

Proposed Recommendations of Select Committee of the Legislative Assembly into the Petition requesting:

1. **Abolish or Reduce the Licence Fee:** We call on the Communications Regulator and MLAs to abolish the VSAT licence fee for using Starlink entirely. If a complete abolition is not feasible, we urge you to reduce the fee to a reasonable and proportionate level, not exceeding £180 per year.
2. **Approve Starlink Domestic Tariffs:** We also call on the Communications Regulator to grant regulatory approval for Starlink to offer domestic tariffs in the Falkland Islands. This would prevent residents from being forced to rely on the more expensive global roaming tariffs, making fast and reliable internet access more affordable for everyone

The Select Committee met on 5th September 2024 and 20th September 2024. The Committee carefully considered all the written representations which were submitted and heard oral evidence from the following:

On 5th September 2024:

Brian Jameson

Roma Stewart, Chief Executive Falkland Islands, Sure

Chris Durnell, Legal and Regulatory Director, Sure

On 20th September 2024:

Alexia Davis, Ramiz Rao, Eirine Kamoto, Harry Lockley, Micah Joseph- Hersey, and Daniel Lee on behalf of the Youth Parliament

Simon Young, Attorney General of Falklands Island Government and Acting Communications Regulator

Becky Clark, Director of Commercial Services, Falklands Island Government

The Select Committee also asked questions of its advisors, David Rogerson , an Independent Telecommunications Consultant, Davina Fiore, the Head of Legal Services (on 5th September 2024) and Ros Cheek, Law Commissioner & Head of Legislation (on 20th September 2024).

Having carefully considered all of the evidence submitted to it, and taking into account both the electronic communications objectives and the regulatory principles in the Communications Ordinance 2017, the Select Committee makes the following recommendations to the Legislative Assembly:

1. **That consideration should be given by the Falklands Island Government to the petitioners' request to reduce the current VSAT licence fee of £5,400 a year as set out in the Communications (Fees) Regulations 2019 to a provisional fee of £180 a year on or by 1st February 2025.**
2. **That the 2016 Falklands Islands Government policy principles which limit the circumstances in which VSAT licences are granted and require that the VSAT licence**

fee is set so as to discourage self provision, should be reviewed as soon as reasonably practicable and in any event not later than April 2025.

3. **The Committee recommends that as part of the policy review consideration be given as to whether there should be a differential licence fee for businesses and individuals.**
4. **That until such time as the 2016 policy principles have been reviewed, the remaining provisions of the policy principles remain unchanged. This means that that any applicant for a VSAT licence needs to demonstrate that the current exclusively licensed arrangements through Sure are not adequate.**
5. **That the Select Committee requests a written response be submitted to the Legislative Assembly by the Executive Council (the Governor in Council) within six months.**
6. **That any application made by Starlink to the Communications Regulator for regulatory approval will be dealt with in accordance with the Communications Ordinance and related policies, and the Committee requests the Communications Regulator to continue discussions with Starlink on this point.**

Reasons for Recommendations:

The Committee considers that a provisional VSAT licence fee of £180 a year is a reasonable level, and should cover the administrative costs of issuing the licences. Changing the VSAT licence fee will require amendment to the Communications (Fees) Regulations. The Committee requests that this be done as soon as possible but recognises that the process to change the regulations takes time.

The 2016 policy principles require that the VSAT licence fee should act as a disincentive to operate outside the exclusive licence arrangements set up in the public interest. The intention is that a provisional VSAT licence fee of £180 together with the cost of the necessary equipment and the starlink subscription would still act as a disincentive for the majority of Sure users to self-provide broadband provision by utilising starlink. By suggesting a provisional fee at this level, the Committee does not believe that self-provision outside the exclusive licence regime will disadvantage the general public interest in utilising the exclusive licence.

The Committee notes that applicants for a VSAT licence still need to demonstrate that the exclusively licensed arrangements are not adequate in accordance with paragraph 20 of the 2016 policy principles. In practice this will greatly limit the number of VSAT licences that will be granted by the Communications Regulator, regardless of a reduction in the licence fee. The Committee therefore considers that a wider review of the 2016 policy principles should now be carried out as soon as practicable. This will require a public consultation as well as further potential amendments to the Communications (Fees) Regulations. The Committee requests that this be done as soon as reasonably practicable.

The Committee notes the views of the petitioners on this matter in relation to affordability, efficacy of current service provision (particularly in camp) and the problems this can cause in relation to educational opportunities, social cohesion, economic prosperity and growth and development. The Committee particularly took account of electronic communication principles (a) to promote the public interest generally in relation to electronic communications; (b) to facilitate effective communication in the Falkland Islands and between the people of the

Falkland Islands and the rest of the world; (e) to support the growth and development of the Falkland Islands' economy; and (s) to promote and support the use of up to date technologies in providing electronic telecommunication services, and the regulatory principles(a) that public policy in relation to electronic communications should aim to pursue the electronic communications objectives; and (b) that the needs of the people of the Falkland Islands are the paramount consideration in operating the licensing regimes under this Ordinance.

However, the Committee notes that it is not correct to claim that government services are limited by the current provisions of the exclusive licence holder (Sure) as the Government is exempt from the provisions of the Communications Ordinance 2017.

The Committee also took into account the current operating position in the Falkland Islands and put particular emphasis on the need for residents in Camp in particular to have reliable broadband for safety reasons.

Request of Exclusive Licence Holder:

The Committee requests that the current exclusive licence holder engages with the Falkland Islands Government review of the 2016 policy and provides promptly to the Falklands Islands Government any information requested by the Government to inform the review. The Committee was disappointed that Sure did not engage with the Committee in providing the financial information requested by the Committee to them on a confidential basis.

3rd October 2024