

RESPONSE REPORT

NICTA's responses to the submissions - 2nd Round Public Consultation on proposed Licence Conditions Rule 2024

1 November 2024

Introduction

On 6th September 2024 NICTA invited all interested parties and members of the public to make submissions in relation to a draft revision of the Licence Conditions Rule 2011, with a deadline for submissions of 11th October 2024. The Rule relates to the standard and special conditions that apply to individual operator and service provider licences.

This report sets out the major comments contained in the submissions and NICTA's responses to them, as well as the actions that NICTA proposes to take as a result.

Background

The Licence Conditions Rule 2011 has not been amended since it first came into operation in 2011. Since then the telecommunications market and industry in PNG has developed and changed significantly.

A first draft of revisions to the Rule was prepared in 2023 and subjected to public consultation from October to December 2023. The submissions made in response to that public consultation suggested some important changes and improvements to the draft Rule. The changes were sufficiently significant that NICTA decided to have a 2nd Round public consultation on the amended draft, which, as noted above, commenced on 6th September and concluded on 11th October 2024.

Submissions

Five submissions were received, respectively from:

- Telikom Limited (Telikom)
- Digitec Communications PNG Limited (Vodafone)
- Digicel PNG Limited (Digicel)
- Speedcast PNG Limited
- Satel IoT Services, S.L. (Sateliot Services)

Acknowledgement

NICTA acknowledges with appreciation the submissions received and has very carefully considered the comments that were made. Some of the comments have been adopted by NICTA as a result of that consideration.

Responses to major comments in submissions

Outlined below are the major comments in the submissions received, together with NICTA's response and proposed action as a result, in each case.

Consideration of the major comments received and NICTA's response

No.	Submission	Reference and Subject	Comments	NICTA's response and action
1	Telikom	Schedule 3; Section 2 – Mandatory Coverage Obligation	Telikom understands that this section is vital for total coverage of all users for mobile services. Telikom therefore, recommends that for subsection (c) that licence network coverage be reduced to 50% coverage in the wards in LLGs as specified in schedule 10. This is due to difference factors particularly land access and self-sustainability	Agreed. The increase in locations from the previous schedule to the new Schedule 10 warrants an adjustment in the coverage obligations. NICTA accepts the suggestion from Telikom as appropriate. Action: Change '80%' in Schedule 3, Section 2(2)(c) to '50%'.
		Schedule 3; Section 3 – Minimum level of Network performance	Telikom recommends that section 3 and section 4 particularly the network availability of 98% be reduced to 90% due to causes such as power outage, vandalism etc. which require longer response time and effort	Service providers have been operating under the 2011 Rule with even higher minimum network performance obligations that those proposed by NICTA. The factors that have been raised by Telikom are not new. Action: The draft levels will be retained and performance of operators will continue to be monitored by NICTA.
		Schedule 3; Section 4 – Network fault repair	Subsection 1 – 6 hours' time frame to fix mobile issues is not practical	The reference to 6 hours relates to 95% of faults in provincial capital main centres, not remote locations. The reference has been in place since 2011, and operators have had ample time to organise their fault reporting and repair procedures to achieve this performance level. Action: No change to draft.
			Subsection 2 – Licensee must repair 90% of network faults occurring in the district midsize centres in schedule 8 within 2 working days Subsection 3 – Licensee must repair 85% of network faults occurring in the local	Action: No change to draft for the reasons set out in relation to sub-section 1 above. Action: No change to draft for the reasons set out in relation to sub-section 1 above.

