



Isle of Man
Government

Reiltys Ellan Vannin

Communications Commission



Service Delivery Plan 2011-12

Foreword by The Chairman

A particular focus for Government Policy is to raise the standard of living through developing a successful economy whilst giving people the freedom and opportunity to prosper on the Isle of Man. The Communications Commission regards fast, effective and efficient communications as fundamental to achieving this aim and sustaining our economic growth.

Telecommunications networks and services underpin the Island's Financial Services and Information Communications Technology (ICT) sectors. The ICT sector alone experienced real growth of 57% driven by the development of the e-gaming sub-sector in 2008-2009 and e-gaming is now the Island's fastest growing sector, employing 700 people in various roles.

Increasingly Island residents are adopting and enjoying advances in communications technology. There is 100% broadband availability and 80% of Island residents are connected to broadband with the opportunities it offers for home working, new social media, online learning and entertainment options, to name but a few. Download speeds of up to 16Mbps are now available from Manx Telecom's ADSL2+ network. This compares well with other jurisdictions and we are currently ahead of the UK and Ireland in terms of rural access to high-speed internet.

In November 2010 Cable & Wireless Isle of Man Limited, trading as Sure, launched their retail broadband product in competition with Manx Telecom, WiManx, Domicilium. Manx Computer Bureau and BlueWave. The Commission recognises that the Island's quality infrastructure and services are crucial for the Island to remain competitive in its existing economic sectors and to develop new wealth creating industries. The Commission is committed to providing a regulatory environment that is responsive to the changing demands of the communications sector whilst also promoting long-term stability and investment. The Commission will conclude its strategic review of communications in 2011, conduct market reviews to underpin ex ante regulation in the Telecommunications Markets and consult on new legislation.

The Island is served by three indigenous radio broadcasters, delivering a wide choice of listening opportunities for home grown content both on air and increasingly online. Last year, Manx radio increased its outreach to the public with the development of its own 'Facebook' page and in February, Manx Radio's 'Drive time' was voted number one in a UK poll for the North West region.

My fellow Commission Members and I are committed to the aims and objectives described in this Plan, which in turn contribute to the achievement of the Isle of Man Government Strategic Plan.

Hon Adrian Earnshaw MHK
Chairman

Introduction by The Director

This plan outlines the work programme within which the Commission intends to regulate and facilitate the continued development of the Island's telecommunications, broadcasting and space sectors.

The Island's electronic communications networks and services have developed significantly over the years but the existing legislation and regulatory tools available to the Commission have not kept pace. In 2009, the Commission began an extensive strategic review of communications on the Island. In 2010, the Commission published its Response to Consultation on proposals for a new framework for communications regulation.¹ Having considered all responses, the Commission recommended that the Isle of Man should create an approach to regulation, specific to the Island, which both ensures competition in the provision of services, and promotes infrastructure investment. The regulatory approach should be appropriate to the size of the jurisdiction, and should focus on the Isle of Man's priorities. The Council of Ministers and the Communications Commission recognised that to achieve this existing telecommunications and broadcasting legislation requires updating.

In 2011, the Commission will complete its strategic review through the publication of two further reports on Spectrum and Audio Visual Media Services. The Commission will also consult on a new Communications Regulation Bill during the period under review.

There has been continued and significant investment in the Island's communications networks. Manx Telecom and Cable & Wireless Isle of Man Limited have invested £70 million in networks and services in recent years. This investment is set to continue in 2011, with completion of Manx Telecom's Next Generation Network and its plans to invest £20 million on a new data centre.

An important part of our day-to-day work is licensing and monitoring compliance and this will continue to take up much of the Commission's time. Increased competition offers many benefits to consumers but it can also result in increased intra-operator complaints and disputes. In 2011 the Commission will commence market reviews of communications networks and services. This is a proactive method of identifying possible areas, which may require ex ante regulation rather than simply reacting to complaints. The approach develops the work already carried out by the Commission, particularly its consultation on a new regulatory framework and will underpin the basis for sector specific ex ante regulation in the new legislation.

