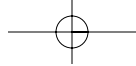


# **VOLUME 3**

## **SECTION 9**

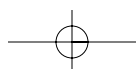
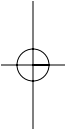
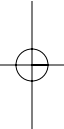
### **BROADCAST AND SUBSCRIBER TELEVISION (CABLE) LICENCES**

**The Responsibility of the  
The Broadcasting Commission  
5th Floor, Victoria Mutual Building  
53 Knutsford Boulevard  
Kingston 5**



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# CHAPTER I

## GUIDELINES TO APPLY FOR A SUBSCRIBER TELEVISION (CABLE) LICENCE

### 1.0 BACKGROUND

All matters pertaining to the Electronic Media are the responsibility of the Office of the Prime Minister. The minister in charge of dealing with the subject is assisted by the staff of the Information Division. The detailed administration of the subject, however is the direct responsibility of the Broadcasting Commission. The Broadcasting Commission regulates, guides and controls activities pertaining to the Electronic Media. The Commission is guided by the Broadcasting and Radio Re-difusion Act and the Television and Sound Broadcasting Regulations 1996.

It is intended that the information presented in these guidelines will assist applicants in fulfilling the criteria required for a complete and easily understood application. The substance of the material submitted should be checked on a point by point basis against the requirements of the Regulations, the application form and these guidelines.

### 1.1

All prospective applicants for Subscriber Television (STV) licences are required to satisfy the Commission that they have:

- the ability to adequately staff the business, technically and administratively;
- a business plan for the viable operation of the business;
- the capability to offer the service for at least eight continuous hours per day;
- secured the relevant permission or have entered into agreements or arrangements necessary for the operation of the business;
- an implementation plan and a timetable for the provision of service in the area for which application is made;

- the capacity to meet the technical standards set out in the Second Schedule; and
- the capacity to offer a minimum of ten channels to each subscriber.

## 1.2 REQUIRED DOCUMENTS

Applicants are required to submit the following documents:

- i Copies of:
  - Certificate of Incorporation
  - Articles of Association
  - Memorandum of Association
  - Articles of Incorporation
- ii The completed application on the prescribed form
- iii The required technical information which should be clearly labelled in accordance with all the requirements of the application form
- iv Jamaica Public Service Co. Ltd. Application form for Attachment to Utility Poles

**Note: Pole maps are not to be included with this application**
- v Business plan – The following documents are required:
  - Trading, Profit and Loss Account
  - Projected Balance Sheet (years one and two)
  - Projected Revenue Schedule
  - Projected Expense Schedule (Establishment operating and Administration)
  - Projected Cash Flow Schedule
  - Loan Repayment Schedule
- vi An implementation plan and timetable for the provision of service in the area(s) for which application is made
- vii Certified copy of list of Directors (Form 23)
- viii Permits for programming use:

- Letters of intent
- Properly executed contracts

### **I.3 SUBMISSION AND RECEIPT OF APPLICATIONS**

The applicant is responsible for ensuring that all the necessary documents are submitted. However, the Commission will verify, on receipt, that a complete package has been presented. If any documents are missing, the Commission will immediately advise the applicant what materials need to be provided before the application is evaluated. Please note that at this point the Commission officers only verify completeness. This is NOT A GUARANTEE that the application meets the required standards for the Commission's recommendation that a licence be granted by the Minister.

### **I.4 PRESENTATION OF DOCUMENTS**

Applicants must ensure that the material submitted is clear and self explanatory. Applicants should focus their efforts on the specific requirements as detailed in the Regulations and application forms and should not submit information which has not been requested. Where necessary, documents and diagrams must be labeled with diagram keys. The Evaluation Committees will not attempt to guess the meaning of unmarked and/or ambiguous diagrams and maps. The use of contrasting colours on diagrams is particularly helpful.

#### **I.4.1 Form of Presentation**

Submitted documents should be collated in sequence and should be secured firmly e.g. with staples or bull dog clips. The documents presented should be labeled and each application package should be numbered and parceled separately. A list of documents, or a content list, should be included in the application package. The evaluation committees will not attempt to identify pages out of sequence.

