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# **Universal Access Policy (UAP) Stakeholders Update No. 1: Implementation of the UAP**

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## Executive Summary

This Report provides an update to all stakeholders on the developments from, and implementation of the Council of Minister's (COM) approval of the Universal Access Policy (UAP) in November 2013, to date.

TRR, as the UAP implementing agency appointed by the Government, is pleased to report that significant progress has been made in respect of UAP implementation and to securing industry commitment and cooperation in meeting the UAP requirements and objectives. This has not been without some setbacks to balance the progress made and pockets of industry criticism; of both the UAP and TRR's potential implementation interpretations. However, there is wide overall support for the UAP and strong support from the three major operators: Digicel, TVL, and Telsat, as well as business, consumers, stakeholders, and the industry at large. TRR continues to work positively, enthusiastically and cooperatively with all stakeholders to achieve the Government's UAP deliverables.

Under the 'Play or Pay' approach<sup>1</sup>, there are three 'Players' identified through their UAP submission plans. They are Digicel, TVL and Telsat. Those licensed telecom service providers that indicated that they wished to 'Pay' and not 'Play', or that failed to submit their UAP deployment plans, or their current rollout plans do not fit with or meet UAP requirements, are considered 'Payers' and have been charged a 4 percent levy. Levy invoices have been issued to all 'Payers' for the levy period of 1<sup>st</sup> July 2014 to 30<sup>th</sup> June 2015. All levies are payable into the UAP Fund before July 31<sup>st</sup> 2014.

There are six licensees that have failed to provide telecom services in accordance with their license and, as such, are not considered active. TRR has now revoked their license, following a month's warning notice and further notices, on the basis of non-compliance which includes, among other things, the failure to provide any telecommunication services and the non-payment of license fees, since 2009 or 2010.

TRR has obtained, and is using data and information from, all relevant stakeholders and industry to build up its telecommunications Global Information System (GIS) database which is particularly related to telecommunications information. The database is now the prime source of information in facilitating the development of UAP implementation plans and coordinating rollouts. A major identifiable metric from our database is that TRR is able to determine and identify unserved and underserved areas of current telecommunications service provision.

TRR's present best estimates, based on the information provided by the key players and our analysis, is that the current overall total population coverage that the 'Players' provide is about 93 percent. Thus, there is an additional 5 percent population coverage required to achieve the 98 percent target.

TRR has consulted several times with industry on the interpretation of UAP speeds. TRR has sought industry wide views on the appropriate interpretation of the broadband speed of 21 Mbps download and 12 Mbps upload, specified under the UAP. TRR has consulted on the understanding of setting a minimum broadband speed baseline for 'Players' to implement when rolling out their services without it undermining, nor overriding, the required speed of 21Mbps/12Mbps. It will serve the purpose to facilitate the required speed; given the concerns we have received from the industry. TRR is developing another Interpretation of UAP

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<sup>1</sup> Under the 'Play' approach licensees are encouraged to rollout services to meet UAP requirements at their own cost. Licensees who do not wish to 'play' will 'pay'. Under the 'Pay' approach, TRR will impose an annual levy of up to 4% on their annual net revenue. For the period 2013-2014, a 4% levy applies..

Speeds Consultation Paper which will be released shortly. TRR intends to reach a decision on this in the coming months and continues to consult and negotiate with industry on this.

The identified 'Players' that have committed to rolling out new services in accordance with the Government's UAP: Digicel, TVL and Telsat, have submitted plans for rolling out new sites and extending their existing network. TRR views this willing commitment as very encouraging and indicative of the immediate success of the Government's UAP; with many millions of USD being committed by industry through cooperative and voluntary means.

TRR continues to proactively consult and negotiate with industry in meeting the objectives of UAP, and actively driving UAP rollout and other universal access initiatives.

The next update Report to all stakeholders will follow on from the next scheduled report of the 6<sup>th</sup> of December 2014 Report to the Minister. 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.

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# Universal Access Policy (UAP) Stakeholders Update No. 1, 31 July 2014

## Background

In November 2013, the Council of Ministers (COM) endorsed and approved the Government's Universal Access Policy (UAP) in conjunction with the National ICT policy and the National Cybersecurity policy.

