

# **NEW POLICY DIRECTIONS FOR TELECOMMUNICATIONS**

## **1. Introduction**

Current developments and on-going changes in the telecommunications sector demand that the stakeholders seriously consider and commit towards ensuring that the benefits that can ensue from these evolutions do pass on to the people of Fiji.

To continue struggling with the legacies that have been inherited will not only stifle progressing necessary changes that will contribute towards the realization of the benefits but also retard development and growth to our economy and the enhancement of our society's standard of living.

It is evident and obvious that change will facilitate in this realization, and it is with regard to this facilitation that a new policy direction is mapped out for the sector.

### **1.1 Proposed Policy Structure**

The proposed policy will effect a review of the existing sector policy and outline essential matters and aspects to be implemented that are relevant in the context of industry environment today.

Current policy directions for the sector are outlined in the Telecommunications Policy Statement ("1998 Policy") of Government that was approved by Cabinet at their meeting on 22 September 1998 and published in the Gazette on Friday 6<sup>th</sup> November 1998.

The industry and market trend have changed, in some cases dramatically, since 1998, thereby necessitating a review of the 1998 Policy and the development of new and appropriate policy directions.

Realities in the sector require the implementation of specific policy redefinitions, industry restructure and changes to rationalise matters and imbalances relating to telecommunications and to augment associated necessary changes and the restructure in the sector, the industry and its markets.

## 2. Sector Status

### 2.1 Industry and Market Structures

Current telecommunications services that are available are offered by nine companies, three of which enjoy a monopoly in their respective market.

Telecom Fiji, Vodafone Fiji, Connect, Transtel and Fiji Directories are controlled by a holding company, Amalgamated Telecom Holdings (ATH). ATH also has management rights over the government-held shares in FINTEL, the international service provider. In addition the provision of ancillary services also exists.

Amongst the current telecommunication service providers are the following –

- **Telecom Fiji** is the exclusive provider of local and long distance telephone, telegraph, telex and data transmission services.
- **Vodafone Fiji** operates under the licence awarded to Telecom Fiji, and is the only provider of global system for mobile communications (GSM) mobile cellular services. 49% of Vodafone Fiji is owned by Vodafone International Holding BV.
- **Connect, Unwired** and **Oxygen** are the commercially active Internet service providers (ISP). Connect is an ATH company, whilst Unwired is a private company. The University of the South Pacific (USP) has obtained an ISP licence to operate its distance learning network, but is not a commercial entity, other ISPs have been licensed since 2001.
- **FINTEL** is the exclusive provider of international telephone, telegraph, telex, and data transmission services. 49% of FINTEL is owned by Cable and Wireless plc.
- **Coms** is a small rural wireless operator, providing wireless services mainly to tourist resort in the Yasawa Islands.
- **Fiji Directories** is a non-exclusive provider of directory services.
- **Transtel** provides calling card services, either direct or through ATH operating companies.

The indications point to the fact that the current sector structure and rigid licensing regime with technological restrictions, and operators holding exclusive rights in specific market segments have hampered growth in the range of services that could be provided. Such rigid structure impedes consumers' realization of benefits that can ensue from emerging technologies, and may not allow the opportunity to acknowledge the reality of convergence between telecommunications, Internet and media.

## 2.2 International Comparison

Whilst, on the one hand, services are available, primarily in urbanized areas, on the other hand, compared to the standards in countries of similar income economies, the prices at which services are charged are relatively high, and related quality of service varies.

Fiji is classified as a lower middle income country in international benchmarking. Fiji's basic telecommunications indicators relative to this income group are as shown in Table 1. The data in this Table are sourced from the ITU (International Telecommunications Union) World Telecommunication Indicators 2005 [*year 2004, or 2003 if 2004 data are not available*] and the ATH Annual Report 2005.

<b>Yardstick</b>	<b>Fiji's ranking from top</b>	<b>Number of countries</b>
Fixed telephone penetration	24	52
Mobile telephone penetration	31	53
Internet user penetration	22	54

*Table 1. Fiji's ranking in main penetration areas. Source ITU World Telecommunication Indicators 2005, year 2004, or 2003 if 2004 data not available. ATH annual report 2005.*

Table 1 reveals the following in respect of Fiji's ranking in amongst the group of countries in the lower middle income –

- average for fixed telephony;
- slightly above average for Internet; and
- but below average for mobile services.