The following is the suggested sequence for presentation of documents:

- i List of contents
- ii Documents of incorporation
- iii Application form with technical checklist
- iv A business plan
- v An implementation plan
- vi Jamaica Public Service Co. Ltd Application Form for Attachment to Utility Poles.
- vii All other supporting documents

### **1.4.2 Prescribed Form**

Applicants must ensure that all information requested on the prescribed forms (See Television and Sound Broadcasting Regulations) is provided, including signatures and certifying stamps or seals.

### **1.4.3 Written Instructions - Regulations and Forms**

Applicants must ensure that all written instructions in the regulations and on the Application forms are noted and followed.

## **1.5 TECHNICAL REQUIREMENTS**

### **1.5.1 Personnel**

Applicants must demonstrate the ability to hire an adequate number of appropriately trained technical staff and should note that the regulations require that the Licensee employ and keep employed at all times, a Chief Technical Officer. Applicants are advised that persons employed as a CTO with one licensee, cannot hold the same position with any other licensee. Note also that the application form asks for a list of the engineers, technicians and pole line men on staff, along with their qualifications. A list of proposed staffing may be submitted in a separate document, or included in the implementation plan.

### **1.5.2 Zone Layout**

Applicants must clearly define the zone(s) for which they are applying. The zone layout must show the cable layout within the zones including the head end location.

### **1.5.3 Block and Signal Level Diagram**

This diagram should depict the following:

- i Head End. AU parts of this system must be clearly labeled, and the annotations should provide explicit, understandable information on the frequency and number of channels inserted into the trunk system
- ii Standard channel band
- iii Trunk Cable System. The diagram must show the distribution of

amplifiers along the cable and the separation distance between amplifiers. Annotation must clearly show the:

- size of the cable
  - gain of amplifiers
  - attenuation along the cable
  - input and output signal levels of trunk amplifiers in dBmV.
- iv Feeder cables. The diagram must show how these cables split from the trunk cable, the dispersal of feeder amplifiers, or the extenders along the cable and the separation distance between amplifiers.
- v Annotation and/or quantitative notes must clearly show the:
- size of the cable
  - gain of amplifiers
  - attenuation along cable
  - input and output signal levels of distribution amplifier in dBmV
  - dispersal along the feeder cable of taps and multi-taps and the typical distance between them.
- vi Test Drop. The diagram may demonstrate at least one subscriber residence “drop”. The schematic annotation and notes must clearly provide information on:
- the customer tap
  - the size of flexible drop cable
  - converters and descramblers (where applicable)

## **1.6 HEAD-END SITE PLAN**

This plan view of the head-end location must show the major buildings and structures within the site, as well as walls, fences, poles, antenna and other significant structures.

## **1.7 HEAD-END EQUIPMENT BLOCK DIAGRAM**

The diagram must show channel allocations and use of encryption equipment combiners, modulators and other significant components.

## 1.8 CUSTOMER SERVICE FACILITIES

Customer service facilities such as telecommunications equipment, service vehicles and decoders for channels presenting adult programming should be clearly listed.

## 1.9 TECHNICAL CHECKLIST

The technical checklist is to be filled out, cross checked with the actual documentation and signed and stamped with the company seal.

## 1.10 CHILDREN'S CODE FOR PROGRAMMING

Information on the technology to be used to implement the Children's Code such as negative traps or addressable system should be provided. Also, the Commission must be advised which member/s of staff will be responsible for rating of channels and coordinating information on channel rating to be supplied to subscribers.

## 1.11 FINANCIAL REQUIREMENTS

- i It is important that the required information is arranged in an orderly manner to facilitate an understanding of the business plan.
- ii The financial statements must be checked for any errors in calculations.
- iii All financial information requested must be submitted.
- iv To enable proper evaluation of applications, it is critical that all assumptions used in arriving at the projected revenue and expenses are clearly documented. **Assumptions must be realistic.**

## 1.12 FINANCING

It is important that adequate information regarding the financing of the Company is made available e.g. the amount of capital the shareholders will inject into the company. The business plan must show how any possible shortfall will be met if the capital is not adequate to operate the business. If the company is to use debt capital, e.g. loans, to fund the shortfall, the terms of the loans must be stated, and commitment letters made available.



