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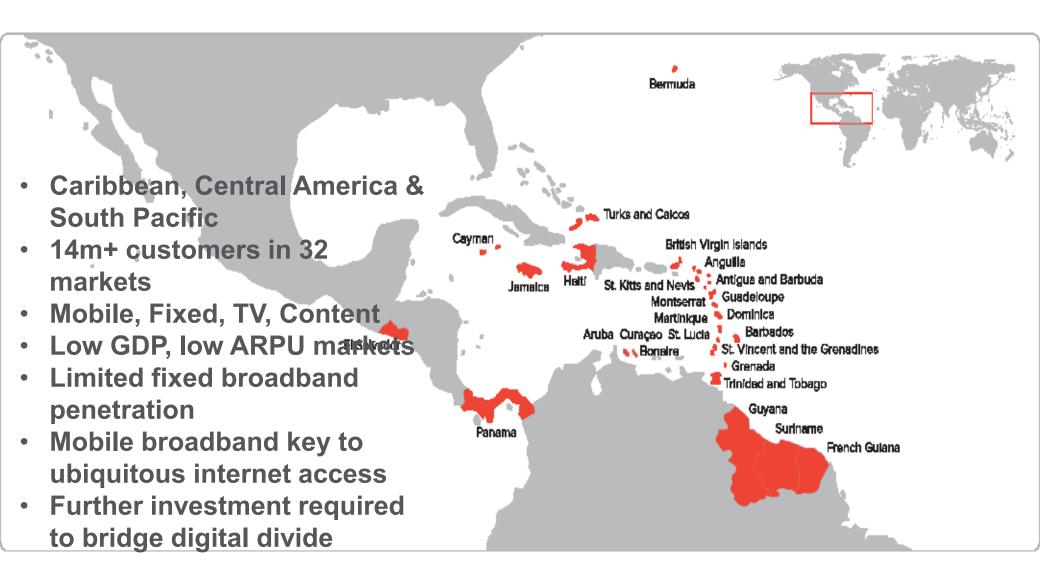
Public Policy Considerations for OTTs

Panel Discussion
Open Consultation Session

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OTTs and regulation

- The internet "Cloak of Regulatory Invisibility"
 - OTTs claim that because they deliver services over they internet they should be immune from regulation
 - The advocates of this approach say that regulation will stifle innovation
- The Cloak is unravelling
 - Governments and the public are seeing that some controls on OTTs are needed All data is not equal
 - Hate speech, cyberbullying and "fake news" is not the same as other content
 - Large OTT platforms impose their own standards they filter and moderate what we can see and do
 - Can they be trusted?



Impact on developing economies

- Erosion of tax revenues OTTs do not pay local corporation tax, in many cases they do not pay consumption taxes on the services they offer.
- Unfair competition Local businesses face competition from OTTs who do not have the same regulatory burden.
- Economic displacement in small economies the benefits of the digital economy will not outweigh the negative impact of the offshoring of employment and outflow of payments.
- Reduction in level of funds available for investment in broadband access networks in developing economy are funded by inward revenue flows from roaming and international voice. OTT services are undermining these, reducing the funds available for network investment.
- By-passing of public policy objectives for example for public policy reasons many jurisdictions have "fit and proper" tests for local media ownership but OTTs are not subject to these.



Bridging the Digital Divide

- The digital divide is not being closed and in some respects is growing.
- There is a need for infrastructure investment in developing economies if this is to be addressed.
- Commercial models are changing there are calls for telcos to adapt their commercial models.
- On the other side of the balance there is a need to change the funding models for infrastructure investment.
- It is now time for a "New Deal" where a revenue share from advertising and OTT services can fund broadband networks in the developing economies including parts of Africa, the CALA region and South East Asia



Role of the ITU

- The ITU is already involved in shaping the regulatory framework
- The ICT Regulatory Toolkit influences the shape of regulation in developing economies
- It is out of date and doesn't take account of the changes in market dynamics caused by OTTs
- As a minimum this needs to be updated in order to avoid obsolete solutions being deployed in economies that are already behind.





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