Figure 1 below illustrates how Fiji ranked amongst the lower middle income countries in terms of teledensity (fixed and mobile telephone connections per 100 inhabitants – mobile connectivity from 1994) since 1990 – this was when existing operators' licences were issued. The data in this Figure are sourced from the ITU World Telecommunication Indicators 2005 and the ATH Annual Report 2005. [*Note: Where data for 2004 or 2003 were not available, data for 2003 or 2002 were used.*]

As noted from Figure 1, Fiji ranked 18<sup>th</sup> out of 52 countries in 1990 and 32<sup>nd</sup> in 2004. And it is also evident from the Figure that, prior to privatization in 1998, Fiji's ranking was amongst the top 20 of lower middle income countries. The trend has deteriorated since that year.

Rank	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
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17															
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34															

Figure 1. Fiji's overall ranking in total telephone connections per 100 inhabitants (fixed + mobile) among lower middle income countries, total 52-54 countries (varies by the year) that have submitted data. Source ITU World Telecommunication Indicators 2005. ATH annual report 2005. If data for 2004 or 2003 were not available, data for 2003 or 2002 were used.

Fiji's overall ranking has evidently slipped in the last few years when the industry existed in the form of a private monopoly. And notably other countries have improved more than Fiji in their respective mobile market development.

### 2.3 Rural Telecommunications

Provision of services in Fiji's rural areas is among the lowest in lower middle income economies for fixed as well as mobile telephony. This is illustrated in Figures 2 and 3 below. Poor performance in this area is attributed to the limitations imposed by the current licensing regime, and the choice of technology and services.

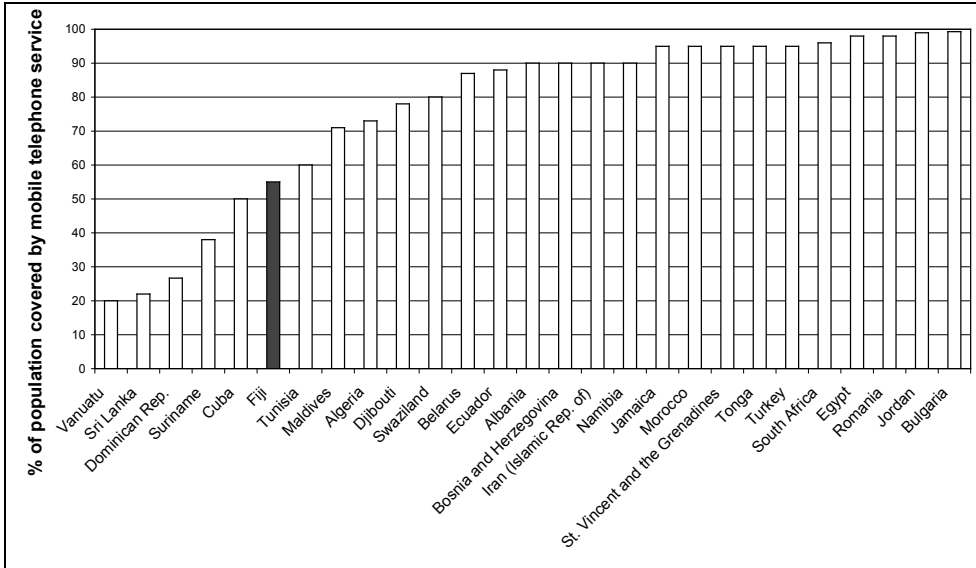


Figure 1. Population coverage for mobile telephone service (means having a possibility to use a mobile phone at home) in middle income countries. Sources: ITU World Telecommunications Indicators, ATH and TFL, years 2002 - 2004.

