

Isle of Man COMMUNICATIONS COMMISSION

Business Plan 2017-19



Oaseirys Çhellinsh
Communications Commission

FOREWORD BY THE CHAIRMAN



I joined the Commission in October 2016, upon my appointment as Minister of the Department of Home Affairs, following the 2016 General Election.

The timing of my appointment with the development of our new Business Plan has allowed us to strategically evaluate which areas of the 2013-2016 business plan should remain as priorities for us and what new challenges and opportunities we should focus on.

All of the priorities set out below link into the main Government objectives and the Commission Board and Executive are confident that we can work together to achieve these.

Effective regulation is the silent contributor to economic growth, which is all the more important within an Island economy. When we maintain the ability to allow firms to compete and operate independently, but have the capacity to intervene where necessary, we can ensure businesses are able to thrive, innovate and provide the products that consumers want and need. Whilst we are dedicated to this aim, our legislation has fallen behind the rate of technological advancement in the sectors we regulate and it is for this reason that our primary aim is to introduce the new Communications Bill.

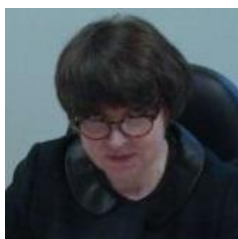
We are committed to supporting the Chief Minister's Framework for Government Programme in creating an Island of enterprise and opportunity.

Since the last business plan, we said goodbye to two of our long standing Members, The Speaker, the Hon Juan Watterson MHK, my predecessor at the Commission and Ms Kathy Harrison. Both made invaluable contributions to the work of the Commission during their time on the Board. Mr Nigel Cordwell, Mr Maurice Mawdsley and Mr Robert Frize continue their service. We also gained two new Members, Mr J P Donnio and Mr Brian Parkin. Between them, our Members bring a wealth of experience gained through building longstanding careers within the telecommunications, satellite, legal, financial services and ICT industries.

I look forward to assisting the Commission to achieve its targets and successfully addressing the challenges that we encounter along the way.

Hon W M Marlarkey MHK
Chairman

INTRODUCTION BY THE DIRECTOR



The Commission has a number of important tasks on its priority list for the next 3 years. We have put a great deal of resource and effort into developing a Communications Bill, which we wish to progress through the branches of Tynwald as soon as we are able, once the newly elected Council of Ministers sets out its prioritisation list of Bills. We will also undertake a number of market reviews into the Telecommunications sector, which was last evaluated in 2012.

We will review and determine which markets are subject to operators with significant market power (SMP akin to a position of dominance). Should we find SMP no longer exists in a market which was previously found to, we will relax regulatory obligations in those areas. However, should SMP now exist in other areas, or indeed with other operators, we will heighten our regulatory resource in these markets and seek suitable remedies to ensure those markets succumb to effective competition. Once the reviews are complete, our task will then become one of monitoring and ensuring compliance with any remedies we impose.

The sectors that we regulate are fast paced and ever evolving. We expect to see exciting development in the Telecommunications industry in particular, some of which may be in the early stages of implementation at the end of this upcoming 3 years. We expect that 5G technology will be particularly revolutionary, and will require vast investment in additional technology across the Island. If we are to successfully roll out 5G, our planning laws must be revised to streamline the process for operators. 5G will lead the way to the Internet of Things, Smart Homes and Smart a Smart Island, which will change the way we live. Working groups between the Chief Officers of licenced operators have been set up to enable facilitation of discussions regarding roll out of fibre and other investments and strategies which will allow the Isle of Man to keep up with the pace of technological change.

We will open up the satellite filing industry by offering up to two contracts after 1st January 2017. After a period of two years, we may designate further contracts to companies meeting our criteria. We envisage the increased competition in this area should lead to additional developments and investment in the space industry. Our focus will be on encouraging the contractors to bring satellite filings into use, as this generates value for the economy and allows for new product development, potentially worldwide.

We issued new licences to the existing 3 Island broadcasters over the period of the last plan. The new Communications Bill will confirm Manx Radio as the Island's Public Service Broadcaster, give Energy and 3FM the ability to renew their licences and create a framework for regulating TV via satellite and over the internet.

