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Universal Access Policy (UAP) Stakeholders Update No. 2: Implementation of the UAP

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Executive Summary

The Second UAP Stakeholder's Update Report is an update to stakeholders on the progress with implementation of the Government's UAP since TRR's First UAP Stakeholder's Update Report (the First Report) on 31st July 2014.

Through this update Report, TRR wishes to acknowledge the progress made and assistance provided by its stakeholders; particularly licencees, in implementing the Government's UAP.

TRR is pleased to inform stakeholders that there has been significant progress made in respect to UAP implementation since the First Report. Major progress includes our decision on the UAP Broadband Internet Speeds through a determination by TRR, finalizing rollout plans with industry 'Players', and the Grant Review Committee's (GRC's) selection of the first 22 UAP Grant Awardees.

On the 12th of November, TRR released a Determination paper, following various consultations with industry and the service providers, Government and the Public at large, in determining the provision of UAP Internet Broadband minimum speeds of 2Mbps upload rate and 1Mbps download; which must be achievable 98 percent of the time.

In encouraging the participation and involvement of all licensed telecommunication service providers in the implementation of all UAP activities and priorities before 1 January 2018, TRR has reached agreement with TELSAT for it to become the third participating service provider, 'Player', additional to Digicel and TVL, in implementing the UAP deliverables.

TRR is encouraged by the commitment of the 'Players' in engaging effectively with TRR in negotiating the best locations for their rollout plans to achieve the maximum possible effective coverage of the current identified unserved sites around the country. TRR will finalize the negotiations through legal arrangements with the 'Players' in early 2015, but we are now closing in on the 98% of population target.

The first recipients of UAP Fund under the 3 UAP programs were announced by TRR in early October. The announcement was made following a 3-phase rigorous process of screening of over 300 applications. Preliminary site visits to the selected schools have been conducted and completed through the month of November, and they were followed by issuing of procurement notices for goods and services towards these programs.

The three UAP programs provide a framework that demonstrates Vanuatu's position in leading the Pacific in telecommunication service and internet provision, and policy direction. They also fully support and integrate with the UAP and the commitment of 'Players' in facilitating and driving service take-up in conjunction with their rollouts.

TRR has committed to work collaboratively with the industry and other relevant stakeholders in the implementation of all three UAP programs, and will honor that commitment.

TRR will develop regular update Reports at similar timeframes as the Report it provides to the Minister, to keep the stakeholders fully aware of key UAP developments and progress. The next Update Report will follow the next scheduled report of the 6th of June 2015 to the Minister.

Universal Access Policy (UAP) Stakeholders Update No. 2, 30 January 2015

Background

This Second UAP Stakeholders Update Report provides transparent insight to TRR's implementation of the UAP, and its ongoing monitoring and reporting of industry and TRR performance, and TRR's strategy in conjunction with industry towards achievement of the overall objective of Government's UAP.

This Update also serves as a transparent mechanism for ongoing awareness to stakeholders of TRR's consultation and engagement with the telecom industry, consumers and communities, and other stakeholders in the implementation of UAP. Stakeholders were informed of UAP implementation progress through our First Update Report, publically released on 31 July 2014 (the First Report). This Report updates that information and should be read in conjunction with the First Report.

TRR and UAP Stakeholders' Update Reporting

TRR, as the implementing agency of the UAP, is pleased to inform its stakeholders through this update Report that significant progress has been made since the First Report. This has been in respect of securing industry commitment and cooperation in meeting the UAP requirements and objectives. Recognizing the importance of keeping all its stakeholders informed by way of regular reporting on the progress of UAP implementation, any previous updates are published and can be viewed and downloaded on TRR's website (<http://www.trr.vu>).

Key steps forward were TRR's determination of the UAP Broadband Internet Speeds, finalizing rollout plans with industry 'Players', and GRC's selection of the first 22 UAP Grant Awardees.

Key Outcomes of UAP

1. *Resolution of the UAP Broadband Internet Speeds*

TRR has made a Determination, among other things, on the Broadband Speed Provisions following wide-ranging consultation with industry.

The Determination enforces various matters in relation to the UAP to ensure that it is implemented effectively, whilst encouraging innovation and market development in the UAP areas.

