

# Regulation: a new approach

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Acknowledgments to:

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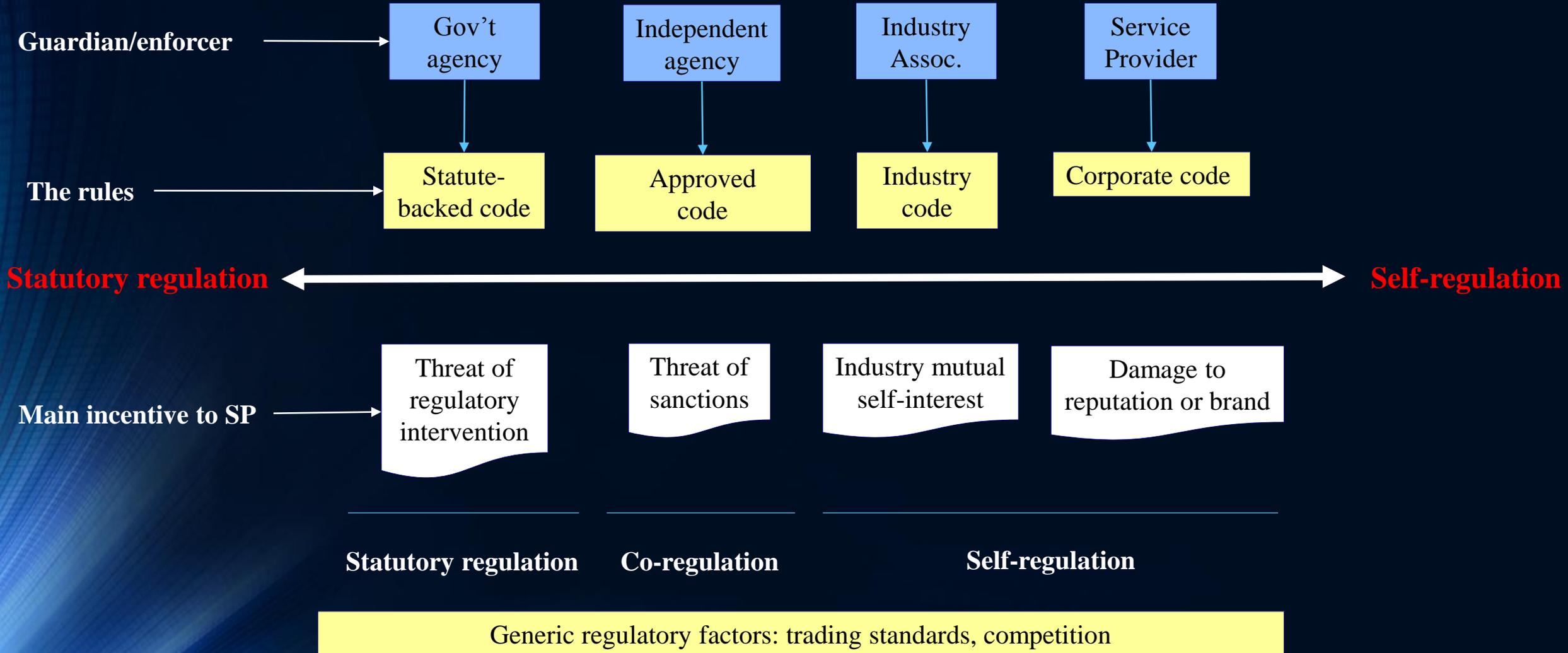
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# Current Regulatory Spectrum

Multiple elements present in Jamaica



# The Evolution Of Regulation



G4: Regulation integrated into broader goals e.g. development, social inclusion

G3: Regulation for enabling investment, innovation and access, stimulating competition

G2: Reform (reduce burden); partial liberalization, creation of more specialized regulatory bodies, industry partnerships

G1: Regulation introduced to manage monopolies that lacked competitive pressure to control prices or drive improvements

## THEN

Media industry organized, legislated and regulated by infrastructure (radio, television, telephone, print etc.), which imposed clear boundaries.

## NOW

**From:** multiple, independent networks for each service

**To:** unbundled services across common broadband networks

### 1. CONVERGENCE

- Content flows across different networks and technologies; multiple services on same or competing networks using different technology platforms (e.g. wired/wireless).
- All services are data streams. Voice, video etc. are just particular streams among many.

**Issue: trying to regulate one stream in the river – other data streams not subject to regulation.**

### 2. GEOGRAPHY

- Transactions take place across borders, creating problems of regulation, taxation etc.
- Can provide news and media services without any local presence or infrastructure – just need internet access.