The small size of the Island makes us the perfect test bed for new products and roll out of new technologies. The Commission is keen to support innovation in and around the Isle of Man wherever possible.

Dr Carmel McLaughlin
Director

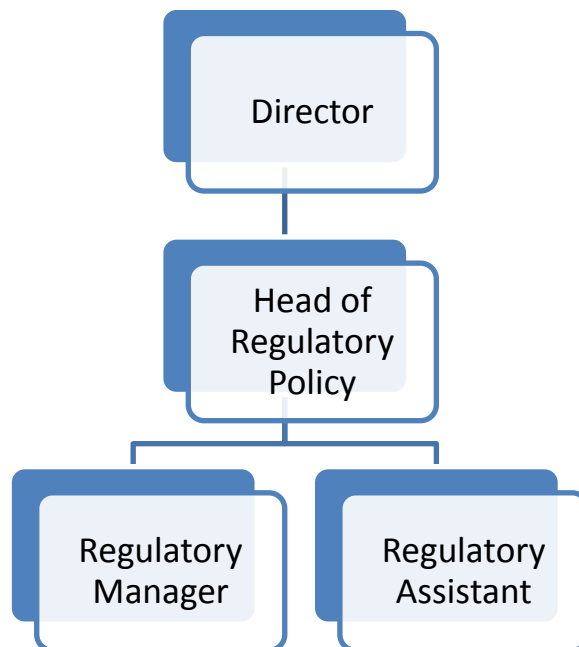
ABOUT THE COMMISSION

Who We Are

The Communications Commission is a Statutory Board comprising six members. Its Members are:

Chairman: Hon W M Marlarkey MHK
Mr N M Cordwell
Mr M E Mawdsley
Mr R Frize
Mr J P Donnio
Mr B Parkin

The Commission has a staffing establishment of 4 full-time equivalent staff organised as follows:



OUR VISION

"To ensure regulation is a catalyst for innovation and growth, providing effective competition and consumer protection in the communications sector".

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 Act 1993. We act independently of Government and commercial interests in order to carry out our activities and operate in a manner to promote consumer's best interests.

Our core and statutory functions focus around the following sectors:

Telecommunications

The 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, e-business and Vision 2020 strategies.

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.

Spectrum

The Commission works closely with 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.

Radio Masts

The Commission licenses the commercial site sharing of transmitter mast facilities on the Island for both the public and the private sectors.

Space

The Commission places filings for geostationary satellite orbital slots through Ofcom to the International Telecommunications Union (ITU), through its contractors.

Income Generation

The Commission charges licence fees to its licence operators which fund its operations and consistently generates a surplus for Treasury.

Isle of Man Government Strategic Objectives

1	2	3
An inclusive and caring society	An Island of enterprise and opportunity	Financially responsible Government

Communications Commission Strategic Objectives

1	2	3	4	5
To encourage and facilitate sustainable competitive telecommunications markets, achieving value and service innovation for the Island's consumers and businesses.	To ensure the continued provision of high-class telecoms services for the Island's consumers, also ensuring choice, value and quality of service.	To provide for the licensing and use of the Island's communications assets as effectively as possible, to maximise societal value, provide innovation and facilitate new services.	To keep the Isle of Man at the forefront of innovation in communications technology and services.	To ensure good corporate governance and that the Commission fulfils its statutory duties, including licensing, consultation, information sharing and responsiveness to consumers.



We have assisted with facilitation of working groups between the fully Licenced Operators to develop products to enhance competition, including Fixed Number Portability.

We began our review of market statistics collected and published and have a range of new figures to publish from next year. We will continue this review in the coming year.

We began working on a proposal for measuring broadband quality in and around the Island. The final proposal will be put to the Council of Ministers in early 2017

We assisted the Department of Economic development with its Telecommunications Infrastructure Review

We set up working groups for the telecommunications Licenced Operators.

We engaged with the Cabinet Office and Operators to see how Brexit may impact on our regulated sectors.

