

Competition and Developments in Communications in Vanuatu

John Crook
(Interim) Telecommunications
Regulator

Fourth PacNOG Meeting Conference
and Educational Workshop
Port Vila June 29 to July 5, 2008



Even while negotiations were proceeding between the Government and TVL's shareholders, the Government's plans to create an open market for telecommunications were already having a significant impact ...



TVL network expansion

Municipal Council to pay for leaders and...

Penama thanks TVL for improved communication system

By Len Garae

"WONDERFUL AND THANK
you I know my wife will definitely love the basket", TVL Managing Director Michel Dupuis said to Penama Provincial Secretary General Augustine Garae.

The Secretary General travelled down to Port Vila yesterday and presented him with a traditional walking stick, a basket and a mat for his leadership now that mobile phones are now in use in Ambae, Pentecost and Maewo as well as donating Vt.1 million towards the Penama Trade Show at the end of last year.

While making the presentation, he said all three are a gesture of the appreciation from the people for his contributions towards an improved telecommunication system in Penama Province.

While Dupuis said telecommunication development in the province is still expanding, Garae replied, "True, it is not yet finished but it is with people like you that we in Penama are able to solve our communications needs and it is making a big



Garae presents walking stick, basket and red mat

of last year had TVL, which donated Vt.1 million towards funding the event

ure and I think my successor will continue to support the trade show in the future".

himself to be a people's person by reaching out to them as well as welcoming them into his office without hesi-

TVL gears up for competition

TVL GSM Cell Site Expansion In Full Swing



Mobile engineer Mr Edward Samuel finalizing the new cell site

Exclusive Interview

New Head Of TVL

TVL has appointed the new Managing Director of Vanuatu Limited and takes up his duties on 1 April on the departure of Michel

the Caribbean, and two years as Managing Director of Cable and Wireless in the Pacific, where he has also of Fintal and Solomon Telecom in the industry. He was closely involved in the deregulation process in both Fiji

owns are being raised in Fiji that should be making its regional Vanuatu. But it is indeed doing that, and office to Port Vila.

in Kyle

is a very fruitful and interesting relationship, that of Cable and Wireless and Radio.

Wireless and France Telecom really in Vanuatu. Other than that we are carriers. We don't really have an anywhere else in business, actually, as a very fruitful relationship, and it's relationship, where every three years old, English MD, French MD, that it's become a bit divided. What we are moving forward is to make the company seamless. It should now become a united company in which both Cable and France Telecom have got an interest to try and blur this French side of things.

the existing network. The company has sent infrastructure. You will have to that. How far have the discussions in Digicel?

society is aware that we recently a negotiation with government to - I competition, because what Cable and France Telecom agreed to, is to work with us to facilitate the market to



A smiling Ian Kyle, new MD of Smile Vanuatu - TVL.

I would answer that question in two ways. The step the government has taken to open up this telecoms sector - by itself - will cause, or hopefully cause, competition. It's the intent, the expansion of the network

confident that TVL's going to play its part now in a new move forward for the rural community. There is the Universal Fund, and the fact that there are now multiple players carrying a bit of the responsibility - particularly, it's the intent, the expansion of the network

difference is as the national telco and the premier communications company we provide all sorts of services - broadband, internet, SMS messaging, value added, fixed wire. Fibre as a delivery mechanism for us allows us to speed up the traffic



Government's Policy Stance

- In the areas of policy, the government has not yet fully developed clear guidelines.
- However the broad view is to ensure it is a market driven environment so that most if not all of the population benefits.

Wilson TariVuti (DG
MIPU)



Road Map to an Open Market

Event	Date
Telecom Act amended	Dec 07
Settlement Agreement	19 Dec 07
Regulator appointed and delegation	28 Feb 08
Settlement Day	10 Mar 08
TVL and Digicel licences	11/14 Mar 08
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New Telecom Act	Late 08
3 rd Mobile Operator	2Q 11?



Telecom Act Amended

- Amendments gave the Minister power to delegate his responsibilities and powers under the Act
- Only power the Minister cannot delegate is the power to delegate
- Minister remains accountable but may not personally exercise powers that are delegated



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Settlement Agreement



- Former monopoly was to 2012
- Monopoly rights to end in exchange for Government's 33% of shares
- New non-exclusive licences



Settlement Agreement

Not everyone
thinks this is a
good idea



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Regulator Appointed

- Minister delegates powers except for the issue of licences
- To act independently except Minister may direct on matters of policy
- Radio spectrum

Management

Telecommunications regulator appointed

VANUATU HAS A NEW independent regulator to oversee the introduction of competition in the telecommunications market.

He is John Crook has been appointed to this role by the Minister for Infrastructure and Public Utilities, the Edward Natapei.

Under the recently amended

the radio spectrum and numbering plan, which prior to the Settlement Agreement, were under the technical administration of Telecom Vanuatu Ltd."

