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26/6/19

REPUBLIC OF KENYA




THE NATIONAL ASSEMBLY

TWELFTH PARLIAMENT –THIRD SESSION

THE DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND
INNOVATION

REPORT OF THE DELEGATION TO THE NATIONAL ASSOCIATION OF
BROADCASTERS (NAB) SHOW, 2019

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 JUN 2019	DAY: Wed.
TABLED BY: CLERK-AT THE-TABLE:	Hon. William Kibang Chair Person. M. Miriam

DIRECTORATE OF COMMITTEE SERVICES
CLERK'S CHAMBERS
PARLIAMENT BUILDINGS
NAIROBI

JUNE, 2019

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ABBREVIATIONS

NAB National Association of Broadcasters

OTT Over the Top

VOD Video on Demand

FOX Content Delivery Network

KVM Kernel-based Virtual Machine

FCC Federal Communications Commission

ATSC Advanced Television Systems Committee

SDO Standard Development Organizations

DVB Digital Video Broadcasting

3GPP 3rd Generation Partnership Project

PWD Persons with Disability

SCTE Society of Cable Telecommunications Engineers

CDN Content Delivery Network

AI Artificial Intelligence

CHAIRPERSON FOREWORD

A delegation of the Members of the Departmental Committee on Communication, Information and Innovation was nominated to attend the National Association of Broadcasters (NAB) Show held in Las Vegas, Nevada from 6th -12th April 2019;

Kenya's delegation to the 2019 NAB Show was drawn from the Members of the Parliamentary Committees on Communication, Information & Innovation, Select Committee on Parliamentary Broadcasting and Library, Senate Committee on Education and ICT, Communications Authority of Kenya and Universal Service Advisory Council.

The International forum is held annually and provides a platform for keynote presentations, discussions, exhibition of technologies that define the future of broadcast technology and management, and is the world's best opportunity for broadcast industry networking. The show has over the years established itself as a destination for radio and television management executives, including content delivery and digital executives as well as other areas of expertise such as research, regulatory, policy, advertising, marketing, technology, and business development.

The conference sessions and exhibitions showcased the latest developments in the field of digital media, broadcasting technologies, content creation, distribution and consumption as well as bringing together government officials and private commercial players to discuss new ideas and business relationships.

The Committee appreciates the support offered by the Offices of the Speaker and the Clerk of the National Assembly for both logistical and technical support accorded to the Committee in the execution of its mandate.

Pursuant to Standing Order No. 199, it is my pleasant duty to present the report of the Departmental Committee on Communication, Information and Innovation on the proceedings of the National Association of Broadcasters Show.

HON.WILLIAM KISANG, M.P. – CHAIRPERSON

1.0 PREFACE

1.1 Committee Mandate

The Departmental Committee on Communications, Information and Innovation is established under *Standing Order 216* whose mandate pursuant to the Standing Order 216 (5) is as follows;

- a. Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and departments;
- b. Study the programme and policy objectives of Ministries and departments and the effectiveness of the implementation;
- c. Study and review all legislation referred to it;
- d. Study, assess and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;
- e. Investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;
- f. To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (*Committee on Appointments*);
- (fa) examine treaties, agreements and conventions;
- g. make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;
- h. consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and
- i. Examine any questions raised by Members on a matter within its mandate.
1. In accordance with Second Schedule of the Standing Orders, the Committee is mandated to oversee Communication, Information, media and broadcasting (except for broadcast of parliamentary proceedings), Information Communications Technology (ICT) development and advancement of technology and modernization of production strategies.