### **1.13 OPERATING COSTS**

The operating costs must be clearly outlined and as much documentation as possible should be presented to support assumptions made in arriving at the costs. It is important that the projected costs are consistent with the level of operation. If the project is to be financed partly by debt capital, e.g. loans, the projected profit and loss statement should include the cost of interest and other charges.

**Note:** Allocation should be made for the payment of annual licence fees which is 5% of all fees received from subscribers. These costs must include allocation for expenditure on technology to be used in the implementation of the Children's Code for Programming.

### **1.14 REVENUE**

The projected revenue must be consistent with the projected number of subscribers and assumed rate.

### **1.15 CASH FLOW**

The cash flow proposed in the business plan must be consistent with expected revenue and projected expenses. It must also incorporate all loan proceeds and repayments (if any).

### **1.16 PROFIT AND LOSS**

It is important to ensure that all items included as expenses are genuine expense items. In particular, the repayment of loan principal cannot be considered as an expense and therefore should not be included in the expense items.

### **1.17 THE BALANCE SHEET**

The figures must be consistent with all other projections made. For example, if all equipment is not purchased in the first year of operation, the equipment purchased in subsequent years should not be included in the first year's projected balance sheet.

### **1.18 LEGAL RESPONSIBILITIES OF SUBSCRIBER TELEVISION (STV) LICENCES**

Apart from the requirement to be licensed, operators of STV systems have legal responsibilities relating to the provision of service, which are summarized as follows:

- i Abide by laws governing programme content;

- ii Only carrying material, including music, for which permission of the rights holder or owner of the material has been received;
- iii Providing at least ten different channels, two of which should be national broadcasting stations and one of which should be a national public service and educational channel;
- iv Supplying written information to customers regarding the terms and conditions of service, including all fees and charges, changes in programming and information on how to register complaints;
- v Properly identifying workers, service vehicles, and cables;
- vi Providing service to any person within the zone(s) who wants the service, and is willing to pay for it;
- vii Providing service within six months of the receipt of a licence, unless this deadline is extended by the Minister of Information;
- viii Scrambling adult programming and restricting broadcast of such material to 11:00 p.m. and 4:00 a.m.;
- ix Providing service only within the zones specified in the licence;
- x Securing permission for the use of utility poles and other property not owned by operator but considered necessary for the provision of the service.

## CHAPTER 2

### GUIDELINES TO APPLY FOR A COMMERCIAL BROADCASTING LICENCE

#### 2.0 REQUIREMENTS

These guidelines are meant to assist applicants in fulfilling the criteria set for a complete and easily understood application.

##### 2.0.1 The Application

- When someone applies for a commercial broadcast licence, the Broadcasting Commission will review the application to determine whether the person/entity can operate a viable media enterprise. This is why financial, technical and administrative information must be submitted.
- Applicants are requested to fill out the appropriate form provided, along with supporting documents and any additional information which is relevant to the application.

N.B. All information will be treated as confidential.

- All material should be checked against the requirements of the Television and Sound Broadcasting Regulations, the application form and these guidelines.
- A non-refundable fee of J\$65,000 which is to be paid by manager's cheque must be submitted along with the completed application form.

##### 2.0.2 Suggested Reading

Applicants are advised to read the following:

- The Broadcasting and Radio Re-Diffusion Act, and The Television and Sound Broadcasting Regulations, 1996.
- See 'Commercial Broadcasting and Radio Re-Diffusion System', p.p. 140 –144 and
- The Children's Code for Programming

Application forms are available from the Broadcasting Commission, which is located at:

5th Floor Victoria Mutual Building  
53 Knutsford Boulevard Kingston 5  
Tel: 929-1998  
Toll-free: 1-888-99-22253  
Fax: 929-1997  
E-mail: [broadcom@cwjamaica.com](mailto:broadcom@cwjamaica.com)

## 2.1 WHO CAN APPLY FOR A LICENCE

- i The company applying for a licence may be owned and controlled by Jamaicans or CARICOM nationals, as well as by foreign individuals who can have a controlling interest in the applying company.
- ii A commercial service which broadcasts material with the intention of influencing the consumer behaviour of listeners or viewers. Advertising is the major source of revenue for this kind of service.

