ITU - GSR 2011 DISCUSSION PAPER:

SETTING NATIONAL BROADBAND POLICIES, STRATEGIES AND PLANS

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Mini-Case Studies

The reference materials used to prepare this chapter are complemented by a number of mini-Case Studies dealing with Fiji, Papua New Guinea, Argentina, Brazil, and Hong Kong China. Each of these Case Studies is fascinating in its own right. The experiences of these countries with broadband implementation and regulation offers valuable insight into the task of broadband rollout and should be of interest to many other countries in similar circumstances.

2.5.1 Case Study 1: Fiji – The quiet achiever

The Republic of the Fiji Islands comprises an archipelago of some 322 islands (of which 106 are permanently inhabited) and 522 islets. The two major islands, Viti Levu and Vanua Levu, host 87 per cent of the population of 890,000, and one-third of that population lives in the capital, Suva. Fiji is the second largest of the Southern Pacific island states (which do not include Australia and New Zealand) after Papua New Guinea. Tourism is a major industry.

2.5.1.1 The challenges facing SIDS

In his address to the ITU World Telecommunications Development Conference in Hyderabad in 2010, the Minister for Communications posed some very pertinent questions relevant to most small island developing states (SIDS). These questions included whether island states have the economies of scale to support broadband rollout and whether states that comprise a number of islands, some of which host a very small population, are attractive markets for infrastructure investors. He raised the issue of whether these states have the resources to implement broadband, both in terms of tangible assets and human capital, given that many of the best and brightest individuals in these states have left for greener pastures.

The Minister went on to explain that in the absence of the capacity and skills to cope with these challenges, SIDS were vulnerable to exploitation by unconscionable and well-resourced companies seeking explicit or implicit exclusivities. He nevertheless articulated a belief in the immense benefits provided by the energy, research, business acumen and robustness of the private sector. Yet he saw the need in ICT for equilibrium between the public and private sectors in order to create a future based on responsible and fair partnerships.

2.5.1.2 Setting the Scene for the Future: Structure and Regulatory Change

In 2007, the Government set a policy to remove all exclusivities that existed in the telecommunication sector. In January 2008, an agreement was signed with exclusive licence holders (FINTEL for the international gateway through the Southern Cross cable, Telecom Fiji Limited (TFL) for the local loop, and Vodafone for mobile telephony). As a result of this agreement, the following developments occurred:

- Vodafone exclusivity in the mobile telephony market ended on 1 October 2008. Digicel launched services in Fiji on the same day.
- FINTEL exclusivity over the international gateway ended in July 2009. TFL entered the international gateway
 market in October 2010.
- TFL exclusivity in the local copper backbone ended in February 2011. New entrants have yet to emerge in this fixed market.

The granting of 15-year open (unified) licences allows operators to provide any service they wish. With an open licence and assistance from the Pacific Financial Inclusion Program and with Government policies aimed at empowering isolated communities that are unbanked, Vodafone became the first company in the South Pacific to launch mobile money services (M-PAiSA) on 18 June 2010. Digicel followed suit on 15 July 2010 with the help of the GSMA through the Mobile Money for the Unbanked Fund.

The underpinning legislation for these structural changes was the Telecommunications Promulgation 2008. This legislation adopted all policy relating to the release of exclusivities and also provided for an independent regulator for the telecommunication sector, the Telecommunications Authority of Fiji (TAF). The TAF has the authority to deal with licensing, technical regulation, spectrum, and consumer concerns. Competition functions remain with the Commerce Commission, although there are provisions for interworking between regulators. Responsibility for the legislation and policy advice remain with the Department of Communications within the Ministry. The CEO of the TAF took up his role in March 2011, and the organization is now taking shape.

With regard to spectrum, the National Regulation of Spectrum Decree 2009 allows for a stocktake and audit of allocated spectrum with a view to ensuring efficient use through re-allocation of allocated but unused spectrum. This should eradicate spectrum hogging in a newly liberalized telecommunications sector and lay the ground for major change in the information and broadband sector, recognizing the fundamental role which mobile and wireless has in the future.

2.5.1.3 National Broadband Policy

A Draft National Broadband Policy was drawn up in 2010 following public consultations and will lay the foundations for the broadband future of Fiji. It will drive socio-economic developments towards maximum penetration and usage. It intends to involve Government and regulatory subsidies, initiatives, and fiscal policies, and will couple with the implementation of Universal Service Objectives. The policy will involve consumer awareness, consumer protection, infrastructure development and environmental sustainability.

The newly-created TAF is to make an input to the Draft Plan before finalization. In the meantime, the Government has undertaken the creation of regulatory incentives in order to continue the momentum building towards broadband. For example, as of January 1st, 2011, there has been a removal of duties on the importation of mobile broadband dongles to promote accessibility and affordability. Fiscal and excise duties have been removed on computers, computer parts and accessories, specialized plant, equipment and fittings, and specialized furniture for ICT companies to boost business in the ICT sector. There has also been a reduction of import duty on smartphones, from 32 per cent to five per cent as of January 1st, 2011.

Within telecommunication regulation, there is provision for the regulator to approve interconnection undertakings that reflect a balance between economic orthodoxy and government policy desires for increasing penetration. Other regulatory matters to receive consideration in future include infrastructure sharing and the efficiencies that such sharing would create.

SMS banking has had a huge impact in the Fiji islands, and is seen in a broad context of education in money management and opportunity for entrepreneurism amongst the young especially.

It is therefore clear that the technology pathway to the broadband future is very much influenced by radio, namely, progressive generations of mobile voice and data evolution (3G, LTE, LTE Advance, Wimax, WiMAN, Satellite), together with spectrum considerations for access and backbone provision. This pathway is also influenced by applications and the reality of needs of the population. In addition, the major industry of tourism has shown a great appetite for mobile communications.

Preparing the nation for a broadband future and the opportunities arising from ICT is a very important aspect of the national Plan. Infrastructure and access alone are insufficient. In terms of the needs of everyday Fijians, community centres will see some re-branding as schools (by day) will become community centres at night where tuition will be available to assist with the use of computer training. The University of the South Pacific (USP) in Suva is very active in this area, with three tiers of programs. The lowest level of program is suited to absolute beginners. Vodafone has established a process of donation of computers to communities. This not only demonstrates good corporate citizenry but also, of course, fuels future demand and is a beneficial good all round.

Fiji has a geographic advantage in relating to other island states in the South Pacific, and sees itself developing as a hub in the information age. A cable spur from the Southern Cross cable to Tonga is under way, and one is anticipated to another major island state, Vanuatu. Satellites play an important role throughout the South Pacific, and the USP makes very effective use of the technology in its educational programs on an international basis.

2.5.1.4 Summary

In brief summary, Fiji has arrived at the broadband take-off point with its regulatory house in order and is ready to take advantage of further infrastructure development through a competitive industry. To extract the most from that future, capacity building is firmly in focus. As at mid-2010, the National Broadband Plan has yet to be finalized. In preparation, the attitude towards technology has been to avoid being overly prescriptive and to recognize the importance of applications that should be targeted and supported for the national good. The involvement of the whole of Government is a key feature of the approach and a support for future broadband.

To download whole Discussion Paper: Setting national broadband policies, strategies and plans please visit:

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