The National ICT Policy provides the Government's focus in ensuring that all organizations and individuals have equitable and affordable access to voice, data, broadband internet, media and ICT network terminals and services, allowing reliable access and exchange of information (content). The National Cybersecurity policy compliments the National ICT policy by ensuring that while all have (or will have) access to the prescribed telecom services, all are able to enjoy the full benefits of a safe, secure and resilient cyber space enabling them to get access to knowledge and share information while understanding and addressing the risks.

Hinging on the principles of these national Government policies, UAP is seen as the driver of the two policies in linking the prescribed telecom services to the unserved and underserved areas of Vanuatu. The Policy states that by 1 January 2018, 98 percent of the Vanuatu population shall have (and continue having after this date) access to voice; narrowband data services, including text messaging and broadband Internet telecommunication services.

## TRR and UAP Reporting

TRR, as the implementing agency for the Government's UAP, recognizes the importance of keeping all its stakeholders informed by way of regular reporting on the progress of UAP implementation. Regular updates, around every 6 months, will be developed from hereon with details published on TRR's website (<http://www.trr.vu>).

This first Update Report provides a basis for TRR's ongoing monitoring and reporting of performance, and our strategy, in conjunction with industry, for achieving the overall objective of Government's UAP. These Reports will also serve as a transparent basis for ongoing awareness, consultation and engagement with the telecom industry, consumers and communities, and other stakeholders.

TRR is pleased to report that significant progress has been made in respect to UAP implementation since the UAP was approved last November. That progress includes securing industry commitment and cooperation with strong support from the three operators: Digicel, TVL, and Telsat who will rollout services to facilitate UAP objectives, the other licensees who will pay UAP levies, and businesses, consumers and stakeholders at large.

## Key Points:

- ***Telecom Licencee Engagement***

TRR has worked productively and consistently in a coordinated approach with industry towards achieving the overall UAP objectives, and will continue to do so through all UAP implementation steps until the 1 January 2018 deadline.

TRR has conducted many industry wide meetings and held a series of one-on-one meetings with licensees seeking their commitment and cooperation in working collaboratively with TRR and the Government through the planning and implementation phase of the UAP in Vanuatu, to meet the policy objectives.

The policy promotes, and TRR has engaged the industry through, a UAP 'Play' or 'Pay' approach by having all current holders of telecommunication licensees submit, to TRR their UAP indicative implementation plans in meeting the UAP objectives. Under the 'Play' or 'Pay' approach, licensees are encouraged to rollout services to meet UAP requirements at their own cost. Licensees who do not wish to 'Play' will 'Pay'. Under the 'Pay' approach, TRR has decided to impose a levy of 4% on their annual net revenue for the 2013 – 2014 period, based on section 19 (6) of the Telecommunications and Radiocommunications Regulations Act No 30 of 2009 ("the Act"). That is the maximum rate that can be set and reflects equity, fairness and an "all licensees to assist" approach to ensure they provide maximum support to the 'Players'.

- ***Identifying Key Players & Payers***

TRR has identified three 'Players' under the 'Play or Pay' approach of the UAP that have indicated their commitment to rolling out new services in accordance with the Government's UAP. They are Digicel, TVL and Telsat, who have submitted plans for rolling out new sites and upgrading existing mobile sites. TRR views this willing commitment, from a national policy perspective, as very encouraging and indicative of the immediate success of the Government's UAP; with many millions of USD being committed by industry through cooperative and voluntary means.

Service providers that do not wish to 'Play' must 'Pay'. All licensees who intend to contribute to the implementation of the UAP as 'Payers' were given the opportunity to be 'Players' and were requested to provide and document projects that they intend to undertake in 2014 and beyond in terms of overall cost, timetable and impact on population coverage of their various networks. This would afford a potential offset against any UAP levy. There are current 'Payers' who will pay a 2014 levy for the 2013-2014 period, but may rollout new services in the future that may qualify for UAP consideration later in 2014 and beyond. This will be assessed in the 2015-2016 levy period.

