

# Digicel

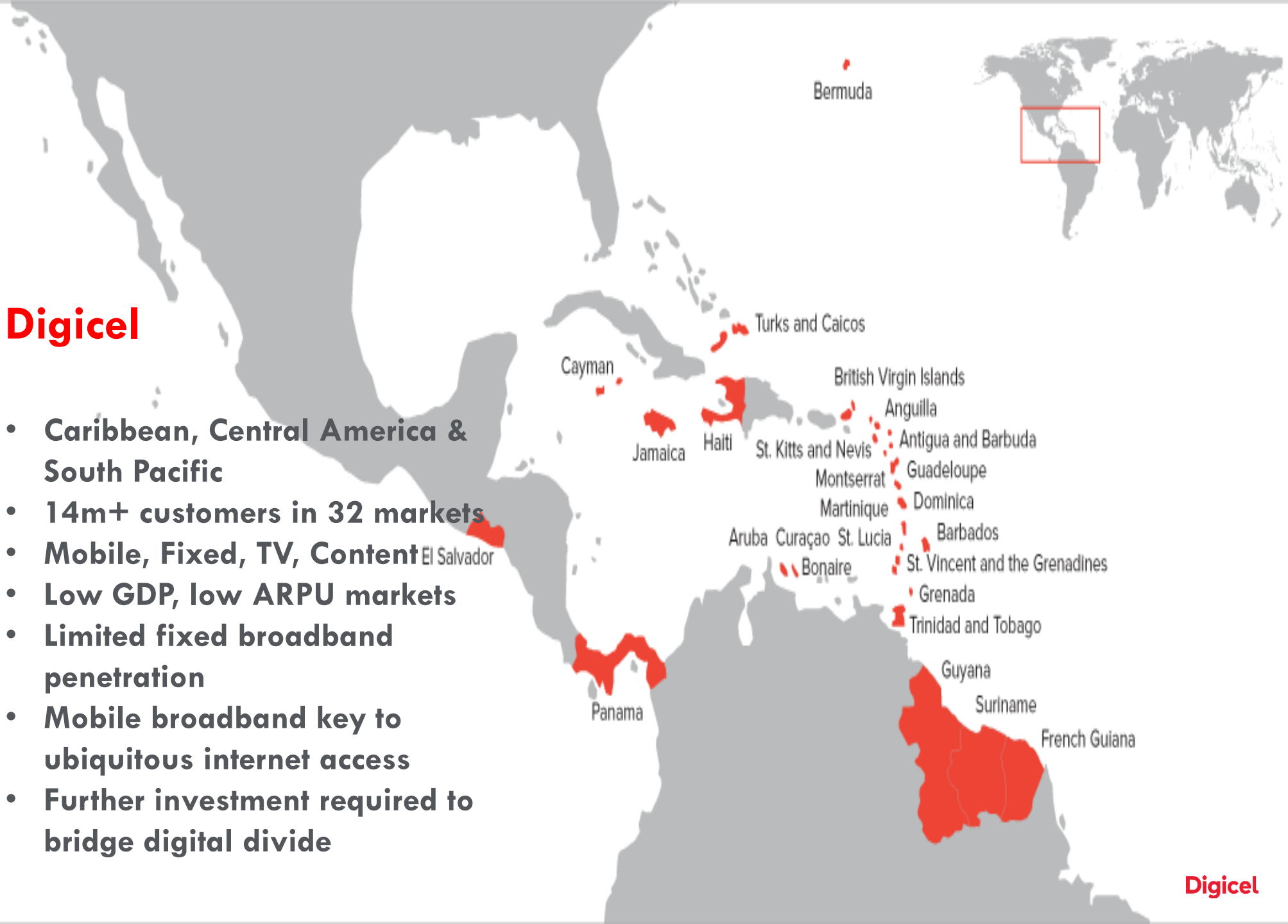
## Net Neutrality & OTTs: CICC Update

AUGUST 21<sup>ST</sup>, 2017



# Digicel

- **Caribbean, Central America & South Pacific**
- **14m+ customers in 32 markets**
- **Mobile, Fixed, TV, Content**
- **Low GDP, low ARPU markets**
- **Limited fixed broadband penetration**
- **Mobile broadband key to ubiquitous internet access**
- **Further investment required to bridge digital divide**