The Commission has actively contributed to the work of the Select Committee of Tynwald on the Television Licence Fee and looks forward to considering the impending report. The Commission was successful in leading negotiations with the UK Government to ensure that the Isle of Man receives its share of the Digital Switchover under spend. The Commission will continue to represent the Isle of Man's interests in discussions with UK officials who are planning significant changes to UK wireless telegraphy and communications legislation.

The Commission with the Attorney General and the assistance of the Department of Economic Development and Treasury officials negotiated with ManSat Limited a new Agreement for the securing and exploitation of satellite orbital filings on behalf of the Isle of Man Government. In 2011 we look forward to ViaSat's planned launch of its consumer broadband satellite ViaSat-1, the first satellite to use an Isle of Man satellite filing.

¹ Response to Consultation on Proposals for a New Framework for Communications Regulation, Communications Commission, August 2010

Lastly, the Commission and its staff appreciate the cooperation afforded by licence holders as well as the support and willingness to engage shown by members of the public, other regulatory bodies and Government departments both on and off the Island.

Dr Carmel McLaughlin
Director

About Us

Who We Are

Communications Commission:

Members:

Hon Adrian Earnshaw MHK – Chairman

Mr N M Cordwell FIPI Fellow APIL

Mrs K M Harrison FCIS

Mr M E Mawdsley MBCS ALAM

Mr J M O'Keeffe MIET

Commission Staff

Director

Office Manager

Licensing Executive

(2.7 FTE)

What We Do

The Communications Commission licenses and regulates telecommunications and broadcasting in the Isle of Man under the Telecommunications Act 1984, the Radio Masts Regulation Act 1988 and the Broadcasting Acts 1993 to 2007. The Commission is expecting new powers to establish a Space Register.

Telecommunications

The Communications Commission exercises its functions in the manner that it considers best promotes the interests of consumers, purchasers and other users of telecommunications services in the Island. It aims to ensure that all those who run telecommunications systems comply with the terms and conditions of their licences. It works in coordination with other departments to implement the Government's broader space and e-business strategy.

The Commission liaises closely with the UK Office of Communications (Ofcom) Numbering Unit, as the Island is part of the UK Telephone Numbering Scheme.

Broadcasting

The Commission licenses and regulates the content of programme services provided from places in the Isle of Man. All local broadcasters must comply with the Commission's Codes of Practice on programme content, advertising and sponsorship. Programme output is monitored off air and from recordings, which all broadcasters must keep for 42 days. The Commission also considers and investigates complaints.

The Commission keeps under review the reception of, and Isle of Man content included in, programme services provided by the BBC and commercial UK broadcasters. Liaison with the UK Government, the BBC, ITV and Ofcom on a range of broadcasting issues from regional news to the TV licence will continue.

Spectrum

The Commission works closely with the Office of Communications (Ofcom) on radio spectrum issues. Ofcom is responsible for the licensing of radio spectrum under the Wireless Telegraphy Act 2006, which it does in consultation with the Commission to take into account differences between UK and Isle of Man Government policies.

The Commission licenses the commercial site sharing of transmitter mast facilities on the Island for both the public and the private sectors. Through its contractor, ManSat Limited, the Commission places filings for geostationary satellite orbital slots through Ofcom to the International Telecommunications Union (ITU).

Key Challenges

The initial work to re-balance budgets in light of the Island's economic challenges is now well underway and will continue to be a driver for change over the next few years. The process of implementing these necessary changes is being carefully managed to ensure that essential front line services are maintained. Transforming Government is a longer term programme which will change the way Government works, helping it to become more effective and efficient, and putting a clear focus on the needs of our customers. The aim is to reduce costs associated with administration by standardising processes, making better use of technology and reducing duplication in back office functions. The Commission will play its part in this programme.

