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Universal Access Policy (UAP)

Stakeholders Update Report No. 3:

Implementation of the UAP

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Executive Summary

This Third Universal Access Policy (UAP) Update Report is intended to update stakeholders on progress made in TRR's implementation of the Government's UAP to 30 June 2015. It builds on TRR's Second UAP Update Report of 17 December 2014. The Report outlines the significant progress that has been made and, in particular, to having secured industry commitment and cooperation in meeting the UAP requirements and objectives through recently signed Undertaking Agreements.

TRR recognizes and acknowledges the commitment of the Players: Digicel (Vanuatu) Ltd, Telecom Vanuatu Ltd and Telsat Broadband Ltd, as well as industry at large for the achievements presented in this Report. Significant milestones have been achieved over the last six months and they have provided and assisted TRR, and the Government, in reaching some important milestones towards meeting the UAP objectives.

TRR has continued its proactive, leading and guiding approach in the negotiation and finalizing of the UAP Players' commitments to the implementation of the UAP, and the provisioning and deployment of equipment and materials for the UAP ICT school programs.

Towards locking in the Players' commitments, TRR has effectively and actively negotiated and concluded arrangements with the Players' through signing of Undertaking Agreements with each of them. The Undertaking Agreements establishes the Players' commitment to build and roll out telecommunications services in accordance with the UAP to areas that have been identified by TRR as the UAP sites.

The rollouts include building and extending networks in remote areas such as in Torres, Vanua Lava, Santo, Maewo, Ambae, Malekula, Pentecost, Epi, Efate, Tanna and Aniwa. These investments will impact positively on and stimulate Government services and business activities, such as education, health, tourism, trade and agriculture across these islands.

TRR is pleased to inform stakeholders that the Government's innovative UAP and leading approach has resulted in a successful rollout, based on the latest and current UAP deployment plans of the Players and TRR's estimated existing mobile coverage, of a population coverage rollout that is now expected to reach, and may potentially exceed, the overall UAP target of 98%.

With the development of the UAP ICT school programs, as a stimulus to the UAP rollouts, in addition to the agreed rollouts, the 98% target will now likely be reached and potentially may exceed it.

The *actual* rollout coverage, however, will need to be measured. Initially – this year - by TRR to confirm a base figure, and at the end of the rollouts to confirm an accurate coverage rollout figure from that baseline.

In addition to rollout of new UAP sites, Digicel and Telecom Vanuatu Ltd (TVL) will upgrade existing mobile services to 3G+ services, or equivalent technology, that can deliver internet broadband speeds specified under the UAP and as determined by TRR in its speed determination issued in 2014. TRR regards this as a positive outcome of the Government's UAP, not only encouraging rollout of new sites but also improving and upgrading services at areas where there is existing mobile service coverage.

TRR has developed a procurement plan detailing the accompanying technical and administrative requirements for the stimulus packages. These requirements were necessary to proceed with procurement of all relevant equipment, materials and services required to deliver the Computer Lab & Internet Community Centre (CLICC) and Tablets for Students (TFS) Programs.

In tendering for the supply of goods and services TRR has ensured that all tendering processes are (and will continue to be) conducted in accordance with TRR's Tendering Guidelines and Procedures for the UAP Broadband Internet Pilot Projects for Rural Areas, issued on the 23rd of February, 2011.

TRR successfully completed the procurement of goods and services and launched 12 tenders in December 2014. On the successful selection of winning bidders, TRR proceeded to secure their commitments through negotiated contractual agreements, in light of their winning bid, for the provision of goods and services under the respective UAP programs.

TRR remains committed to its methodology and approach to achieving the UAP objectives by working cooperatively and constructively with the operators, stakeholders and other relevant parties and will keep the stakeholders informed of all developments.

TRR will develop regular update Reports at similar timeframes to keep the stakeholders fully aware of key UAP developments and progress.

Universal Access Policy (UAP) Stakeholders Update Report No. 3

Background

This Third UAP Stakeholders Update Report outlines progress of TRR's implementation of UAP, ongoing monitoring and reporting of industry performance, and TRR's strategy, in conjunction with industry, for achieving the overall objectives of the Government's UAP. This Update also provides stakeholders with awareness of TRR's consultation and engagement with the telecom industry, consumers and communities, and other stakeholders in the implementation of UAP. Stakeholders were previously informed of UAP implementation progress through our Second Update Report of 17th of December 2014. This Report updates that information and should be read in conjunction with that Second Report.

