



Pacific Palms Property
Unit 1 (Building B),
Ahuia Street, Gordons

PO Box 774
Port Moresby, NCD

PH: (675) 323 4288
FX: (675) 323 1682

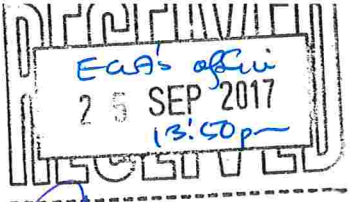
E-mail: reception@pngfm.com.pg
Website: www.pngvillage.net



September 8th 2017.

BY HAND AND EMAIL

Mr. Charles Punaha
Chief Executive Officer
National Information and Communication Technology Authority
P O Box 8227
Boroko
National Capital District



Dear Mr Punaha,

Universal Access and Service Levy ("UAS Levy")

Further to our joint submission sent last year with other telecommunication providers and broadcasters.

In our previous letter we objected to the lack of consultation prior to the imposition of the levy and noted serious errors of process and a failure to adhere to the requirements of the National Information and Communication Technology Act 2009 ("Act"), the proposed UAS Levy is ill-founded and, in the circumstances, amounts to an arbitrary and unlawful tax on the industry.

In addition, the imposition of the UAS levy fails to take into account the varied nature of the information communications telecommunications industry in Papua New Guinea, which ranges from free to air broadcasters to mobile phone and internet providers of differing sizes and income models. Greater consultation is needed to come up with a fair solution for all.

In particular as a free to air broadcaster we need to stress that we are unable to pass on the levy to our consumers AND most importantly, as we have been informed, we will not benefit in any way from the funds generated by the levy!

This is very unfair and effectively taxes the free to air broadcasters while potentially benefiting telecommunications providers who not only can pass on the charges to their consumers but presumably will benefit directly from the UAS funds.

Like most industries in Papua New Guinea free to air broadcasters face challenging economic conditions and the imposition of the UAS levy will place a significant additional burden on us and may result in us being forced to cut back services to meet the levy especially as we will receive no benefit. We believe this defeats the purpose of the UAS levy which is to encourage expansion of services.

We note that in other markets where UAS schemes are in place free to air broadcasters are typically excluded for the above reasons.

In summary we propose the following:

- Free to air broadcasters be excluded from the UAS levy scheme
- Current outstanding charges should be waived.

DEUA
For your attention/action
[Signature]

We look forward to further consultations on this matter.

Yours sincerely

A handwritten signature in black ink, appearing to be 'C. Taylor', written over a horizontal line.

Mr. Charles Taylor
General Manager
PNG FM Ltd