

Enabling Converged Licensing

Perspective from a Commercial Broadcaster



Content

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- ▼ Re-shaping the licensing framework
- ▼ Value of horizontal vs. vertical licensing framework
- ▼ Implementation of converged licensing framework
- ▼ Regional licensing framework and convergence
- ▼ Conclusions



Introduction

- ▼ What really is convergence

- ▼ From a service providers perspective
 - Networks converge
 - Advent of technology and new software developments
 - Services - do they really converge.
 - Content does not change it is merely delivered faster, better and over many new platforms (networks) as a result of convergence
 - Frequency is impacted as new services are able to be offered over frequency which previously could not sustain such a service
- ▼ New converged licensing framework is intended to respond to these challenges



Re-shaping the licensing framework

- ▼ Old vertical licensing structure needs to respond to convergence

- ▼ Introduction of
 - Technology neutral
 - Horizontal
 - Licensing framework

- ▼ Effect
 - Services license (Broadcasting a special subset)
 - Network license
 - Frequency license

- ▼ Independent licensing but all three required to legally offer a service



Value of horizontal vs vertical licensing framework

- ▼ Value
 - Technology neutral
 - Liberalizing
 - Opens market to new services
 - Lightens regulatory burden for niche services

- ▼ Commercial value
 - Faster time to market
 - Innovation encouraged
 - Introduction of more competitive services



Implementation of converged licensing framework

- ▼ Regulatory tools
 - Convert existing licenses
 - Separation of class/exempt and individual licenses
 - Standard terms and conditions
 - Special conditions for SMP

 - Not only creating new licensing framework but a new regulatory regime

- ▼ Temptation to still mould new framework in old
 - Service license means you can offer that service regardless of network over which it is carried
 - One broadcasting license whether offered fixed terrestrial, mobile terrestrial, cable, satellite, web etc
 - If succumb to temptation undermine key benefits and value proposition of convergence

- ▼ Other control levers do exist
 - Frequency a separate license
 - Standard terms and conditions
 - Powers to make regulation



Regional converged licensing framework

- ∇ Requirements
 - Harmonized statutes
 - Licensing categories must be the same
 - Harmonized regulations
 - Recognitions of African content as local content
 - Harmonization will be a difficult process but possible if manage disadvantage
- ∇ Value
 - Allows for pan African services without additional regulatory burdens
 - Ease of entry into markets
 - Need to clear limitations to ownership between countries
 - AU exemption



Possibilities to effect such a scheme

- ∇ Licensing
 - Recognize licensing of services from another regional country
 - Such licensees must register their service in the host country
 - Network recognition with some limitations
 - Cant just start digging up roads or erecting masts without participation of local or state entities
 - Environmental impact requirements
 - Guard against dumping
 - Regulations regarding standards for equipment
 - Frequency – no recognition
 - Frequency has to be licensed de nova
 - Each country has to manage own frequency spectrum
 - Even with regional co-operation iro frequency



Possibilities to effect such a scheme

- ∇ Demonstrable material benefits for host country
 - Standard regulations applying to such service
 - Consumer protection
 - License fees
 - Host country still exercises control
 - Thru local and multi-lateral instruments
- ∇ Issues for consideration
 - In which country do you award the license
 - Country of origin
 - Principal place of business
 - Operators will seek licenses in countries which have the most favorable regulatory regime



Benefits on a regional level

- ∇ Facilitates investment
 - Quicker entry to market
 - More certainty
- ∇ Regulatory compliance made simpler as rules are harmonized



Discussion