	government administrative district specified in Schedule 9 within to 4 working days taking into account very low self-sustainability, due to low user pay potential Subsection 4 – Licensee must repair 80% of Network faults occurring in the wards in local level government small population centres specified in Schedule 10 within 7 working days	Action: No change to draft for the reasons set out in relation to sub-section 1 above.
Schedule 3; Section 4 – Network fault repair	NOTE: 6 hours to fix mobile issues is not practicable particularly in some Provincial main centres. Even in district and rural areas, fault repairs may take 2 to more working days depending on the type of faults that needs repair whether its network or customer damage/vandalism etc. The time frames given are not practicable and need to be adjusted to factor in the various issues that may cause these faults. These issues also include difficult or impassable road access, law and order issues, security, logistics etc.	Action: No change to draft for the reasons set out in relation to sub-section 1 above.
Schedule 4; Section 5 – Network Fault repair	Recommends that the 6 hours' time frame be increased taking into account remote sites and land owner/road access. Furthermore, the time frames in this section be properly adjusted so as to give more time to the Licensee to repair to repair faults in the network considering power outage issues or if manual repairs have to be done then NICTA has to consider the logistics and security in carrying out these repairs.	As above. The challenges that Telikom refers to have not changed overall since 2011. Force majeure factors that are outside the control of the operator are not taken into account in measuring performance against the minimum standards set out in the Schedule. Therefore if civil disturbances or road conditions (landslides, etc) prevent compliance this will be taken into account.

		Following repair time lines to be amended considering parts replacement and/or 'Repair and Return' of terminals to the remote locations where logistics may be a challenge. An increase in faults repair timelines is recommended.	It is for the operators to devise logistical and security procedures to meet their obligations. Action: No changes to the draft.
Scl	hedule 4; Section 5 (1)	"within 6 hours" change to "within 24 hours"	Section 5(1) only refers to 90% of faults, therefore accepting that there will be faults with greater repair challenges that constitute a tail beyond the 90%. Telikom has given no reasons for requiring customers to accept a lower repair standard. If the factors preventing achievement of this standard are genuine force majeure, they will be taken into account for assessment purposes. Action: Retain draft provision.
Scl	hedule 4; Section 5 (3)	"within 24 hours" change to "within 36 hours"	See response in relation to Section 5(1) above.
Sci	hedule 4; Section 6 (4)	Clause (4) assumes that all traffic will originate in PNG and terminates in a different country. However, other LEO satellites services will also interconnect local traffic within PNG with Satellites services will also interconnects local traffic within PNG with Satellite station as transit point. This type of connectivity may need to have a distinct requirement.	There is no such assumption. The sub-set of international traffic has separate security issues. Action: Retain the draft provision.
Scl	hedule 4; Section 8	Recommend inserting Clause 8 (4) to address Licensees proving Satellite services facilitating point to point Network within PNG for transporting backhaul traffic. Suggestion: "Licensees are allowed to transport dedicated point to point traffic	The additional words suggested are not required, and may have potential to cause confusion in relation to the special terms and conditions for international gateway operators in Schedule 12. NICTA considers that the provisions in Schedule 4,

		Schedule 7, 8, 9 & 10	within PNG for licensed Network Operators. These include termination direct to international destination provided special conditions of Schedule 12 is complied with" Other Recommendations	section 8 and in Schedule 12 are adequate and appropriate as expressed in the draft. Action: No change.
			• Request NICTA to provide geographical map of the location and boundaries/contour details of the districts and local level governments areas and wards that are stipulated in schedules 7,8,9 & 10. For Telikom to ensure their network planning covers all these boundaries in line with the rule	It is not intended to delay the promulgation of the new Rule pending the inclusion of maps. NICTA will consider the proposal as a separate matter.
			It is very critical for NICTA to formulate transitionary provisions when introducing or adopting emerging new or existing satellite services such as LEO. The transitionary provisions are important as they allow quick acceptance of these activities whilst working on a more define licensing regime or rules to cater or provide for new introductions or adoptions into our market.	This is precisely what NICTA has sought to do with various LEO operators, retailers and service providers, through the grant of temporary and other approvals. However, there have been administrative impediments. Action: NICTA agrees with the sentiment of the comment, but no changes are required to the draft.
2.	Digitec Comms – Vodafone PNG	Schedule 1	Acknowledges points raised in 1 st Round response have been addressed by NICTA in the new discussion paper – <i>Schedule 1</i> ; Section 2; clause (i) changing the obligation to route all traffic via the PNGIXP	The draft Rule used in the 2 nd Round Public Consultation included many suggestions from the first round. Because of the extensive changes, overall, a 2 nd round consultation was considered to be appropriate.
		Schedule 3	Acknowledges points raised in 1st Round response have been addressed by NICTA in	As above.

