

Isle of Man Government

Reiltys Ellan Vannin

**COMMUNICATIONS COMMISSION
SERVICE DELIVERY PLAN 2010-2011**

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FOREWORD BY THE CHAIRMAN

A core aim of Government is "raising the standard of living of all people of the Island through the ongoing development of a successful economy and the sharing of its benefits with all in our community". The Communications Commission believes that within that overarching aim fast and effective electronic communications are fundamental to sustaining economic growth in the face of challenges, uncertainty and increased competition from other jurisdictions.

The Commission recognises the need to ensure that the Island's infrastructure and services continue to be leading edge, both to remain competitive in its existing economic sectors and to develop new wealth creating industries. If the Isle of Man wishes to attract businesses that will contribute to its long-term, economic potential then it must have a system of regulation that promotes long-term stability and investment. The primary focus for the Commission over the coming years is to modernise its regulation to create stability while encouraging investment and innovation.

The Isle of Man has very good communications networks and services, which have formed one of the foundations of the competitive edge enjoyed by the Island over recent years. The ICT sector (Information Communications Technology) grew by 45% in the financial year ending 31 March 2008 to £99m and is expected to have grown substantially again during 2008/09. The sector continues to grow, illustrating its importance to the Island's current success and efforts to diversify the economy.

Manx Telecom has invested substantially over the years, with its commitment to replace its existing mobile, fixed and broadband networks with a converged Next-Generation Network and its upgrade to faster broadband (using ADSL2+ technology). The Island now has 100% broadband availability, unlike adjacent Islands. Cable & Wireless has brought competition to the mobile sector and plans to introduce 3G and other services in the coming year. In June 2009, Mobile Number Portability (MNP) was successfully introduced, allowing consumers to 'port' to another mobile operator without having to change phone number.

Island residents have access to three indigenous radio stations as well as TV and radio services originating from the UK. Here again the Island has been a leader, as the first nation in the British Isles to complete digital switchover. Commission staff, together with colleagues at the Department of Health and Social Security and Age Concern worked with the BBC, Digital UK and the Switchover Help Scheme team to ensure that nobody was unaware of switchover and inadvertently left watching a blank screen. At switchover, the Island finally became part of the ITV Granada region, which the vast majority of respondents to the Commission's public consultation last year had advocated.

Although there is the potential to use the Island's existing communications infrastructure to develop new businesses and services for residents, the Island also faces a number of challenges. There is a global drive towards further development of communications networks – such as investment in fibre optic and 4G mobile networks, universal fixed and mobile broadband services and digital switchover for radio planned in the UK. In many cases, governments are committing large sums of public money to achieve ambitious targets. Last year, the Commission commenced a review of existing legislation and regulation and set out its vision for future communications regulation on the Isle of Man. The coming years will focus on turning that vision into a reality.

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 facilitate the continued development of the Island's telecommunications, broadcasting and space sectors.

Digital Switchover was one of the main events last year in the Isle of Man and is ongoing in the UK until its completion in 2012. Even though Island residents were well prepared to 'go digital', with approximately 90% of homes already receiving satellite TV and many watching digital transmissions from off-island transmitters, it was important to communicate the message that action may be needed. Commission staff worked hard with colleagues in, the DHSS, Age Concern IOM, the BBC, Digital UK and the Switchover Help Scheme team to help deliver Switchover in June and July 2009. Digital UK reported fewer numbers of Isle of Man callers to their helpline phone number than any other area that had switched.

The last review of broadband on the Island took place in 2006. Technology and consumer expectations have moved on since then, so the Commission and Treasury's eBusiness Division engaged PricewaterhouseCoopers to review the current state of the Island's broadband market in comparison to other jurisdictions. Commission staff and key stakeholders contributed to the review and subsequent report, which correctly acknowledges that our broadband networks and services compare favourably with many other jurisdictions. Improvements can always be made and following the report's publication and as a consequence of negotiations with Manx Telecom, connection charges for new broadband customers and ADSL2+ upgrades have now been withdrawn. We will continue to work with Manx Telecom and other Internet Service Providers to encourage the competitive and innovative supply of broadband on the Isle of Man to ensure that residents and businesses continue to enjoy quality services.

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. One of the Commission's strategic aims identified in last year's plan was to review, revise and clarify procedures and guidelines. This process is now well underway.

A key aim for the next few years will be modernising the Commission's regulatory approach. Communications networks and services have evolved significantly in the Isle of Man over recent years, but the legislation available to the Commission has not kept pace. Competition has increased dramatically and as mobile, digital, and internet technologies have become widely adopted, a new regulatory philosophy is required, together with new forward-looking legislation, which will allow the Commission to facilitate and encourage innovation in our sectors.

We began the strategic review of communications last year and completed our first public consultation in February 2010. Further work will address specific issues such as competition in the mobile sector and opportunities to make better use of our radio spectrum.

Dr Carmel McLaughlin
Director

ABOUT US

Who we are

COMMUNICATIONS COMMISSION:

Members:

Hon Adrian Earnshaw MHK – Chairman
Mr N M Cordwell FIPI Fellow APIL
Mr M E Mawdsley MBCS ALAM
Mrs K M Harrison FCIS

COMMISSION STAFF

Director
Office Manager
Licensing & Compliance Officer
(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 and is revising its complaints procedures.