- ***Audit of Licensees***

In determining industry's participation through the 'Play or Pay' approach, TRR recognized that there were a number of identified 'Payers' that had a telecommunications license but to date had failed to offer or provide a telecommunications service. Based on the advice of the Minister in a letter of 27<sup>th</sup> March 2014 in respect of the need to review the current licenses, TRR has acted to cancel the licenses of all inactive licensees.

Those licensees were formally advised and cautioned by TRR in April and June about their need to provide TRR with their plans to offer a telecommunication service, and of their levy obligations under section 19 (6) (b) of the Act; in particular, the relevance of their need to retain such license.

TRR considered such a trend as a failure of the licensee to comply with the purpose, terms and conditions of its license. TRR has, subsequently, revoked the licenses of six licensees because they were not operating a telecommunications business, not providing telecommunications services to end users, and have not done so since 2009 or 2010. These include:

- Yumi Konek in April 2014

- Wavecom Limited in June 2014
- Micoms Limited in June 2014
- Hotspotzz in June 2014
- Computer Network Services Limited in July 2014
- eTech Limited in July 2014

From a total of 14 telecommunications licences issued, with the 6 that are now revoked, this means there is a total of 8 licensees in operation in Vanuatu. This number of active licensees accurately reflects the competition level of the telecommunications market sector, and the license revocations will not affect, in any way, competition within the sector.

- ***Consolidated industry UAP rollout plans***

TRR has considered and identified 25 indicative locations throughout Vanuatu to be the *major* unserved areas. These areas represent about 5 percent of the population and form the basis of the target for the UAP rollout. TRR acknowledges OGCIO's significant contribution and assistance in working cooperatively and rapidly with TRR to develop a substantial common mapping framework and geo-location data on villages, schools, clinics and other facilities (i.e. TRR's GIS).

The two major service providers – TVL and Digicel collectively agreed for TRR to collate current and future services against the current population coverage, and to undertake detailed analysis with a particular focus on current underserved and unserved areas.

TVL and Digicel have submitted plans for rolling out new sites and upgrading existing mobile sites to meet the UAP objectives and have confirmed their commitment under the UAP as 'Players'.

In addition, these players have confirmed their flexibility to relocate any of the sites identified which were not within the areas listed as unserved, or located at where there is an existing arrangement, or existing services, to target achieving the 98% population coverage goal.

TRR see this as a good outcome as it will afford a more flexible and effective rollout in conjunction with both player's rollout towards the 98 percent target. TRR is negotiating with both TVL and Digicel on the best location in conjunction with their rollouts to achieve the maximum possible effective coverage of current unserved sites.

Telsat has also submitted its plans to extend its existing network by rolling out new sites to deliver new services to residents and businesses, providing them an opportunity to benefit from broadband internet services.

TRR acknowledges and commends all players on their commitment to UAP through their implementation plans.

- ***Mobile Coverage Audit***

A rudimentary mobile signal coverage audit was performed by TRR in 2009 via manual call tests on the Digicel network, confirming 85 percent of the population as having access to a mobile service by the end of 2009, compared to a handful of the population pre-liberalization. TRR recognizes that it is timely to conduct and

verify nation-wide mobile signal coverage this year on all operator mobile networks. This will assist TRR to determine the *actual* current mobile signal coverage of Vanuatu, rather than basing it on theoretical assessments.

TRR is soon to engage an expert Consultant (potentially next month) to conduct actual field audits, mostly outdoors, of the mobile signal coverage, and to verify the computer modeling mobile signal coverage results as provided by the operators and integrated in to TRR's GIS. The audit will cover all existing telecommunication services - voice, narrowband and broadband internet services.

At least two audits will be required before 1<sup>st</sup> January 2018. This will determine the current coverage and to establish, through empirical evidence, that the 98% requirements of the UAP have been met. Conducting a nation-wide coverage audit will provide TRR with a holistic view of the exact availability of mobile services and mobile coverage in Vanuatu. This will assist TRR and the Vanuatu Government in their assessments and decisions to address universal access initiatives, and to consider areas in Vanuatu that lack mobile coverage; with the intention of encouraging new telecommunications projects and service provision to those unserved areas in line with the UAP objectives.

