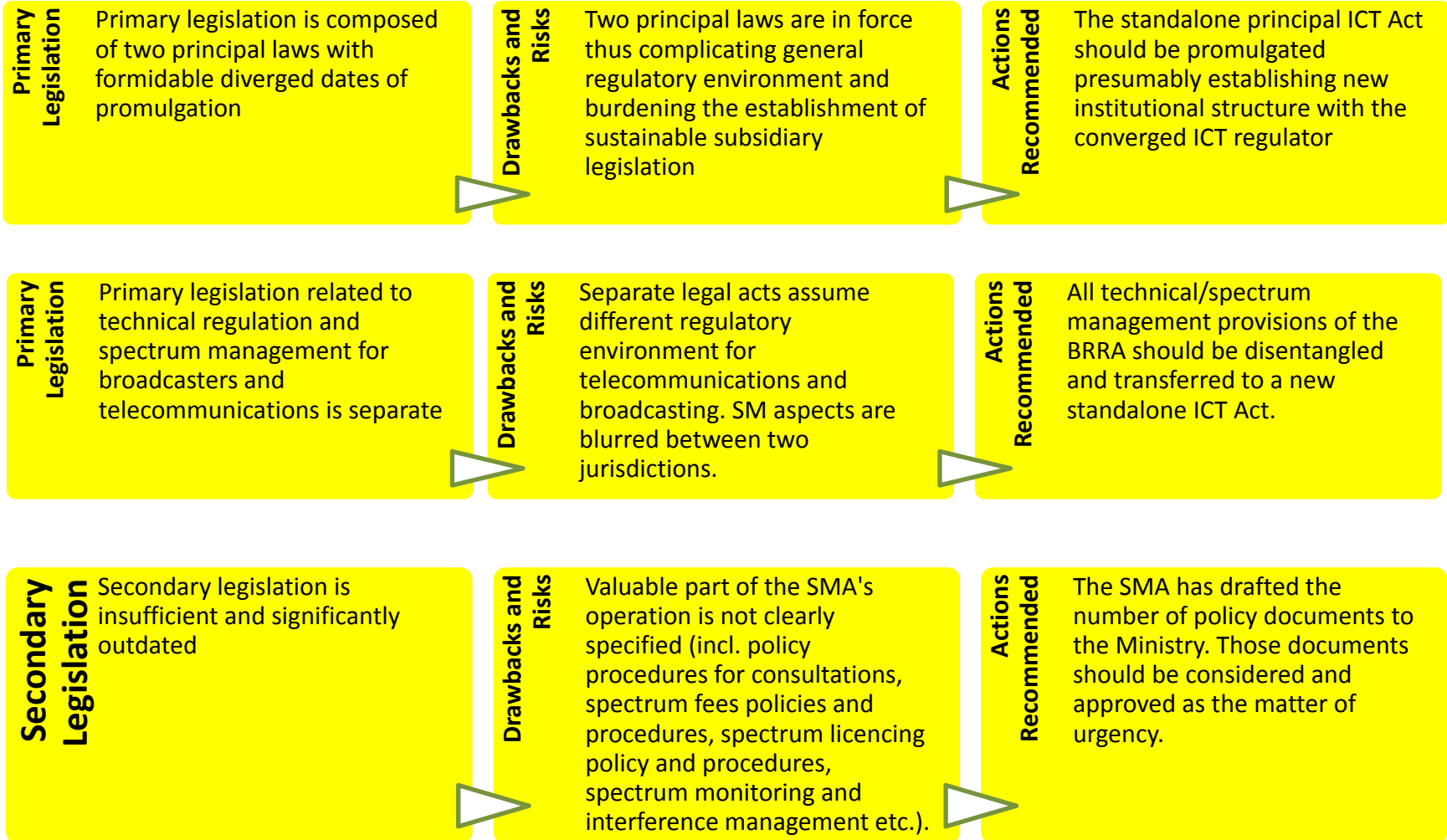


ICT regulation constitutes a significant part of national legal framework of Jamaica. The provisions related to ICT regulation, including SM are determined in legislative instruments belonging to different levels of legal hierarchy.

