

Policy and Regulatory Reform in the Liberalization Process - Jamaican experience

Presented by Elaine Wallace PhD, MBA

Introduction

The Jamaican experience in telecommunications liberalisation is being represented at this workshop by three presentations that will complement each other and together elaborate the transition that Jamaica has been making to a competitive market environment. These papers - on the implications of convergence in the Caribbean and Jamaica; policy and regulatory reform in the liberalisation process; and experience of new entrants and the incumbent provider in the Jamaican market - will allow participants to construct a scenario of how this country has been negotiating the issues of telecommunications reform and simultaneously managing processes of change and stability in the marketplace.

Policy and regulation are what define the liberalisation process and will determine its outcomes. In turn, policy and regulatory arrangements, are influenced (and some may even say determined), by factors over which national governments and regulators have minimal, if any, control. Here, reference is being made to the movement of telecommunications from the utilities economy to the converging information and communication technology sector¹; the configuration of market relations; and, the terms of trade in the global telecommunications economy. How this influence is exercised and the manifestations of liberalisation in a various jurisdictions will by no

¹ *Trends in Telecommunications Regulation*, International Telecommunications Union, 2002

means be the same. In each instance the policy issues, the system of regulatory governance and regulatory incentives and, the way in which liberalisation evolves will derive their essence from the course that the telecommunications industry has taken in its development and its associated regulatory history.

The contribution of this paper to the presentation of the Jamaican case will be to **(1) trace the evolution of the liberalisation process by (2) indicating the steps that the government has taken to bring competition to the telecommunications sector and (3) examining the regulatory framework that has underpinned the dismantlement of the monopoly and the introduction of competition.** This paper will also speak the question **“Should the regulatory bodies be merged?”** by suggesting a regulatory model that will be capable of delivering the developmental objectives for the sector. The argument in this presentation is that policy and regulation and the institutional arrangements will be circumscribed by the understanding and the expectations that policymakers, regulators, service providers and consumers have of liberalisation and by capacities in the sector.

A recent study of the sector, initiated by the Jamaica Telecommunications Council as part of the current telecommunications policy reform process, made an important contribution towards ascribing an interpretation to “liberalisation”.

“The fundamental idea that underpins the notion of liberalization [...] is the transfer of decision-making from the public sphere to the private sphere. ... The minimal content of the term liberalization is de-monopolisation, meaning that at least two providers compete to serve the market. [...] de-regulation connotes more than mere de-monopolization, since the existence of multiple service providers need not imply absence of regulatory control.

“In transitioning from an integrated monopoly, both retail and intermediate markets can be de-monopolised, or the retail market de-monopolised while one or more intermediate markets may remain monopolized (or vice-versa)... De-monopolisation is [therefore] not the same as liberalization since the latter encompasses more than the former does. [...] Liberalisation refers to the process of transfer of decision-making responsibility from the purview of regulators to that of the market. This means that the

greater the degree to which decisions concerning entry, market structure, investment, service provision, mode of provision, standards and pricing, are transferred to the market, the greater the degree of liberalization...In this sense, full liberalization means open, unrestricted entry and market determination of outcomes.

“The difference between de-monopolisation and liberalization is crucial. An integrated monopoly industry can be fully de-monopolised and subject to varying degrees of regulation. A de-monopolised industry that is subject to a high degree of regulatory oversight cannot be characterized as liberalized. It is also logically possible that liberalization can lead to the monopolization of some intermediate and retail markets.

“Complete de-monopolization, therefore, ought not to be confused with full liberalization as the implications of, and requirements for both, are significantly different. At best, de-monopolisation can only mean the first stage of liberalization, since it is a precondition for the transition towards full liberalisation.”

The Telecommunications Act that was passed in March 2000 provided for the phasing out of the Cable and Wireless monopoly in telecommunications in three stages. In Phase One: two new mobile providers, the resale of domestic and international minutes by new service providers and, the open provision of terminal equipment definitively brought competitive features to the telecommunications market. Phase Two, which began in September 2001, allowed licensing for domestic voice and carrier services using fixed facilities and for internet service provision by cable operators. Phase Three will provide for entry into the international services market.