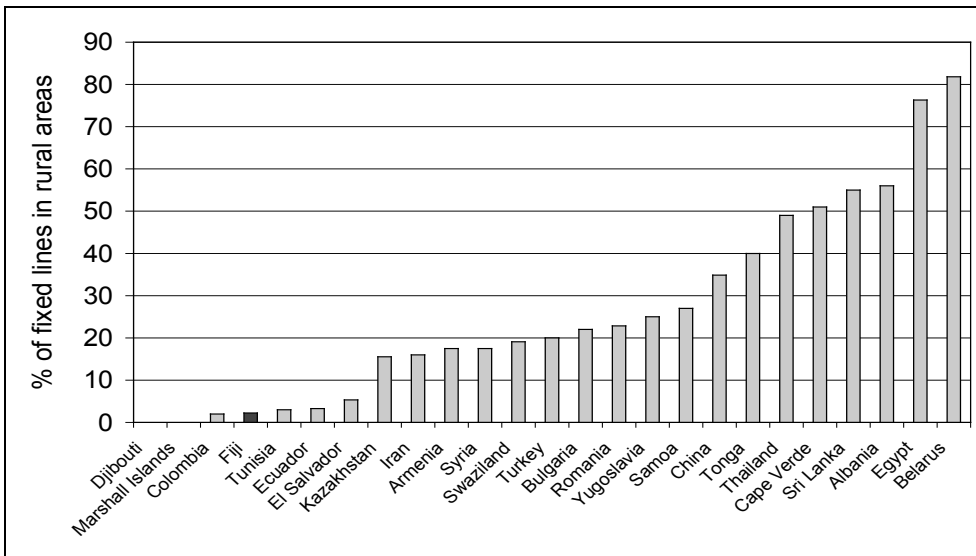


Figure 2. Portion of fixed telephone lines in rural areas in middle income countries. Sources: ITU World Telecommunications Indicators, ATH and TFL, years 2002 - 2004

The objective for service provision in rural areas, currently pegged at a village is considered "served" when it is provided with one shared telephone, should be reviewed. Whilst this objective appears to function in practice as a target for

provision of access to the rural communities, there is potential for more capital development in rural telecommunications, thereby increasing communications to and from the rural areas, and increased revenue for the telecom operators.

The cost of provision of a single fixed telephone access to a rural location – deemed connection charge - ranges from F\$3000 to F\$10000. This price range makes it impossible for virtually all rural inhabitants to obtain a telephone line. It is apparent that appropriate technology choice, cost effective solutions and the provision of access to standard telephone and Internet services should be reviewed.

In terms of accessibility to mobile telephone services, whilst appropriate mobile coverage exists in urban areas, very few rural areas outside tourist resorts in rural areas can access mobile services. A development gap therefore exists between the urban and rural areas – reduction in this gap is necessary. In many comparable countries mobile services have been extended to rural areas, on a commercial basis without subsidies and prepaid mobile service is increasingly becoming popular.

It is estimated that telecom operators could earn **F\$ 50 to 100 million** in additional revenue per year if all rural areas were provided access. The potential to generate this revenue stream from rural telecommunications is not only real but should also be capitalized as it presents a win-win situation where our rural communities are provided equitable access to telecommunication services and the telecom operators collecting appreciable revenues.

In this regard, Government intends initiate in cooperation with the industry a survey of this market in order to determine more precisely what revenues can be generated and how these may be realised on a commercial basis, and services are provided to our rural areas equitably.

## **2.4 Conclusive Summary**

Telecommunications is an essential integral infrastructure of our economy. As such, it should be structured to engender and foster growth in terms of investments and development and growth in the economy. And the economy should not suffer because of some features (exclusive rights) of a minor sector.

The single most important reason for licensing any telecom operator, provision of services, is resolute. The comparisons illustrated above reveal what Fiji as an economy needs to improve on. Other comparable countries have, where competition has become successful, performed better particularly in the provision of mobile services and services in rural areas. In Fiji's case, the necessity to

move from the present monopoly arrangement to a liberalised and competitive environment will bring about needed improvements in the sector.

Liberalisation in the Internet Service Provider (ISP) market was initiated in 2001 through licensing of several ISPs. However, the independent ISP operations did not commence until October 2005 owing to difficulties faced during interconnection negotiations with existing monopoly operators.

There is political determination towards market liberalisation. In fact liberalisation has been included in Government policies and agreements with the telecommunications sector since 1998. And in the Sales and Purchase Agreement between Government and FNPf that was signed then, relevant clauses stated that the last exclusive rights were to be terminated in late 2003, specifically mentioning Vodafone, FINTEL and certain TFL connections.

### **3. Policy Objectives**

#### **3.1 Overall Long Term Objective**

The key objective of the Telecommunications Policy is to promote the rapid expansion of reliable and affordable telecommunications services to all of Fiji's citizens, with particular improvement in rural areas.

Efficient, reliable, affordable and widely-available telecommunications services will enhance economic and social development throughout the country, facilitate access by citizens to markets and services and help to integrate Fiji internally. Better telecommunications will also help to reduce the cost of doing business in the Fiji, support diversification of the domestic economy, and promote Fiji's integration with the regional and global economy.