STRUCTURE



Legislative Drawbacks and Actions Recommended



Legislative Drawbacks and Actions Recommended

Primary Legislation

Primary legislation of Jamaica does not contain separate part or chapter on market regulation

Drawbacks and Risks

The values of spectrum assets (e.g. spectrum caps) are out of the scope of current regulatory practices. There is no clear demarcation between telecommunications and competition regulatory entities.

Actions Recommended

Telecommunications market regulation including spectrum aspects should become the subject of future primary legislation.

Primary Legislation

Primary legislation of Jamaica does not contain provisions on scarce resources (spectrum, numbering).

Drawbacks and Risks

May impede introduction of generalized schemes of authorization as long as demarcation between technical/service neutral regulation and service/technology specific regulation is not clearly defined.

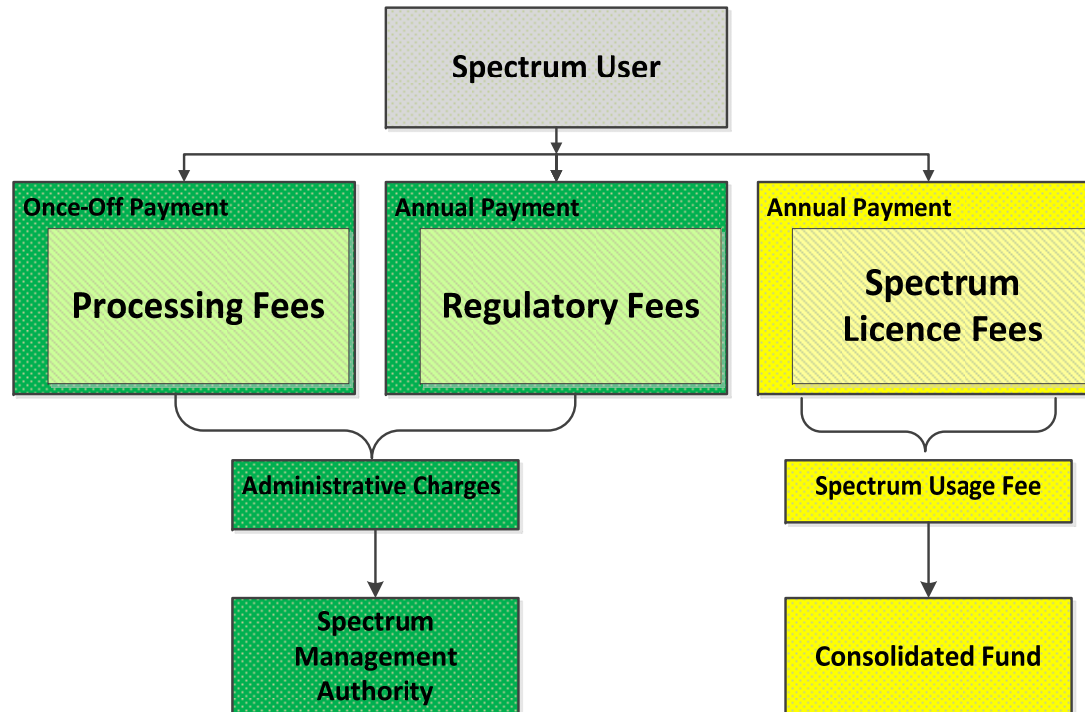
Actions Recommended

The provisions on scarced resources should be included in the primary legislation. In the context of spectrum management it would further promote auctions and other market-based methods of spectrum regulation.