Reporting

TRR, as the implementing agency of the UAP is pleased to inform stakeholders, that there has been significant progress made since our Second UAP Update Report. This is particularly in respect of UAP implementation and in securing industry commitment and cooperation in meeting the UAP requirements and objectives, through recently signed Undertaking Agreements. Recognizing the importance of keeping stakeholders informed by way of regular reporting on the progress of UAP implementation, our Update Reports can be viewed and downloaded on TRR's website (<http://www.trr.vu>).

Key Outcomes

This Report outlines key outcomes in the implementation of UAP that TRR has achieved over the last six months period in collaboration with the telecom industry, related Government Ministries, consumers and communities, and other stakeholders.

1. *UAP Contractual Undertaking Agreements on Rollouts as Players'*

The successful outcome of the negotiations and collaboration between the Industry Players' with TRR over the duplicated UAP sites in 2014 and 2015, has led to TRR now finalizing Undertaking Agreements between all Players' and TRR. TRR notes and accepts duplication between Players in some of the proposed UAP rollout sites, and had proposed alternatives for the industry to consider in optimizing the rollout and extending the coverage area.

TRR is grateful for the consideration that industry has given to TRR's proposals in this regard and TRR has decided to include some duplicated sites in each of the Player's rollout plans. TRR made that decision based on the following reasons:

- TRR made several attempts to maximize coverage from Players by discussing and negotiating with the industry on a one-to-one basis to resolve the duplicated sites. However, no mutual agreement could be reached between Players.
- TRR respects each Player's choice for their rollout sites and has negotiated in a light touch manner to enable an environment where each Player is allowed to make its own decisions, choose and retain the duplicated sites if they so wish, and proceed with their rollout plans.
- TRR recognizes that the presence of multiple Players in these sites will create a competitive

environment which will be beneficial to consumers and will provide telecommunication service users and consumers with wider choices and variety.

- TRR also sees this result will add an additional concept to the UAP rollout in other areas, and we will monitor the results of a duplicated service rollout to these rural communities.

Towards locking in the industry's commitment TRR has effectively and actively negotiated and, now, finally concluded and signed Undertaking Agreements with them. The signing of Undertakings with Players' indicates industry's participation and commitment to build and roll out telecommunications services in accordance with the UAP to areas that have been identified by TRR as the UAP sites; with only minor adjustments to the proposed Undertakings being required.



CEOs of UAP 'Players' and the Regulator

When the UAP ICT school programs, which have been developed as a stimulus to the UAP rollouts, are added to the agreed rollouts we believe the 98% coverage target will be reached and, potentially, is likely to exceed it.

The *actual* rollout coverage will, however, need to be measured. Initially – this year - by TRR to confirm a base figure, and at the end of the rollouts to confirm an accurate coverage rollout figure from that baseline.

The signed Undertakings lock-in the Players rollout plans of achieving the overall Objectives of the Government's UAP. There are certain prior arrangements that need to be made by the Players' in placing orders of UAP equipment and related goods as part of the rollout. Commencement of the rollouts is pending the arrival of those orders, but the rollout plans and timing have been established as a condition of the signed Undertakings.

TRR acknowledges the industry's commitment through their Undertaking Agreements towards extending their services to the people of Vanuatu. It is an indication of the Player's support and commitment towards the Government's UAP and its implementation. It also shows that the rollout of UAP is gaining momentum, and complements the UAP's ICT school programs that are also being implemented in parallel to the Player's Undertakings.

In combination with the UAP roll-out Undertakings by Players', TRR also recognizes the participation of the International Telecommunication Union (ITU) through its Satellite Connectivity project which will add to the implementation coverage spread. TRR is currently in discussion with the Office of the Government Chief Information Officer (OGCIO) - which facilitates the project on behalf of ITU - for consideration of incorporating the satellite project as additional UAP roll-out sites.

2. Procurement of UAP Goods and Services

In recognizing the necessity and importance of playing a proactive role in the provisioning and deployment of UAP equipment and materials during the implementation process, TRR provided an effective procurement service through use of procurement best practices and optimal resource management, in compliance with the TRR Tender Guidelines (as amended), issued on the 23rd of February 2011.

Based on specific requirements of the three UAP school ICT programs, TRR developed 12 separate tenders. These were developed as “Requests for Tender for the Supply of Goods and Services, Installation, Configuration and Support of the Power and Communication Infrastructure” for all selected UAP project pilot sites. All tenders were issued following a public request for submissions in accordance with the UAP tendering guidelines.