Mr Crook has had over 40 years experience in telecommunications. His work has included playing a leading part in the development of the laws and



Network expansion

TVL extends mobile service to Tanna



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Settlement Day - 10 March 2008

- The various conditions in the Settlement Agreement had been met including agreement on sharing the Radio Spectrum with a new entrant
- Shares change hands
- Celebration and kava party
- TVL's new Licence issued the following day



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Digicel's Licence Awarded

Another celebration (and more kava!)



TVL and Digicel's Licences

- Virtually identical
- Digicel's is for mobile telephones and international gateway only and has a performance guarantee to cover 85% of the population within 18 months (already met?)
- Both licences contain consumer protection and anti-trust measures
- Both confer certain powers upon the Regulator



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Interconnect Agreement Signed

- The Interconnect Agreement is signed by TVL and Digicel
- Agreement sets the commercial terms for interconnecting
- Technical arrangements to be negotiated



TVL introduces price specials

Advertising



KRANKE DEI SANDE 27 EPRIL 2008

TVL Kranke Dei i kambak bakagen long Sande 27 Epril 2008. Long dei ia yu save skrasem TVL Telekad blong kat moa unit long kad blong yu.

Eksampol:

- Skrasem 20 unit Telekad i kivim 25 unit
- Skrasem 40 unit Telekad i kivim 52 unit
- Skrasem 80 unit Telekad i kivim 108 unit
- Skrasem 120 unit Telekad i kivim 150 unit

Blong kat ekstra unit yu mas skrasem Telekad long Sande 27 Epril nomo.

Yu save yusum kredit long eni taem kasem namba 26 Jun 2008.

TokTok TokTok
Tok Tok TokTok

Sipos yu wantem moa infomesen telefon 081111 (hemi fri blong kolek namba ia)



PacNOG



March to June



- Interconnection meetings
- Enquiries about new licences
- TVL re-launches the SMILE mobile service



March to June

- Rising interest in Digicel's plans
- Preparation for number changes
 - TVL's mobiles go 7-digits with "77"
 - Digicel will use "55" and "54"

West Ambrym anticipates change with introduction of mobile phone

By Esther Tinning

THE INTRODUCTION OF Digicel Company with its idea of launching mobile phones in the islands may definitely add flavor to the lives of people in the villages.

Among West Ambrym Communities, with the completion of the installation of the mobile phone tower there is excitement among young and old who go up the steep hills of Menes in Craig Cove just to take a glance at this 45 meter giant structure that stood overlooking the horizon.

The installed tower in the west of Ambrym is supposed to provide mobile phone coverage to all the areas of the western part of the island, while the company is working on installing another tower to provide coverage to the whole island.

Apart from the changes that are slowly gripping the lives of those on the island, the story of owning a mobile phone is like a myth that is about to become reality.

And as the manager of Lolihor seasonal scheme on Baiap says, "Villagers are definitely looking forward to the new system with high hopes that it won't turn us down.

"We do appreciate the fact that we do have normal lines on the island with, but at times

especially on cloudy or raining season, the phone lines are interrupted," Stephen Jacob said.

"This means we waste money on phone cards especially when we are calling a relative's mobile phone in town only to find out that our credit has been reduced when we aren't able to reach them.

"We hope with the new system, things will get better".

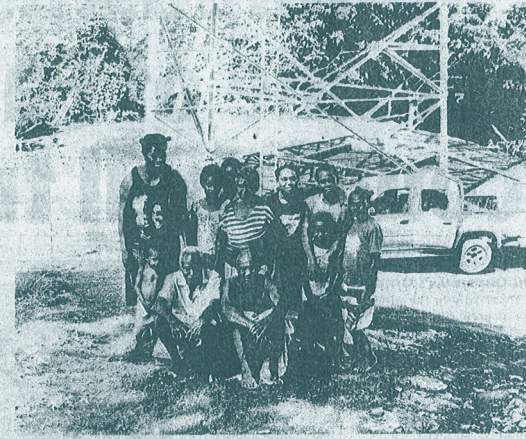
Meanwhile, a recent state-

ment to the media revealed that Digicel Company is determining to provide the people of Vanuatu with the best "value for money through the state of the art network, superior customer care and innovative products and services".

It continued that Digicel is planning an investment of US\$3.325 billion in building an extensive state of the art of GSM network.

The company also plans to expand its wings to the islands providing employment to more than 70 employees.

Definitely, people are anticipating this as a positive change but in a land where apart from Christianity, custom and culture still play a large role in people's lives, it remains to be seen what or how the new additional lifestyle would affect this.



People flocking up the hills of Menes just to admire the giant mobile phone tower.



Road Map to an Open Market

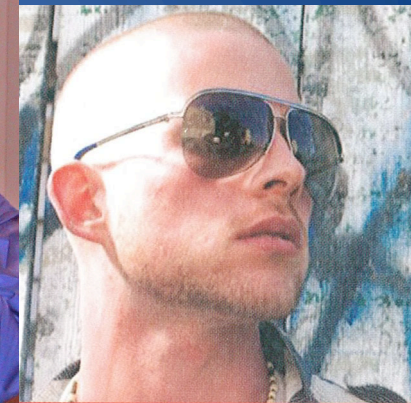
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Digicel Launch - 25 June



The Bigger, Better Network!