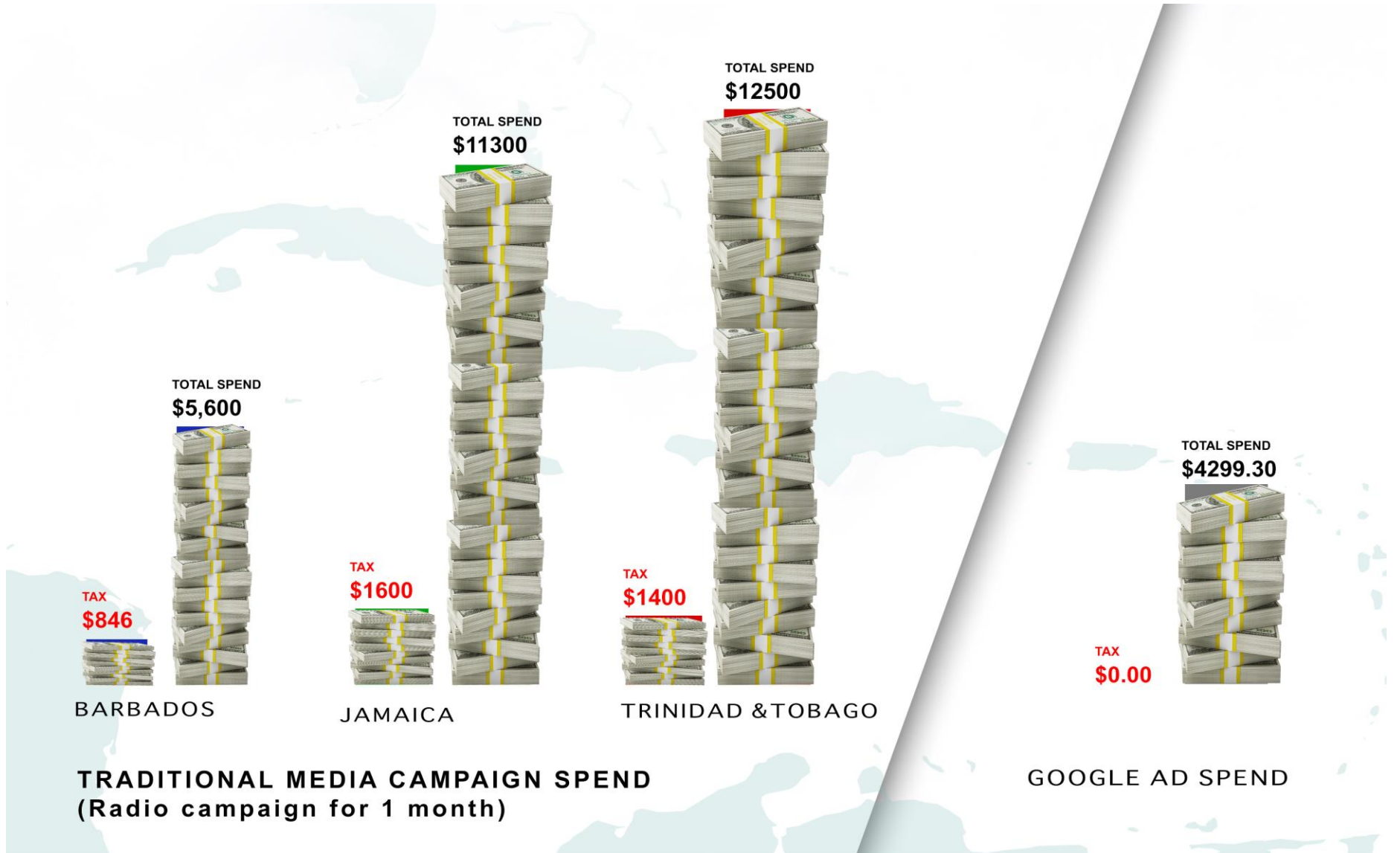
# Net Neutrality

- **CANTO July 2017**
- “after the FCC embraced utility-style regulation, the United States experienced the first-ever decline in broadband investment outside of a recession.”
- “proposal to return to the successful, light-touch approach that the Commission embraced until 2015”  
—Rachael Bender, FCC

# OTTs: Governments are lifting the “cloak of regulatory invisibility”

- Colombia: introduced measures in relation to tax and VAT on digital services;
- France and Germany: Airbnb and other platforms pay their fair share of taxes; Airbnb is grappling with local regulations in many cities and countries around the world;
- EU is revising its electronic communications regulation to provide a more level playing field;
- France, Belgium, Germany, Singapore and Australia: licensing of OTTs;
- Uber: a transport service and subject to certain transport regulations (Advocate General of the European Court; "operating parallel regulated and non-regulated regimes would undermine the regulated transport system (National Transport Authority, Ireland);
- Legal interception –many countries to address this;
- Many jurisdictions are proposing regulation of harmful content including Germany, Ireland, the UK, and the EU;
- EU proposing to protect locally produced content by requiring that 30% of VOD content be European content and that VODs contribute to the cost of the production of such content;
- UK Government announced - UK “the world leader in regulating use of data” and proposing that same rules apply to online and offline content. The concept of an Internet levy similar to the existing levy on the gaming industry has also been proposed.

# Traditional Media Campaigns Contribute Locally



**TRADITIONAL MEDIA CAMPAIGN SPEND**  
(Radio campaign for 1 month)

**GOOGLE AD SPEND**

# The shape of the solution is emerging

- A level playing field where local service providers are not subject to rules that do not apply to online competitors and the application of the same rules to local and online providers – including the licensing of service providers (“Same service same rules”);
- Internet Giants and OTTs must make a local contribution - pay some form of local taxation or levies where services are provided and from where data is extracted;
- The protection of consumer data and of consumer rights in general;
- The regulation of harmful content;
- Protection of the public interest and national security - in particular an obligation on OTTs to cooperate with police and security forces;
- The development and enforcement of antitrust policies and powers adequate to address the challenge of the Internet Giants/OTTs;
- Equitable commercial arrangements and revenue sharing between OTTs and local network operators.



**LET'S TALK**