Over these phases the existing regulatory framework would have taken the telecommunications sector to completion of the de-monopolisation phase of the liberalisation process. The increased demands of determining what and how to regulate (without the incumbent provider being a monopoly) require a regulatory design with adequate resources and expertise to ensure effectiveness in regulation and policy management.

Articulating a new policy

By the time that the new telecommunications policy framework was being articulated in 1998, a departure from the integrated monopoly as the main driver of development in the telecommunications sector was evident in policy thinking. The shift to a competitive environment in the telecommunications market was a defining feature of the new policy, although the rights of Telecommunications of Jamaica (TOJ), up to that time the only provider of domestic and international voice telephony, outside of the freezone facilities, were explicitly recognized in the new Policy Framework.

The main elements of the 1998 Policy Framework were: [Telecommunications Policy: a Framework, 1998:5-7]

- ❑ Regulation by an independent Regulator, the Office of Utilities Regulation (OUR), operating in a transparent, accountable and non-discriminatory manner. The Regulator would be mandated to facilitate effective competition.
- ❑ The licences issued to the incumbent provider would be honoured, at the same time that competition is encouraged in areas that do not infringe on these licences.
- ❑ A new, modern Telecommunications Act was to be enacted.
- ❑ Regulatory commitments made by Jamaica to the World Trade Organisation (WTO) would be fulfilled.
- ❑ A Universal Service Policy would ensure that all households, including rural communities and the urban poor, can have access to basic telecommunications and that the special interests of schools, hospitals and the handicapped are met.

- ❑ Interconnection will be required to ensure access to the incumbent PTC's public telephone infrastructure in a fair and non-discriminatory manner, with recourse to the Regulator in the case of dispute.
- ❑ Spectrum management and numbering administration will be carried out by the Regulator within a defined government policy framework to ensure that common resources are exploited for the benefit of the people of Jamaica.
- ❑ In light of the reform of the international accounting rates system and imbalances [that may be] identified between the structure of rates and costs, a rate rebalancing strategy will be developed by the Regulator following consultation with interested parties.
- ❑ The government will use telecommunications technology to enhance education, health and national security. Private monopoly will not be entertained in these areas.
- ❑ The government, the OUR and the Broadcasting Commission will explore convergence and develop a regulatory framework that balances promoting the use of interactive media with the protection from the abuses of such media.
- ❑ The Government and the OUR will ensure that appropriate and adequate representation is made of the telecommunications interests of Jamaica and the Caribbean internationally.

The next signpost in the process to end the TOJ monopoly was the 1999 agreement with majority shareholders Cable and Wireless (C&W), through negotiation with C&W PLC, which set the parameters for how competition would be introduced into the market. By way of this agreement, C&W relinquished its monopoly rights 10 years inside the contractual date of 2013 under its licences of 1988.

Changes in global trade arrangements, heralded by the World Trade Organisation General Agreement on Trade in Services under which Jamaica made commitments to open up its telecommunications sector²; incursions into market segments that were previously thought to be the preserve of TOJ; contestations as to the services that the company's 1988 licences covered in the domestic market; and challenges to the incumbent's conduct from its position of dominance, culminating around 1995, had set the stage for this agreement. Against this background, opposition to the government's attempt to introduce a new Telecom Law 1994 without overhaul of the policy framework resulted in the Bill being removed from the legislative agenda.³

The build-up of pro-competition forces was exemplified by the 1994 success in breaking the Cable and Wireless monopoly in the provision of customer premises equipment and the positive outcome from the challenge to that company's terms in the provision of interconnection from Infocannel, an Internet Service Provider (ISP).

These circumstances after the mid 1990's, created an environment that required the reform of telecommunications policy, regulation and legislation and consequentially, new regulatory structures. Continuing conflicts and tension in the situation peaked with Cable and Wireless's litigation in 1998 against the Ministry's grant of v-sat licences under the Radio and Telegraph Control Act.

Another factor that had a destabilizing effect on the system of pricing and regulatory incentives was the United States Order in 1997 to reduce the settlement rates for inbound termination of calls to Jamaica. As a result of this order, Cable and Wireless needed to secure profitability through other areas.

National developmental imperatives also demanded change. In 1996, the Jamaican government signalled a national information technology (IT) thrust, as one of the key elements of its development strategy articulated in the National Industrial Policy

² Jamaica Final Draft Offer to WTO Agreement on Basic Telecommunications Services.