ule 10	 Concerned with the change NICTA made to the list of location to be covered in schedule 9 and schedule 10 to align with National Statistics Office (NSO) naming descriptions resulting in a far larger burden on the network licensees. Many locations in the new schedule 9 and 10 will be uneconomic to serve since they are rural, sparsely populated, difficult to get to and often challenging to maintain. 	 This concern is addressed in the discussion on Vodafone's submission that follows. The comment is correct. However, they are locations that have communities that need service and should be included in the list of locations that all licensees providing
	and 10 will be uneconomic to serve since they are rural, sparsely populated, difficult to get to and often challenging	locations that have communities that need service and should be included in the list of
	 New listing in schedule 9 comprises 238 LLG locations; this in contrasts with 87 Administrative District Centre (ADC) 	telecommunications services should consider.
•	locations Concerned that it will result in a materially greater number of new mobile sites to meet the minimum coverage obligation	NICTA notes this concern and addresses it in the changes proposed below.
	 Raise concerns on Schedule 3, section 2(c) and if contrast to Schedule 3 section 5 with reference to Schedule 10 on Network Coverage Obligation Requests that NICTA confirms that section 2 (5) overrides section 2 (2)(a) in Schedule 3 Licensee will need to deploy and operate at least 331 base stations; the old Schedule 11 only required 87. NICTA, 	 See earlier response to Telikom's comment and action to change the obligation in section 2(c) to 50%. Section 2(5) refers only to Section 2(c) – that is to Schedule 10, and not to the other schedules with localities listed. See earlier comment on proposed further change to 50%.
f		 2(c) and if contrast to Schedule 3 section 5 with reference to Schedule 10 on Network Coverage Obligation Requests that NICTA confirms that section 2 (5) overrides section 2 (2)(a) in Schedule 3 Licensee will need to deploy and operate at least 331 base stations; the old

	that NICTA change schedule 10 so that the burden is no greater than it was previously	
Schedule 9 and Schedule 10	Providing mobile service in uneconomic areas	
	Disappointed that the 2 nd Round Discussion paper is silent on the topics of Infrastructure sharing and towers constructed under UAS Fund in areas covered by Schedule 9 and 10	• Terms and conditions that apply to all individual licences are included as standard in Schedule 1. Note especially Schedule 1, Section 2(1)(b) which requires that licensees comply with all laws and mandatory instruments. To the extent that the topics mentioned by Vodafone are covered in laws and mandatory instruments, they apply. The Rule is not the place for general policy discussions that have not yet crystallised.
	Many of the locations listed in these two schedules will be uneconomic	The right of each community to be considered for service is not dependent on it being economic at any given point in time. What is economic might well change with LEO satellite services and service extensions.
	 NICTA needs to adopts a sensible approach to coverage obligations in uneconomic parts of the country. Forcing the three mobile operators to build three duplicate base stations in each rural location must be avoided. 	 Coverage obligations are sensible, and are the other side of the coin to the right to provide service in profitable urban areas. There is no forcing of any kind. Operators are at liberty to agree commercial sharing arrangements for sites and towers, and always have been. In that way two or more operators will have coverage.
	Welcome an opportunity for key industry stakeholders to come together to discuss this important issue – part of this 2 nd Round consultation	 Multiple round public consultations are such an opportunity. NICTA will facilitate further opportunities as suggested by operators individually or the industry collectively.

	 Topic of Spectrum Raise the topic of spectrum on sub 1GHz spectrum especially the 900 MHz band and its assignment. Believes this is unfair and puts Vodafone at a significant disadvantage to competitors to achieve the same level of rural coverage 	Vodafone has raised important spectrum issues. They are outside the scope of this public consultation but will be further pursued, separately, by NICTA.
Schedule 3	 Same network coverage obligations Digicel and Telikom have had more than a decade more than Vodafone to build out their mobile network coverage and yet all three mobile licensees have the same Network Coverage Obligation. Strongly believes there are 'legitimate differences' between it and two mobile network operators. Therefore, request NICTA to classify Vodafone as a new entrant with legitimate difference and provide an additional grace period of twenty-four (24) months to complete Schedules 9 and 10. 	 The overall network coverage obligation must be structured so that all mobile network operators are treated equitably, once established. The wording in Schedule has been amended to deliver equal treatment, whilst recognising that some operators have entered the market relatively recently. There are differences in terms of time in the PNG market, and these have been taken into account in the very carefully worded time allowed for compliance. NICTA wishes to avoid classifications of this type and would prefer to set out condition that applies to all licensed operators. However, a slight adjustment to Section 2(2)(b) is appropriate to make the deadline the later of one year from the Commencement and one year from the date of issue of the licence. Section 2(2)(c) should remain as it is. The Commencement Date is likely to be December 2024 or January 2025. That means that all existing operators will have until the end of 2005 to comply with Schedule 9 and until the end of 2026 to comply with Schedule