1.2 Committee Membership

The Committee comprises the following Members-

No.	NAME	CONSTITUEN- CY/County	POLITICAL PARTY
1.	The Hon. Kisang William Kipkemoi, M.P – Chairperson	Marakwet West	Jubilee
2.	The Hon. George Macharia Kariuki, M.P - Vice Chairperson	Ndia	Jubilee
3.	The Hon. Liza, Chelule Chepkorir, M.P.	Nakuru	Jubilee
4.	The Hon. Alfah, O. Miruka, M.P.	Bomachoge Chache	Kenya National Congress
5.	The Hon. Annie Wanjiku Kibeh, M.P.	Gatundu North	Jubilee
6.	The Hon. Joshua Kimilu, Kivinda, M.P.	Kaiti	Wiper Democratic
7.	The Hon. Marwa Kitayama Maisori, M.P.	Kuria East	Jubilee
8.	The Hon. Mwambu Mabongah, M.P.	Bumula	Independent
9.	The Hon. Maritim Sylvanus, M.P.	Ainamoi	Jubilee
10.	The Hon. Mwangaza Kawira, M.P.	Meru County	Independent
11.	The Hon. Jonah Mburu, M.P.	Lari	Jubilee
12.	The Hon. Gertrude Mbeyu Mwan- yanje, M.P.	Kilifi County	Orange Democratic Party
13.	The Hon. Wamuchomba, Gathoni, M.P.	Kiambu County	Jubilee
14.	The Hon. (Eng.) Mark Nyamita Ogo- la, M.P	Uriri	Orange Democratic
15.	The Hon. John Kiarie Waweru, M.P.	Dagoretti South	Jubilee
16.	The Hon. Erastus Nzioka Kivasu, M.P.	Mbooni	New Democrats
17.	The Hon. Innocent Momanyi Obiri, M.P.	Bobasi	People's Democratic Party
18.	The Hon. Godfrey Osotsi Atieno, M.P.	Nominated	African National Congress
19.	The Hon. Anthony, Tom Oluoch, M.P.	Mathare	Orange Democratic

1.3 Committee Secretariat

The secretariat comprises of-

- | | |
|----------------------------|------------------------------------|
| 1. Mr. Nicholas Emejen | Deputy Director Committee Services |
| 2. Ms. Ella Kendi | Clerk Assistant III |
| 3. Ms. Marlene A Ayiro | Senior Legal Counsel |
| 4. Mr. Abdirahaman Gorod | Fiscal Analyst II |
| 5. Ms. Lorna Okatch | Research Officer III |
| 6. Mr. Wilson Angatangoria | Sergeant at arms |

1.4 The Committee delegation to the 2019 NAB Show

Following the invitation by the Communications Authority, the Committee nominated the following Members to attend the 2019 NAB Show –

1. Hon. George Kariuki Macharia,MP – Leader of the Delegation
2. Hon. Annie Kibeh Wanjiku,MP
3. Hon. Sylvanus Maritim, MP
4. Hon. Erastus Nzioka Kivasu, MP

The Members were accompanied by Ms. Ella Kendi, Clerk Assistant and secretary to the delegation.

2.0 INTRODUCTION

1. NAB Show 2019 with the theme: “Every Story Starts Here” provided exposure to the full array of products and techniques that enhance the storytelling process. It also provided a forum to learn and network with the entire international media and entertainment ecosystem, all with the goal of building and delivering better stories. This year, technology and those stories co-mingled in front of more than 90,000 attendees guided by dozens of conferences, sessions, keynotes and fireside chats. Attendees came from more than 160 countries, alongside 1,600 companies, including 224 first-time exhibitors, converged at the Las Vegas Convention Center.
2. The 2019 NAB Show featured new exhibit areas including advancements in AI, cloud capabilities, next-generation wireless technologies, autonomous vehicles and e-sports. The show’s conference programs focused on issues impacting the professional video industry, from ATSC 3.0 and 5G to streaming and advertising. Questions of monetization and embracing the power of smart storytelling were highlighted to the attention of radio listeners.
3. It was noted that podcasting genre is growing, and that there is great content being created with podcasting personalities and content even migrating to television. Media companies were advised to begin to move beyond old anxieties that podcasts might disrupt the broadcast ecosystem. Successful podcasters had learnt to appeal to underserved niches, whether it is crime, comedy, daily news or fantasy sports.
4. Other technologies that garnered attention at the show include AI and machine learning. Transformation is expected, such as viewers finding TV content with voice commands or the series of recommendations that show up in a streaming app.
5. Sessions such as “Transforming Television with Artificial Intelligence,” which took place in the AI & Cloud Campus on the exhibit floor, explored the AI landscape, including near-term improvements in three key areas: natural language processing, recommendation engines and personalized information. For media companies, a critical consideration is how changes in the technology will impact consumer behavior. Understanding that voice changes the way consumers find content forces a rethinking of search and marketing. For many consumers their next ‘smart speaker’ will actually be a TV.”
6. E-sports is growing exponentially, and there are real opportunities for the broadcast and wider media industry. E-sports (also known as electronic sports, e-sports, or eSports) is a form of competition using video games. Most commonly, e-sports takes the form of organized, multi-player video game competitions, particularly between professional players, individually or as

teams. This being a new form of content, with its own ecosystem of content players, it is rapidly reaching a point where there is a need for a higher level of production and distribution. This is a new sector that can benefit from the expertise of veteran media organizations to take the genre to a new level.