³ Stirton, Lindsay and Lodge, Martin, *Embedding Regulatory Autonomy: The Reform of Jamaican Telecommunications Regulation 1988 – 2001*, 2002:4

(NIP). The success of the IT initiative was predicated on a cost competitive telecommunications sector that was sufficiently flexible, responsive to, and capable of meeting the needs of international investors. The Policy stated that telecommunications was “crucially linked to development of the IT sector that is a targeted sector in terms of development of the Jamaican economy”⁴

The NIP emphasized the government’s policy on telecommunications as a way to promote the continued expansion and technological modernization of the network infrastructure; to allow the provision of services at competitive prices to subscribers; and, to create a regulatory environment that would facilitate this expansion. Private sector participation in the provision of capital and network expansion, and the recognition that telecommunications services were critical to the performance and international competitiveness of all other sectors of the economy, were also emphasized in the NIP.⁵

The course leading up the mid-1990’s scenario was shaped by the conditions under which the sector evolved since the pre-independence period and as well on Jamaica’s historical relationship with Cable and Wireless. These experiences included the application of various regulatory models befitting of prevailing technological levels and the domestic and international political considerations.⁶

Sector overview

As in other countries, the telecommunication industry in Jamaica has a critical developmental role. These services are consumed by large sections of the population at the household and individual levels and thereby have a significant quality of life

⁴ *National Industrial Policy*, 1996;85

⁵ *ibid*

⁶ Pablo Spiller and Cezley Sampson, *Telecommunications Regulation in Jamaica* in Levy, B. & Spiller, P.T. (Eds.) *Regulations, Institutions and Commitment Comparative Studies of Telecoms* (1996); Levy, B. & Spiller, P.T. *Institutional Foundations of Regulatory Commitment: A comparative analysis of Telecommunications Regulation*. Oxford University Press: 1994. Both give expansive accounts of the historical development of the sector and the applicable policy and regulatory frameworks.

impact. For the productive sector, the telecommunications industry provides intermediate inputs and by the reliability and costs of these services, impact on the competitiveness and economic outcomes. The significance of this sector in economic terms is reflected in the fact the while GDP in Jamaica grew at an annual average rate of 0.29 percent between 1991 and 2000 the rate for the communications sub-sector was 14.4 percent⁷.

Jamaica has a fully digital telecommunications network over which a wide range of services is offered to residential and business customers⁸. Cable and Wireless Ja. Ltd., the incumbent monopoly, is the largest provider, offering domestic and international voice services; mobile telephone services; data services and internet services. There are two other mobile telephone providers to whom Cable and Wireless provide interconnection services.

Table 1: Provision of selected services

Service	Subscribers/audiences (‘000)	Dateline
Fixed line	511.661	2002
Mobile telephone	902.433 ⁹	2002
Internet	68.917 ¹⁰	2002
Data	4.882 (C&W)	2000/2001)
Television	1,483.6	2000
Cable	1,507.5	2000
Radio	1,699.0	2000

Source: Compiled by author from Cable and Wireless data, estimates from providers and Jamaica All Media Survey, 2000

Service provision levels indicated in Table 1 represent a significant advance from the situation in 2000 when the market was dominated by a single integrated monopoly with some presence from a developing group of internet service providers and a few private data networks.

⁷ Telecommunications Policy Reform Project Preliminary Report, 2002

⁸ Basic telephone service, enhanced network services, value-added services, internet access, mobile telephone service, data services (packet, dedicated and switched at various speeds), leased lines and terminal equipment rental. Integrated Services Data Network (ISDN) and Asymmetrical Digital Subscriber Line (ADSL) have been marketed as data services, and Intelligent Network capability has enabled the customisation of services for the individual customer. (Telecommunications Policy Reform Project Preliminary Report, 2002)

⁹ Centennial, which does not provide island-wide service, reports 50,000 subscribers (*The Observer*, June 17, 2002)

¹⁰ Estimates by providers and excluding institutional/network subscribers

The industry landscape is expected to change further when the close to 70 non-mobile licences issued since the enactment of the new Telecommunications Act in 2000 become operational. These licences were granted for internet service provision, joint data/internet provision; international and domestic voice resale; domestic voice and domestic carrier services. Competition in the sector can also be expected to intensify should cable operators, now licensed to offer internet services and domestic voice and carrier services, realise their potential to become multi-service competitors based on supply convergence. A new fixed wireless telephone provider is also scheduled to begin service in March 2003.¹¹

The policy and regulatory framework since 1998, and particularly under the 2000 Telecommunications Act, has guided the introduction of competition into the telecommunications sector and its development to the second phase of liberalization, but as a transitional framework is now the subject of review and reform.

