Public Consulation Draft UAP

1st March

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Agenda

1. Introduction
2. Concepts & Definition
3. Background Information
4. Draft Universal Access Policy (UAP)
    1. Vision & Objectives
    2. UAP Fund
    3. Selection of UAP Funded Projects
    4. Procedures for awarding UAP Contracts
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    6. Review
5. Questions
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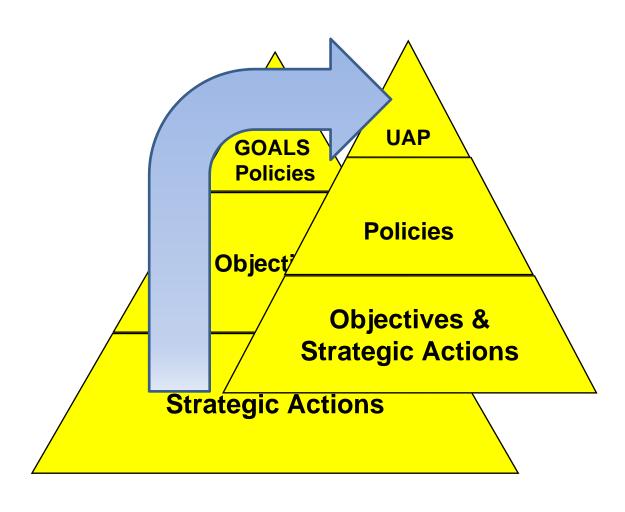Radiocommunication
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Introduction

- Vision of Vanuatu Government is stated in the National ICT Policy:

"ICT for All"

- **National ICT Service Policy Goal 1:** Ensure accessibility and affordability of reliable access to information services to all

- **Objective 1** - Ensure connection of Urban and Rural Communities with reliable Voice, Data and Broadband services (greater than 512kbs);

- **Strategic Action:** Use Universal Access Policy Fund to support roll out of Broadband Internet access

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Top Down Approach

Concepts & Definitions (1)

- **UA**: Universal Access means every person (100 % of population) can gain, public access to a defined ICT service

- **US**: Universal Services means 100% of the population is reasonably able to subscribe to and use a defined ICT service

- **UAS**: Universal Access and Service, when referring both to UA and US.

Concepts & Definitions (2)

- The concepts of UA and US are applicable to the following ICT services:
  - **Telephony** (voice calls and text messages)
  - **Internet** Narrowband (dial-up)and broadband (ADSL, Wi-Fi, WiMAX)
  - **Radio and TV** broadcasting

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Concepts & Definitions (3)

Three hallmarks of UA and US are:

1. **Availability**: the service is available to inhabited parts of the country through public, community, shared or personal devices;

2. **Accessibility**: all citizens can use the service, regardless of location, gender, disabilities and other personal characteristics; and

3. **Affordability**: the service is affordable to all citizens.

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Effect of Competition

- Better results for customers
  - More widespread services
  - Cheaper phones and services
  - Better service quality
- Competitors are likely to build networks where services are profitable
  - High density population areas
  - Where there is money

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Why do we need Universal Access Policy (UAP)?

- Competition in mobile telephony has expanded services and improved accessibility
- From 2007 to 2011
  - the number of active SIM cards increased from nearly 30,000 to 170,000;
  - the population coverage for mobile services grew from 20% to 90%;
- Internet penetration is still very small (circa 10%)
  - Internet available mainly in urban areas and few locations in rural areas
  - Not commercially viable for operators to provide Internet services
  - UAP Fund is needed to subsidize telecommunications services in areas where there is market failure.