Through the Transforming Government programme, we have an opportunity to work corporately to redesign services to better meet the needs of the people using them. As well, shared service centres for finance, human resources, estates management and procurement are being created to standardise and streamline processes and make more efficient use of resources across Government. Transformation is not a short-term cost cutting measure, but a sustainable approach which ensures continuity of government services for the people of the Isle of Man.

The Isle of Man continues to benefit from high-quality, modern communications networks, with 100% broadband coverage. The maintaining of this level of quality is being addressed through the roll out of Manx Telecom's Next Generation Network (NGN). This £25 million investment will upgrade 55,000 fixed lines to provide customers with the ability to access and manipulate voice, data and video on one seamless, converged network, making the Isle of Man the first community in the world to have such a facility. In recent years, the Island has also seen some benefit from service competition in the communications sector with increased choice and lower prices. However, the Isle of Man faces the same challenges as countries all around the world in ensuring effective and sustainable competition that delivers investment, choice and innovation. The Commission will therefore need to continue to work with departments across Government in order to meet this aim, particularly through the development of modern and relevant legislation.

The majority of legislation that directly affects the Commission's work (and the tools that this provides) was drafted in a pre-digital and mostly pre- competitive communications environment. Therefore, following on from last year's delivery plan, the Commission will consult on a draft Communications Regulation Bill in order to modernise the Island's regulatory framework.

Another aspect of modernising the regulatory regime will be the implementation by the Commission of a series of Market Reviews covering the communications sector. These will provide the basis on which the aspects of the new legislation regarding competition, innovation and service development will operate, setting out the terms under which the licensees, active in our communications markets, will interact and compete. This is part of the Commission's overall plan to not only bring the full consumer benefits of competition regulation to the Island's residents, but also to put the Isle of Man in the best possible position as a business environment.

The Commission also intends to revisit the Island's regulation covering broadcast content, with the aim of modernising it to reflect the current and future expansion of content available online. As technology converges and delivery mechanisms of audiovisual programming become more and more alike, the Island needs to ensure that its residents can benefit from a regime that will give them assurances about the nature and suitability of the content being made available.

With a General Election forthcoming in 2011, the Commission will once again be responsible for monitoring election broadcasting coverage to ensure that it meets the standards required by the Commission's Codes. In addition to this, there may also be a review undertaken of the rules governing political advertising on broadcast media on the Island.

Although certain aspects of the Island's communication sector may be wholly determined on the Island, a number of significant aspects, particularly regarding the use of spectrum, are dependent on continued co-operation with agencies in other jurisdictions, such as the UK communications regulator Ofcom. The Commission will continue to represent the Isle of Man in dealings with Ofcom, to ensure that we have fair and equitable access to the radio spectrum. A key challenge for the Isle of Man, as with other jurisdictions, is to make the best use of the Island's radio spectrum for the benefit of the Island as a whole. In 2011 the Commission will consult on options for managing and awarding licences for networks and services that require access to spectrum.

Digital radio (DAB) services continue to expand in the UK, with the BBC still the main agent in implementing the British government's plans to move the UK's radio industry to DAB digital broadcasting by 2015. The Commission will continue to monitor developments in the UK and elsewhere and will engage with the industry and public in the Isle of Man through its proposed publication of a report on Audio Visual Media Services.

The Commission will continue to monitor the broadcast services that the Isle of Man receives from the UK, and in particular the services we receive in return for the Television Licence Fee. A key challenge in this regard will be protecting the Island's interest with respect to UK changes to the legislation surrounding the BBC and its funding.

The Isle of Man is now the base for a number of firms involved in work such as developing space tourism technology and satellite communications. With the commercial advantages available here, and with our proximity to the UK and the regulatory facilities this includes, the Island is becoming an important player in industries such as satellite slot registration. The Commission is aware of the need to ensure our legislation and regulation continues to encourage this growth in an appropriate manner.