POLICY AND REGULATORY STRUCTURES

Primary portfolio responsibility for the telecommunications sector is shared between the Ministry of Industry, Commerce and Technology (MICT) and the Office of the Prime Minister (OPM), where a Minister of Information is responsible for electronic media services. Regulation is also shared between the respective Ministries and the regulatory bodies that are responsible for the services that fall within their ministerial portfolios.

¹¹ Gotel Communications announcements, *the Observer*, June 16, 2002

Table 1 - Policy and Regulatory Arrangements¹²

Ministry	Function	Services	Regulator	Advisory Body
Ministry of Industry, Commerce and Technology	Policy and regulation	Internet Services Telecommunications	Office of Utilities Regulation	Jamaica Telecommunications Advisory Council
Office of the Prime Minister	Policy & Regulation	Radio and Television Services	Broadcasting Commission	Broadcasting Commission
	Policy	Public Exhibition of Films	Cinematograph Authority	None

A nascent trend in administrative convergence is evidenced in the links that were established and are being maintained between ministries and among ministries and other public sector bodies, which have portfolio responsibility for telecommunications subject areas. And at the level of the Cabinet, a sub-committee on Information was established to oversee policy processes relating to the telecommunications and the Information Technology sector. This Committee comprises the Office of the Prime Minister, as convenor, the Ministry of Industry, Commerce and Technology and the Ministry of Education and Culture, with which the other ministries maintain a consultative relationship based on its role in human resource development and the significance of information and communications technologies for education and culture.

With respect to services, convergence in technology, supply and services, has placed cable operators within the regulatory framework of both broadcasting and telecommunications, which now fall into separate portfolios. This exemplifies a trend whereby multi-service providers bringing together broadcasting, cable, and other services, have been licensed. A consolidated policy framework for the

¹² See detailed table at Appendix 1

telecommunications sector reflecting these convergences does not, however, presently exist in Jamaica.

Legislation

The centrepiece of the legislative framework is the Telecommunications Act 2000. This Act represents the second attempt by government to establish regulatory governance and incentive structures for telecommunications in legislation. The first was in the 1966 Public Utilities Act with the Regulator being the Public Utility Commission, which was abolished in 1976 with a return to the regulatory contract as the main regulatory instrument, and the Minister as the regulatory agent.

The Telecommunications Act 2000 makes provision for:

- The functions of the Office of Utilities regulations in respect of telecommunications services
- Licensing
- Interconnection
- Universal service
- Consumer Protection
- International services
- Standards
- Regulatory enforcement
- Review of administrative decisions
- Establishment and functions of the Spectrum Management Authority and the Telecommunications Advisory Council

The promulgation of the new legislation indicated a shift away from the regulatory philosophy which saw a regulatory mechanism embedded in legislation as being

somewhat too flexible and uncertain to provide the required safeguards for investment and growth¹³ .

Other legislation, Broadcasting and Radio Re-diffusion Act, the Radio and Telegraph Control Act and their respective Regulations are also part of regulatory framework that govern the regulation of service provision, carriage and content in telecommunications services. The 2000 Telecommunications Act explicitly excludes the services regulated under the Broadcasting Act from certain of its provisions [s.9 (3)] but includes the providers of subscriber (cable) television services as internet providers. [s.78 (3) (c)]

Regulatory Bodies

The two main regulatory bodies for the Sector are the OUR and the Broadcasting Commission. Both these organisations are established in statute and carry out regulatory functions jointly with portfolio ministries. Neither body grants licenses to the firms that they regulate. This authority is given to the Minister under the law. There are significant differences in how the regulatory agencies are funded; in the extent to which they receive direction from the Minister; and in how they exercise regulatory authority and powers of sanction.