3. Spectrum Pricing and Financial Aspects





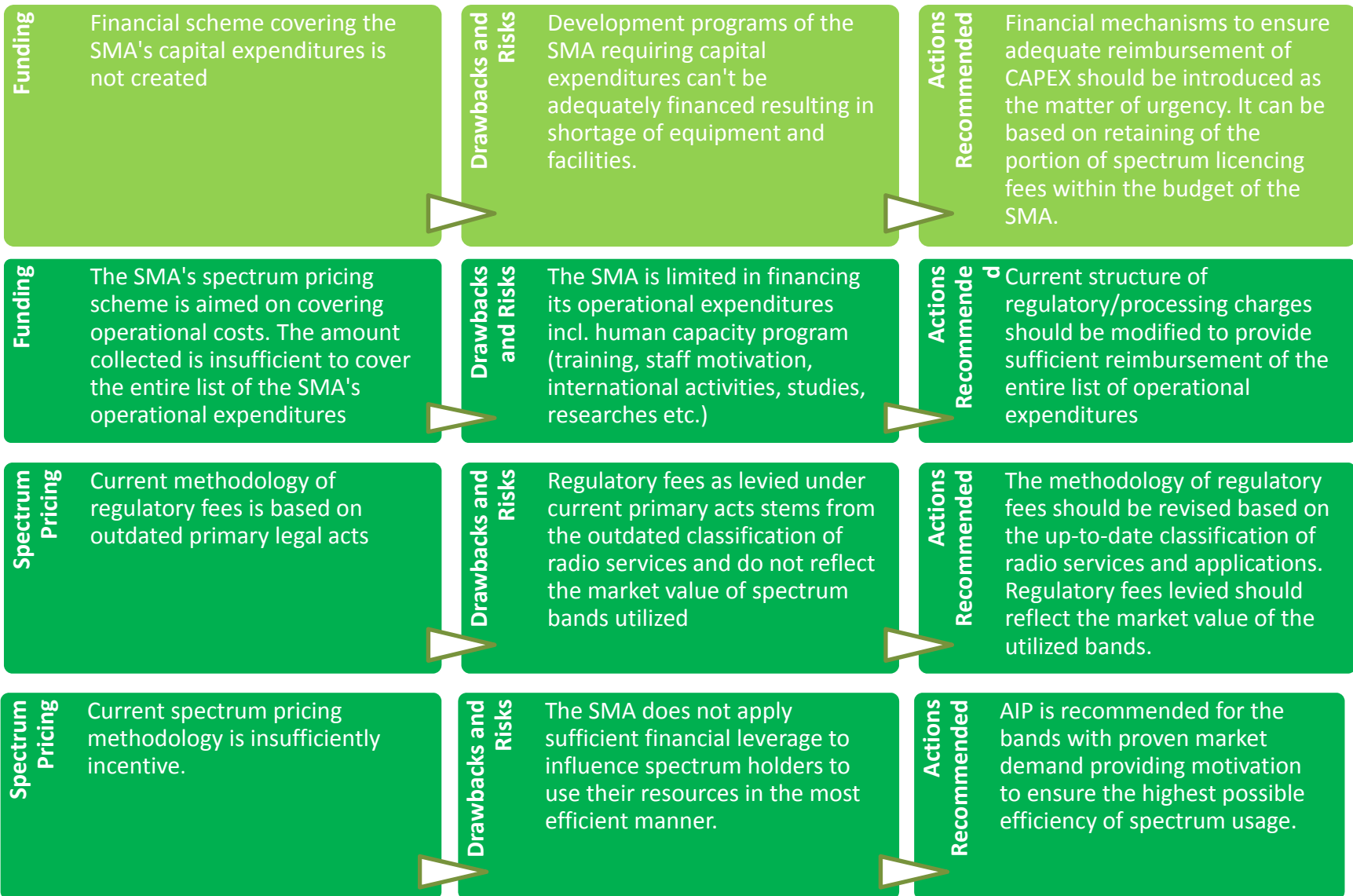
The model applied by the SMA today is mostly based on cost recovery but includes payments related to market value of spectrum bands in the form of spectrum licence fees.