In April 2014, TRR conducted internal manual test calls to the twenty five UAP identified key unserved areas to verify if those sites are truly unserved by telecom services. The manual call tests were conducted by TRR staff and has provided information on various elements including signal coverage availability in villages, ability to make a phone call, where and how far a person must travel to make a phone call and if weather conditions affect the ability to make a mobile phone call. A report was compiled based on customers' on the ground experience, showing mobile signal coverage challenges faced. The test results verified that the identified sites as currently being unserved by mobile telecommunications services are correct and will be our areas of focus.

- ***Broadband Internet Speed Consultation Paper***

TRR has consulted, several times, with industry on the implementation and interpretation of the UAP Internet speeds and has sought Industry wide views on the appropriate interpretation of the broadband internet speed of 21Mbps download and 12Mbps upload, specified under the UAP.

To assist industry and for TRR to be able to set a practical baseline speed for operators, TRR then developed a consultation paper seeking industry views on what is practically achievable. TRR also engaged its external consultants for a wider perspective to ensure that what it determines to be the baseline speed conforms to known, realistic internationally recognized standard speeds.

TRR appreciates that there are different technologies available that may and/or can provide either a 'dedicated' or 'contended' speed as required under UAP. TRR's current view and understanding of the broadband speed, put to consultation with the service providers, is for a contended speed for a minimum available capacity prescribed as 2Mbps/1Mbps speed that is available 99 percent of the time; with industry encouraged to provide 'dedicated' packages to consumers and businesses that need and can afford them.

TRR is developing another Consultation paper which will be released shortly. TRR intends to reach a decision on this in the coming months and continues to consult and negotiate with industry on this.

- **Quality of Service (QoS)**

Since liberalization in 2008, Vanuatu's telecommunications market services have leap-frogged, in certain aspects, in just 5 years. For instance, the leap from fixed broadband through ADSL to wireless broadband (Wi-MAX, 3G+, and recently 4G Wi-Fi), various available broadband packages offered on 3G networks and latest ICT tools such as handsets including smart phones and tablets in the market.

To date, little QoS assessment has been carried out by TRR and it recognizes the need to undertake this promptly, and as part of the UAP implementation strategy and planning. TRR is currently largely reliant on operator advice for QoS statistics; and that is now not adequate or appropriate. TRR is now moving quickly to conduct a detailed QoS measurement of the mobile and ISP networks.

TRR is soon to engage an expert Consultant (in Quarter 3 of 2014) to conduct actual field measurements of current telecommunications QoS levels and provision. This project, similar to the mobile signal coverage audit, will provide TRR with a holistic view of the level and quality of telecommunications services in Vanuatu at present, and will assist TRR and the Vanuatu Government in terms of identification of future needs.

The QoS measurements will cover all existing telecommunication services: voice, SMS, narrowband and broadband Internet services (i.e. QoS measurement will include those provided on the ISP networks). At least two QoS measurements will be necessary before 1 January 2018. The first will be conducted as soon as the consultant is engaged to determine the current QoS levels, and another to establish empirically that TRR's specified requirements are being met.

Under section 7 (1) of the Act and clause 16.7 of the telecommunication licences, TRR developed and released a QoS Guideline in November 2012, with the purpose of establishing a framework for the provision of service provision expectations and to assist end users with their selection of services, as well as assist in the maintenance and the improvement of the QoS provided by service providers.

- **Other UAP initiatives**

TRR is coordinating three new universal access ICT programs developed particularly to promote the use of ICT in schools and the communities throughout Vanuatu. TRR, as the Asia-Pacific Telecommunity's (APT) administration in Vanuatu, in association with OGCIO, is also facilitating a Pilot project aimed at developing ICT and its rollout, and disaster awareness in the rural communities. These initiatives include:

1. **Computer Lab and Internet Community Center (CLICC)**

TRR's Computer Lab and Internet Community Center (CLICC) is a pilot program, and will cover up to 15 schools around the country. The program is funded by Australian Aid through the Australia-Vanuatu Governance for Growth (GFG) Program which aims to enhance and assist the School Connectivity Program and increase use of ICTs by students, teachers and school administrators.

The program was established to provide funding for school computer labs which will also serve their communities with Internet access.