To this end, the Telecommunications Policy sets the stage for a liberalised, competitive market structure, taking full advantage of changing technologies, and a modernised legal and regulatory framework for the sector.

#### **3.2 Short Term Objectives (6 - 12 months)**

Short term objectives to be pursued to ensure the achievement of the long term objectives are as follows -

- Promotion of new private entrants to provide services and competition consistent with the existing licensing regime;

- Review and update the telecommunications legal and regulatory framework in order to provide a stable enabling environment for the realisation of this policy in line with international best practices;
- Provision for the appropriate transition of licensing arrangements of existing telecommunications operators, towards a liberalised, competitive multi-operator environment; and
- Obtain a clear understanding of the real cost of and demand for telecommunications services in rural and remote areas.

### **3.3 Medium Term**

In the medium term, the following objectives are to be achieved –

- Promotion of competition on an open market to meet demand, resulting in increased penetration of fixed and mobile telephones and other forms of telecommunication, reduced costs and increased choice to consumers;
- Promotion of widespread access to a wide range of communications technologies and services, in particular access technologies for the Internet and Internet functionality;
- Promotion of new private entrants to provide services;
- Meeting the telecommunications service needs of the social, commercial and industrial sectors of the economy;
- Creation of a mechanism for providing telecommunications services in those rural areas that will not be served on a commercial basis due to low profitability, with special emphasis on remote areas and outer islands;
- Promotion of ICT-enabled businesses and facilitate ICT usage in government and other institutions;
- Encouragement of access to, and the development of, a web-based economy that will enable residents and enterprises in Fiji to enjoy the benefits of globalisation and convergence;
- Promotion Fiji as a regional hub for telecommunications, and encourage neighbour countries to gain access to the intercontinental optical fibre cable capacity that Fiji already enjoys;
- Promulgation of a new legal and regulatory enabling environment that is stable and reliable yet sufficiently flexible to take into account new technological developments and the international trend towards convergence of telecommunications, Internet and media; and
- Commit to the WTO agreement on basic telecommunications.

## **4. Regulatory Structure**

### **4.1 The Different Roles of Government**

The future role of Government will have three main components, which will be differentiated through the new sector law:

- Ownership of remaining stakes in operators (vested with the Ministry of Finance and National Planning);
- Overall formulation and approval policy for the telecommunications sector, monitoring of the implementation of such policy and to ensure consistency with other key policies of Government (vested with the Ministry of Information and Communications); and
- Management of fiscal revenues from the telecommunications sector (vested with Ministry of Finance and National Planning).

### **4.2 Ministry of Information and Communications**

The main roles of the Ministry will be:

- Formulate broad telecommunications policy;
- Recommend to Government policy options in the area of legislation, fiscal incentives, investment promotion, and integration of ICT policy with Government's overall rural policy;
- Monitor the implementation of Government policy in the industry;
- Establish policies for promoting Universal Service and Universal Access to communications in Fiji;
- Promote Fiji as a regional telecommunications hub;
- Lead Government's work on international agreements related to telecommunications; and
- Represent Government on matters pertaining to regional and international organisations and obligations or delegate certain tasks to the Telecommunications Authority.
- Involve the Telecommunications Authority where necessary and as and when required.

### **4.3 Telecommunications Authority**

The role of the Telecommunications Authority will be to implement the policy and regulate the telecommunications sector (vested mainly with the Telecommunications Authority to be created, in co-ordination with the Commerce Commission with respect to competition matters).

The Authority should work closely with and assist the Ministry on specific policy matters as and when required.

The main features of the Telecommunications Authority will comprise:

- Clear mandate, powers, responsibilities and accountability under a new law;
- Independence from, and neutrality in relation to, operators;
- Independence from the policy making level in day-to-day decisions;
- Institutional efficiency;
- Transparency, accountability to consumers; and
- Technical competence and understanding of the telecommunications sector as a whole.

The main tasks of the Telecommunications Authority will be:

- Implement telecom sector reform and Government's telecom policy within the new legal framework;
- Regulate the sector as required in accordance with the new law;
- Issue licences and other authorisations, monitor compliance with licences and regulations;
- Regulate technical aspects of interconnection in co-operation with the Commerce Commission;
- Resolve disputes between operators, and between operators and customers as required;
- Allocate, assign and supervise the use of radio spectrum and frequencies;
- Allocate, assign and supervise the use of numbering;
- Promote user and investor confidence;
- Protect consumer interests; and
- Represent Government on matters pertaining to regional and international organisations and obligations when the Ministry has officially delegated such tasks to the Telecommunications Authority.