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 Isle of Man has very good communications networks and services, which have formed one of the foundations of the economic growth enjoyed by the Island over recent years. Due to significant investment from Manx Telecom, the Island enjoys virtually 100% broadband availability with download speeds of up to 16Mb/s. Around 72% of households now have broadband, which, when considered alongside the UK at 62% and the Netherlands at 74% is very encouraging. Cable & Wireless has also continued to invest and recently announced that, since it started its Isle of Man operations in 2007, Sure has attracted nearly 16,000 new customers and plans to introduce 3G mobile services in the near future.

The three radio stations continue to entertain, educate, inform, and have coped well with the recent downturn in advertising spend. Although competition from the internet, satellite and music downloads has increased, on-Island radio stations recorded some of their best ever listenership figures last year. In December, Manx Radio won the UK Radio Academy's Nations and Regions award for 2009 for the North West region and was shortlisted for a Radio Documentary award for Tell Me at the Celtic Media Festival in Newry, Northern Ireland in April 2010.

Digital Switchover occurred on the Isle of Man between June and July 2009 when the Island's transmitters ceased broadcasting analogue TV signals, replacing them with all-digital signals. This resulted in spectrum once used for analogue TV becoming available which can deliver new services such as more broadcasting, mobile data services and other possible applications not yet imagined. Spectrum is a finite, natural resource that will play a key role in underpinning our ever more mobile and data-hungry society. The Commission will work to identify ways of leveraging the Island's existing spectrum to help with Government's strategic aim of diversification and attracting high value-added industries.

Until relatively recently, the Island had just two incumbent licensees – Manx Telecom and Manx Radio. Today, we have two mobile operators, five Internet Service Providers and three radio stations competing for the attention of a population of just 82,000. While competition in these sectors has undoubtedly brought with it greater value for Isle of Man residents and businesses alike, the regulatory tools available at the Commission's disposal have not evolved to keep pace. The Telecommunications Act dates back to 1984, while the Broadcasting Act has remained largely unchanged since 1993. Both were drafted in a largely pre-digital age. Existing legislation restricts the Commission from dealing with industry disputes in an efficient and timely manner and restricts us from facilitating and encouraging innovation in our sectors. Therefore, the key challenge in the coming years for the Commission will be to realise its ambition for a more enabling regulatory system and philosophy – work that has already begun in earnest. In last year's Service Delivery Plan, we committed to engaging in a wide-ranging review of communications. This review is well advanced and the first consultation closed in February 2010.

The Digital Economy Act, which sets out the UK Government's strategy for digital telecoms and media, received Royal Assent in April 2010 and is planned to enter into force in June 2010. The Commission will continue to track the development and implementation of UK legislation and any implications it may have for the Isle of Man.

Space sector activities will increase in 2010/11 and the Commission in conjunction with the Director of e-Business and Space Commerce and colleagues in Government will continue work towards developing the sector.

The range of communications options and issues continue to grow and with limited staff resources, the Commission relies to a major extent on cooperation from its licensees. We hope this will continue in the best interests of the Island and its residents.

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 the launch of new electronic communications services
- Encourage the continued upgrade of telecommunications infrastructure

- Promote sustainable competition
- Explore market led and technology neutral approaches to licensing and regulation
- Explore options for digital radio

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

- Extend satellite orbital slot filing and other space sector activities
- Work on the establishment of a Space Register
- Follow up negotiations with BNSC for insular Outer Space Act licensing
- Continue with our strategic review of the Island's communications sector, with particular focus on how our radio spectrum can be more efficiently used and allocated

Key Performance Indicators

Indicator	Current Performance	Benchmark	Target
Manx Telecom's Next Generation Network	Upgrade to ADSL2+ offering up to 16Mbps download speeds completed 2009 Entering the final stages of upgrade	UK: 2009-12	2010

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
- Work with colleagues to identify opportunities for the Isle of Man to learn from other jurisdictions and implement best-practices
- Identify areas where the Island can continue to develop its international status

Key Performance Indicators

Indicator	Current Performance	Benchmark	Target
Participation in international forums	2008/09 = 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 and a Space Registry

- Develop legislation with the Attorney General's Chambers 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 give the Commission the vires to establish a Space Register

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

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 publically consult on major policy issues and developments

Government Strategic Policy:

QUALITY OF LIFE

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*

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
- Commence a review of Broadcasting Codes of Practice

Key Performance Indicators

Indicator	Current Performance	Benchmark	Target
Resolve broadcasting complaints within 12 weeks of receipt	2008/09 = 100%	Ofcom 80%	100%
Monitor original programming output	2008/09 = 300 hrs	Ofcom	>150 hrs

Government Strategic Aim: Identity, Culture and Heritage - *To foster an economic and social climate which 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
- 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 buildings and workplaces

- We will, in conjunction with the Energy Officer Working Group (EOWG) and our Energy Champion, monitor in detail our energy use during 2009/10 and develop an energy conservation strategy with agreed targets for an overall reduction in energy use in 2010/11 and future years.
- We will encourage all our employees to reduce journeys to work through promoting the Government's JourneyMatch 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

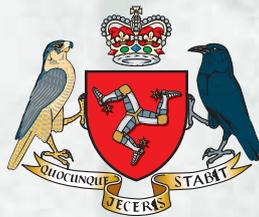
The Communications Commission is conscious that regulation should be proportionate. It has therefore endeavoured to maintain the current staffing level (2.7 FTE). However, in order to continue to develop the sector and if the Commission takes on added responsibilities such as a space registry, additional staff and resources will be required.

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

REVENUE ESTIMATES (£ '000)

	2010/11 PROJECTION
Income	686
Expenditure	301
Surplus	385





**Isle of Man
Government**

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