**Issue: beyond current regulatory reach (for small nations). Need international accords?**

# Consequences...and costs

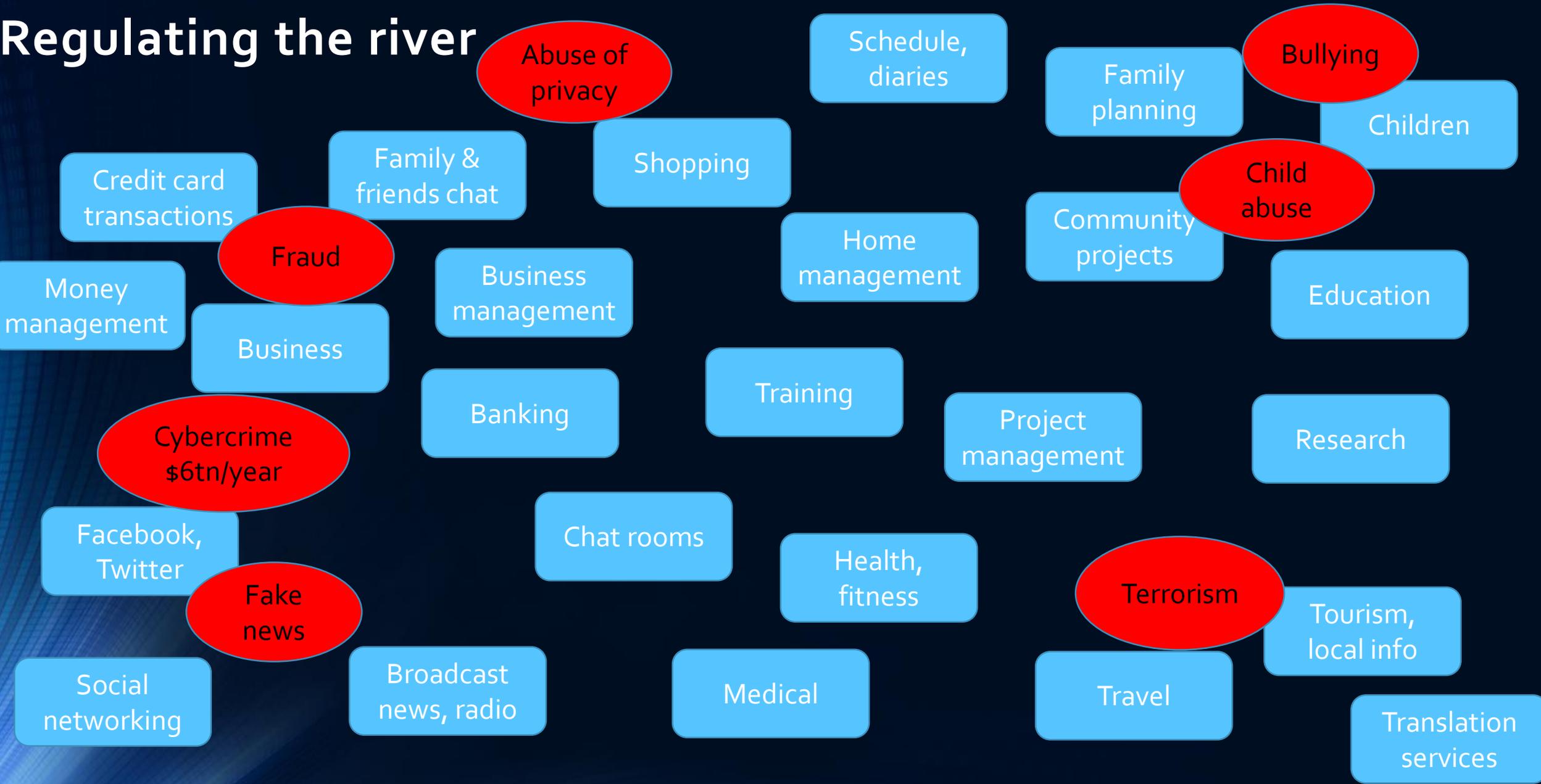
- Flow of content no longer controlled by infrastructure; infrastructure is now just conduit/ utility.
- Widespread ability to bypass conventional delivery models - and systems of regulation.
- 'Technology' firms now major providers of content – social media news source for 62% of US adults, (2016), primary news source for ~18%. Advertising revenue has migrated; audience for conventional media shrinking; many traditional media firms gone, fewer journalists. Media firms now competing with tech firms rather than each other.

# Major New Challenges

- New monopolies: a few companies now control all social data; almost impossible to challenge incumbents.
- Serious concerns about anti-trust, consumer choice & privacy - even for free services and products.
- Fake news & echo chambers, societal manipulation via social media. Evidence of political manipulation of social media in ~30 countries
- Cyber-bullying.
- Terrorist recruitment – mostly in unregulated space. E.g. 54,000 websites with information on IED's etc. posted online by IS August 2016 to May 2017; 2/3<sup>rd</sup> of information shared within two hours after posting.
- Gangs using social media as a new front in their war.

**Conclusion: we need a new model of regulation**

# Regulating the river



Need to ensure that consumers given reasonable protection in every transaction: need integrated regulation

# The Future – And The Challenges

## DIRECTION OF TRAVEL

- To support Jamaica's transition into a digital society. Facilitate positive change, mitigate harms.
- Good media services available to all citizens. A media and technology-literate society.
- Demand for seamless access to diverse content across platforms.
- Regulation must be streamlined, effective but low-cost, content-focused, technology-agnostic.
- Weaknesses: standards (quality control , IPRs etc.) vary. Profitability threatened. Long-term viability therefore in doubt.
- Gangs active on social media.

# The Future – And The Challenges cont'd.

## CHALLENGES

- Traditional media have shrinking market share and disproportionate share of regulatory obligations.
- Now just regulate 20-25% of the market, pressure bears disproportionately on survivors, accelerating the move into unregulated space.
- 49 cable operators – many of them not profitable, providing limited service, not in compliance.
- 243 zones – historical anomaly. Preventing rationalization as some are uneconomic.
- Media strengths: diverse, free and independent.

# Targets for the Broadcasting Commission

## POSSIBLE ACTION POINTS

- Find ways to reduce cost and burden of compliance.
- Encourage investment in skills and technologies, mergers and acquisitions  
 fewer, stronger operators.
  - Rezoning – fewer zones, geographically sensible & economically viable.
  - Multi-tariff system as part of time-limited transition strategy for industry.
- WhatsApp not (yet) regulated, so redouble campaign on media literacy. Facilitate inter-agency cooperation. Future might involve co-regulation with Facebook, WhatsApp etc.
- Support for quality, investigative journalism.

Thank you !

