

## **Piracy in the Cable Television Industry in Jamaica**

### **Acknowledgements:**

Dr. Hopeton Dunn, Chairman of the Broadcasting Commission, Mr. Cordell Green, Executive Director, other distinguished members of the head table, ladies and gentlemen. Good morning. I thank you for your kind invitation here today to offer my perspectives on what is a vexed problem confronting the cable television providers in Jamaica, that is, the whole matter of the piracy of cable services.

### **Overview:**

When one looks at the entire panorama of cable television service providers in Jamaica, there are forty (40) licensed cable television operators<sup>1</sup> the majority of whom (37) are transmitting their cable television offerings using the Analog mode of transmission.<sup>2</sup>

In transmitting their various cable television services, a large amount of infrastructure is utilised by the cable television operators in the form of Fiber Optic Cables, Nodes, Receivers and thousands of analog cable television Converter Boxes. It is this wide variety of equipment that has to be deployed, especially converter boxes, which provides fertile ground for dishonest persons to illegally divert the services being provided by legitimate cable operators and to substantially profit from such diversion of services. As can be appreciated, the various diversion schemes that have been developed represent a real threat to the future financial viability of a majority of the cable companies in Jamaica and these schemes can only be eliminated through the simultaneous application of a number of different types of interventions that will be discussed further in this delivery.

The high level of piracy also has the potential to distort the views held by the Broadcasting Commission on the compliance of operators with regard to operating in their approved zones, as if unscrupulous persons are diverting the services of individual cable operators into zones in which they are not licensed to operate, it would appear to the Broadcasting Commission that the cable operator in question is operating in breach of their operating license.

Let us discuss some of the challenges that are currently being encountered by a wide cross-section of the cable companies in Jamaica.

### **Challenges:**

- ❑ Unknown persons are providing potential and actual customers of cable companies with analog converter boxes that have a chip inserted in their circuits, which prevent the boxes from being switched off by the company in the event that the customer is in arrears of payment. As the placement of chips in converter boxes to prevent their normal functioning presumes some level of

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<sup>1</sup> According to the Broadcasting Commission of Jamaica's website as at March 10, 2011

<sup>2</sup> Columbus Communications, Logic One Limited and Telstar Cable Limited are presently transmitting in digital format. Telstar was transmitting in both digital and analog formats at the time of writing this paper.

electronic or cable television expertise to be successful, we are led to the conclusion that persons with this level of skill and expertise are actively engaged, whether as individuals, or acting in concert, in illegally diverting cable television services from legitimate providers to persons who are paying for illegally provided services.

- ❑ We have discovered that some chipped boxes are being sold to potential and/or actual customers for a one-time payment of \$8,000 - \$15,000 per box. There is also an option where an initial down payment of \$2,000 is required along with an additional monthly fee of between \$500-\$1,000 in order for services to be continued. The chips inserted in the illegal boxes override any commands that are sent to shut off the box by the cable provider thus removing all controls on box programming from the hands of the legitimate cable service provider. Illegal cable service providers seek to obtain legitimate service from the cable provider at the cheapest possible rate obtainable. This legitimate line from the cable providers is used to convey a front of respectability to the illegal customers as it is unlikely that the cable provider will query the status of cable accounts of those customers in good financial standing. The implications of this practice for the financial bottom line of individual cable companies is self-evident as the persons who purchase these boxes can disseminate them widely with no need for future users of the service to ever come in to the company to officially obtain services.
- ❑ For those operators who do not have addressable systems that can keep electronic track of the customers obtaining their service, the danger is even more acute as these companies will not have any means of checking, or any reference point for assessing, how many customers are officially on their cable system and what are the possibilities that their systems are being compromised. This represents a worse case scenario for these companies.
- ❑ There is some evidence to indicate that there are active efforts underway by unscrupulous persons to compromise the security of digital cable boxes and if these efforts were to become successful, the service and financial viability of those companies that are presently offering digital cable television services to the Jamaican populace would also be seriously compromised. It should not be assumed by cable companies transmitting in digital format that because such attempts have failed so far in the United States and other countries, it cannot be done here. We are a very creative and ingenious people!!

#### **Possible Remedial Actions:**

- ❑ The Broadcasting Commission of Jamaica has made an outstanding start in identifying the piracy problems being experienced by the cable operators in Jamaica and its leadership is to be sincerely congratulated in this regard. Its continued leadership in the public education and liaising with law enforcement areas will be indispensable to the successful stemming of the piracy scourge and to enhancing confidence of citizens and outside investors in the stability of the telecommunication system in Jamaica. It is in our view important that the Broadcasting Commission strengthens the lines of communication with all cable companies in Jamaica on the piracy problems being experienced to remain on the cutting edge of this problem.
- ❑ Another way of effectively confronting the piracy problem is for the police to pay significant attention to this area of malfeasance to prevent the present wrongful acts, which are already

financially lucrative, becoming more of a significant magnet for seriously organized criminal efforts. We are reassured by the statement already provided by the Commissioner of Police that as of now the cable piracy problems are being referred to the Organised Crime Investigation Division (OCID) of the Jamaica Constabulary Force for active investigations.

- ❑ A good starting point for future enhanced police attention would be for high-level police personnel to interview the members of our security team, using the significant evidence that we have so far amassed in our investigative efforts as the focal point for active police intervention.
- ❑ It would be beneficial for police operatives to also interview relevant representatives of all cable companies to ensure that the problems they are experiencing are being addressed and rectified in a holistic fashion and to the benefit of all the players in the industry.
- ❑ After the above interviews have been concluded, it would be salutary if OCID could undertake a number of highly publicised prosecutions of householders who are using illegal cable services or Converter Boxes that have been tampered with. This would send a very strong message throughout the society that it is not acceptable to use this approach to obtain cable services.
- ❑ As it is presently more difficult for third parties to access digital cable television services through unauthorized means, it might be appropriate for the Government of Jamaica to consider making available incentives to the future purchasers of digital cable boxes in the interest of expediting its plans to have all analog cable services make the transition to digital cable services at some defined point in the future. We recall that this is the method being used by the United States in expediting its own analog to digital conversion process that officially began on June 12, 2009.
- ❑ It is our view that the Jamaica Association of Cable Company Operators (JACCO) also has a role to play in trying to contain the piracy problems affecting its membership. JACCO could act as a clearinghouse for information received from its members throughout Jamaica on the type of problems being experienced in various parishes and establish a website which would identify the problems being experienced. This website could also be utilised by the Broadcasting Commission as a point of reference in its already well developed outreach to the wider population on the dangers presented by the piracy problem.
- ❑ The cable companies can also play an important role in ensuring that they do not contribute to the piracy problems being experienced by ensuring that they employ certified technicians and other personnel of high integrity and without police records. If at all possible, personnel in critical employment areas should be the recipients of periodic polygraph tests as a condition of continuing to work in such positions.
- ❑ Cable companies can also assist the Broadcasting Commission in its anti-piracy public education thrust through the presentation of appropriate anti-piracy announcements on their Notice Boards. This will ensure that their immediate customers are advised of the seriousness with which their personal cable television service provider views piracy of its services.

**Conclusion:**

In conclusion, it may be stated that the piracy problems being experienced by the cable television operators are very difficult ones which need a coordinated response from the Broadcasting Commission, the Jamaica Constabulary Force, the wider policy action of the Government of Jamaica itself and last, but not least, by individual cable companies taking decisive action to ensure that their methods of operation do not contribute to the problems being experienced. I again wish to thank the Broadcasting Commission through its Chairman for providing me with an opportunity to discuss this very critical development issue with you this morning. Thank you.