

**Presentation by Cordel Green
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**(These views are not necessarily those of the
Broadcasting Commission)**

“The Digital Future”

INTRODUCTORY REMARKS

It is first of all critical that the modernisation of Jamaica's communications infrastructure be understood as a critical development tool for transitioning from an industrial model of economic and social organisation, to a virtual, global, knowledge-based, digital economy and society. I say this because there is the real risk of Jamaica's development being mutated unless we take urgent and necessary steps to strengthen the country's electronic communications capability.

This is the background to this presentation on the digital future.

An economic and financial analysis of the electronic communications industry

Let me begin with the latest information about the state of the sector. At the end of March, the Broadcasting Commission completed its economic and financial analysis of the electronic communications industry. The findings have not yet been made public, so you are the first ones with whom I am sharing some preliminary information. The overarching finding of the study is that many of the challenges which face the electronic communications sector in Jamaica are the result of economic and technological upheavals and transformation globally, chief among them being the limitations associated with small

economic markets, and the overall economic conditions that constrain consumers' choice forcing them to limit their consumption of communications services.

Despite these challenges, based on 2010 data, the total revenues collected in the electronic communications sector amounted to approximately \$6.53 Billion dollars or USD 77.7M. Based on PIOJ data, GDP at constant market prices in 2010 was \$ 484.6 billion, which means that the electronic communications sector accounted for just about 1.35% of GDP in that financial year. This is evidence that the sector is an important plank in our economy.

The study revealed further that although net profit margins in the industry were rather small, nonetheless, the Jamaican electronic communications sector remains viable with the potential to increase its already significant share of national income, if properly managed, within a well co-ordinated regulatory and policy environment.

This is the context in which we argue that the transition to a fully digital platform, beginning in 2015, represents an opportunity for the sector to bring a fresh value proposition to consumers who are increasingly being drawn to alternative mobile digital platforms and

communication devices, such as television enabled tablet PCs, cell-phones, and other internet based media.

Let me illustrate this by citing just one technological development which poses some challenge for the traditional sector: The international new media player, Netflix, which is an Internet based over-the-top programme provider, has announced its intention to begin offering services soon to countries in the Caribbean and Latin America, including Jamaica; and a similar local IPTV based company, called iVu, has announced plans to launch in early 2012 in Jamaica.

These developments portend some degree of 'trouble' for existing wired cable operators. Their infrastructure-based business orientation precludes them from delivering content at a cost close to marginal cost, as the internet based players such as Netflix and iVu would be able to do. Apart from the cost of infrastructure, the cable operators are mandated to carry the local television stations, offer a minimum number of local cable channels and provide free public access channels for public service purposes.

The critical issue here is not about Internet subscription services versus cable services, per se, but one about regulations and whether there is a degree of unfairness inherent in charging a regulatory fee on existing STV operations, while the IPTV operators make no contribution. I will reserve further comment on this matter, for the moment, because it is the subject of a pending legal review by the Attorney General. Suffice it to say, the current proposed amendments to the definition of broadcasting in the relevant legislation will settle the matter shortly.

The more important point I wish to make, in the context of digital switch-over, is that quality of the content and the consumers viewing experience will ultimately determine which business model and which firms will continue to exist in the long run. This implies that the traditional electronic media operators must seek ways to enhance the consumers' viewing experience, such as the introduction of HD and 3D. The management of media companies across the industry will also need to reassess existing distribution arrangements and innovate in order to respond to underlying structural shifts that are being caused by changes in technology and consumer behaviour.

These innovations must include alternative methods of distribution and also shared distribution facilities (for example, joint operation of digital cable headends).

Consumer and cultural benefits

But I don't want you to form the impression that the switch to a fully digital platform is just about the viability of broadcasters and cable operators.

The main consumer and cultural benefits come from the fact that approximately six digital terrestrial TV channels can be accommodated in the capacity required for one analogue TV channel. Consequently, the most readily appreciated benefit is a major expansion in the breadth of choice. Digital Television Switch-Over carries the potential for new content and more specialized content, such as the delivery of education. Additionally, the technology will facilitate more local services, more data-based services, interactive features and the option of widescreen and/or HDTV and mobile TV.

And here I want to sound a warning about the dumping of obsolete, analogue tv sets in the Jamaican market. We must all be aware, that

several countries have already made the switch to digital broadcasting and they are getting rid of their analogue television sets by dumping them in countries like Jamaica. Consumers must therefore consider that these analogue television sets are being made available at bargain prices, because they are obsolete. So, our advice to people who are investing in TV sets is that they must ask whether the tv is digital or analogue, and bear in mind that the future is digital.