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Telecom Law's Provision

The Telecommunications and Radiocommunications Regulations Act provides for;

- Minister (MIPU) to:
  - develop UAP
  - consult the Telecom Regulator & stakeholders when developing the UAP
  - obtain policy approval from Council of Ministers (COM)
  - set up trust account for UAP Fund
- Telecom Regulator
  - administer the UAP Fund as trustee
  - promote competition in telecom markets
  - design project programme to implement policy
  - call tenders and enter contracts for service

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Status of UAP Fund

- UAP Fund established in 2008
- Sources of funding:
  - from donors (AUSaid) and
  - Telecom Regulator surplus
  - No levies collected from Telecom Operators, to date
- Payments made
  - for TVL loss-making lines
  - for UAP project on extension of mobile coverage to 10 UAP sites.
- Audit process established
- No Universal Access Policy

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Draft UAP - Vision & Objectives

- Comes under the umbrella of the National ICT Policy
- Involves UAP projects that provide advanced Telecommunications and ICT provisions, not just basic telephony provision
- Key objectives of the UAP
  - to use the UAP Fund to support achieving "*Ubiquitous Broadband Communications*" ICT for all;
  - UAP objective is to finance, in a transparent manner, expansion and/or maintenance of designated networks/services that would not otherwise be commercially sustainable.
  - by providing subsidy funding to build infrastructure where there is market failure, to facilitate extension of Broadband Internet to uneconomic, un-served or underserved areas;

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Draft UAP -
Scope of UAP Fund

- Geographic coverage
- Population coverage
- Service coverage of the UAP Fund
  - Broadband Internet provision, backhaul, international access, targeted trainings on specific areas

Draft UAP -
Source of UAP Funding

- Government, Aid Donors and other sources
- Levy on licensed operators, capped at 4% of net revenues
- Any persons may contribute to the Fund and have it ring-fenced for specific projects

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Draft UAP –
Administration of UAP Fund

- UAP Fund is Public money
- Deposited in a trust account
- Administered by the Telecom Regulator as a trustee;
- Fund to be administered and distributed in an open, transparent, non-discriminatory, objective and competitively neutral manner;
- Annual audit by independent qualified auditor

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Draft UAP –
Selection of UAP Funded Projects

- Telecom Operators, Service Providers, and residents of Vanuatu may submit proposals to TRR for funding from the UAP Fund;

- TRR may conclude contracts for UAP subsidies
    - for the provision of infrastructure or
    - for the provision of services

- that are consistent with the objectives and provisions of the UAP.

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Draft UAP – UAP Contracts

- defined and objectively measureable conditions that operators will be required to meet;

- details of the duration of the obligations to be fulfilled under the contract and of the nature and duration of subsidy payment(s);

- a description of the mechanism(s) that will be used to verify compliance by the operator with its contractual obligations;

- a description of the sanctions that may be imposed on the operator if it fails to fulfill its contractual obligations.

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Draft UAP- Procedures for awarding UAP Contracts

- TRR will award UAP contracts according to its ***TRR's Competitive Tender Procedures*** that is approved the Vanuatu Tender's Board.

- TRR will ensure that contracts are awarded based on best value for money, using an open, transparent and competitive tender process.

Draft UAP –
Implementation of UAP Projects

- TRR will be responsible for:
  - ➢ supervising the implementation of UAP projects;
  - ➢ monitoring compliance by UAP operators with construction milestones and ongoing service delivery;

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Draft UAP – Review of UAP

- TRR to conduct periodic reviews of this UAP and advise the Minister responsible for Telecommunications of any recommended change.

- Changes of the UAP expected over time
  - to ensure its ongoing effectiveness and also
  - to take into account changes in the Vanuatu telecommunications environment.

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Questions

- **Introduction**
- **Definitions of Key Terms**
- **Vision and Objectives**
- **Scope of UAP Fund**
- **Administration**
- **Sources of funding**
- **Selection of UAP Funded Projects**
- **UAP Contracts**
- **Procedure for Awarding UAP Contracts**
- **Implementation of UAP Projects**
- **Review**

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UAP BB Pilot Projects

- Four pilot areas
- Health centres, High Schools & Telecentres
- Partnerships – Operators and local community
- Services + PCs + Training
- 12 months
- Sustainability
- Economic development
- Results fed into larger project

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Next Steps

- Closing Date for UAP Policy comments 4 pm, 14th March

- Closing date for ICT Services Policy 4 pm, 21st March 2011

- Submit to TRR consultation@telecomregulator.gov.vu or consultation@trr.vu

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