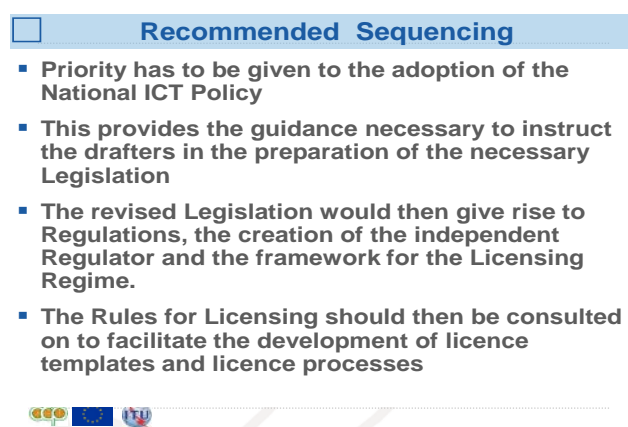


A) National ICT Policy-Implication for Licensing



Establishing the Regulatory Environment

- **The facilitating framework with appropriate policies and regulations to be created**
- **An updated ICT policy and a strong regulatory framework is needed**
- **ICT regulations consistent with best practice and an ICT regulatory authority to provide oversight and management of the ICT sector to be established**
- **Universal Access to ICT so that everyone will have equal access to ICT without barriers a priority**



Outcomes and outputs

1. Regulatory framework developed for ICT sector addressing undesirable activities & protecting the public and their rights.
2. Universal Access to ICT, everyone will have equal access to ICT without barriers.
3. Representation and advocacy in regional and international fora, promoting partnerships for the development of ICT for all the people of Palau.
4. Secure, efficient and affordable ICT provision in Palau



Outcomes and outputs(2)

- Increased investment in the ICT sector
- New legal and Regulatory framework for the competitive provision of services
- Provision of service universally in a manner that is equitable and affordable
- Liberalized provision of services and infrastructure
- A viable competitive incumbent provider that is sustainable;
- Identification of suitable strategic partner for incumbent to achieve sustainable competitiveness



Independent Regulatory Body

- To assist in the provisioning and enforcement of “the rules of the game” an independent regulatory body should be established
- Independent body should be self financing preferably through fees from spectrum and or licensing
- Clear legislative mandate would be required
- Methods of appointment and levels of protection for staff
- Professional criteria for appointment of Regulator



Issues to be resolved

- What is fair Competition;
- How independent should the regulator be?
- What type of pricing would ensure access for all in a sustainable manner?
- How should access for remote areas be funded?
- What should be the principles for a Competition Policy?
- How do you ensure that the incumbent is a viable competitive entity in the new environment?
- How do you ensure the independence of the Regulator?



B) Key Licensing Issues



Licensing Issues

The following issues need to be addressed in designing a new Licensing Regime for Palau:

- Terms and Conditions to be included in the Licence;
- Entity responsible for Licensing and Authorization;
- Type of Licensing Regime to be adopted;
- Which Services will be Licensed and which will be License exempt;
- How will issues like Interconnection and Spectrum;
- How well the Regulatory framework treats technological issues such as WiFi, WiMax and VoIP and anticipate continuous technological and market evolution;



Summary

1. Licensing Issues;
2. Options for Licensing;
3. Infrastructure Treatment;
4. Stakeholders;
5. Spectrum Management;



Options for Licensing

Options to be considered include:

- Introducing technology neutral Licenses with broad service category;
- Establish a unified and technology neutral license that allows service providers to provide multiple services under one license using any technology.
- Allowing operators to simply submit notification or registration with the Regulator although specific rights of use may be required when scarce resources such as spectrum or numbers are involved in the provision of a service;
- Not requiring any registration or notification on the basis that the services provided fall outside of the Regulators authority or because the Regulator has decided.



