GSR13 consultation
Contribution from the Telecommunication and Radiocommunications Regulator (TRR), Vanuatu

1. Regulation 4.0: Innovative and smart regulatory approaches fostering equal treatment of market players, stimulating services uptake and access to online services and applications without putting extra burden on operators and service providers (co-regulation, Self-regulation, smart incentives, etc.);

- The Regulator must have and maintain its independence. Its stance and approach, within the legal regulatory framework, must be to take a liberal, transparent, well balanced, unbiased, fair and equitable view; particularly when making its decisions, interpreting and enforcing existing instruments e.g. legislation, licences, etc. Account must also be taken of the Government's national objectives and policies that are in place. These principles apply at all times; and, particularly, as Regulators face a move towards 4th generation regulation.

- A "light touch" regulatory approach is preferred, intervening only when necessary, and ensuring that market forces work within the prescribed laws of the Country. The approach should encourage an open dialogue on development of government policies, infrastructure development, service provision and investment, and on regulatory issues. A face to face, open and transparent approach on regulatory issues is necessary, along with an understanding of, and appreciation for, the different roles and required deliverables of each respective stakeholder.

- Innovative regulation means the Regulator must be able to consider and understand all parameters at play, the varying needs of all stakeholders, market needs and current situation, the impact of current and future technologies, and include those considerations in its decisions and actions. Regulatory objectives and functions need to be dynamic and responsive. A traditional approach to regulation is no longer possible – particularly for SIDS – and a proactive, open and consultative dialogue must be maintained.

- With the current and ever increasing trend to converged ICT services, bundling of products and NGN, Regulators have to think outside the box and be innovative; whilst working with in the legislative framework of the country and taking into account traditional and new regulatory concepts for development of regulations and applications that promote and, most certainly do not prevent, innovation.

- The type of Regulatory style and approach needs to recognize and adapt to the stages and types of services that need to be delivered. For example, the building infrastructure (physical, data link and network) phase, the transmission or transportation stage and the provision and delivery of services. In the established phase, the Regulator looks towards self-regulation and monitoring; and then faces the challenge of regulating for the next generation of service provision.

- Stimulation of service uptake and access to online services and applications necessitates that regulatory approaches must be flexible. In Vanuatu, the majority of people live in rural communities where access to internet/3G is limited. Not only that, ICT illiteracy rate is high, online applications are essentially only available in English; whereas French is also spoken and the majority of ni-Vanuatu speak Bislama (*Pidgin English*). This poses enormous challenges for Vanuatu.

- Innovation must consider people, and peoples' needs: how they think, what they need, how they make decisions and how they can use applications and equipment for their benefit. It is not just about technology! Consumers', both business and individuals, can drive and provide the incentive for innovation of ICT markets.

- Innovative approaches include:

- Facilitating and encouraging operators to operate freely and innovatively within the market, mindful and taking account of the applicable regulatory framework, with a less or light handed regulation approach.
- Encouraging operators to propose and implement ways in which they can develop the sector – for the benefit of the nation and their profitably; creating a win-win solution.
- Government working collaboratively with industry and the Regulator and by facilitating and supporting operators to develop infrastructure and service provision, particularly in rural, unserved and underserved areas. (For example, through incentives and reduced taxation measures).
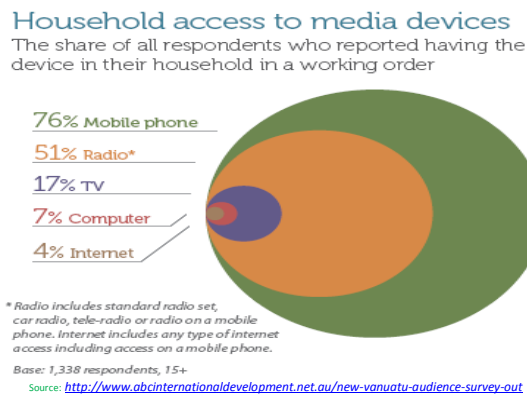
Noting the above, the approach and style of the regulatory regime will need to be established and applied differently in each country, as a "one size fits all" solution cannot be applied.