The Telecommunications Authority reports to the Cabinet through the Ministry of Information and Communications with respect to implementation of Government telecommunications policy and other substance matters, and with respect to administrative and financial performance this is compiled in the Authority's Annual Report which is tabled in Parliament by the Minister for Information of Information, Communications and Media Relations.

Fiji is a small country, and the existence of an independent regulatory authority for each sector requires discussion. Creation of a multi-sector authority takes time. In order to expedite sector reform, the Telecommunications Authority should be established separately, and either addition of other sectors or a

merger of regulatory authorities should be discussed. It is also important to gain experience of regulation before creating more final institutions.

#### **4.4 Commerce Commission**

The Commerce Commission will continue to have powers and responsibilities for regulating and determining prices for telecom services as well as prices for wholesale services. In addition the Commerce Commission will continue to have powers and responsibilities for monitoring and enforcing compliance with competition legislation.

### **5. Market structure**

#### **5.1 Short Term / Transitional Period**

##### ***5.1.1 Regularisation of Existing Operators' Licences***

In the short term, for a transitional period until the enactment of new sector legislation, all of the existing operators will be granted transitional services licences which will be broader than their current licences in that they would cover most national and international services. They would constitute an integral part of the liberalisation of the sector and elimination of exclusive rights (except in respect of the use of scarce resources of the State, such as the radio frequency spectrum and telephone numbering).

Transitional licenses issued during this period will be re-issued as permanent licences when the new legal and regulatory framework has been established through the enactment of Telecommunications Act. The new licences would not have any term. If the new licences have a term, it would be at least as long as the operators' existing licences.

##### ***5.1.2 Issuance of Additional GSM licence[s]***

The next concrete major action towards realising the objective of the policy will be to award additional digital cellular licences, using GSM technology (dual band 900 and 1800 MHz). Government will in due time decide on the selection process, with a preference for an open, transparent and competitive process. Applications will be welcomed from any entity that does not have (and does not control and is not under common control with an entity which has) a licence for digital mobile cellular services in Fiji.

### **5.1.3 Licensing of New Entrants**

In addition to new GSM licences, new entrants for all other services would be licensed upon application on an open licensing basis. They would receive transitional licences which, like those of the existing operators, would be re-issued as permanent licences after the new Act has been enacted.

### **5.1.4 Presentation of the Draft Telecommunications Bill to the Cabinet**

The Ministry will prepare a draft Telecommunications Bill, taking into account the Telecommunications Policy and contributions already made by the operators. The Ministry will finalise the draft bill and shall present the bill to Cabinet for commencement of the legislative process. The Ministry will sponsor the passage of the bill and endeavour to achieve its introduction as soon as practicable in the medium term.

## **5.2 Medium Term**

### **5.2.1 General**

After the transitional period, the market will be opened for new entrants. In the medium term any interested party will be allowed to provide telecommunications services.

The main exception will be services requiring scarce resources such as radio spectrum for mobile services. In these cases licences will be granted using an open and transparent tendering process. In order to ensure working competition, new mobile licences and similar shall not be granted to entities with common ownership or similar control of existing licences.

### **5.2.2 Enactment of a New Sector Legislation and Promulgation of New Regulations**

The new sector legislation will include several components:

- primary legislation in the form of a new sector law;
- secondary legislation, including revision of all existing regulations and making new regulations as necessary;
- tertiary legislation in the form of rules made by the Telecommunications Authority; and
- preparation of a new licensing framework, affecting several levels of legislation.

### ***5.2.3 Issuance of Final Licenses / Authorisation to Incumbent Operators and Other Service Providers***

Upon the effectiveness of the new sector legislation, operators who were issued transitional licenses will be issued with final licenses/authorisations under the new framework to replace the transitional licenses.

Furthermore, new service providers will be issued additional licences under the same framework.

### ***5.2.4 Establishment and Operationalisation of the Telecommunications Authority***

The new Telecommunications Act will create a Telecommunications Authority to oversee the telecommunications sector and implement Government policies. This Authority will require sufficient resources to ensure a successful transition, which will last several years. After that the Authority will stabilise the sector towards a normal market economy sector, and ensure provision of access to all citizens of Fiji and function of healthy and effective competition.