There are three major drawbacks with the current scheme:

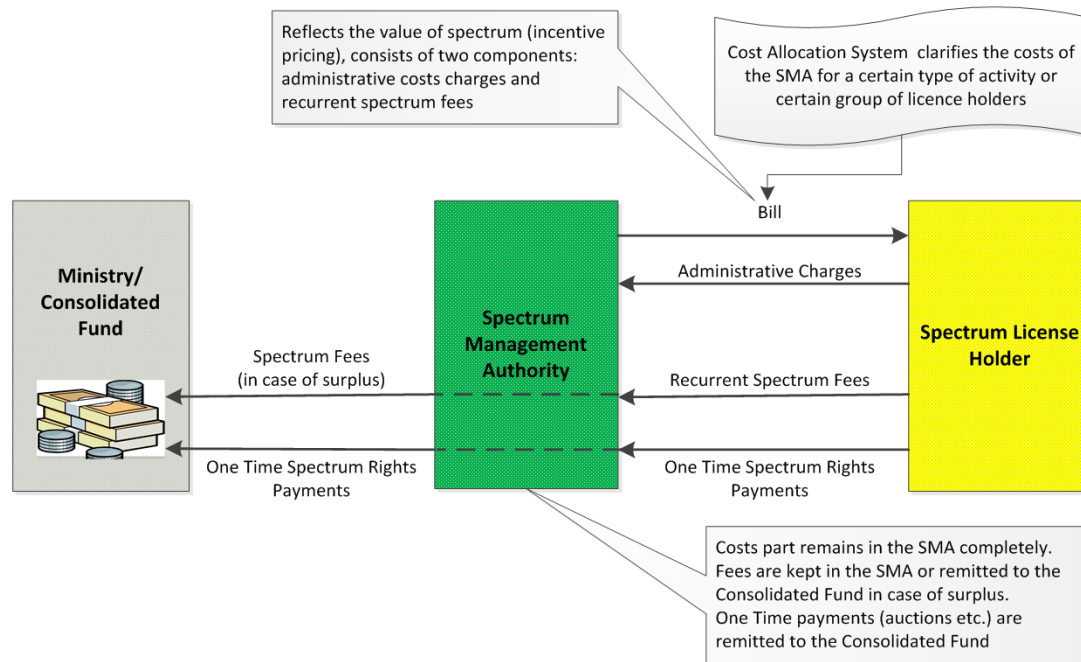
1. Broadcasters are exempt from the regulatory and spectrum licence fees
2. The outdated methodology of cost recovery. Difficulties with financing capital expenditures of the SMA.
3. Spectrum fees are insufficiently incentive.



Financial Drawbacks and Actions Recommended



Recommended Target Financial Scheme



The bill contains administrative charges (ACP) and fees part (AIP) of spectrum payments.

The ACP reflects the costs of administering spectrum allocated/assigned.

The AIP is based on the value of spectrum for users and levied on the annual basis.

Administrative charges and annual spectrum usage fees are proposed to remain with the SMA to cover the Authority's direct and indirect costs.