		 10. In Vodafone's case it will have been in the market for over 3½ years for Schedule 9 purposes and over 4½ years for Schedule 10 purposes. In neither case will it be a new entrant. Action: Amend Section 2(2)(b) as indicated above.
Schedule 1; Section 2 (1)(i)	Suggest adding at the end of the sentence "subject to agreeing commercial terms"	The current draft rule proposes to amend an earlier version by reducing an absolute obligation to one that is dependent on a request from the other carrier involved in interconnection. There are two sets of commercial terms involved: (1) with the Internet Exchange, and (2) between the licensees. The additional phrase proposed by Vodafone is acceptable provided it (1) related to commercial terms between the licensees, and (2) is extended to arbitration in the event of terms not being agreed through direct negotiation. Action: Add to Section 2(1)(i) the following: "subject to agreement by the licensees of commercial terms, or acceptance of arbitrated terms determined by NICTA or a commercial arbitrator in the absence of agreement".
Schedule 3; Section 2(2)(b)	Should the text not be amended to "from the date that is the later of one year after the Commencement date."?	This amendment will be made. See discussion above.
Schedule 3; Section 2 Clause 3	We suggest adding "NICTA shall inform the other licensees in a timely manner whenever it agrees to a new black spot with one licensee."	Yes, this is reasonable, and will be included, even though the Rules is about terms and conditions of individual licences, rather than NICTA processes. Action: Add the sentence suggested by Vodafone at the end of Section 2(3).

Schedule 3; Section 4	The required timeframes for fault repair (e.g., 6 hours in provincial centres, 2 working days in LLG areas) might be hard to meet due to logistical and workforce constraint especially in regions with difficult terrain or limited access. Operators are already heavily incentivised to repair network faults rapidly for revenue purposes, particularly in heavy traffic areas such as provincial capitals. Best practice regulation involves leaving things to operators wherever possible and therefore we	NICTA agrees that operators have commercial incentives to repair faults, but customers need some indication of what is considered to be reasonable in the circumstances. This is especially the case where customers have limited or no other choices for service. NICTA disagrees that the requirement is unnecessary. Action: No change to the draft.
Schedule 3, Section 2 (7)	think that this is an unnecessary requirement. We suggest adding at the end of the sentence "and NICTA shall inform the other licensees in a timely manner whenever it agrees to closing down a base station site with one licensee"	As already noted above, the Rule is not the place for setting out what NICTA might or should do. Its purpose is to set out standard and special terms and conditions of individual licences. In any case, information is needed to be made public for the benefit of the customers concerned. That is far more important with a closure than to let other licensees know. Action: No change to draft.
Schedule 4	NICTA's first publication consultation in 2023 covered Non-Geostationary Orbit (NGSO) satellite-based services which includes Low Earth Orbit (LEO) and Medium Earth Orbit (MEO) services. However, Schedule 4 only references special terms and conditions for services using LEO's. Can NICTA please clarify its intentions with regards to MEO satellite-based services since "the next review will be some time into the future, it is important to take care to ensure that the current review is	NICTA agrees with the point being made, and the title of Schedule 4 will be changed to include Non-Geostationary Satellite Networks. In addition, a sub-section 2 will be added to Schedule 1 to make it clear that wherever the term LEO is used in the Schedule, it covers Non-Geostationary Satellite services and networks as the case may be. Action: Amend Section 1 as indicated above.