7. DVB has set-up a Study Mission Group to define DVB's position towards 3GPP i.e. defining and analyzing scenarios of 5G/DVB technology interworking, collaboration scenarios between DVB service provider and 5G network operators, cooperation with other SDOs and cooperation with 3GPP. It was further noted that Satellite technology will continue to play a complementary to 5G as it is a transmission technology in areas where there's no fibre coverage (rural, cruise ships, on plane)

3.0 PRIORITY AREAS FOR THE DELEGATION

8. In order to zero-in on relevant exhibitions, the delegation focused its participation in the following priority areas that are critical for the development of media in Kenya:
 - i.) Broadcast Monitors and Display due to the proposed Broadcast Monitoring room and its associated facilities
 - ii.) Broadcast Loggers, to update our information on the current technology in broadcast monitoring.
 - iii.) Automation of the Broadcast Monitoring function (TV and Radio) in line with the Authority's Automation projects.
 - iv.) Migration to the digital Radio and its associated strategies and equipment
 - v.) Over the Top Services focussing on media entertainment
 - vi.) PWD accessibility to Broadcast services such as closed captioning and subtitling
 - vii.) Broadcast Content Storage facilities and associated technologies
9. From the Kenyan perspective, the NAB Show availed cutting-edge exposure of the Broadcast technologies, services and future media trends. This will assist in informing future Policy formulation and update of the associated Regulatory instruments with regard to; Over the Top Services (OTTs) regulations; Development of the Regulatory Digital Radio framework; Upgrade and Automation of Broadcast Monitoring facilities; Review of the Broadcast Regulations and Review of the Broadcast Market structure, amongst others.

4.0 EXHIBITIONS

10. The delegation visited a number of exhibition booths during the course of the Show. Here below are a few highlights on some of the booths visited;-

- i.) Actus Digital; - provided broadcast recording, compliance and logging solution as well as clips creation workflow for clips for OTT, social media, VOD or Web. The compliance / TV logger solution (Actus View) complies with all FCC regulators requirements, including closed caption and loudness, SCTE-35, SCTE-104, multiple audio tracks, subtitles and teletext. It is used by hundreds of customers such as FOX, Disney and Sony.
- ii.) Stirlitz Media;- Stirlitz Media showcased modern, fast and flexible software solutions for broadcasters, satellite platforms, government agencies, media monitoring companies, and everybody who wants to capture, store or analyze broadcast (or monitoring quality) video, audio, and associated metadata; and access it from anywhere through a user-friendly Player that runs on workstations and mobile devices (iOS & Android).
- iii.) Black box;- Black Box showcased leading technology solutions that specializes in complete high-performance KVM, video wall technology, signal distribution, and extension and switching solutions for mission-critical applications.
- iv.) Apptek; As a pioneer in automatic speech recognition, machine learning and artificial intelligence, AppTek partners with its customers to provide solutions focused on closed captioning and subtitling, call center content discovery and mobile intelligent voice agents.
- v.) N-cam Technologies Ltd; N-cam offers a complete and customizable augmented reality platform that captures photorealistic virtual elements in real-time. At its core is a unique camera tracking solution that offers film & TV productions virtual and augmented graphic technology without limits.
- vi.) Lightcast Media Cloud; The Lightcast Media Cloud is an intuitive Media Management System for multi-platform publishing & a Multi-CDN provider, delivering bitrate adaptive live-streams, on-demand media and linear 24/7 streams at transparent and budget-minded rates for publication on websites, social networks, mobile apps, OTT/Connected TV and set-top boxes. The Lightcast.com App Dev Division offers custom TV App Development for Roku, AppleTV, FireTV, AndroidTV, SmartTV,

and other OTT platforms, and can be integrated seamlessly with the Lightcast Media Cloud for faster time-to-market, cost-savings and real-time content management across all platforms.

- vii.) SHIFT 72 helps broadcast and media businesses thrive in an ever -evolving multiscreen world by giving them the power of online video. We provide OTT Video solutions that set global businesses up to deliver and monetize video across all connected devices and apps. Our cloud video infrastructure is fully developed and managed in house, making us one of the only single vendor OTT.
- viii.) Telestream; provides world-class live and on-demand digital video tools, workflow solutions and quality monitoring capabilities that allow consumers and businesses to transform video on the desktop and across the enterprise. Telestream products span the entire digital media lifecycle, including video capture and ingest; live and on-demand encoding and transcoding; captioning; playback and inspection, delivery, and live streaming; automation and orchestration; with its iQ product line, Telestream enables the monitoring and management of quality service and experience over any network.

