



27 November 2023

Mr. Kila Gulo – Vui
Chief Executive Officer
NICTA Head Office
Section 43, Lot 19 & 20
Frangipani Street, Hohola, Port Moresby
Papua New Guinea

Re: Public consultation on licence conditions

Dear Mr Gulo-Vui,

Digitec Communications Limited T/A Vodafone PNG is pleased to respond to NICTA's public consultation in relation to the "Proposed variations to the License Conditions Rule 2011" and Attachment A, Draft "Standard and Special Conditions of Individual Licences, 2023".

Vodafone has identified a small number of items on which it wishes to comment, relating to Schedules 1, 2, 3A and 7.

Clause 5

Clause 5 has now added the words underlined: All Individual Licences, irrespective of the date on which they were issued, are subject to the standard terms and conditions specified in Schedule 1 to this Rule.

Vodafone seeks to clarify the reason for adding these words to the Rule.

Schedule 1

Schedule 1(2) now provides for additional standard conditions relating to all individual licences in paragraphs (i) to (n) inclusive.

With respect to these clauses, NICTA suggests that these have been added as standard conditions for the purpose of making explicit what has been required of all individual licences since the inception of the Rule. In practice, the inclusion of these conditions should not affect the way that licensees operate.

Vodafone has identified an issue with the licence condition (i) relating to the "connection of all internet traffic through PNG neutral Internet Exchange Point". Vodafone wishes to confirm that this licence condition should not be read as requiring traffic to route through the Internet Exchange Point, as Vodafone has other bilateral traffic routing agreements. Vodafone does, however, offer interconnection at the PNG Internet Exchange Point.

To the extent that the other conditions added are reflective of existing rules Vodafone does not object to their inclusion.

Schedule 2(3)

Schedule 2(3) relates to Internet and online content, and Vodafone is captured as it supplies access to the internet and to online content. Vodafone believes that a free and open internet is important but confirms that it has no objection to complying with regulations or directions given in writing by NICTA to take down or



block access to internet websites or other online content that NICTA determines to be infringements of any regulations that are currently in force relating to such matters.

Schedule 3 Special terms and conditions for Public Cellular Mobile Services

The provisions in Schedule 3, clause 4 increase the rate of network availability from 98% to 99% in the administrative district centres and schedule 11 localities. Vodafone has not been presented with, or consulted on, the evidence regarding the costs or benefits of this change.

Schedule 3A LEO

With respect to the metrics on network performance, it is unclear to Vodafone how these have been derived. This is a matter of some importance given that there will be some locations where services supplied by public cellular mobile networks and LEO networks will compete. It is an important regulatory principle that companies that provide services in competition with one another are treated relatively equally – to promote a “level playing field”. This avoids some firms being successful merely because they are able to avoid costly obligations applicable to other firms. Vodafone would wish to ensure that it is receiving fair and equal regulatory treatment to ensure its ability to compete on the basis of its relative efficiency.

Vodafone notes that:

- Vodafone is subject to a higher obligation of network availability (99.99%) in the centres specified in Schedules 8 and 9, and no less than 99% for centres in Schedules 10 and 11. In contrast, LEO suppliers are only subject to a standard 99% network availability measure. While Vodafone recognizes that (1) Vodafone has incentives to maximise network performance, as will an LEO supplier and (2) that LEOs use the same equipment to provide service across PNG, it is not obvious to Vodafone why the same obligations should not apply to both kinds of suppliers.
- The basis for 90% of fault repairs within 6 hours requirement is unclear as to why it differs from the requirements applied in Schedule 3 as applicable to public cellular mobile networks.

Schedule 7 Special terms for Vodafone (Digitec)

Schedule 7 is a new schedule with conditions in relation to network coverage for Vodafone. These are consistent with those offered by Vodafone when licensed.

Vodafone notes that, as NICTA is undoubtedly aware, the coverage obligations are challenging in the PNG environment, as many sites (particularly those in Schedule 11) are not likely to be commercial. As a consequence, there are two important interactions between the license conditions and other policies:

- The first interaction is with infrastructure sharing. This is anticipated in Schedule 3(2)(3), which states that a network coverage obligation for more remote locations can be fulfilled through network sharing. This highlights the importance of an effective regime of network sharing, noting that duplication of networks is likely to be costly and wasteful in certain circumstances.
- The second interaction is with universal service policy, and particularly the Universal Access and Service (UAS) regime/Fund on which NICTA has recently held consultations. There is some overlap between the UAS sites which are scheduled for funding and those locations in Schedules 10 and 11 of the licence. A sensible and consistent approach to network coverage is required to promote conformance with coverage obligations, noting that NICTA has stated that it “...will endeavor to create a conducive regulatory environment including licensing and efficient use of resources such



as spectrum and infrastructure sharing mechanisms that will help to minimize service coverage expansion costs.”¹

Vodafone urges NICTA to take account of these interactions in considering compliance with the network coverage license conditions.

Vodafone seeks further clarification and amendment to the 2023 rule as stipulated above and is willing to discuss further.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Pradeep Lal'.

Pradeep Lal

Chief Executive Officer

Digitec Communications Limited T/A Vodafone PNG

¹ NICTA, Universal Access and Service (UAS) Strategic Plan 2023-2027, 2022.