Schedule 4, Section 1 (1) (c)	as comprehensive and complete as possible" (page 3 of the Discussion paper) Suggest adding at the end of the sentence "in Papua New Guinea". Furthermore, we note that "Public Network Service" has no definition as per clause 4 – Interpretation in Annex A. Vodafone requests that one be	The point is well made. The word 'Public" will be deleted. Network Service, the term that is left, is defined in the Act, and it is that meaning that is intended.
Schedule 4; Section 4 (3)	added in the final version Suggest that the network availability SLA be aligned with Schedule 3 (mobile) and Schedule 5 (fixed)	Action: Amend Section 1(1)(c) as indicated above. NICTA considers that the special circumstances that permit different and, in some cases, lower performance standards in other schedules do not apply to LEO satellite services, and the 98% availability standard has been determined in light of that. Action: No change to the draft.
Schedule 4; Section 6 (1)	Suggest adding at the end of the sentence "and shall not connect User Terminals belonging to customers outside of Papua New Guinea"	The important requirement is that the Licensee should establish one or more earth stations in PNG within a specified time. NICTA does not have an in-principle issue with non-PNG customers connecting terminals, subject to security requirements. For example, the licensee might need to establish a regional earth station, and NICTA would prefer that to be in PNG than elsewhere. The matter raised by Vodafone needs to be pursued but not at the expense of holding up the finalisation of the amended Rule. Action: NICTA will separately explore with the industry and other relevant agencies issues associated with regional earth stations and earth stations allowing connections by non-PNG customers.

		Schedule 4; Section 7 (1)	Believe that this sub-clause should be removed so all Network Licensees meeting that conditions in Section 1 (1) are encouraged to participate in the development of network and services and extension of broadband services in PNG.	NICTA disagrees. The point of Section 7(1) is to exempt operators who are currently providing public cellular mobile or fixed services in PNG from having to enter into commercial arrangements with other licensees to extend broadband services. There is nothing in the Section to prevent them doing so, however. The point is that such operators are already working to coordinate their satellite offerings with terrestrial network service providers. Action: No change to Section 7(1).
3	Digicel PNG Limited	Schedules 7, 8, 9 and 10	 Digicel concerned – there continues to be a material degree of overlap between the locations specified in Schedules 7 – 10 of the proposed "Standard and Special Conditions of Individual Licences Rule, 2024" and UAS Projects that have previously been approved by the Minister, and for which UAS Levies have already been imposed by NICTA. Previously submitted – the use of mandatory coverage and rollout obligations to meet universal access objectives is an interesting approach that (Digicel's view) – worthy of further consideration. In addition to enshrining non-discriminatory coverage and rollout obligations on licensees, the apparent conflict or overlap between the proposed "Standard and Special Conditions of Individual Licences Rule, 2024 and 	Mandatory coverage and rollout obligations in the Rule are not a substitute for the UAS regime. The two sets of requirements operate separately. The point of Schedules 7, 8, 9 and 10 are to cover all localities within PNG that have identifiable communities. The licence coverage and service obligations are directed to the whole of the country. The policy in PNG, consistent with that found in most countries, is that the right to provide service in high demand, likely profitable urban environments is matched with an obligation to serve less commercially attractive locations. What is commercially attractive will undoubtedly change with changing technologies, including the use of Leo satellite services to extend coverage without current levels of investment in terrestrial infrastructure.

			existing UAS Projects must also be addressed.	NICTA intends to modify the coverage requirement for Scheule 10 locations from 80%, in the draft, to 50% in response to other submissions. This means that the overlap referred to by Digicel (which NICTA does not see as an overlap at all) must be less of a concern. NICTA considers that the comments made by Digicel are appropriate for consideration in the context of the UAS plans for the future, rather than for the Rule. As licensees extend their coverage, assisted by new technologies and possible site sharing, the locations that are suitable for selection as UAS Projects will reduce. That will be a good outcome, all things considered. Action: Separate consideration of Digicel's comments in the UAS scheme context, but no changes to the draft Rule.
4.	Speedcast PNG Limited	Schedule 4; Section 6; clause 3	This will be on a best-efforts basis as this will depend on equipment capabilities. We strongly feel that exceptions from this condition should be provided to network operators that focus on the enterprise market – this requirement is typically for operators for the consumer market.	Section 6(3) specifically refers to best efforts bearing in mind that not all LEO satellite service licensees will have the required relationship with websites. This will, of course, be taken into account in any directions given by NICTA. Action: Noted, no changes to the draft.
		Schedule 4; Section 7; clause 2	Speedcast is supportive of the requirement to collaborate with licensed providers to extend broadband telecommunications throughout PNG. However, we are concerned about this being made mandatory for LEO network providers as	The purpose of the Section 7(2) is to recognise the fragility of certain markets, and the likely impact on the ability of existing and future terrestrial operators to provide services, particularly to high cost, non-urban locations to the extent that they do at present. NICTA recognises that collaborative