5.0 COMMITTEE OBSERVATIONS

Following the deliberations and exhibitions, the delegation made the following observations;

THAT;-

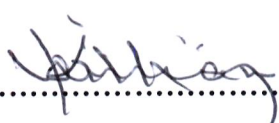
1. The Radio Broadcasters were facing various digital challenges due to the improved technologies. To overcome the technological challenges, there was need for the broadcasters to understand the importance of metadata for online radio/streaming, consider developing and retaining their own brand by mixing local content with national/international content to remain relevant in the digital world and maintain their audience.
2. Digital radio has improved audio quality, more efficient use of spectrum and a multitude of additional services, and that several Countries have switched to different digital radio technologies. Norway was the first country in the world to switch to digital radio and that it adopted Digital Audio Broadcasting (DAB) standard. The United Kingdom adopted the DAB standard and is using three National multiplexes.
3. The 5th Generation (5G) cellular network technology sits poised to reshape entire industries, and in particular media, entertainment and traditional content delivery models. 5G promises high data rates, low latency, network slicing, virtualization, Broadcast V2X (Vehicle to everything) services.
4. The Unmanned Aerial Vehicles (UAVs) are very useful for newsgathering in broadcasting. UAVs may be used for situational awareness, rapid deployments into inaccessible areas, delivery tools in challenging locations, journalistic verification and assessment tools.

6.0 RECOMMENDATIONS

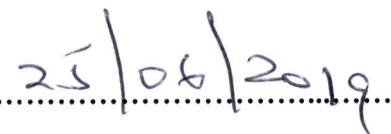
The Committee recommends that -

1. The Kenyan Broadcasters should embrace technology and re-innovate themselves to maintain their competitive position. Online streaming helps radios to attract and retain listenership and creation of strong personality.
2. The Ministry in charge of Information Communication and Technology to consider developing the digital radio framework, associated policies and regulations on Digital Radio. Digital radio helps radios to stay competitive taking into consideration the changing consumer demands for more choice, more personalized services and interactivity.
3. The Communications Authority of Kenya to consider setting up a spectrum, policies and conducive technological environment to enable 5G deployment in the Country.
4. The Kenya Civil Aviation Authority to come up with regulations on the use of UAVs in the broadcasting/media sector.

SIGNED:



DATE:



HON. WILLIAM KISANG, M.P. – CHAIRPERSON

**DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND
INNOVATION**

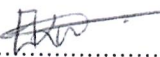
THE DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND INNOVATION

MEMBERS ATTENDANCE LIST

DATE: 25/06/2019 TIME: From 10:40am To: 1:10pm VENUE: 11th Floor Protection

AGENDA: Adoptio- of two reports on foreign travel (USA, Geneva)

NO.	NAME	SIGNATURE
1.	Hon. Kisang, William Kipkemoi, M.P - Chairperson	
2.	Hon. George, Macharia Kariuki, M.P - Vice – Chairperson	
3.	Hon. Liza, Chelule Chepkorir, M.P.	
4.	Hon. Alfah, O. Miruka, M.P.	
5.	Hon. Annie Wanjiku Kibeh, M.P.	
6.	Hon. Joshua Kimilu, Kivinda, M.P.	
7.	Hon. Marwa Kitayama Maisori, M.P.	
8.	Hon. Mwambu Mabongah, M.P.	
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11.	Hon. Jonah Mburu, M.P.	
12.	Hon. Gertrude Mbeyu Mwanyanje, M.P.	
13.	Hon. Wamuchomba, Gathoni, M.P.	
14.	Hon. (Eng). Mark Nyamita Ogola, M.P.	
15.	Hon. John Kiarie Waweru, M.P.	
16.	Hon. Erastus Nzioka Kivasu, M.P.	
17.	Hon. Godfrey Osotsi, Atieno, M.P.	
18.	Hon. Innocent Momanyi, Obiri, M.P.	
19.	Hon. Anthony, Tom Oluoch, M.P.	

Signed: Ella Kendi -  Date: 25/6/2019
 Committee Clerk

Signed: Date:
 Director, Committee Services

MINUTES OF THE 23RD SITTING OF THE DEPARTMENTAL COMMITTEE ON COMMUNICATION, INFORMATION AND INNOVATION HELD IN 11TH FLOOR PROTECTION HOUSE PARLIAMENT BUILDINGS ON TUESDAY 25TH JUNE, 2019 AT 11.30AM.

