

POLICY & REGULATORY FORUM FOR THE PACIFIC (PRF-P)

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NICTA 20 MONTHS ON Our Experiences and Challenges

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Outline of Presentation

1. BACKGROUND

2. THE NICTA REGIME

3. 2010/2011 NICTA ACTIVITIES

12. CHALLENGES GOING FORWARD

1. BACKGROUND

- PNG Setting

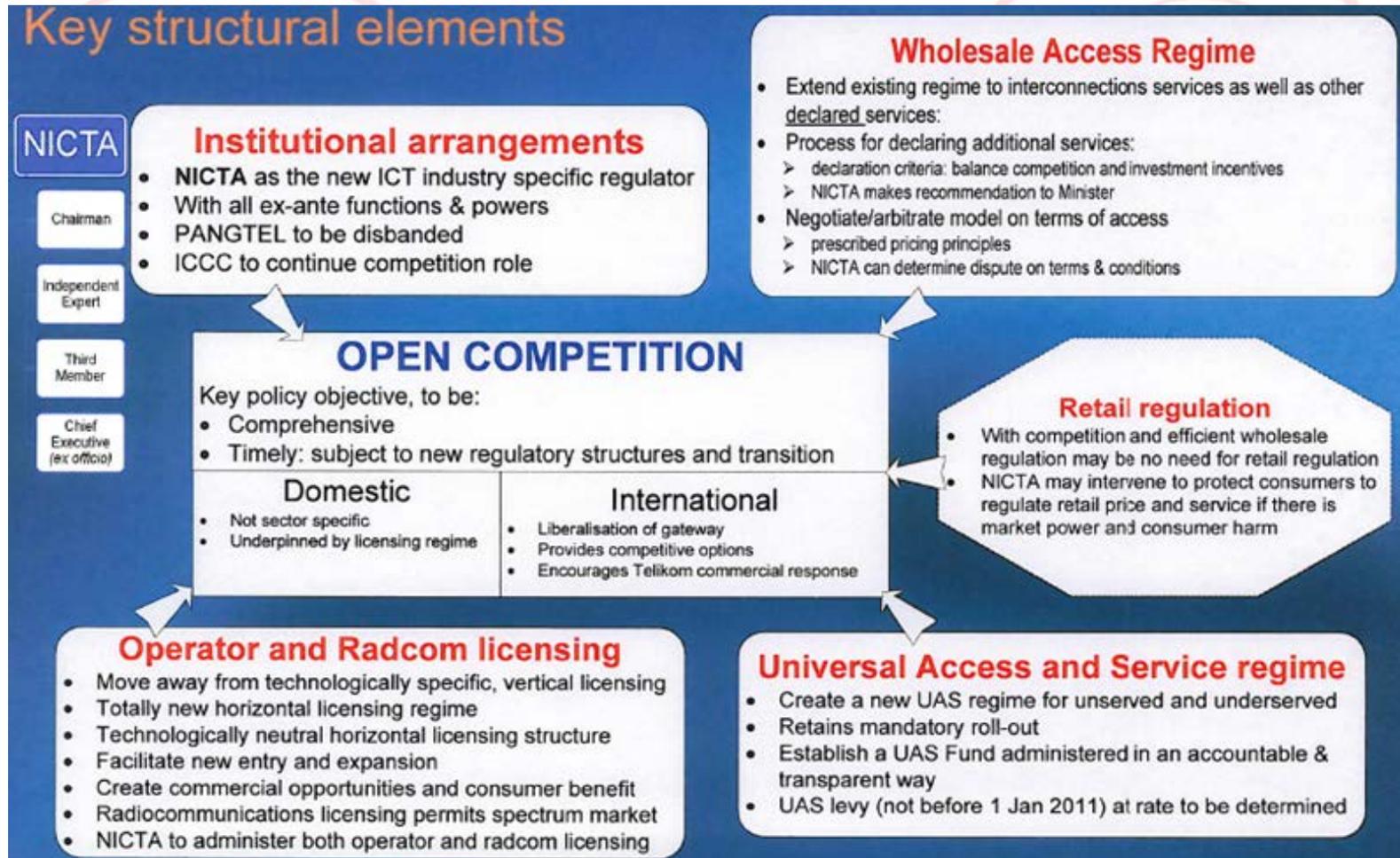


- **Population (2010): about 7 Mil**
- **Mobile penetration: 34%**
- **PSTN penetration: 1.2%**
- **Broadband penetration: 1%**
- **3 MNOs [1-3G (GSM), 1-3G (CDMA), 1-2.5G (GSM)]**
- **1 fixed operator**

2. THE NICTA REGIME

- Key structural Elements

Effective from Succession Date of 29th October 2011



2. THE NICTA REGIME

- Functions of NICTA

The functions of NICTA as enshrined in the National ICT Act 2009 are as follows:

a)	give effect to the objective of the Act and the regulatory principles;
b)	provide advice to the Minister in the formulation of Government Policy;
c)	exercise all licensing and regulatory functions in relation to the ICT industry;
d)	oversee the performance of ICT licensees and their compliance with the Act and mandatory instruments;
e)	assist the ICCC to investigate complaints regarding the market conduct in the ICT industry;
f)	develop and monitor a system for reviewing and responding to customer complaints in relation to ICT services;
g)	consult, where appropriate with ICT Stakeholders about any matter relating to the ICT industry;
h)	Represent PNG at all international bodies or authorities which have the purpose of regulating or administering ICT services;
i)	develop and monitor procedures for ensuring the safety and quality of ICT services;
j)	make available to ICT stakeholders and other interested persons general information for their guidance with respect to the functions and powers of NICTA under the Act;
k)	conduct research in relation to matters affecting the interests of consumers of ICT services;
l)	make available to the public, general information in relation to matters affecting the interests of retail customers of ICT services; and
m)	perform such other functions as are assigned to or conferred on NICTA under the Act or any other law.