During the initial meeting with industry in early February of this year, TRR invited views from industry on the proposed baseline speed that it felt might be appropriate and relevant for Vanuatu. That was undertaken to

assist TRR to set a practical interpretation of the speeds; including a minimal set of speeds which must be provided to meet the UAP speed requirements.

A wider and more representative response and views from industry and the general public was obtained on the subject through the two separate UAP Broadband Speed Consultation Papers. The consultation papers were released on the 6th of May and the 14th of August, 2014. Views and responses on the first consultation paper were considered and incorporated into the second Consultation Paper of August.

TRR's proposed interpretation of the Broadband speeds of 21 Mbps download and 12 Mbps upload, as contained in paragraph 1.1 of the Government's Universal Access Policy (UAP Policy), 2013, has now been Determined on 12 November, 2014. It sets the Broadband minimum speeds as 2Mbps upload rate and 1Mbps download; which must be achievable 98 percent of the time.

Overall, TRR anticipates a mass up-take of broadband services subject to the network rollouts. Under ideal conditions, the 3G mobile standard is theoretically designed and capable of meeting the UAP Broadband speed requirements.

The operating conditions encountered by licensees and customers in practice will, however, most likely result in them generally experiencing rates below the required speeds. In meeting the required standards, the 'Players' have committed to upgrade their current networks to at least 3G standards.

The overall observations, collated from the consultation papers, and the Determination, can be viewed and downloaded from TRR's website (<http://www.trr.vu>).

2. Negotiation with industry in fine tuning their rollouts as 'Players'

TRR has continued to proactively and regularly negotiated with all three 'Players' on finalizing the best locations in conjunction with their rollout plans to achieve the maximum possible effective coverage of current unserved sites. TRR sees the 'Players' flexibility as an excellent outcome, as it will afford a more flexible and effective rollout by all 'Players' to achieve the 98% population coverage goal. It is also seen as being indicative of the wide-ranging industry support of the Government's UAP.

TRR is pleased to have undertaken important initiatives and steps to achieve a very successful outcome of negotiations between the key 'Players' regarding their respective UAP rollout plans. We also reached a practical approach to effectively involve TELSAT, as a third participating service provider in implementing the UAP initiatives. The negotiations and collaboration between TVL and Digicel with TRR can be seen as TRR's biggest achievement to date towards achieving the UAP goal of 98% population coverage. TRR commends the commitment of the 'Players' and will proceed towards finalizing a legal undertaking agreement early next year, 2015. Through this stage, TRR has had numerous consultation meetings with industry, one-on-one consultations and joint meetings, finalizing plans to optimize the rollout to achieve, as close as possible, the 98% population coverage target.

At the time of this Report, TRR is concluding discussions with the 'Players' to finalize their plans and enter into a contractual agreement in early 2015 for all of the proposed UAP development sites. Proposed UAP rollout plans also include upgrading of existing telecommunication services.

We are pleased to advise that the plans in total are closing in on the 98% of population target.

3. Telecommunication Service Coverage And Quality of Service Audit

TRR has conducted a rudimentary Cellular Mobile Signal test around the island of Efate. The tests also focused on the Port Vila Urban area and its surrounding villages and settlements. The aim of the rudimentary test was to ascertain 2G and 3G service coverage and the signal strength, on the island. The overall results of the rudimentary test can be viewed and downloaded from TRR's website.

TRR has also engaged its consultant (Challenge Networks), who were on the ground in Vanuatu, close to the time of development of this update Report. Discussions and arrangements with the consultant are currently underway on work plans in addressing mobile coverage and a Quality of Service (QoS) audit in Vanuatu. These will commence in early 2015, and the results from the coverage audit will be used to further confirm and verify the outcome of the rudimentary test, in addition to other tests performed. An update will be provided on in the next UAP Stakeholder's Update Report.

4. UAP Levy Assessment Statement for 2014/15 Period - Players

On 5 November 2014, TRR released a UAP Levy Assessment Statement for period 2014/15. In this Statement, TRR identified three 'Players' for the referenced period: Digicel, TVL and TELSAT. These findings may change based on TRR's assessment in future years, or as determined annually by TRR. The Statement can be viewed and downloaded from TRR's website. The next levy assessment pursuant to the TRR Act 2009 will be conducted for the levy period beginning 1st July 2015 to 30th June 2016.