## 2.2 REQUIRED DOCUMENTS

The following are the documents required:

- i Completed application form;
- ii Business plan accompanied by a trading profit & loss schedule, projected balance sheet (years 1 & 2), projected revenue schedule (establishment, operating and administrative), projected cash flow schedule, loan repayment schedule and investment schedule;
- iii Implementation plan and timetable;
- iv Technical plan and documentation including service area map, propagation plan, equipment listing, including specifications, provisional permit from Spectrum Management Authority for use of intended STL/TTL frequencies for period to be determined by the SMA;
- v Programming Plan;
- vi Permits for programming use including letters of intent and signed contracts;

- vii Certificate of Incorporation;
- viii Articles of Association;
- ix Memorandum of Association.

## **2.3 RECEIPT OF APPLICATIONS**

Applicants, are responsible for ensuring that all the necessary documents are submitted. However, the Commission will verify, on receipt, that a complete package has been presented. If any of the required documents is not submitted with the application, the Commission will immediately advise what material needs to be provided before the application is evaluated. Please note that at this point the Commission officers only verify completeness and do NOT A GUARANTEE that the application meets the required standard for the Commission's recommendation that the Minister of Information and Development grant the licence.

## **2.4 PRESENTATION**

Applicants should ensure that documents presented are in the correct order, firmly secured and are properly labeled.

The Commission will not attempt to guess the meanings of unmarked and/or ambiguous documents, including maps. The Commission also will not attempt to identify pages that are out of sequence.

## **2.5 BUSINESS INFORMATION**

### **2.5.1 Ownership and Control**

- i The composition of the major shareholding interest must be clearly stated. The nationality of the directors and principal shareholders must be provided, along with the stake of each individual in the company.
- ii The head of the company should be clearly stated, as well as the person responsible for the day to day operations.
- iii If there is no company secretary, the person who will be responsible for managing the company's official documentation and shareholding information should be stated.

- iv Management - The professional qualifications of the Chief Executive Officer must be provided along with a résumé and copies of his/her professional and academic certification.
- v The professional qualifications along with a résumé and copies of his/her professional and academic certification must also be submitted for the Chief Technical Officer.

### **2.5.2 Staffing**

The departmental structure of the planned operation and the proposed reporting relationships within and between the areas specified must be submitted and should include the following:

- Programming (including news and current affairs)
- Technical Financial General Administrative

Detailed information should be submitted on the professional record and qualifications of the persons who will head the departments, as well as the expected number and qualifications of staff.

## **2.6 PROVISION OF SERVICE**

### **2.6.1 Implementation Plan**

A clear schedule of activities relating to the establishment of service should be provided. Both actual and expected timeframes should also be stated.

For completeness, ensure that timeframes are given for all of the following:

- Source of funding,
- Completion of property arrangements for an office and transmitter site(s),
- Purchase/lease and delivery of equipment,
- Installation of equipment,
- Employment of staff,
- Test transmissions, including arrangements to acquire a frequency,

- Negotiations for programming,
- Marketing and
- Official start of broadcast.

## 2.7 PROPAGATION PLAN

A number of technical diagrams are required for this aspect.

### 2.7.1 Map of Area to be Covered

The proposed area to be covered should be shown on a map, identifying all transmitter sites with respective frequencies and details of how they will be linked. Studio to Transmitter Links (STL) and Transmitter to Transmitter Links (TTL) are to be shown. (A provisional permit from the Spectrum Management Authority for use of intended frequencies must be submitted along with the licence application.)

### 2.7.2 Diagram of Transmitter Site

A diagram must be provided for each transmitter site, showing the signal levels expected at various distances from this site. These distances should be represented by the half power points. Signal levels should be based on actual conditions present in the proposed area of coverage and must be quoted in micro volts per meter.