PRESENT

1. **Hon. William Kipkemoi, M.P.** -Chairperson
2. Hon. Maritim Sylvanus,MP
3. Hon. Mwangaza Kawira, M.P
4. Hon. Anthony Oluoch, M.P.
5. Hon. Wamuchomba Gathoni, M.P
6. Hon. Joshua Kimilu Kivinda, M.P.
7. Hon. Innocent Momanyi Obiri, M.P
8. Hon. Godfrey Osotsi Atieno, M.P
9. Hon. Erastus Nzioka Kivasu, M.P
10. Hon. Jonah Mburu, M.P
11. Hon. Liza Chelule Chepkorir, M.P
12. Hon. Marwa Kitayama Maisori, M.P
13. Hon. Alfah O. Miruka, M.P

APOLOGIES

1. Hon. George Macharia Kariuki, M.P. -Vice- Chairperson
2. Hon. John Kiarie Waweru, M.P
3. Hon. Annie Wanjiku Kibeh,M.P
4. Hon. Gertrude Mbeyu Mwanyanje, M.P
5. Hon. Mwambu Mabongah, M.P
6. Hon. (Eng.). Mark Nyamita, M.P

IN ATTENDANCE

Secretariat

1. Ms.Ella Kendi - Clerk Assistant III
2. Ms.Lorna Okatch - Research Officer III
3. Mr.Simon Muinde - Audio Officer
4. Mr.Albert Atunga - Serjeant at arms

MIN.NO/NA/CII/2019/97: PRELIMINARIES

The meeting was called to order at thirty-six minutes past eleven o'clock followed by a word of prayer.

MIN.NO/NA/CII/2019/98: CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

The agenda was deferred to the next meeting.

MIN.NO/NA/CII/2019/99: ADOPTION OF THE REPORT ON THE PARTICIPATION AT NATIONAL ASSOCIATION OF BROADCASTERS SHOW

The Committee considered and adopted the report on Participation to National Association of Broadcasters Show held in Las Vegas having been proposed by Hon.Maritim Sylvanus, MP and seconded by Hon. Erastus Kivasu, MP. The Committee adopted the report with the following observations and recommendations; -

The Committee observed that-

1. The Radio Broadcasters were facing various digital challenges due to the improved technologies. To overcome the technological challenges, there was need for the broadcasters to understand the importance of metadata for online radio/streaming, consider developing and retaining their own brand by mixing local content with national/international content to remain relevant in the digital world and maintain their audience.
2. Digital radio has improved audio quality, more efficient use of spectrum and a multitude of additional services, and that several Countries have switched to different digital radio technologies. Norway was the first country in the world to switch to digital radio and that it adopted Digital Audio Broadcasting (DAB) standard. The United Kingdom adopted the DAB standard and is using three National multiplexes.
3. The 5th Generation (5G) cellular network technology sits poised to reshape entire industries, and in particular media, entertainment and traditional content delivery models.5G promises high data rates, low latency, network slicing, virtualization, Broadcast V2X (Vehicle to everything) services.
4. The Unmanned Aerial Vehicles (UAVs) are very useful for newsgathering in broadcasting. UAVs may be used for situational awareness, rapid deployments into inaccessible areas, delivery tools in challenging locations, journalistic verification and assessment tools.

The Committee recommended that -

1. The Kenyan Broadcasters should embrace technology and re-innovate themselves to maintain their competitive position. Online streaming helps radios to attract and retain listenership and creation of strong personality.

2. The Ministry in charge of Information Communication and Technology to consider developing the digital radio framework, associated policies and regulations on Digital Radio. Digital radio helps radios to stay competitive taking into consideration the changing consumer demands for more choice, more personalized services and interactivity.
3. The Communications Authority of Kenya to consider setting up a spectrum, polices and conducive technological environment to enable 5G deployment in the Country.
4. The Kenya Civil Aviation Authority to come up with regulations on the use of UAVs in the broadcasting/media sector.