TRR will continue to work cooperatively with all licensees to ensure UAP obligations and objectives are met, and to assist those that wish to reconsider their position to be a 'Player' instead of a 'Payer' in the next or future Levy periods.

5. Implementation of 3 UAP Programs

In responding to an unprecedented nationwide demonstration of interest and enthusiasm to the Government's UAP initiatives through the 3 UAP Programs, TRR arranged a nationwide awareness program through mass media outlets; including the two national Newspapers and FM radio back-shows, and a visitation to the six provinces of Vanuatu. The purpose of the awareness visit was to inform the rural population about the UAP and its objectives, to seek the community support to help promote the use of ICT in schools and surrounding communities, and to assist small business operators to expand or develop their businesses through these programs. The awareness program was also intended to assist those applicants who required assistance in completing their application forms.

In early October 2014, TRR announced the first candidates that would receive UAP Fund funding for ICT access, computer Labs and Tablets for Schools throughout the country. The announcement can be accessed from TRR's website on www.trr.vu.

TRR acknowledges the support and contribution it has received, and continues to receive, from the Ministry of Education (MoE), and the Australian Government, through its Governance for Growth (GfG) program, the Office of the Chief Information Officer (OGCIO) and the Vanuatu Peace Corps. The expansion of the Grant Review Committee (GRC) membership to include a representative from MoE is welcomed by TRR and seen as indicative of the excellent collaboration and relationship TRR has with relevant Government agencies.

TRR sees this GRC additional membership as a critical step in the implementation of the UAP and the Government's School Policy and Programs in respect of utilization of ICTs.

This initiative and these 3 UAP programs continue to indicate that Vanuatu continues to play a leading role in the Pacific with respect to telecommunications service and internet provisions. Divided into three components, the work is designed to provide the framework for what will effectively be a national ICT upgrade.

6. Determination of Levy on Payers

TRR has finalized and categorized all 'Payer' licensees who either did not submit their UAP implementation plans or indicated to TRR they will participate in implementation of the Government's UAP as a 'Payer'. TRR determined a levy of 4% and has also confirmed the actual amount, in total, that the 4% to be levied on the 'Payers' will provide. The levied amounts have been deposited in the UAP Fund and are ring-fenced to assist in meeting and covering the remaining population coverage shortfall and UAP objectives.

7. Revocation of another Telecommunication License

TRR considered a request from Skycloud Networks for a revocation of its telecommunications license. In our First Update, Skycloud Networks was considered as a 'Payer' under the 'Play and Pay' approach, and it paid a levy appropriately in 2014.

TRR, in consideration of all relevant factors, and in accordance with section 15(1) of the Act and clause 4.1(a) of Skycloud Network License, agreed and responded to the formal request to TRR that Skycloud Networks be now considered as a non-service provider, and issued an Order of Revocation, effective 21 November 2014.

This license revocation reduces the current total number of licensees from 8 to 7. Three of these 7 licensees are considered as 'Players' under the UAP 'Play or Pay' approach, with the rest as 'Payers'. TRR is of the view that competition in this Sector, however, remains healthy, active and sustainable.

8. TRR Commitment and Partnerships

TRR has unwavering commitment to work collaboratively with the Government, and other Government regulatory institutions, industry and stakeholders towards full and effective UAP implementation and ensuring that all the three programs under UAP initiatives (and any other UAP initiatives) will fit harmoniously with, and assist in achievement of, the overall objective of the UAP.

As an indication of its commitment to working closely with other Government stakeholders, TRR formerly secured a working relationship with the Vanuatu National Statistics Office (VNSO) in June 2014 through the signing of a Memorandum of Understanding (MOU). The MOU forms the basis of support that TRR will be receiving from VNSO in relation to the planning, development and implementation of UAP; and other related telecommunications monitoring and planning activities.

9. TRR Reporting

TRR's next UAP Stakeholders' update Report will follow on from the next reporting to the Prime Minister, who is the Minister for Telecommunications and Radiocommunications. This is due on or before 6 June 2015. TRR will however, provide reports upon request at any time. TRR will develop regular update Reports at similar timeframes as the Report to the Minister, to keep the stakeholders fully aware of key UAP developments and progress.

The next update Report to all stakeholders will follow shortly after the next scheduled report of the 6th of June 2015 to the Minister.