			being able to fulfil this condition is very much subject to cooperation by other licensed operators in PNG that may not be open to such collaboration. Rather than make this requirement mandatory for LEO network providers, we propose that it be on a best-efforts basis and that NICTA may be required/asked to intervene in the event that there are challenges in getting the required collaboration with other licensed providers.	arrangements will likely generate the best outcomes, with new lower cost high speed broadband options for communities that are unserved or underserved at present. It is open under Section 7(2) for LEO satellite service providers to establish their own licensed network operations in PNG. NICTA is reluctant to change Section 7(2) to a 'best efforts' obligation, because of the weakening of the criteria involved, and because of the options that licensees will have to satisfy the obligation. It is also open to licensees to seek the involvement and assistance of NICTA to help fulfil this condition. Action: No change to the draft.
5.	Sateliot Services	Schedule 4; Section 6; Clause 1 and 2;	 This requirement could pose significant challenges, particularly for newer or smaller operators entering the market Establishing in-country gateways increases market entry costs, making it more cumbersome and potentially prohibitive for operators who are still scaling their operations. In contrast to global regulatory trends, where similar mandates are generally not imposed, allowing operators to manage infrastructure more flexibly across regions. Misaligned with the global movement toward shared and regional 	 The requirement for one or more earth stations in PNG is required as a commitment to building infrastructure in PNG and contributing to the development of sector within the country. This issue has been considered in the time allowed for compliance in Section 6(2). There is no barrier to operators organising themselves as they wish in the Region, provided they recognise that they need to contribute to PNG in PNG. NICTA has taken into account overall trends and its own national needs, and is allowing

	 infrastructure, which fosters more costeffective and efficient network operations – suggest a more flexible approach. Sateliot's shared approach reduces the financial burden on operators, promotes faster market entry, and ultimately enhances connectivity in PNG. It also ensures that operators of varying sizes and capacities can comply with the regulations without facing unnecessary operational barriers. Believe this would foster a more competitive and inclusive market environment, which aligns with the goals of the proposed amendments. 	 NICTA notes that it has received many applications to provide LEO satellite services, and consequently does not believe that there will be barriers to satellite-based enhancements of connectivity in PNG. Eith respect, Sateliot's issues are theoretical, considered against the level of demand to deliver satellite-based services within PNG. The goals of the amendments at Schedule 4 are to encourage continuing investment in, and development of the sector, in PNG, and to appropriately include LEO satellite services and networks in the current framework. Action: No changes to draft.
Schedule 4; Section 6; Clause 3 and 4	 Supportive of the requirements related to data reporting, blocking unlicensed terminals, and the shutdown of websites as part of compliance measures These provisions are practical, enforceable, and necessary to ensure the integrity and security of satellite-based services in PNG. Sateliot remains committed to adhering to these measures and recognizes their importance in maintaining a reliable and accountable telecommunications environment. 	 The supportive comments are noted. As above. Noted. Action: No changes to draft.

Se	chedule 4; Section 7	•	Sateliot is supportive of initiatives that encourage collaboration between satellite operators and local licensed operators, particularly in the context of NTN complementarity for IoT and mobile applications Sateliot recommends adopting a more flexible approach instead of mandating partnerships with local MNOs, allowing operators to form partnerships as necessary and suitable.	•	Noted. This matter is discussed above in response to comments from Speedcast.
				AC	tion: No changes to draft.