### 2.7.3 Individual Propagation Plans

In addition, the following information must be included on the individual propagation plans:

- Antenna output in dBi,
- Half power points in dBm – (3dB from the antenna and each successive contour as necessary to cover the service area),
- Minimum power at the boundary of the area being served in micro volts per meter ( $\mu\text{V/m}$ ),

## 2.8 SYSTEM INFORMATION

- i The plan to implement the broadcast system using the equipment listed in Part 3 of the Application Form should be clearly explained in detail. Diagrams and other illustrations should also be included.

- ii Information on the technology to be used to implement the Children's Code for Programming, including audio (and video) delay systems are required
- iii The plans to maintain the technical systems, including the capacity to carry out tests, e.g. field strength tests should be stated.

## **2.9 PROGRAMMING**

### **2.9.1 Format of Programmes**

Clearly describe the format of programmes that will be offered throughout the broadcast day, e.g. news, magazines, talk shows, request programmes. Please note that broadcast licensees are required to transmit for a minimum of eight hours.

### **2.9.2 Source of Programmes**

Name the sources of programming and indicate if the programmes will be bought or developed in-house. If so, ensure that a statement is given on the facilities and staffing required.

### **2.9.3 Rating and Scheduling of Programmes**

Please explain what provisions have been made to ensure the rating and scheduling of programmes, as well as transmitting advisories.

### **2.9.4 Programming Permissions**

If it is planned to buy programmes, letters of intent and/or agreements with the owners to use their material must be attached.

## **2.10 FINANCE**

It is important that information is arranged in an orderly manner to facilitate easy understanding of the business plan and all statements and calculations should be checked for accuracy. All the assumptions used to arrive at projected revenue and expenditure should be documented and ensure that the assumptions are realistic.

### **2.10.1 Financing**

With respect to the availability of funds, state clearly how the company will be financed. This information should include the amount of money that



shareholders will invest. The business plan should show how any possible shortfall would be met if the capital were not adequate to operate the business. If the company is to use debt capital, e.g. loans, to fund the shortfall, the loan terms must be stated and a commitment letter provided.

### **2.10.2 Revenue**

- i When the projected revenue from production is indicated, the intended market should also be stated
- ii When the projected income from advertising is shown the following should be stated:
  - the intended market
  - proposed rate structure including costs for prime time and other time slots

Give detailed information on other expected sources of revenue, such as agency fees from the subcontracting of staff for production projects, and/or rental of studios, equipment and other in-house facilities.

### **2.10.3 Operating Costs**

The operating cost must be clearly outlined and as much documentation as possible should be given to support assumptions made in arriving at the costs. It is important that the projected costs are consistent with the level of operation. If the project is to be financed partly by debt capital, e.g. loans, the projected profit and loss statement should include the cost of interest and other charges.

### **2.10.4 Cash Flow**

The cash flow proposed in the business plan must be consistent with expected revenue and projected expenses. It must incorporate all loan proceeds and repayments (if any).

### **2.10.5 Profit and Loss**

It is important to ensure that all the items included as expenses are genuine expense items. In particular, the repayment of loan principal cannot be considered as an expense and therefore should not be included in the expense items.

### **2.10.6 Balance Sheet**

The figures must be consistent with all other projections made. For example, if all equipment is not purchased in the first year of operation, the equipment purchased in subsequent years should not be included in the first year's projected balance sheet.

### **2.11 OTHER INFORMATION**

It should be clearly explained how the media service provided will relate to the target broadcast market and submitting as much documentation as possible to support the explanation.

Any other additional information which the applicant thinks will be useful in the evaluation of the application should be provided.

