



**INDEPENDENT CONSUMER AND
COMPETITION COMMISSION**

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Our Ref: 06-6301 7 RID

11th January 2013

Mr. Charles Punaha
Chief Executive Officer
National ICT Authority
P.O. Box 8444
BOROKO
National Capital District

Dear Mr. Punaha,

**SUBJECT: ICCC COMMENTS ON NICTA DRAFT RECOMMENDATIONS FOR DECLARATION
OF CERTAIN WHOLESALE SERVICES IN INTERNATIONAL CONNECTIVITY
MARKETS**

Thank you for your invitation for the Independent Consumer and Competition Commission ("the ICCC") to provide its comments in relation to the National Information Communication Technology Authority's (NICTA) draft recommendations for the declaration of certain wholesale services in international connectivity markets.

We note that NICTA proposes to recommend for the Minister to declare the following wholesale services under Section 130 of the National ICT Act:

- (a) the international submarine cable transmission capacity service; and
- (b) the international submarine cable gateway access service.

The Commission supports NICTA's recommendation. The Commission believes the wholesale and retail prices of domestic and international telecommunications services in the country are still very high and some assessment is needed to determine if they can be reduced. These include the prices of voice, data and internet services, and the Commission is concerned particularly with the prices of internet services. Access to international cable or satellite services have a direct bearing on the costs of internet services. The costs of internet services via satellite are said to be much higher than the costs via international submarine cable. Telikom has the only two international submarine cables in PNG as well as access to satellite for its international services, whilst Digicel, Daltron and others have their own direct access to satellite with option to seek access to Telikom's international submarine cables for their international services. There is some competition in the provision of internet services in the country but such competition is not having any or much impact on the prices of internet services. The Commission believes this needs to be looked into and appropriate solutions found for the benefit of the people of PNG and the industry.

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The Commission supports any reasonable action NICTA may take within its powers under the National ICT Act which would contribute to the reduction of costs in internet services and international telecommunications services generally in the country.

Yours sincerely,



ELASTUS GERORO
Acting Chief Executive Officer