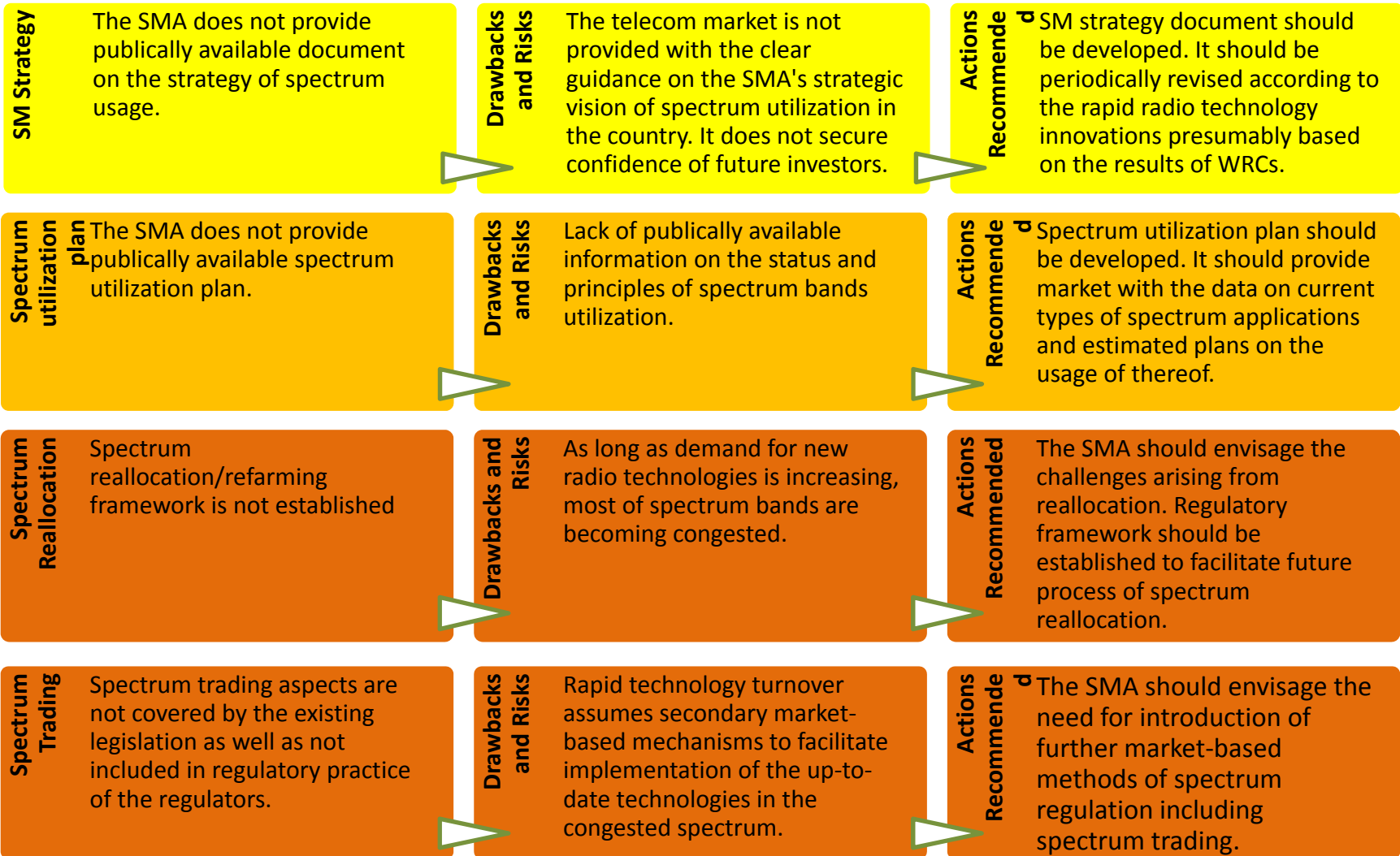
ACP is kept by the SMA completely. Annual spectrum usage fees also remain with the SMA except the surplus that should be remitted to the Consolidated Fund. One time spectrum rights payments are remitted directly to the Consolidated Fund.