MIN.NO/NA/CII/2019/100: ADOPTION OF THE REPORT ON THE PARTICIPATION AT THE WORLD SUMMIT ON THE INFORMATION SOCIETY (WSIS) FORUM, 2019

The Committee considered the report and adopted it having been proposed by Hon. Innocent Momanyi, MP and seconded by Hon. Liza Chelule, MP. The report was adopted with the following observations and recommendations;-

Committee observed that -

- 1) The use of ICTs when linked with cultural heritage and the diversity of cultural expressions can be used to advance social cohesion and employment through cultural and creative industries and preservation and transmission of cultural heritage.
- 2) Data is the new age critical asset in digital transformation. There is however need to secure data through Multi-dimensional regulations to protect data security and privacy issues, associated to emerging technologies.
- 3) Trust in AI revolves around ensuring that AI technologies help address humanity's most critical social, economic and environmental concerns. There is need to develop systems, policies and safeguards that help build trust in AI.
- 4) ICT accessibility is still a serious challenge and its implementation requires the effort of all stakeholders including government, the private sector, academia, civil society, and the media.
- 5) E-waste is a growing multi-disciplinary issue across the world. There is need to tap into e-waste to create jobs and value addition. There is need for the UN, the private sector and other stakeholders to engage in addressing the global e-waste challenge.

Committee Recommendation

- 1) The Government through the Ministry of ICT and Ministry of Education to invest in building capacities needed for institutions and officials to harness the rapid technological changes for efficient public service delivery.
- 2) The Ministry in charge of ICT to formulate policies, regulations and legislation on data protection through a transparent process of consultation and collaboration with multiple stakeholders.
- 3) The Government should fast-track implementation of its Digital Literacy Programme (DLP) and allocate more resources to enhance access to ICT in



education all education institutions. The Ministry responsible for education should develop and adapt curricula to new ICT tools and interactive technologies so as to prepare students for emerging technologies.

- 4) Understanding the growing challenge of e-waste in the world, the Ministry responsible for Environmental Matters should develop a policy on e-waste management including tapping into e-waste to create jobs and value addition.

MIN.NO/NA/CII/2019/101: ANY OTHER BUSINESS

1. Inquiry into the state of operations at Kenya Broadcasting Corporation (KBC);

It was resolved the Committee to discuss the terms of reference of the inquiry during the next meeting on Thursday 27th June, 2019. Further, it was noted that there was urgent need for the Committee to intervene to ensure KBC is restructured to make it commercially viable.

2. **Digital Literacy Programme inspection visits:** The Committee resolved to reschedule the visit to Dagoretti South to the financial year 2019/20. The secretariat was tasked to prepare a schedule of visits to different counties on mid -July, 2019.

3. **Involvement of the Committee in ICT related functions:** The Committee Members expressed their disappointment over the failure by the Ministry to invite the Members to the launch of the Ajira Youth Programme and the commissioning of the revamped Rivatex textile factory in Eldoret. It was emphasized that there was need for the Ministry to involve the Committee as it oversees the Ministry including allocation of budgets to the all projects. The Chairperson promised to follow up the matter with the Principal Secretary.

4. **Operations of the Telkom Kenya:** The Committee deliberated on the operations of Telkom Kenya and it was indicated that Telkom is majorly owned by private equity firm (60 percent) while the Government of Kenya owns 40 percent stake. Further, the Committee noted that-

- i. There was a proposed merger between Airtel Kenya and Telkom Kenya and that the details of the merger were not clear;
- ii. Telkom Kenya had sold several towers to an American Tower Corporation for an undisclosed amount and sale agreements;
- iii. There were no clear details on the management of the National Optic Fibre Backbone (NOFBI) by Telkom Kenya; and
- iv. There was a report done by the Committee on Public Investment (PIC) on Privatisation, recapitalisation and restructuring Telkom Kenya's balance sheet, and the House had resolved that the Government to reconsider privatisation of

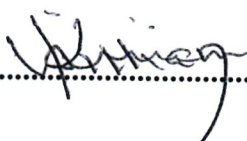
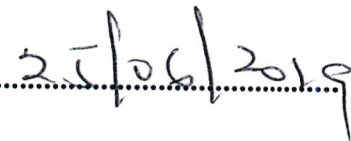
Telkom Kenya and the restructuring of its balance sheet, however, five years down the resolution has not been implemented by the Ministry of ICT.

The Committee resolved to invite the Cabinet Secretary to give details on the operations of the Telkom Kenya.

5. **Mobile loan Apps:** The Committee noted that there was an increase on loan mobile apps in the market. It was emphasized that there was need for the implementation Committee to follow up on the implementation of the recommendations of the report on the inquiry into the state of competition in the telecommunication sector as this will ensure that the fintech firms are regulated by Central Bank of Kenya.

MIN.NO/NA/CII/2019/102: ADJOURNEMENT

There being no other business, the meeting was adjourned at ten minutes past one o'clock.

SIGNED..........DATE..........

HON. WILLIAM KISANG, MP - CHAIRPERSON