For more information on the Broadcasting Commission, check its website or email the Commission at [broadcom@cwjamaica.com](mailto:broadcom@cwjamaica.com)

## CHAPTER 3

### STAGES OF THE APPLICATIONS PROCESS FOR BROADCAST AND SUBSCRIBER TELEVISION LICENCES

#### 3.0 SUBMISSION OF APPLICATION

- i Applications must be made on the designated form, which are available from the Commission's office.
- ii When an application package is submitted to the Commission, an Officer of the Commission, in the presence of the applicant, will go through the package to ensure that all necessary material has been submitted. Applicants will be given a copy of this record and a receipt for their payment of the application fee.
- iii If an application is incomplete, the applicant will be told what information is needed to make it ready for evaluation, and the submission returned.

***NB: There is no deadline for submission of completed applications.***

#### 3.1 EVALUATION

- i The Commission contracts professional expertise to assist with the evaluation of each application. Among these are chartered accountants and auditors, telecommunications experts and media specialists.
- ii The technical, programming, and financial components of an application are analyzed by three committees, each of which is responsible for one of the named areas.

#### 3.2 RECOMMENDATION

The Commission reviews the reports of the committees and decides whether the applicant has demonstrated the capacity to operate a media service according to the standards set out in law. A recommendation is then submitted to the Minister of Information and Development for a decision.

### 3.3 AWARD OF A LICENCE

The Information Division of the Office of the Prime Minister will communicate directly with applicants on the outcome of their applications, and advise whether the Minister of Information and Development has decided to grant them a licence.

### 3.4 APPEAL

Applicants who have been refused a licence may:

- i First, request a hearing with the Minister of Information and Development.
- ii If the Minister still does not grant the licence, the applicant may appeal the Minister's decision to the Appeal Tribunal. This tribunal consists of two Attorneys-at-Law and three other professionals who are competent in broadcasting matters.

### 3.5 ADDITIONAL INFORMATION

Applicants for commercial broadcast licences must prove that they understand how to operate a viable broadcast radio and/or television service that can meet legal standards for broadcasting. This is why they are asked to submit financial, technical, programming, legal, and administrative information.

Applications are confidential. The Commission will not release any information about decisions or recommendation concerning applications to anyone, except the Minister of Information, who will advise applicants directly about the success or failure of their application.

For more information on the Broadcasting Commission, check other sections of its website or email the Commission at [broadcom@cwjamaica.com](mailto:broadcom@cwjamaica.com)

### 3.6 CONTACT INFORMATION

For further information please contact:

The Broadcasting Commission  
5th Floor, Victoria Mutual Building  
53 Knutsford Boulevard, Kingston 5  
Tel: (876) 929-1998  
Toll Free: 1-888-992-2253  
Fax: (876) 929-1997  
Email: [broadcom@cwjamaica.com](mailto:broadcom@cwjamaica.com)

## Appendix I

**GLOSSARY**

**Application** - all of the materials submitted by each applicant together comprise an application.

**Balance Sheet** - this outlines the company's assets and liabilities at a specific point in time.

**Block and Signal Diagram** - a schematic drawing which is a true representation of the applicant's cable system to be installed and operated in the defined zone/s for which the applicant is seeking a licence.

**Cash Flow** - the total inflows and outflows of funds.

**Distribution Plant** - the hardware of a cable system consisting of the trunk cable and feeder lines, attached to utility poles or fed through underground conduits.

**Feeder Line** - the intermediate cable distribution lines that connect the main trunk to the smaller house drops that leads to residence.

**Head-End** - the output of the head end distribution system that transmit the signal into the trunk cable system and the electronic control centre, generally located at the antenna site of a cable TV system.

**Head-End Equipment Block Diagram** - this diagram represents the deployment of the head-end equipment from TVRO antenna to the trunk launch amplifier.

**House Drop** - the coaxial cable that connects each building or home to the nearest feeder line of a cable network.

**Main Trunk** - the major link from the head-end to feeder lines.

**Profit and Loss** - the profit and loss statement identifies the profits or deficits arising from operation.

**Signal-To-Noise Ratio** - the ratio of the signal level to the noise level with both measured either at the input or output of the electronic equipment, usually expressed in decibels (dB).

**Trunk Line** - the major distribution cable used in hardwire STV. It divides into feeder lines which are tapped for service to subscribers.

**Television Receive Only (TVRO)** - a satellite system that can only receive but not transmit signals.