



# Falkland Islands Government – Development & Commercial Services

## PUBLIC CONSULTATION ON AMENDMENTS TO VSAT POLICY

### The proposed new policy rationale

Presented below is the proposed new policy rationale for the issuing of VSAT licences, along with an explanation of what each section means. It is these sections that will be updated following this consultation and then presented to Executive Council for adoption.

Proposed new policy text	What does this mean?
<p><b>There are certain circumstances where the Government not allowing individuals to make personal arrangements could be said to be unlawful. The Government also recognises that the balance is no longer in favour of a single supplier of internet services, as resilience within internet service provision is a significant risk mitigation against the possibility of service disruption.</b></p>	<p>This section acknowledges the changes in technology and people’s reliance on internet services, since the setting of the original policy. It establishes for the first time that the availability of VSAT services is a part of overall resilience for the Falkland Islands.</p>
<p><b>The Government considers it reasonable that there is an alternative to using the exclusive provider in circumstances outlined in this policy. It is nonetheless appropriate that anyone managing telecommunications is within a consistent licensed and regulated regime. The Government remains aware of the opinion that suggests a failure to recognise this possibility in legislation may be unconstitutional.</b></p>	<p>This section re-confirms that any and all providers of VSAT services should be regulated appropriately within the Falkland Islands. This means having to apply to operate here and comply with any regulatory terms.</p>
<p><b>The Government recognises that the development of services available via VSAT operators since the original policy was set in 2016 represents a functionally different service from that available when the original policy was established. In the context of this, it is understood that a resident may wish to set up operations outside the parameters of the universal service obligation which is imposed on the exclusive provider. This may include a resident requiring a specific level of bandwidth, speed or latency not available commercially, or at a reasonable price, from the exclusive provider, or via, the exclusive provider.</b></p>	<p>This section confirms that the exclusive provider retains their exclusivity but that there are circumstances where residents can reasonably expect to use another provider to access other services or to achieve a different setup (speed, individual earth station availability, latency etc) than is available from the exclusive provider. The list of circumstances for wanting a VSAT service is not exhaustive, it is just there to illustrate the sort of areas that might apply.</p>



Proposed new policy text (continued)	What does this mean?
<p><b>The Government additionally recognises that the needs of the people of the Falkland Islands for self-provision of services via VSAT providers has been demonstrated by the community petition 2024, in particular the evidence about those needs, including that presented to the resulting Select Committee. The Government’s proportionate response is to allow for all residents who demonstrate, by way of an application for licence, that they have needs not provided by the exclusive provider, to be able to self-provide, subject to receipt of and compliance with the terms of a licence from the Regulator.</b></p>	<p>This section confirms that ‘needs’ will be adequately demonstrated by the filling in of an application form and expressing willingness to meet the fee level and other regulatory compliance requirements. This removes the previous requirement to consult with the exclusive provider.</p>
<p><b>Before granting any such licence, the Regulator must be absolutely satisfied that the grant will be consistent with the regulatory principles and the electronic communications objectives, which are now considered to support access to self-provision within the terms of this policy.</b></p>	<p>This section sets out that the interpretation of the <a href="#">electronic communications objectives</a> has changed to accept personal use of VSATs, and the resilience to overall communications they offer, is in line with the objectives.</p>
<p><b>In accordance with the above it is clear that any licence should not be incompatible with the exclusivity afforded to the exclusive licensee. Therefore, only “personal use” of VSAT services (as defined in this policy) will be permitted. Any licence granted will be only for the personal use of the licence holder. This definition includes a business using the licence for internal operations such as the running of an office or premises, but excludes providing services under that licence to any third-party (e.g. tenants, customers or the public) whether paid for or freely provided.</b></p>	<p>This section confirms that any non-personal use of VSAT services remains under the exclusive licence, and this cannot be unilaterally amended by FIG. “Personal use” includes an individual or household, or a single business providing internet services only to employees for the carrying out of their work. However, a business wishing to provide internet services to customers, tenants or the public, whether free or paid, cannot be granted a personal licence. They would need to use services provided by the exclusive provider, currently Sure.</p>
<p><b>The Regulator must be satisfied that the licence will be complied with and that there is no intention to provide a service via the self-provision which could fall outside of the definition of “personal use”. In any decision making the regulator will be guided by the statutory objectives and principles referred to above.</b></p>	<p>This section is re-confirming the clarity of the term “personal use” and how the Regulator will consider applications for VSAT licences.</p>



Proposed new policy text (continued)	What does this mean?
<p><b>These parameters having been established, the next question is what licence fees and other terms should apply to this extraordinarily licensed use.</b></p>	<p>Fee levels are only considered once all of the basic principles above have been established. The above will apply regardless of the fee level set.</p>
<p><b>Not every telecommunications service is wholly within the exclusivity granted to the current exclusive licensee. Operating outside the exclusive licence regime is allowable in law, but could create a commercial pressure for the exclusive licence provider, which in turn could disadvantage the general public interest as collective purchasing provides benefits for the population at large. However, the demonstrated need of the people of the Falkland Islands for services available through VSAT providers makes this impact reasonable, and the risks are mitigated by the resilience provided by availability of alternative services. Risks of impact are also mitigated by the ability of the Government to respond to commercial pressure, to ensure continuation of the universal service by taking such corrective action as it considers appropriate.</b></p>	<p>This section is key to the relationship between the exclusive licence and the allowable issuing of VSAT licences. While there is confidence in FIG’s ability to provide licences for VSAT service operators within the Communications Ordinance, FIG also recognises that this is a significant change to the circumstances that existed when the exclusive licence was signed. The impact on Sure will be a commercial one, and FIG wishes to ensure the continuity of services provided by Sure. FIG recognises that not everyone will wish to apply for a VSAT licence and that most Falklands residents rely on Sure’s telecommunications services. This section is to confirm in policy that the impacts of changing the VSAT licence terms must be monitored and, if required, mitigated.</p>
<p><b>The starting point for fees is therefore the annual sum of the lowest commercially-available package available at the time this policy is adopted. This is £15 a month, making the licence fee for a licence £180 a year. This fee should be subject to annual review.</b></p>	<p>This fee level was that suggested by the petition and Select Committee. It also accords with FIG’s “user pays” principle. Estimates of likely applicant numbers have been offset against the costs to FIG of running the regulatory service. It is considered right that successful applicants should cover the costs of providing this service, rather than this cost being applied to all taxpayers, which would be the case if a lower fee level were adopted. The annual review is to allow FIG to re-assess the user pays principle against actual applicant figures and adjust as necessary.</p>
<p><b>In setting this fee, the Government acknowledges that within the exclusive licence holders’ arrangement there may be a data allowance included (as is currently the case) but this will be disregarded in setting the fee. It is recognised that, in operating an alternative system, a VSAT licence holder would have to pay for data under their own arrangements.</b></p>	<p>This section confirms that aligning the fee level to the lowest Sure package is a proxy measure, not suggesting that there is an equivalent service level provided – VSAT licence holders will have to separately pay for any VSAT services, and cannot claim any of that cost is covered by the licence fee.</p>