3. 2010/2011 NICTA ACTIVITIES

General

- Focus on Transition from the old regulatory regime to the new regulatory regime pursuant to the National ICT Policy 2008 and National ICT Act 2009
- Transition to the new converged NICTA
- NICTA's informative challenges: create the appropriate and responsive organization structure and acquire and develop the capacity and skills to successfully manage the transition and regulatory tasks at hand.

3. 2010/2011 NICTA ACTIVITIES- *Cont..*

Corporate

Inaugural meeting of the Board – Q1 (Mar)

1st Budget approved by Board – Q1 (Mar)

NICTA launch – Q1 (Mar)

NICTA logo & website (www.nicta.gov.pg) launched – Q1 Mar

Public Register established – Q2

Organizational structure adopted – Q3 (75/126 establishment)

Code of ethic adopted – Q3

Customer Charter adopted – Q3

Appointment and Gazettal of ICT inspectors – Q4

Protocol established with ICCC – Q4

Corporate branding commenced – Q4

3. 2010/2011 NICTA ACTIVITIES- *Cont..*

Licensing

□ License Migration

- Licensing Migration Notice Issued: Q1
- Licenses issued under the old regime to be migrated to the new regime by 29 October 2011
- Nearly 90 percent of licenses migrated (including licences for major operator Telikom PNG, Digicel) by 29 October
- Extension sought and granted by Minister for Communications to complete migration of the remaining licenses to 30 April 2012
- Amendments to ICT Regulations initiated

□ New regime implemented

- License guidelines, forms and foundation documents created
- Applications received, processed under the new regime
- Awareness campaigns
- Class licenses for certain apparatus adopted – Q3
- Development of license fee and structure – Q4
- ICT operator license fee calculation methodology and interim fees submitted to Minister for Treasury – Q3
- Upgrading of Licensing Module of the Spectrum Management System – Q3

3. 2010/2011 NICTA ACTIVITIES- *Cont..*

Licensing- *Cont..*

□ Summary of Operator Licenses issued

Individual Network (Gateway) License	10
Individual Network License	10
Individual Applications License	26
Individual Content License	17
Registered Class Licensees (Private / non-com.)	33

For detailed listing refer to NICTA Public Register
www.nicta.gov.pg/public_register/operatorlicenses

3. 2010/2011 NICTA ACTIVITIES- *Cont..*

Enforcement, Monitoring and Investigations

- Conduct investigations as required
- Constant monitoring of radio frequency spectrum
- Initiate enforcement action as appropriate enhance capacity for effective policing
- Attendance to consumer complaints

3. 2010/2011 NICTA ACTIVITIES- *Cont..*

Review of NICT Act 2009

- Review of the NICTA Act – commenced Q3
- As with any new and different legislation, it is necessary to take stock and find out how the legislation is working in practice, and whether any improvements, clarifications or other changes are needed to make the Act and its administration better.
- As a result, NICTA two telecommunications regulatory experts to conduct an independent review of the Act and its administration, to present the review's findings to NICTA and to the Minister for Information and Communications.

3. 2010/2011 NICTA ACTIVITIES- *Cont..*

Development of Rules and Guidelines (Mandatory Instruments)

- Specific Pricing Principles – Q2
- Temporary Authorizations – Q3
- Spectrum Trading – Q3
- Guideline on Spectrum Fee Formula – Q4
- Rule on Standard and Special Terms and Conditions of Operator Licenses – Q4

3. 2010/2011 NICTA ACTIVITIES- *Cont..*

Engineering & Resource Planning

- Re-planning of the 900 MHz spectrum
- Digital Dividend Planning to 700 MHz
- Spectrum access, transition, migration, rights
- Review of numbering plans
- Review and updating of technical standards
- International Coordination

3. 2010/2011 NICTA ACTIVITIES- *Cont..*

Universal Access Regime

- establishment of UAS Secretariat
- Implementation of Rural Communications Program

Economic Regulation

- Public Inquiry into the need for a Retail Service Determination regarding certain mobile telephony services – Q4
- Consultation on interconnection reference offers – Q4

International relations & Cooperation

- Preparation for the WRC – 12
- Spectrum Framework – PNG/Indo JBC
- Technical assistance programs – APT, ITU

4. CHALLENGES GOING FORWARD

Though we have in place a converged Regulator and a converged legislation which we believe to be futuristic we still have challenges in implementation like:

1. Development of Content Regulations
2. Building regulatory capacity to meet increasing demands in the market
3. Economic Regulation
 - sector-specific Competition Regulation
 - Wholesale regulation
 - Retail regulation,
 - facilities sharing, etc..
4. Analogue to Digital Broadcasting conversion and Digital Dividend, ITU Region 3;
 - NICTA Board approved the process in July 2011
 - First block of 15 x 2 MHz assigned – rollout commencing 3rd Qtr 2012

4. CHALLENGES GOING FORWARD- *Cont..*

6. UAS areas and services need to be redefined as they are shrinking as competition is extending the access.
7. The economy continues to grow with major investment projects in the country placing pressure on the existing ICT infrastructure and demands for new services;
8. With greater broadband uptake and convergence, definitions of licensing categories are diminishing (ie. Applications Vs Content);
9. Development of Regulations, Rules, Guidelines and Codes; and
10. Encouraging industry and consumer groups to participate in development of industry codes.
11. New NICTA Headquarters Building – Trust Account open

NICTA – The Converged Regulator



-THANK YOU-