2. **Internet Café Support Program**



The Internet Café Support program is also funded under the GfG program operating similarly to the CLICC program. It aims to assist in establishing public Internet access points, making access to the Internet effectively available to the residents of Vanuatu.

The program will cover for up to 10 local businesses in the form of a onetime grant, in rural and unserved communities to build Internet Cafes. These Internet Cafes will provide communities with access to at least 2 computers and a WIFI network; both connected to the Internet.

The project is intended to assist businesses in their quest to provide customers with Internet access.

The types of business that are potential beneficiaries of the project are:

- Community Cooperatives
- General Stores
- Specialty Shops (Grocery, Fish and Markets, Electronics, etc.)
- Restaurants
- Bungalows

### **3. Tablets for Students Program**

The tablets for schools program is also funded under the GfG program and is another initiative operating similarly to the CLICC program. The main objective of this UAP project is to enhance and assist the School Connectivity Program and increase use of ICTs by students, teachers and school administrators.

These tablets open new avenues and opportunities in education, will be internet capable, and will assist students and schools in local content creation. The pilot program provides for 1000 tablets to successful schools under this program.

### **4. ICT and Disaster Warning Mechanisms Development Program for Supporting ICT Pilot Projects through the Asia Pacific Telecommunity (APT) J3 Project**

TRR acknowledges APT's recognition and commitment in promoting ICT development through rural connectivity efforts in developing countries like Vanuatu where it is highly susceptible to natural disasters.

The APT's engagement on this program, via and through funding from the Japanese Government, shares the common emphasis of Vanuatu Government's UAP initiative towards ICT as a vital enabler of social development.

Under the Vanuatu-Japan collaborative pilot project, three rural areas were selected to establish rural based Telecentres and provide national disaster warning mechanisms but the number of sites may change subject to expert mission assessment from Japan. The remote rural areas currently identified are:

- a. **Melsisi** - Pentecost
- b. **Ulei** - North Efate
- c. **Lenaula** – South East Tanna

The project will provide learning opportunities through broadband wireless access to schools and the community, and provides an appropriate solution model to providing high-speed broadband Internet access to rural areas of Vanuatu, as well as assist in providing disaster warning alerts and management.

- ***Integration of UAP Projects***

TRR is making all efforts to fully integrate all UAP projects into the overall Government's UAP initiative and efforts.

These initiatives, together with the 'Play' or 'Pay' approach, will contribute to achieving the 98% population coverage objective set by the UAP.

- ***Grant Application Forms for the three GfG funded Initiatives***

TRR has undertaken wide publicity on all three universal access GfG funded programs, and this has been well received by the general public; as reflected by the overwhelming number of responses it has received through requests for information about the programs. The Application Forms pertaining to the three programs were launched on 19 May 2014 across various official and social networks, aiming to reach over 1,000 schools and to small businesses around the country.

TRR is currently in the process of sorting, screening and evaluating over 300 Grant Applications for the three UAP programs following its 18 July 2014 submission deadline.

TRR is also expected to finalize and identify the supplier of the 1,000 Tablets under the Tablets for Students UAP program very soon. In addition, TRR is to determine, through the assistance of OGCIO and the Ministry of Education, the type and number of learning resources and applications that will be made available in all 1,000 tablets.

- ***Reporting***

TRR had an obligation to report under Section 3.6 of the UAP to the Minister responsible within four months from the approval of the Policy. TRR provided its first report to the Minister on 4 March 2014 and a second report was provided on the 6<sup>th</sup> of June 2014, addressing necessary UAP requirements.

As a follow on from the Minister's report of the 6<sup>th</sup> of June 2014, TRR is required to report to the Minister at 6 monthly intervals. TRR's next scheduled report, therefore, will be provided to the Minister on or before 6 December 2014.

Given the reports TRR provides to the Minister are In-Confidence, TRR recognizes the need to keep all stakeholders updated and informed as well. We will do that through Public Reports such as this one at similar reporting timeframes of every 6 months.

Because some information submitted to TRR, and other information referred to in this updated report is confidential, TRR will not disclose it to the public; but we will keep our stakeholders fully aware of key developments and progress.

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