Although the Spectrum Management Authority (SMA) manages the spectrum resource and is not strictly a regulatory body, it is integral to the regulation of telecommunications licensees. The Telecommunications Policy Framework of 1998 actually included spectrum management functions in the remit of the Office of Utilities Regulation. In departure from this however, the SMA was established under the Telecommunications Act as a separate body.

¹³ Spiller and Sampson 1996: 36 -37

Office of Utilities Regulation

The Telecommunications Act 2000 sets out the responsibilities of the OUR as telecommunications regulator. This Office began operation in 1997 after being established in 1995 as a multi-service utilities regulator with its own statute (the Office of Utilities Regulation Act 1995)¹⁴ and so is governed by both Acts.

Under the Telecommunications Act the OUR can make rules with respect to interconnection, rebalancing of rates, and the determination of price caps - areas that are central to the telecommunications policy and to the success of the government's competition thrust.

In a recent speech to a forum on telecommunications reform¹⁵, the Minister of Industry, Commerce and Technology made an assessment of the liberalisation process to date. He pointed to the following achievements¹⁶:

In Phase One:

- Cellular licences to Digicel & Centennial raised US\$92 million
- Resale of international voice on wholesale basis
- Full liberalisation of market for multi-line customer premises equipment
- Issuance of ISP licences
- Granting of VSAT licences for single-entity free zones

In Phase Two:

- Issuance of domestic carrier licences for fixed facilities
- Issuance of domestic voice service provider licences for fixed services
- Internet service provider licences to cable operators

Growth and Expansion

- Digicel has spent over US\$272 million for licence and cell sites and will spend another US\$175 million to expand its network and move its subscriber base from 360,000 to 500,000.
- Centennial & C&W also in expansion mode
- Teledensity increasing by 23%-27% annually

¹⁴ Also Act to Amend the OUR Act 2000.

¹⁵ Public Forum on Telecommunications Policy Reform, Jamaica Conference Centre, June 10,2002

- Cable penetration growing, with increase from 37 to 44 operators in recent months.
- GCT removed from computer hardware & software

Along with these achievements, remain aspects of the 2000 Telecommunications Act that are still to be implemented. Of particular note in this regard are a number of Rules and prescriptions that are in varying stages of completion by the Office of Utilities Regulation.

Action by the OUR under the Act in respect of price caps is being opposed by Cable and Wireless, the incumbent telephone service provider, which has brought legal action as well as by mobile provider, Digicel that is threatening to do the same against an Order from the OUR for their rates to be cut by 33%.¹⁷

In the relationship with the Office of Utilities Regulation, the Minister responsible for telecommunications is also authorized under the law to give “directions of a general nature as to the policy that is to be followed by the OUR in the performance of its functions ... and the Office shall give effect to those directions” [Telecommunications Act s.6]

In carrying out its functions the OUR must consult with the Fair Trading Commission, which is the competition regulator, in the determination of dominance and on matters of “substantial competitive significance”. There may also be consultation in developing competitive safeguards.

¹⁷ The *Sunday Gleaner* June 16, 2002. The use of litigation against the rules/rulings of the regulator by the regulated firm and against the consumers/users is not new in Jamaica’s regulatory landscape. (Spiller and Sampson, 1996) These contestations can be understood in the context of a struggle for influence in the “regulatory space”. (see Stirton and Lodge, 2002 for discussion on regulatory space)

Broadcasting Commission

The Broadcasting Commission regulates electronic media services, including subscriber television services, under the Broadcasting and Radio Re-diffusion Act. Consequently, the Commission maintains consultative relationships with the Spectrum Management Agency, the Fair Trading Commission and the Consumer Affairs Commission. Applications for radio, television and cable television licences are made to the Commission, which evaluates the applications and makes recommendations to the Minister who grants licences.

Under the Broadcasting Act, the Commission must monitor the performance of licensees in service provision under their respective licences but has limited powers of enforcement and sanctions. The licences granted for television, radio and subscriber television under the Broadcasting and Radio Re-diffusion Act set out the terms and conditions under which these services are to be provided.