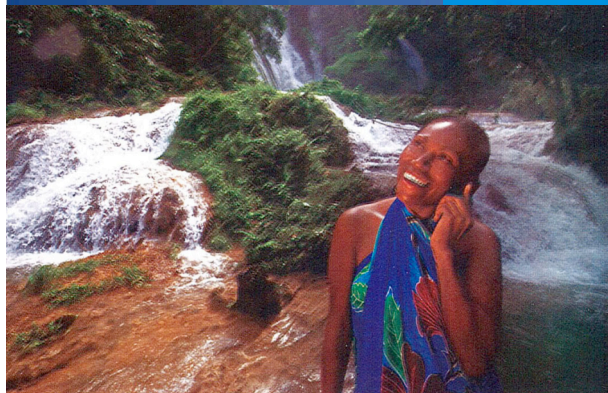
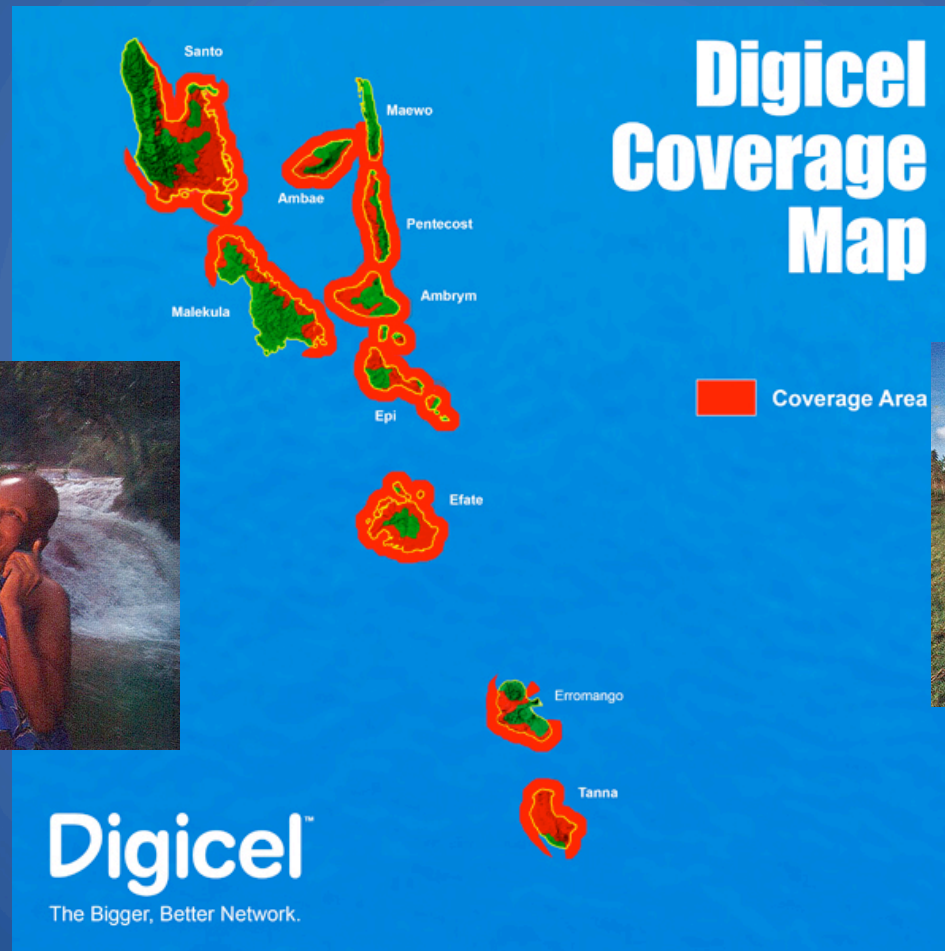
Free Digicel
Launch Concert



PacNOG



Already 85% coverage?



Where from here?

- Regulator takes on Radio Spectrum Management and proposes a National Radio Frequency Plan
- Government prepares for new licences
- Plans for Universal Access Policy Fund (initial donation from Australia of \$1.85 M)
- Training Ni-Vanuatu colleagues
- Plus whatever the competitive market may bring



Conclusion

- So far the signs are good
- The Government's open market policies have
 - increased the availability of mobile services from both TVL and Digicel
 - increased the penetration of services
 - brought about price reductions and “specials”
 - improved the quality of services
- UAP Fund will further improve access and availability in rural areas



Observations

- We've had our moments but we would not have got to where we are today without two very special people
 - Ian Kyle and John Delves, CEOs of TVL and Digicel are committed to competing in the marketplace and not in ways that would damage customer interests
- Designers of the pre-wired interconnection agreement and licences made a big contribution to Vanuatu's successes so far





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