We produced and published a set of Principles for the use of Isle of Man numbers, which operators are to adhere to



2016 Year End Review

We have continued to chair an Other Licenced Operators forum at bi-monthly intervals to allow operators a chance to discuss and develop solutions to industry wide issues.

We carried out work into costings which resulted in reductions in wholesale leased line prices and VDSL.

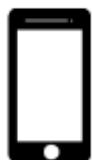
We amended Sure's Telecommunications Act licence to include the provision of Code Powers.

We attended working groups aimed at reforming planning policy and wayleave regimes to assist in the roll out of 5G.

We carried out a consultation on the Communications Bill and put a great deal of work into developing the Bill, based on stakeholder responses to the consultation.

We consulted on Mobile Termination Rates (MTRs) which led to the decision that MTRs should remain at a regulated cost of 1.25 pence per minute, as this was practical for consumers and operators

We monitored the progress of Manx Telecom in meeting its SMP obligation to develop a complex model to enable it to compile separated accounts for regulatory purposes.



OBJECTIVES 2017-19

Communications Commission Objectives	Linked to	
	CC Aim	Gov Priority
1. The Commission has worked with the Attorney General's Chambers to create a draft Bill which was consulted on in 2015/16. Stakeholder responses have been taken into account and the second draft Bill will be available for public and stakeholder comment in the coming months. We will bring the Communications Bill to the branches of Tynwald, following further stakeholder consultation. Our aim is to take this to April 2017 Tynwald.	1, 3, 4	2
Telecommunications	1, 4	2
2. Continue the process of opening up the Island's wholesale telecoms markets through the regular Other Licensed Operators (OLO) forum. This OLO forum gives operators a chance to interact and develop products which are interconnected, and ultimately benefit consumers.	1, 2, 4	2
3. Work with other Government departments and continue the Licenced Operator Chief Officer group meetings to effectively implement recommendations to develop the telecommunications sector, following an independent report compiled for the Department of Economic Development by Analysys Mason.	1, 5	2
4. In 2012 we undertook market reviews into the telecommunications sector. During 2017 we will assess the need for further market reviews in the telecommunications markets to assess whether SMP remains or now exists in various wholesale and retail markets.	4	2
5. To keep the Isle of Man at the forefront of innovation in communications technology and services to allow use of the Island's spectrum resources for testing new applications.	2, 5	1, 2
6. The Chief Minister has outlined monitoring broadband quality within the programme for Government. During the first few months of 2017 we will submit a proposal to Council of Ministers and subsequently implement a system to measure broadband quality and speeds.	1, 2	1, 2
7. Continue working with various Government Departments, including Planning, DED and Infrastructure, plus licenced operators, to develop a modern and fit for purpose solution for wayleaves and other planning matters for telecommunications.	1, 2, 5	2
8. Continue working with operators with SMP conditions requiring cost models and separated accounts to devise cost orientated wholesale pricing and implement regulatory monitoring mechanisms. We aim to have reviewed the 2015 separated accounts of Manx Telecom by May 2017.	2	2
	5	2
	3, 5	2

9. We will continue to work with Ofcom on the effective and efficient use of IOM numbers.	3	1, 2
10. Throughout the first few months of 2017 we will continue our review of and update the information and market statistics currently published by the Commission.	4	2
Broadcasting		
11. Continue the Commission's current work with the BBC, ITV and Ofcom on matters such as the representation of the Island in the media, service reception on-Island, spectrum licensing and coordination, and regulatory standards and practice.	1, 2, 3	2
12. After implementation of the Communications Bill we will begin to review and revise Broadcasting codes in line with the Communications Bill.	1, 2, 3	2
Satellite		
13. Work with the successful contractors following the 2016 Procurement exercise in supporting the Island's satellite filings industry.		
Spectrum		
14. By September 2017 we will have carried out a consultation regarding awarding spectrum for the roll-out of 5G.		
15. Consider how to manage the potential clearing of the 700 MHz band for mobile broadband use and manage the implications for DTT and PMSE.		