The regulatory system for telecommunications as represented in **Appendix I** has to be assessed against the commonly accepted criteria of good regulatory governance.¹⁸ The institutional fragmentation that characterises this system reflects the absence of an integrated policy that recognises convergence. This has the following outcomes:

- Available expertise in policy and regulation, as well as in relevant technical disciplines, is spread over the Ministries and agencies responsible for policy and regulation in the sector. This leaves the individual agencies at a lower level of organisational strength than would be ideal.
- ✚ Agencies are not always able to act as expeditiously as necessary. The lag in rule-making by the OUR could possibly be explained by the resource problem mentioned above.

¹⁸ These are: **Institutional design:** Clarity of roles and objectives, Autonomy, Accountability. **Regulatory Processes:** Participation, Transparency, Predictability, See Stern and Holder 1999:42

- ✚ Overlap and duplication - For example, the OUR and the Broadcasting Commission are both responsible for regulation in the subscriber television (cable) sector and the Spectrum Management Authority and the Broadcasting Commission both monitor telecommunications facilities.
- There are differences in policy and consequently in regulatory practice with respect to terms and conditions of licenses, the changing of regulatory fees, duration of licenses, and ownership.
- The potential for tension is inherent in the arrangement whereby portfolio ministries share regulatory responsibility with the regulatory agencies.

The ease with which the regulatory system is able to meet the demands of the liberalisation process after March 2003 will depend on the completion of the regulatory framework as defined in the Act as well as on the existence of a system of regulation which creates certainty and confidence in the market. The system must also be such that the policy objectives that have been articulated by the government can be met.

The main policy goals that have been identified by the government¹⁹ are:

- Extension of the wired and wireless networks to encompass the entire geographical and demographic spread of the country providing universal access for all, including the disabled and the elderly.
- The availability of high quality services across a range of providers, at competitive prices.

¹⁹ Statements by The Minister of Industry, Commerce and Technology, at the abovementioned telecommunications policy reform forum and by the Chairman of Telecommunications Advisory Council to meeting with Telecommunications Policy Reform consultants, April 11/02.

- Access by the corporate and governmental sectors to the best available innovations in telecommunications facilities and services at costs that are internationally competitive so as to stimulate economic and social development.
- International and domestic connectivity arrangements that are seamless, efficient and cost competitive.
- A regulatory environment that is responsive, accountable and socially sensitive to the needs of the public, to investors and to emerging technologies.

The objective of regulation must be to facilitate achievement of these policy objectives and to engender the creation of a competitive environment in the telecommunications sector, where service providers are efficient, apply the most up to date technology to provide services at internationally competitive prices and generates reasonable returns on investment.

Should the regulatory bodies be merged?

The short answer to this question is “yes”. Convergence processes in telecommunications generally and as they have emerged in the Jamaican market, as well as the need for administrative efficiency point to this as a rational proposition. A single regulator would bring together the telecommunications portfolio of the Office of Utilities Regulation, the Broadcasting Commission, and the Spectrum Management Authority. The telecommunications regulator would be independent and would assume the responsibility for all regulatory functions including the grant of operating licenses. For the objectives of reform to be met without dislocation and uncertainty in the market, this new, convergence-sensitive framework, would need to be ushered in with the guidance and expertise of organization planners and re-engineering specialists.

The Fair Trading Commission would remain an independent agency with responsibility for competition regulation, with a strengthening of the mechanisms for consultation between it and the telecommunications regulator.

Policy development and decision-making should be the function of one Ministry of government. That is to say that the portfolios for telecommunications, broadcasting, and information technology should be brought together into one Ministry of Information and Communications Technology.

The existing cluster of legislative instruments for these subject areas should be reconciled. With consolidation of the ministerial portfolios, all existing legislation would be administered through the same political and executive directorate. Thereafter, immediate steps should be taken to bring consistency where there is unnecessary variance among areas of regulatory activity. With the individual laws in line with the policy framework, the creation of a single piece of legislation, embracing all services and replacing those currently being used, could be considered.

In merging the regulatory bodies there will be an expressed need for institutional learning, adaptation and capacity building, given the characteristics of the industry and the institutional capabilities. This will take some time, for example, for regulators to develop an adequate number of staff with the required expertise, in regulatory economics, telecommunications policy and law, engineering and technology. The deepening of competition and the pace of liberalization will depend on how expeditious and successful the capacity building efforts are in the sector.

