



**INDEPENDENT CONSUMER AND
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Office of the Commissioner/CEO

15th February, 2019

Our Ref: 7005-5/ea:aa

Mr. Charles S. Punaha
Chief Executive Officer
National Information and Communications Technology Authority
PO Box 8444
BOROKO, 111
National Capital District

Dear Mr. Punaha,

SUBJECT: CONSULTATION PAPER ON DRAFT OPERATOR LICENCE CONDITIONS

We refer to your letter of 31st January, 2019, and thank you for giving the opportunity to provide its comments. Set out below are our comments:

Draft Operator Licence Conditions (Standard Licence Conditions) Rules 2018

Q3.1: Do Respondents consider that this range of conditions covers all relevant matters? If not, what additional conditions should be included in the Rules and why?

No Comments

Q3.2: Do Respondents consider that there are any conditions in these draft Rules that are unnecessary? If so, which ones and why?

No Comments

Q3.3: Do Respondents consider that there are any conditions in these Draft Rules that should be expressed differently? If so, which ones, and how might they be better expressed?

No Comments

Draft Operator Licence Conditions (Kumul Telikom Holdings Limited) Rules 2018

Q3.4: Respondents are invited to comment on the special licence conditions proposed in relation to KTH.

The ICCC generally agrees with the draft operator licence conditions for KTH set out by NICTA.

"Our Competition Watchdog, Shaping our Market Economy and Protecting our Consumers"

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Particularly the conditions for declaration and access to the International Submarine Cable Transmission Capacity and International Submarine Cable Gateway Access services.

The ICCC also supports the proposal for conditions relating to Accounting and Operation separation of KTH's services and that of its subsidiaries.

Draft Operator Licence Conditions (Digicel (PNG) Limited) Rules 2018

Q3.4: Respondents are invited to comment on the special licence conditions proposed in relation to Digicel (PNG) Limited.

The ICCC notes the Draft Operator Licence conditions for Digicel and strongly recommends NICTA to consider the following conditions that were not included:

1. Mobile Termination Access Service and Fixed Terminating Access Service

The ICCC suggests that NICTA considers declaring these services for regulation so that the prices are based on costs and are independently set by NICTA.

It has been the ICCC's past experience that it is common practice among mobile operators in PNG to anti-competitively use call rates due to each mobile operator's respective monopoly position on their own networks.

2. Mobile Tower Sharing Services (MTS)

The ICCC strongly suggests for NICTA to consider MTS conditions similar to the conditions for access contained in KTH's draft license conditions for the International Submarine Cable Transmission Capacity and International Submarine Cable Gateway Access services.

MTS will enable competition, especially in rural areas where only one mobile operator has infrastructure, and therefore would consequently reduce price for end users. Similar principles and arguments used in international cable access and capacity services applies here.

The ICCC believes that 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.

Any infrastructure(s) including tower noted by politicians or donors should also be available for sharing by other operators.

The ICCC generally supports NICTA's proposed licensing conditions and reiterates that the licensing conditions should be aimed at achieving fair access and reasonable pricing.

As you know, it is not economically viable to duplicate key infrastructures in PNG as this will increase the costs for individual licensees; hence the overall industry cost and costs for consumers.

Should you have any queries, please do not hesitate to contact Mr Steven Sugl on 3252144 or email at ssgul@iccc.gov.pg.

Yours sincerely,


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MR. PAULUS AIN
Commissioner and Chief Executive Officer