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3 September 2013

NICTA Public Inquiry
NICTA
Frangipani Street
Hohola
(PO BOX 8444, Boroko)
National Capital District
Papua New Guinea

Dear NICTA Public Inquiry,

Re: National Roaming Public Inquiry - Bemobile Responses

Bemobile is pleased to participate in this inquiry into the potential declaration of certain wholesaling of mobile telecommunications services.

We hereby submit our responses here **attached**.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Raj Deo".

Raj Deo
Acting Chief Executive Officer



Bemobile Response(s): Public Inquiry for National Roaming in Papua New Guinea

Responses to NICTA Questions – 22th August 2013
Closes on Friday 30th Aug 2013, 12noon.

NICTA Information Request/Questions	Bemobile Response(s)
Q1. Do you agree with the proposed definition of the relevant market as the market for wholesale mobile access and call origination services?	<p>Yes – the market definition generally describes the mobile services market in Papua New Guinea.</p> <p>It will be important that each company accurately forecast the roaming traffic they will generate, to allow others to dimension their network for the traffic to ensure there is no congestion.</p> <p>Mobile roaming is only practical with like for like networks interconnecting where handsets can connect to another roaming network.</p>
Q2. Do you agree that satellite base mobile services may be regarded as marginal in terms of substitutability and therefore of little import for the purposes of this inquiry?	<p>Agree.</p>

<p>Q3. Do you consider that the wholesale mobile access and call origination market is susceptible to ex ante regulation for significant market power?</p>	<p>Yes, the current market does not support complete duplication of networks, especially in regional areas. This means that other operators are unlikely to invest in new infrastructure due to limited or negative return on investment likely where duplication of facilities exists.</p> <p>For this reason, it is unlikely that competitive activity will result in new competing networks in all areas.</p>
<p>Q4. Do you agree with the proposition that Digicel has a position of significant market power in the wholesale mobile access and call origination market?</p>	<p>Yes, based on a wider geographic coverage. For Bemobile for every 1 incoming Digicel-Bemobile call, we observe 3.5 outgoing calls Bemobile-Digicel.</p>
<p>Q5. Do you agree with the proposition that Digicel's SMP in the wholesale MACO is potentially harmful to the development of effective competition in the downstream retail mobile service market?</p>	<p>Yes. The Digicel market share is significant and has become effectively a monopoly provider of mobile services.</p>
<p>Q6. The views of the operators and interested parties are sought as to whether the declaration of criteria would be met. Please explain the reasons for your answer and support it with evidence where possible.</p>	<p>For domestic roaming the requirements need to be clear on traffic volume forecasts, pricing and compliance review processes. This will require active oversight by NICTA to determine policy, pricing and compliance processes to ensure all parties are treated fairly.</p> <p>For facilities access the requirements must be clear how pricing will be determined and checked. It will be important that facilities owners be required to allow access to facilities and that their pricing will be used to augment facilities capacity where necessary, rather than any attempt to deny access through a claimed lack of spare resource.</p>

Digicel's extension into remote areas is also being funded by either local MP's from their electoral allowances or by groups like PNG Sustainable Development (PNGSDP) with a charter to reinvest local royalties into improving infrastructure in their region. NICTA should insist that any infrastructure built from such public funds should be essentially Declared and available on equitable terms for other qualified users. This should be made retrospective.