The Minister and the Minister of Commerce will review the functions of the Telecommunications Authority and the Commerce Commission within five years, including considering whether the two should continue separate or combined.

### 5.3 Time table

The foreseen time table for the liberalisation process is show in Table 4 below.

Service	2001	2002	2003	2004	2005	2006	2007	2008
Fixed telephony						Q3	Q3	
Mobile telecommunications						Q1	Q3	
Internet	Q1				Q3			
International telecommunications						Q3	Q3	
Other services (most minor)						Q3	Q3	

Table 4. Time table for liberalisation. Q indicates quarters of years.

The time table in Table 4 is drafted based on the milestones outlined in Table 5 below:

Activity	2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Issuance of additional mobile licences				■				
Establishment of a new licensing framework.								
Issuance of new transitional licences to existing operators to facilitate achievement of medium term objective of promoting services and competition				■				
Effecting of new transitional licences				■				
Presentation of draft Bill/new primary legislation to Cabinet			■					
Submission of proposed Bill to Parliament			■					
Passing of Bill in Parliament and its enactment				■				
Establishment of Telecommunications Authority				■				
Granting of new permanent licences and authorisations					■			

Table 5. Time table for specific related key activities and milestones. Q indicates quarters of years.

Further milestones to be defined may include:

- carrier selection (select international operator on a call-by-call basis)
- carrier preselection (select international carrier permanently, setting in switch)
- fixed number portability (the telephone number does not change when changing operator)
- mobile number portability (the telephone number does not change when changing operator)
- local loop unbundling (competing operators have the right to lease lines at reasonable prices from the incumbent)
- co-location, leased lines, etc.

## **6. Universal Service / Universal Access**

A key element of the Telecommunications Policy is improvement in access, particularly for the rural population as there are still disadvantaged villages and communities amongst them. Our rural fixed and mobile teledensity is currently less than 5% and some remote villages and islands do not have access to the basic telecommunications services. It is very apparent that a rationalization of this important area of development needs to be undertaken in cognizance of the cost of supply, the nature of demand, and potential commercial viability of providing telecommunication services to under-served and unserved areas.

The provision of services to the rural areas will be financed on a user-pay basis, principally by the users of the particular service. However, owing to the nature of our market, some degree of internal cross subsidies from urban to rural areas will exist. Such cross subsidies are justified and considered normal best practice under the circumstances, and should not be considered anti-competitive.

### **6.1 Related Universal Service and Universal Access Policies**

The Ministry of Information and Communications will, in association with the industry, undertake a detailed analysis of these issues and formulate specific detailed policy directions on Universal Service (US) and Universal Access (UA)<sup>1</sup>.

The substances of these policies should include:

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<sup>1</sup> **Universal Service** means that any person can obtain an own personal connection, often defined as affordable price. This works reasonably well in urban areas in Fiji, but not in rural areas. **Universal Access** means that the entire population has access to a public phone or other communications facility. This approach is implemented in Fiji mainly using Drua phones and Telecards.

- establishment and revision of US/UA targets to be achieved over a given period of time;
- identification of a transparent and sustainable financing mechanism;
- institutional responsibility and governance structure for managing these finances; and
- establishment of a program for utilisation of US/UA funds.

Any obligatory contributions to financing universal access by regulated telecommunications operators shall be administered in a transparent, non-discriminatory, and competitively neutral manner.

## **6.2 Rural Telecommunications Fund**

A Rural Telecom Fund (RTF) shall be established under the Telecommunications Authority. The RTF shall receive its funds from a levy on licensed operators based on value-added of licensed services. The levy funding arrangement results in a zero-sum game, neither increasing nor decreasing sector revenue. Other financing opportunities may be explored.

## **7. Regulatory Policies**

### **7.1 Licensing**

The fundamental aim in the licensing framework is an administrative structure where authorisations are granted to all applicants. Licensing qualification will be based on conformance to stipulated qualification requirements.

Whilst licensing in the above will be open to all applicants and handled on a one-on-one, first-come-first-served basis, this will not be the case in respect of services that rely on the use of scarce resources of the State, such as radio frequency spectrum and telephone numbering. In this respect, the granting of licences shall be facilitated through transparent tendering procedures.