The importance of this is that previously discrete industries, subject to varying modes of regulation now need to be brought under a unified regulatory regime to facilitate extraction of the efficiency and service provision benefits of convergence.

Some conclusions

Liberalisation of the telecommunications sector in Jamaica was initiated with bold reforms in policy and in regulatory design by the government. In the time since the enactment of the Telecommunications Act in 2000, new entrants have successfully emerged in a now dynamic marketplace. The achievements here: the start-up and expansion of mobile telephone services on the basis of satisfactory arrangements for interconnection; the build-out in infrastructure; high levels of investment and an increase and variety in services suggest that the regulatory model achieved some of the objectives of Phases One and Two in the opening up the sector to competition.

There remain outstanding issues under the Telecommunications Act, and the question of adequacy and efficiency in the regulatory system, as well as new issues in regulatory policy, point to the need for major adjustments in regulatory governance and as well in the incentive system. The merging of the regulatory institutions will create a basis to develop a framework that facilitates national policy objectives, protects the public interest and ultimately ensures that the consumers' needs for quality service at affordable prices are met.

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- Sunday Gleaner June 16, 2002

Appendix I - Regulation in the Jamaican Environment

INSTITUTION	AUTHORITY	RESPONSIBILITY	SERVICE AREA	LICENSING	ENFORCEMENT	FUNDING
MICT	<ul style="list-style-type: none"> ▪ Constitution (G.G.) ▪ Telecoms Act ▪ R&T Control Act 	<ul style="list-style-type: none"> ▪ Political direction ▪ Policy ▪ Regulation of T'coms 	<ul style="list-style-type: none"> ▪ T'coms services ▪ IT 	Grant (Minister)	Yes	Consolidated Fund
OPM (Min. of Info.)	Constitution (G.G.)	<ul style="list-style-type: none"> ▪ Political direction ▪ Policy ▪ Regulation 	<ul style="list-style-type: none"> ▪ Broadcasting ▪ Cable TV (entertainment) 	Grant (Minister)	Yes	Consolidated Fund
OUR	<ul style="list-style-type: none"> ▪ Telecoms Act ▪ OUR Act 	Regulation	<ul style="list-style-type: none"> ▪ T'coms services ▪ IT services-ISP's Cable TV 	<ul style="list-style-type: none"> ▪ App. Forms ▪ Evaluation ▪ Recommendation ▪ Issuance ▪ Terms and conditions not specified in licences. 	Yes	[Cess (OUR Act)]* No regulatory fees; Application fee charged.
Broadcasting Commission	Broadcasting & Radio Re-Diffusion Act	<ul style="list-style-type: none"> ▪ Regulation ▪ Policy advice 	(Entertainment) - content and technical standards	<ul style="list-style-type: none"> ▪ App. Forms ▪ Evaluation ▪ Recommendation ▪ Issuance ▪ Terms and conditions specified in licence 	Yes	Consolidated Fund (Licence fees collected returned to Fund)

INSTITUTION	AUTHORITY	RESPONSIBILITY	SERVICE AREA	LICENSING	ENFORCEMENT	FUNDING
Post & Telecom. Dept.	Radio and Telegraph Control Act	Non-spectrum licences		Postmaster General grants	Yes	Consolidated Fund (Licence fees collected returned to Fund)
SMA	<ul style="list-style-type: none"> ▪ Minister through T'coms Act ▪ [R&T Control Act]** 	<ul style="list-style-type: none"> ▪ Spectrum allocation ▪ Monitoring use 	All spectrum users: <ul style="list-style-type: none"> ▪ T'coms ▪ IT services ▪ B/casting ▪ Cable TV ▪ Others (petty licences) 	Yes Terms and conditions specified in licence	Yes	[Regulatory fees]*
Others: <ul style="list-style-type: none"> ▪ NEPA ▪ Parish councils 	<ul style="list-style-type: none"> ▪ Executive Agency ▪ Ministry of Local Govt. ▪ Building Act 	Environment protection and land use	Carrier licensees constructing infrastructure	Grant of Permission/ Permits	Yes	Fees/ Consol. Fund