The decision to award the tenders was made by the Grant Review Committee (GRC); comprising the OGCIO as Chair, Australian Governance for Growth program (GfG), TRR and the Ministry of Education, based on a recommendation of an Evaluation Committee (EC). Decisions were made included a need to keep the cost of failure small and to ensure TRR utilized the full strength of the local market.

3. UAP Goods and Services Contractual Agreements

The generally low level of technological knowledge and experience seen through the outcome of and response from the wide community to the UAP programs meant that TRR had to take a proactive role that established the creation of technical standards for equipment, content and processes. TRR took such considerations into account in awarding the provisioning and deployment, and support of equipment and materials contracts, to the recommended potential bidders. The awarding of the UAP tenders was undertaken with the mindset to minimize unforeseen challenges. The photo below shows a recent successful contract signing.

Given the large scale of UAP roll-out in relation to human and technical resources available, TRR recognized the continuing challenges in creating a single supplier that would serve the needs of all the UAP project sites. TRR, in close collaboration with OGCIO, and in accordance with relevant regulatory framework, has opted to develop several contracts for the delivery of specific UAP goods and services.

In parallel with the development of the UAP Goods and Services contracts, TRR has also successfully sought and secured, through the GRC, support and the active involvement of relevant private and public sectors, such as Education and the Energy Department in the deployment and the management processes of UAP implementation.



4. Ministry of Education Support to UAP and School Program Implementation

Recognizing the significant beneficial impact of the UAP programs on schools and the learning capacity of children, the Ministry of Education, on the 7th of April 2015, handed over 20 sets of Aptus Device to TRR. These devices are considered to be a very useful addition to the CLICC and TFS programs as they provide the schools and students with the ability to browse for educational content or materials offline at any given time. TRR understands that the devices have been configured to best suit Vanuatu's context and they make use of low-cost, commercially available devices and the latest technologies to deliver a high impact solution for learners and educators struggling to operate in 'unconnected' environments – locations where access to grid power and the internet is limited or unavailable. The devices can easily host a large number of learning materials that can be accessed by multiple learners using tablets, laptops, or mobile phones and devices – even in places where no Internet is available.



Hon. MP Bob Loughman - Minister of Education handing over 20 sets of Aptus Device to TRR

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5. UAP Telecommunications Service Coverage

TRR's active encouragement and Industry dialogue has facilitated UAP Players' commitment to the UAP rollout towards the provision of national telecommunications service solutions to the remote communities of the country.

TRR welcomes the committed support from 'Players' in respect of their UAP rollout plans. This is a credit to Industry and also to TRR through its successful negotiations with each of them. As a result, a total of 27 new UAP sites are planned for rollout by Players' within the list of 25 unserved areas.

6. Population Coverage

The Players' Undertaking Agreements means that the UAP 98 percent coverage target will now likely be achieved through their rollout plans. This is an excellent effort all round. The actual rollout coverage will need to be measured by TRR to confirm an accurate figure. However, it means that the Government's UAP goals will most likely be met through the Players' commitment alone. See also Section 1.

7. Upgrade of existing sites

In addition to rollout of new UAP sites, Digicel and TVL will also upgrade existing services to 3G+ services, or equivalent technology, that can deliver internet broadband speeds specified under the UAP and as determined by TRR in its Broadband Speed determination issued in 2014. TRR regards this as a significant and positive outcome of the Government's UAP, not only encouraging rollout of new sites but also improving and upgrading services at areas where there is existing coverage.

8. Quality of Service (QoS)

TRR has engaged a consulting Firm (Challenge Networks) and arrangements are currently underway on conducting QoS checks in Vanuatu. This will include QoS for UAP and TRR will work closely with the industry on this exercise to ensure QoS is maintained to all telecommunications users. The initial phase of the project has commenced and TRR will provide an update in the next UAP Stakeholders' Update.

In developing their rollout plans, Players were informed that they would need to observe the required QoS standards guideline as determined by TRR when rolling out new sites or upgrading existing sites.

Reporting

TRR remains committed to the Government's UAP implementation goals and requirements, and we will continue to keep stakeholders informed of key UAP developments and progress at 6-month intervals.

TRR's next scheduled Report to stakeholders will be made subsequent to the next scheduled report to the Minister on or before 7 December 2015.