Infrastructure Treatment

- Objectives in respect of Infrastructure treatment should be:
 - Promote the provision of accessible, affordable, reliable, and high quality levels of ICT facilities and services;
 - Promote and encourage the existence of country-wide reliable and efficient infrastructure which will have capacity and network speed;
 - Improve connectivity for all end users of the system;
- Private sector to be encouraged in their role in the development of ICT infrastructure;
- Collocation and infrastructure sharing to promote effective utilization of ICT infrastructure;



Stakeholders

The main stakeholders are:

- **Industry/PrivateSector:**
 - Must use ICT to create an enabling environment conducive to the promotion of investment towards the development of the economy;
 - Assist in the integration of ICT in its processes and encourage the use of ICT;
 - Actively seek out joint ventures between local and foreign entrepreneurs in the ICT sector creating a culture of innovation.
- **Government;**
 - Major partner in the economy and has a crucial role, should develop necessary capacity for collection of data to provide indicators for effective review of Policies;
 - provide incentives for innovation and experimentations in ICT systems; development of eGovernment services made available online;





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Stakeholders (cont.)

- **Civil Society:**

Civil Society has the most important role to play in the ICT Sector. Civil Society is taken broadly in being that which is not Government or business (including NGOs, Consumers, etc). Palau needs to engage civil society in the implementation of the ICT Agenda. ICT can act as an enabler, facilitator of improved governance, digital inclusion and participation in the decision making process leading into a more knowledgeable society. The areas of concern to 'civil society' in Palau have to be determined;



Spectrum Management

- Spectrum is a valuable resource used in the provision of many ICT services and its use must be carefully planned;
- Palau at this point does not have a problem of spectrum congestion but some bands have high demands
- Spectrum management should consider the following:
 - Regional cooperation and planning;
 - Economic efficiency;
 - Technical efficiency;
 - Spectrum pricing;
 - Spectrum auditing
- Wireless broadband is one of the key issues for the future and spectrum management plan should focus strongly in ensuring that policies and allocations that would foster the growth of mobile broadband are developed and implemented.



c) Recommendation for Change



1 PRINCIPLES

The four principles to be applied are:

1. Promote ICT Human Resource Development;
2. Support access to affordable ICT infrastructure;
3. Enhance economic growth and sustainable development through ICT utilization by Public and Private sector; and
4. Establish appropriate ICT policies and regulatory framework.



Changes to be Considered

- Implementation of the New National ICT Policy;
- Development of a New Legislation for the Sector that allows for competition and provision of services;
- Creating an entity responsible for the regulation of the Sector;
- Preparation of Rules for Licensing outlining the processes and procedures including the transitioning period;
- Introduction of a new Spectrum Management and Monitoring Regime;



Priorities

Priorities should include:

- National ICT Policy implemented;
- An ICT regulatory authority to provide oversight and management of the ICT sector created.
- Regulatory framework for ICT sector to address undesirable activities to protect the public and their rights developed.
- Universal Access to ICT so that everyone will have equal access to ICT without barriers achieved.



Legislation and Regulation

The present draft Senate Bill #8 -231 should be reviewed and revised for the following reason:

- The bill should reflect the new ICT Policy, be holistic and address the regulation of the ICT Sector;
- All players in the market should be regulated, exemption from fees could be considered;
- Specific provisions need to be made for the creation of an independent Regulator;
- Specific provisions need to be included for Universal Service Obligations;



Legislation and Regulation (2)

Sector Legislation should also address the following issues:

- Appointment, disqualification, suspension and termination of the Regulator;
- Requirements for Licensing;
- Provision of Universal Access;
- How to address Competition Issues;
- Processes and Requirements for Interconnection;
- Tariffs approval and publications;
- Consumer Relations;



Legislation and Regulation (cont.)

Sector Legislation should address the following issues:

- Enforcement and Principles of Liability;
- Review decisions of the Regulator;
- Dispute Resolution;
- Technical Issues of Type Approval; Numbering; Spectrum Management;
- National security and public emergencies;



5 Independent Regulatory Body

- Regulatory body to be independent needs to be properly resourced (Staffing, financing and training)
- Regulator to be autonomous, financially secure, and competent
- Staffing would depend on mandate and functions
- In addition to engineering and economic and financial expertise there will be need for legal expertise
- Training would be critical to allow for reasoned decisions



6 Conclusion

- Changes is a requirement of the process and is inevitable;
- Prepare for change is key in prioritising activities is critical;
- Existing regulatory framework is inadequate and in need of change;
- Existing legislation and Regulations should be reviewed and new Act prepared;
- Policies are required to provide potential investors with the ground rules for participating in the sector;