With the funding of the regulatory and legislative activities of the Commission set to play a key role in the effective and efficient carrying out of its functions in the coming years, there may also be a need to revisit the licence fee structure operating on the Island. Any such review will be conducted transparently and in a fully consultative manner.

What We Will Achieve

Government Strategic Policy: Income, Employment and the Economy

Purpose: *To raise the standard of living of all the people of the Island through the ongoing development of a successful economy and the sharing of its benefits with all in our community*

Government Strategic Aim: Economic Growth and Diversification - *To facilitate a dynamic, modern and diverse economy.*

Communications Commission Aim - Modernisation – To promote the modernisation of telecommunications and the use of e-business.

- Encourage new electronic communications services.
- Encourage the continued upgrade of telecommunications infrastructure.
- Promote sustainable competition.
- Explore options for digital radio.

Complete our strategic review of the Island’s communications sector through consultation on the management of the Radio Frequency Spectrum.

Key Performance Indicators

Indicator	Current Performance	Benchmark	Target
Consultation on management of the Radio Frequency Spectrum	n/a	n/a	2011
Publish report on Audio-Visual Media Services			2011

Communications Commission Aim - Diversification – To promote the growth of space sector activities and other new business.

- Enable satellite orbital slot filing and other space sector activities.
- Work with colleagues across government on new space legislation.

Government Strategic Aim: International Relationships - *To protect and promote the Island's international relations.*

Communications Commission Aim - Autonomy and International Reputation – To enhance the Island’s external reputation.

- Take an active role in the European Platform of Regulatory Authorities (EPRA).
- Maintain and enhance relations with the British, Irish, Channel Islands, Gibraltar and other regulatory authorities.
- Take an active role and encourage Isle of Man involvement with the Celtic Media Festival.
- Work with colleagues to identify opportunities for the Isle of Man to learn from other jurisdictions and implement best practice.
- Identify areas where the Island can continue to develop its international status.

Key Performance Indicators

Indicator	Current Performance	Benchmark	Target
Participation in international forums	2009/2010= 3	No directly comparable benchmark has been identified	4 per annum

Government Strategic Policy: Legislation and Regulation

Purpose: *To introduce and enforce legislation and regulations which provide for the care, protection, safety and personal development of the individual whilst minimising the burden of compliance to employers and the community.*

Government Strategic Aim: Legislation and Regulation - *To provide a legislative and regulatory framework that strikes a balance between the interests of all stakeholders within the community.*

Communications Commission Aim - Justice – To protect human rights and fundamental freedoms.

- Apply the provisions of the European Convention on Human Rights, Articles 8 (privacy) and 10 (freedom of speech) through the Commission's Programme Code, applicable to all Island broadcasters.

Communications Commission Aim – Legislation – To support the introduction of new legislation

- Develop legislation to modernise regulation and clearly establish the Commission's aims and objectives.
- Support the Attorney General's Chambers in developing any appropriate legal instrument to further the Island's space interests.

Key Performance Indicators

Indicator	Current Performance	Benchmark	Target
Consult on draft Communications Regulation Bill			2011

Communications Commission Aim – Regulation – To take into account the interests of all stakeholders when considering regulatory and licensing changes.

- Continue to review, revise and clarify procedures and guidelines for licence applications.
- Consult widely when considering licence applications to ensure a sustainable range of broadcasting and telecommunications services are available to the Island.
- Continue to review the effectiveness of existing legislation and identify priority areas where enforcement levels can be improved.
- Focus on reducing the regulatory burden on businesses by removing redundant or undesirable requirements where appropriate.

- Clarify regulation to expedite the proliferation of Next Generation Network services and innovative mobile broadband services.
- Revise procedures for licensing spectrum.

