



Barbados VSAT Policy Objectives and Licensing Framework

Policy in accordance with sections 4 (b) and 4 (f) of the Telecommunications Act 2001-36.

Introduction

After Full Liberalisation

The Telecommunication Unit (TU) in the Ministry of Economic Development will liberalise the self-provisioning of VSAT (Very Small Aperture Terminals) for Corporate communication¹ from the start of Phase III of the liberalisation programme.

This document outlines the objective of the VSAT policy, the licensing framework established by the TU and all the developments that have occurred in relation to the VSAT policy to date. It is intended as an information paper for members of the telecommunications industry and general public. Prospective applicants should also refer to the “Guidelines to Application of VSAT Licence for Corporate Communications” which describes the procedure for application for the licence as well as the scope of the services covered under the VSAT licence.

VSAT & Its Application

VSAT is a form of satellite telecommunication technology which allows for the communication of voice and data through the use of small satellite dishes, usually less than five (5) meters in diameter. Communication signals are transmitted between VSAT terminals situated in different locations via satellite. If the two VSAT terminals were located in different countries, they would be able to perform the same functions as an international leased circuit between the two countries.

The advantages and opportunities made possible by these small aperture terminals are clear. Because it is relatively lightweight and easy to set-up, VSATs are ideal for deployment in remote locations such as rural and sparsely populated areas needing communications.

¹Corporate communication refers to internal company communication between holding and subsidiary companies”. “Holding” company refers to a company which holds more than 50% of the issued share capital of another company, which is referred to as the “subsidiary” company. “Subsidiary” has the same meaning as in the Companies Act Cap 308.

However, even in developed nations such as United States and to a lesser extent Europe, where the use of VSAT are liberalized, its use is primarily confined to domestic communications and to large corporations for inter-branch communications. The use of VSAT for inter-island communications was scarce because unless countries at both ends of a VSAT link agree, it would not be legally possible.

In the Caribbean region too, the use of VSAT were not prevalent in the past because the VSAT service providers would be infringing upon the monopolistic rights of the traditional telephone company. The irony of this situation is that VSAT are of greatest advantage to developing nations in the region, especially where the basic telecommunications infrastructure may not be in place, and the terrain can sometimes prove too difficult to lay cables. However, this situation has started to change. Today, in the Caribbean countries including Barbados, the demand for VSAT is growing. Some of the key factors that have led to this change, besides the visibility of technology, are the increasing liberalisation of the telecommunication industry in the region as well as the increase in international trade between nations worldwide.

Objective of the VSAT Policy

With rationalisation, an increasing number of private companies in Barbados are setting up subsidiary offices in the Caribbean region. To facilitate their operations, these companies need an efficient, reliable and cost-effective means of communication with their branches located in other parts of the region and the world. VSAT networks is a solution identified by these companies because of its versatility, efficiency and most importantly, affordability.

The main objective of Barbados VSAT policy is thus to cater to the needs of multinational corporations for corporate communication with their other branches in the world. To uphold the licence granted to Cable & Wireless (Barbados) Limited, the TU sees the liberalisation of VSATs as primarily a terminal equipment policy but requires all VSAT users to access satellites via space segment leased from licensed International Network providers.

With this move, Barbados may become the first country in the region to announce a liberalisation policy to allow companies to communicate with their subsidiaries worldwide using VSAT.

Key Licence Conditions

For worldwide communication using VSATs, two consenting regulatory authorities at the respective destination countries are required for a link to be established. Because other countries may not have an equivalent VSAT policy, The Telecommunication Unit will institute a licensing condition which requires companies to obtain written approval from regulators in other countries for their own VSAT network. This would safeguard the long-term interest of Barbados's VSAT end-users to have trouble-free international communications. The licensing of VSAT equipment is also necessary to prevent interference to or from other radiocommunication systems in Barbados.

In addition to the above, because these VSAT networks are to be owned and operated by the private corporations for their own corporate communication, it is consistent that some of the salient licence conditions imposed by the TU include:

- (a) the VSAT links are purely and strictly for corporate communication
- (b) the VSAT links cannot be connected to any public telecommunication networks at both ends.

The Ministry will also issue provisional VSAT licences to companies which require corporate communication with destinations where the telecommunications policy direction may not be clear-cut. This licence would be granted subject to the following conditions:

- (a) The VSAT link will be terminated with immediate effect should the foreign telecommunications regulatory authority lodge an official objection on the grounds that direct international communications via VSAT infringes upon its own telecommunication regulations; and
- (b) The Ministry shall not be liable to any damages/losses incurred by the VSAT end-user resulting from the termination of the VSAT link.

Other Salient Aspects of the VSAT Licence

The VSAT user's scope of services covers only the reception and/or transmission signals. The reception and/or transmission of publicly subscribable satellite television signals through the VSAT system is strictly prohibited.

The shared use of a VSAT dish by a single licensee which has a need for point-to-point circuits to more than one destination is allowed. However, the shared use of a VSAT dish by different licensees will be subject to the conditions that: -

- I. The point-to-point circuit for each individual licensee must gain access via different space segments; and

- II. The cabling to and from the shared VSAT antennae must be separate for each individual point-to-point circuit.

To ensure that there is no third party traffic being carried on the VSAT network, the shared use of satellite bandwidth by VSAT licensees in Barbados will not be approved by the Ministry.

“Guidelines for Satellite Dish Antennae” has been published by the Town Planning Office. Before erecting any VSAT, applicants are advised to obtain a copy of these Guidelines.

In instances where the VSAT dish cannot be erected on the rooftop of a particular building, the Ministry can approve, on a case-by-case basis after consultation with the Town Planning office, the installation of the antennae at a remote site, subject to the following conditions: -

- I. The shared use of the VSAT dish by different VSAT licensees is strictly prohibited; and
- II. The Ministry shall require proof that the owner of the proposed building/site allows it.

The VSAT licence fee is yet to be determined and the duration of the licence will be for one (1) year subject to renewal on a yearly basis.

From Phase 1

VSAT can also be used for call centre business within Barbados under the following conditions.

- i. The VSAT traffic can be bidirectional;
- ii. The Call Centre must be certified by the Barbados Investment Development Corporation;
- iii. VSAT is to be used solely for Call Centre business;
- iv. There is no interconnection of the VSAT to the PSTN;
- v. There is no interconnection of the VSAT to the network of domestic mobile carriers; and
- vi. There is no resale of any telecommunications services via the VSAT.

Current Users of VSAT

Persons using VSAT for other than Call Centre business until the start of Phase III of the liberalisation programme are required to come to a commercial agreement with Cable & Wireless (Barbados) Limited or cease their operations forthwith.

Conclusion

The above outlines Barbados policy as it stands today. Prospective applicants who require more information can write to: -

Chief Telecommunications Officer
Ministry of Economic Development
The Business Centre
Upton
St Michael
Telephone: (246) 4302200
Fax: (246) 4260960