



INDEPENDENT CONSUMER AND
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Office of the Commissioner/CEO

Our Ref: 7006-1.2/bd; jd

28th September, 2018

Mr. Charles S. Punaha
Chief Executive Officer
National Information and Communication Technology Authority (NICTA)
PO Box 320
PORT MORESBY, 121
National Capital District

Non-Confidential Version

Dear Mr. Punaha,

**RE: INVITATION TO PARTICIPATE IN SECOND ROUND OF SUBMISSIONS TO THE PUBLIC
INQUIRY INTO POTENTIAL DECLARATION OF CERTAIN WHOLESALE SERVICES**

Thank you for your letter of 28th August, 2018 regarding the above subject.

As you know, the ICCC provided its submission on the first round of Public Inquiry into the potential declaration of certain wholesale services. The ICCC's views and comments in that submission still stand.

We however provide the following comments on submissions received by NICTA:

DIGICEL SUBMISSION

1. International Submarine Cable Transmission Capacity and International Submarine Cable Gateway Access Services

The ICCC maintains its position in its initial comments to support the proposal for declaration. Generally, the economic benefits to the society and the industry is more with the declaration than without it. One of the important benefits is efficiency benefit the industry may realise, which the ICCC does not need to elaborate further on it. The ICCC understands that the industry was once faced with high prices when Telikom was the sole player in providing capacity access services. This would be addressed if two or more players have access to the cables and offering services to the retail end.

The ICCC considers Digicel's comments under paragraphs 26 and 27 as important point of concern for consideration.

"Our Competition Watch Dog, Shaping our Market Economy and Protecting our Consumers"

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2. Mobile Terminating Access Service and Fixed Terminating Access Service

Digicel considers it not necessary to make any recommendations for declaration based on the terms proposed in the Discussion Paper. The ICCC has an opposing view to Digicel on these two services.

The ICCC maintains its position to support NICTA's proposal for the regulation of prices based on costs which should be independently set by NICTA. Given the past experiences of operators with regards to call rates and the monopoly position of each network operators on their own network, it is better the prices are regulated.

3. Mobile Tower Sharing Service (MTS)

The ICCC also has an opposing view to Digicel's view in disagreeing on the proposal for MTS to be declared. The ICCC strongly believes that MTS allows competition, especially in rural areas where only one operator has its towers, and may consequently reduce price for end users. The similar principals and arguments used in international cable access and capacity services applies here. The industry would be more efficient when such key infrastructures are shared. Besides, the declaration may make possible for potential new entrants to enter and use the existing infrastructures (of course at a fair and reasonable price) to provide services to end users.

The ICCC also urges NICTA to seriously consider Digicel's reasoning in not agreeing to the proposal for declaration.

4. Wholesale Broadband Capacity Service

The ICCC generally concurs with Digicel on NICTA's proposal for the Wholesale Broadband Capacity Service to be declared.

KUMUL TELIKOM HOLDINGS LIMITED SUBMISSION

The ICCC generally agrees and supports the joint submission of Kumul Telikom Holdings Limited, Bmobile Limited and PNG DataCo Limited.

The ICCC, however, opposes the parties' submission under Part 6. Optical Fibre domestic transmission services. The ICCC concurs with NICTA and its assessment for this service to be declared based on its reasoning in its initial comments.

Should you have any queries relating to this matter, please contact Mr. Steven Sugl on telephone 325 2144 or email ssugl@iccc.gov.pg.



Yours sincerely,

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MR. ROY DAGGY

Acting Chief Executive Officer