Key Performance Indicators

Indicator	Current Performance	Benchmark	Target
Consultation on managing the radio frequency spectrum			2011

Government Strategic Aim: Governance – *To ensure that Government complies with the principles of corporate governance.*

Communications Commission Aim – Contingency and Resource Management – To ensure the continued and effective operation of the Commission.

- Allocate time and staff activity to review the Commission’s specific role and its resources.
- Keep under review the Commission’s business continuity plan.

Communications Commission Aim - Public involvement – To improve and develop communications with the public.

- Continue to maintain and develop the Communications Commission website to enable greater public access to licensing and regulatory information.
- Continue to consult the public on major policy issues and developments.

Government Strategic Policy: Quality of Life

<i>Purpose: To continue to give people the freedom and opportunity to live and prosper in a safe and caring community, whilst protecting the Island’s unique natural and cultural heritage and way of life.</i>
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Government Strategic Aim: Social Inclusion - *To ensure equality of opportunity and fair treatment for all.*

Communications Commission Aim - Social inclusion – To enhance access to services for the whole population.

- Review and enforce Manx Telecom’s universal service obligations to provide telephone services throughout the Island.
- Monitor all the markets we regulate to ensure that they remain competitive enough to provide Island residents with the best possible service.
- Work closely with Ofcom, to ensure the broadcast reception environment is free from unwanted electro-magnetic interference.

Communications Commission Aim: Community spirit – To encourage a sense of community

- Build and support a sense of community through local broadcasting with an appropriate Manx focus.
- Ensure broadcasters comply with licence conditions and that public service broadcasting commitments are upheld.

Key Performance Indicators

Indicator	Current Performance	Benchmark	Target
Resolve broadcasting complaints within 12 weeks of receipt	2010/11= 100%	Ofcom 80%	100%
Monitor original programming output	2011/12 =220hrs	Ofcom	>150 hrs

Government Strategic Aim: Identity, Culture and Heritage - *To foster an economic and social climate that supports the protection, promotion and participation in our unique cultural heritage.*

Communications Commission Aim - Culture and Heritage – To present and promote the unique cultural heritage of the Island.

- Reinforce Manx Radio’s position as the nation’s public service broadcaster with enhanced licence conditions.
- Continue to support the work of the Gaelic Broadcasting Committee.
- Liaise with the BBC to ensure that the Isle of Man receives comparative coverage on TV, radio and online.

Key Performance Indicators

Indicator	Current Performance	Benchmark	Target
Improved BBC services to the Isle of Man	BBC NW News coverage Occasional Isle of Man features on BBC TV/Radio BBC Isle of Man website	Comparable service to that provided to the Channel Islands	Increased news and web coverage of the Island The Island to feature in more non-regional programming

Government Strategic Aim: The Built Environment - *To raise the quality of the environment which surrounds us.*

Communications Commission Aim –The Environment– Develop policies in relation to energy efficiency in public building and workplaces.

- We will, in conjunction with the Energy Officer Working Group (EOWG) and our Energy Champion, monitor our energy use during 2011/12 and develop an energy conservation strategy.

- We will encourage all our employees to reduce journeys to work through promoting the Government's Journey Match Initiative. We will also examine "at work" mileage and look at reducing our annual mileage by reviewing areas such as work planning and remote working.

Communications Commission Aim –Telecommunications – To support the development of high quality telecommunications and digital communications technology for the use of Island businesses and residents.

- We will explore areas for innovation.
- Encourage continued telecommunications infrastructure upgrade.
- Authorise wireless delivery of new services as appropriate following review and assessment of the potential uses of the spectrum.

Resources

The Communications Commission is conscious that regulation should be proportionate. In response to increased regulatory work and the need to facilitate the sector's further development, it has been agreed to appoint a temporary member of staff on a contract basis.

The Commission's surplus continues to make a positive return to the Treasury.

Revenue Estimates (£ '000)

	2011-12
Income	701
Expenditure	<u>436</u>
Surplus	<u>265</u>

This document can be provided in large print or audio tape on request



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