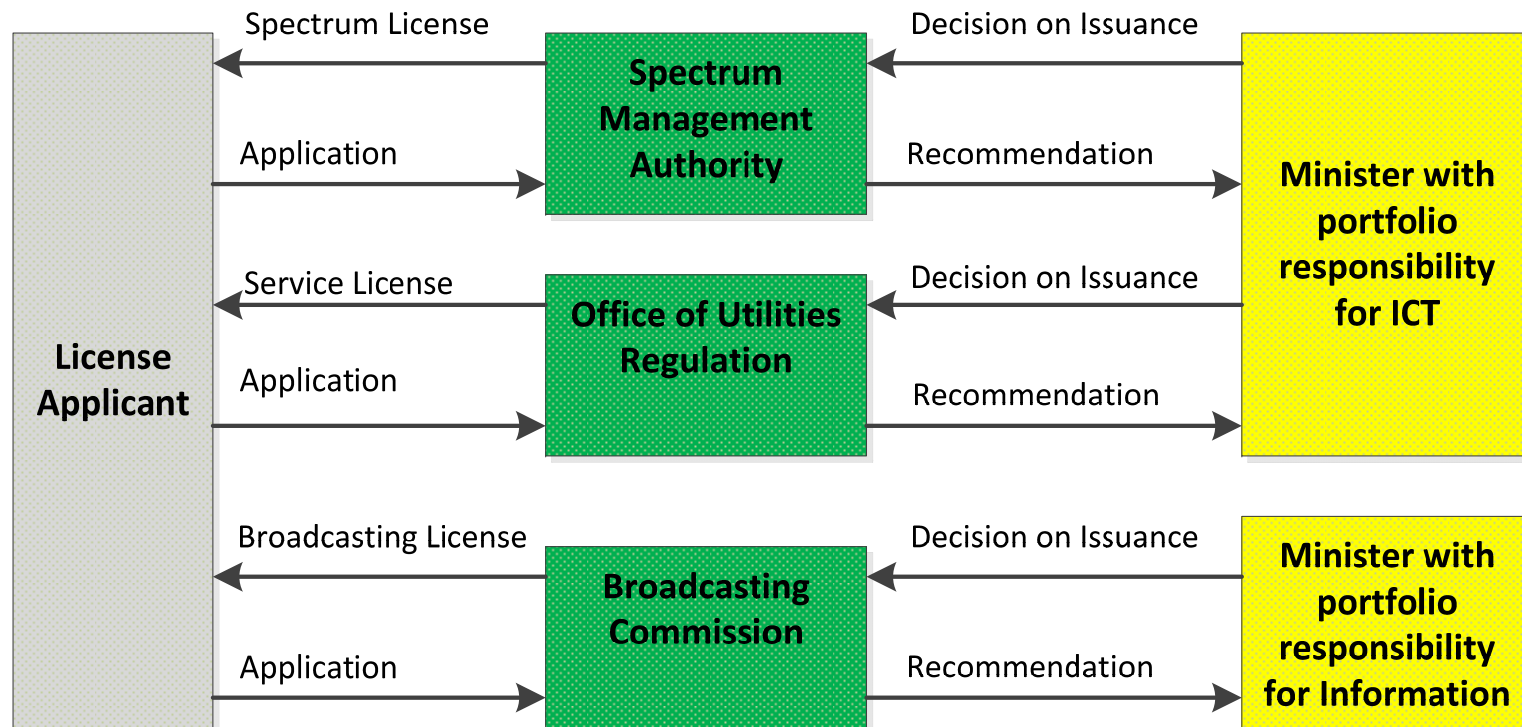


4. Strategy and Operational Aspects



Strategy Drawbacks and Actions Recommended





Licensing procedure is complicated and seriously outdated. It inherits the features of pre-convergence period with separate licencing procedures for telecommunications and broadcasting. In particular the complexity is significantly burdening market players preventing them from making effective and well-judged decisions on investing in the ICT market of the country.



Operational Drawbacks and Actions Recommended

Spectrum Licencing

Spectrum licencing and pricing are embedded to the outdated list of radio applications.

Drawbacks and Risks

The outdated list of radio applications complicates introduction of up-to-date licencing (generalized authorization) and pricing procedures (AIP).

Actions Recommended

The SMA should modify the list of radio applications currently used for spectrum licencing and pricing purposes.

Broadcasting Regulation

Technical regulation of broadcasting transmissions is formally attributed to the BCJ. The SMA is responsible for spectrum authorization and interference management for broadcasters.

Drawbacks and Risks

Cross-sectorial financing of the SMA's broadcasting related activities since broadcasters are not the subjects of spectrum pricing.

Actions Recommended

The entire list of technical and spectrum management regulatory aspects should be removed from the BCJ and transferred to the SMA.

Spectrum Licencing

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Drawbacks and Risks

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Actions Recommended

The SMA should modify the list of radio applications currently used for spectrum licencing and pricing purposes.

Radiomonitoring

Radio monitoring equipment used by the SMA is largely aimed on the most actively utilized spectrum bands below 21 GHz.

Drawbacks and Risks

Due to congestion in traditional spectrum bands the higher frequency ranges would become of significant demand in the short-term. The SMA has the risk to overlook this problem.

Actions Recommended

The SMA should modify the existing radio monitoring equipment to cover the higher spectrum bands. To accomplish this task the effective mechanism of capital investments of the SMA should be established as the matter of urgency.





International
Telecommunication
Union

Thank you!