In the long-term, telecommunications authorisations shall not distinguish between individual services.

### **7.2 Competition Regulation**

The enforcement of competition policy in the telecommunications sector will be shared and co-ordinated between the Telecommunications Authority and the Commerce Commission as set forth in the new sector legislation.

Amongst the responsibilities of the Commerce Commission will be ensuring that operators do not –

- abuse dominant position in the market;
- enter into anti-competitive agreements; or
- engage in anti-competitive behaviour in the market, including -
  - a. anti-competitive cross subsidies,
  - b. predatory pricing,
  - c. unfair discrimination; or
  - d. tying arrangements.

The Telecommunications Authority will assist the Commerce Commission in the provision of sector knowledge and in defining markets, setting thresholds for the determination of dominance and in the administration of certain ex ante competition regulation.

As the new sector legislation will ensure that where market forces are effective, the Telecommunications Authority and / or the Commerce Commission may forego directly regulating the market, otherwise generally the regulation modus operandi will be “light touch”. Other competition-related matters of tariff, interconnection and infrastructure sharing regulation are dealt with below.

### **7.3 Tariffs**

The determination of appropriate and sustainable levels of prices charged by various operators for their services in the anticipated competitive industry structure is dependent on the market forces. However, in view of our market realities, competition is not likely to fully develop throughout the industry for an interim period, thereby leaving the dominant operators with the power to control pricing. It will be appropriate under these circumstances that the Commerce Commission regulates tariffs of such dominant operators. As for other operators, they will be free to set tariffs according to market forces.

Tariff regulation will ensure:

- that service prices are cost-oriented;
- that the interest of consumers and competitors is protected; and
- that the industry develops in the most efficient manner possible.

### **7.4 Interconnection**

The Telecommunications Authority and the Commerce Commission will cooperate in ensuring that interconnection is available on transparent, non-

discriminatory and cost-oriented basis to all licensed operators of public communications services. Interconnection includes technical, physical, administrative and financial components. The Commerce Commission shall ensure that dominant operators publish Reference Interconnection Offers (RIOs), or allow public access to written interconnection agreements.

The preparation of the RIOs will be a requirement of dominant operators. In the case of other operators, their terms and conditions of interconnection agreements may be negotiated cognizant to market forces. All unresolved disputes in connection with interconnection shall be referred to the Telecommunications Authority for resolution in accordance with the principles of objectivity and transparency. The decisions of the Commerce Commission in such matters are subject to appropriate judicial review.

All interconnection agreements shall be in writing and a copy of such agreement shall be deposited with the Commerce Commission.

## **7.5 Infrastructure Sharing**

In the Fiji, there are obvious reasons for sharing in the use such infrastructures as telecommunication towers, poles, ducts and other essential elements of telecommunications networks. New service providers will require access to existing infrastructure at reasonable prices. Fiji's unique geography and its pleasant environment make it an attractive tourist destination. This uniqueness must be maintained if Fiji is to remain a popular tourist spot in the Pacific. For economic and environmental reasons, avoidance of unnecessary duplication of infrastructure is prudent, hence a sharing of these.

Whilst sharing of infrastructure, on a fair, transparent and non-discriminatory basis is encouraged, the Telecommunications Authority shall be responsible for regulating the conduct of operators in this regard, and if necessary, the Commerce Commission shall regulate interconnect prices.

## **7.6 Radio Frequency Spectrum Management**

The management of the State's radio frequency spectrum will be the responsibility of the Telecommunications Authority. The Telecommunications Authority will develop the national radio frequency allocation plan for Fiji, for the assignment of spectrum and frequencies, and for monitoring use of radio spectrum. In this regard, the Telecommunications Authority shall be guided by the recommendations and resolutions of the International Telecommunications Union (ITU) and its organs. The Telecommunications Authority will also be

responsible for Fiji's international and regional commitments on matters relating to the radio frequency spectrum.

## **8. Resources**

The reform process will require additional necessary resources. New primary and secondary legislation is required, a new licensing framework will be designed, all existing licences will have to be replaced and new licences drafted, a number of transitional matters will emerge and will require attention and solution, new regulatory principles and practices will be developed, and some disputes requiring resolution may arise, etc.

The Government will ensure that the Ministry of Information and Communications, as well as Telecommunications Authority in the future, has sufficient resources, including full-time staff to implement reform, particularly for the period 2006-2008 during which the major part of sector reforms will proceed.

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