Content Standards in Broadcasting

As we address the technology side, we have not forgotten that content quality and standards require attention. In recent times, we have been noticeably instrumental and successful in improving the quality of content on the airwaves. Gun lyrics are all but a thing of the past, largely due to our work which extended beyond the airwaves and into the recording studios.

However, there remains noticeably unacceptable breaches of broadcasting standards. I can assure you that these matters are receiving serious attention because the Broadcasting Commission

will not allow any return to the free for all and corrosive airwaves of the past. As such, we are intensifying our monitoring capabilities, which include the training of over 250 volunteer citizen media monitors across the country.

We have also proposed a raft of measures which government is working to bring into force within this legislative year. These measures include legal requirements for the management of airplay within broadcasting stations, such as :

- An objective methodology for receiving, evaluating and approving content for broadcast, through a library;
- Compilation of music charts in accordance with a transparent station-approved methodology;
- Maintaining play lists and programme logs of music played, for examination by the Broadcasting Commission and accredited rights agencies;
- Designation of a responsible person for control of all media output; and
- Criminalisation of Payola, which is the widespread practice of secretly giving or accepting bribes in a variety of forms in exchange for music airplay or other means of media exposure.

This practice is of particular concern because of the correlation between payola and sub-standard musical output on the Jamaica's airwaves. If the government and Parliament act on our recommendations, the offence of payola will be punishable by fines of up to \$15M.

Content Standards in Broadcasting

Even as we pursue these initiatives, it is not lost on the Commission that we are confronting a dynamic and complex media environment which challenges conventional methods of regulation. We recognise that a necessary response to this challenge has to be a citizen who is empowered in the true sense of the word, meaning one with the ability to deal with opportunities and challenges that are presented by the plethora of sources of media content.

This is why we have partnered with UNESCO, the Joint Board of Teacher Education and the Ministry of Education to pilot a digital media literacy project in primary and secondary schools and teachers' colleges. This project involves the integration of digital

media literacy in the curricula of Jamaican primary and secondary schools. Our children will be taught how to analyse information, critically, taking account of sources and the importance of tolerating diverse views, whilst being empowered to create and disseminate their own information.

Phase 2 of this project was completed in March 2012. The achievements to date are as follows:

- ✓ Media literacy curricula developed for Grades 1-9 (children ages 5-15 yrs in Primary and Secondary schools.
- ✓ Media literacy curriculum developed for in-service teachers and teacher training colleges.
- ✓ Twelve training videos produced along with Workbooks.
- ✓ 80 student and in-service teachers trained in Media Literacy instruction (St. Joseph's teachers college, Sam Sharpe Teachers College, Balcombe Primary & Junior High, Calabar Primary & Junior High, Central Branch All Age, Granville Primary & Junior High and Flankers Primary & Junior High).
- ✓ 150 grades 7-9 children trained media operations (selected from five (5) pilot schools where low power radio stations will be established.

Phase 3 will begin in June 2012 and end September 2013. This phase will involve:

- Delivery of the Media Literacy curriculum in five pilot schools. This will be done by the in-service teachers who were trained in Phase 2.
- Thirty (30) trainee teachers from Phase 2 to be assessed on practicum and final project in Media Literacy.
- The establishment of radio stations in five pilot schools. The project will be expanded to include internet radio.
- Hand-over of project to the Ministry of Education for full roll-out of Media Literacy curriculum in primary and secondary schools and teachers' colleges.

School's Outreach Programme

In September 2011 we also launched a schools' outreach programme under the theme 'The Future is Digital' as a complement to the Media Literacy and Digital Switch-Over projects. The programme involves a one (1) hour interactive, multi-media presentation covering a range of topics including "the new media environment", "the digital economy",

“managing your ‘digital self”, “electronic media output standards and quality”, and “regulating in the digital age”.

Hundreds of students have already benefitted from this programme in several schools across the country.

Mr. Chairman, what we are embarked on is termed “enlightened access” – meaning that our country must get to a stage where there is such innovation and creation of digital products, that we will be transformed from a country of “downloaders” into a country of “uploaders”. We are promoting the creation of quality ‘local content for a global audience’. This is of particular significance because what will ultimately empower and enrich the poor are investments in “content and applications, not just technology” (ADBI, 2001, P.9).

I hope you have distilled from this presentation that having identified the key focal areas of Digital transition, digital literacy and the promotion of high quality local content, the Broadcasting Commission is on the right path to facilitating a vibrant, 21st Century media in Jamaica.