2. The evolving role of the regulator: the regulator as a partner for development and social inclusion;

- The Regulator can be seen as a partner for development and social inclusion, and promote that objective. In Vanuatu, this is captured in the Objects of the Telecommunications Radiocommunications Act, 2009, which requires facilitation of the development of telecommunications services to end users for national social and economic benefit to Vanuatu.
- Facilitating (and sometimes creating) partnerships with aid-donors, Government Ministries and other NGOs in desired ICT projects and establishment of such objectives, in addition to fulfilling its statutory regulatory functions, are necessary.
- Private Public partnerships (PPP), particularly for unserved or underserved areas, and rural and remote areas, need to be encouraged without limiting the commercial viability of the private sector. In Vanuatu, the Government decided to forgo its shareholdings in the incumbent operator and created a regulatory framework for a competitive environment; stating clearly its policy that the telecommunications industry would be private sector led.
- The Government needs to establish its ICT Policy, the Regulator must be independent and have clear reporting and communication lines to and with the Minister, so that national objectives are harmonised and achievable.
- Government Line agency partnerships can also be considered and encouraged towards harmonising of ICT functions and a coordinated approach. This provides benefit for the Government, and the community, as a whole. Currently most of the line agency ICT functions are segregated, but the need for harmonisation and coordination has been recognized and is in transition towards this objective. The Vanuatu Government is developing its National ICT Policy (and sub-level policies) and has established its (high capacity) E-Govt network. Through this it is seeking to maximise ICT potential and provide direct, measurable benefit.
- The Regulator, in conjunction with the Ministry, needs to take a proactive role in promoting, informing, encouraging and raising awareness to stakeholders of the benefit of technology applications and uptake of services. This approach reduces some of the challenges that most small economies like Vanuatu face such as low ICT literacy and the Digital divide.
- Outlined below is the latest study of users of ICT devices in Vanuatu. Studies reveal that digital technologies are increasingly being used in the Pacific Islands to harness, influence and project political and social change. About 60% of Pacific Islanders now have access to a mobile phone and this figure continues to climb. This has coincided and fused with another global phenomenon; the rise of social media[1].

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[1] http://www.lowyinterpreter.org/post/2012/11/21/The-Pacifics-digital-future.aspx

- This growth in mobile phone access is extraordinary given that only four years ago, six countries (PNG, Vanuatu, the Solomon Islands, Kiribati, Tuvalu and the Marshall Islands) had penetration rates of 16% or less. Meaning less than just 1 in 5 people had access to a mobile phone. In Tonga, mobile penetration has risen from 3% in 2002 to 53% in 2011. Fiji, Samoa, Vanuatu and New Caledonia now enjoy mobile penetration rates of over 80%. In 2006 only 2% of PNG's population had access to a mobile phone; today this figure is fast approaching 40%[2].
- On the other hand, rapid growth in availability and adoption of mobile phones over the past few years means that mobile phones have now become the most widely owned media device in Vanuatu; with more than three out of four households reporting that they own at least one. This is remarkable, particularly given that only five years ago the penetration of mobile phones in Vanuatu was below 20%[3].

Household access to media devices
The share of all respondents who reported having the device in their household in a working order

76% Mobile phone
51% Radio*
17% TV
7% Computer
4% Internet

* Radio includes standard radio set, car radio, tele-radio or radio on a mobile phone. Internet includes any type of internet access including access on a mobile phone.
Base: 1,338 respondents, 15+
Source: http://www.abcinternationaldevelopment.net.au/new-vanuatu-audience-survey-out

- However, Vanuatu's challenge is increasing Internet broadband uptake at affordable prices and improving TV coverage nationally through Government policy directions, and the regulator has a key role to play in promoting and increasing awareness on the use of ICT's and its benefits.
- Partnerships with Schools and the community, as well as Chiefs in villages at a tradition level is an area where the Regulator can also be seen as a development partner; enhancing use and application of technology in a society. The Government provides an enabling environment through policy directions, and the Regulator plays a role in implementing the Government's Policy's and facilitating partnerships; for example, for programs such as connect a school, connect a community.
- The mobile growth statistics indicated above are good, but the Pacific region is home to some of the lowest internet penetration rates in the world. For example, only 2% of PNG's population had access to the internet in 2011 and in the Solomon Islands, Samoa and Vanuatu, it is less than 10%. However, web-enabled mobile phones and Facebook phones are assisting the region to leapfrog barriers (such as remoteness, cost and availability) to computer-enabled internet access. Decreasing costs for handsets and calls, and better reception, has facilitated more widespread access, far beyond affluent urban dwellers[4].
- Digital technologies are helping the people of Vanuatu to participate in political dialogue and are improving social inclusiveness and development. People in both urban and rural communities are now able to participate in debates from which they were previously excluded. Unlike radio, which is arguably the most important source of information for most Pacific Islanders, Facebook discussion

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[2] http://www.lowyinterpreter.org/post/2012/11/21/The-Pacifics-digital-future.aspx

[3] *http://www.abcinternationaldevelopment.net.au/new-vanuatu-audience-survey-out, Citizen Access to Information in Vanuatu | May 2013.*

[4] http://www.lowyinterpreter.org/post/2012/11/21/The-Pacifics-digital-future.aspx

groups and blogs provide a forum for an exchange of information and opinion where all users can participate.

- Partnering with stakeholders involved at each stages of service delivery, in particular at the service delivery level to end users, together with light touch regulation and a well-established monitoring regime is necessary.

3. The need to adapt the structure and institutional design of the regulator to develop future regulation.

- This is a must!
- Convergence is one of the areas where the Regulator must always be mindful of and look at; irrespective of the current situation. As technology converges, it is appropriate that the Regulatory institution converges as well. This facilitates and provides a path for innovation in service provision and delivery, as well as in converged service regulation. In Vanuatu, technology convergence has coincided and fused with another global phenomenon; the rise of social media. Legal frameworks for protection of end users have to be developed and put in place as Vanuatu faces this challenge. This includes a Cybercrime and/or cyber security legislative framework, development of Regulations on spam and illicit use of ICT for criminal activities. This is a challenge for Vanuatu since safety nets, whilst being considered and developed, are not yet in place, and traditional legal frameworks have not evolved with the dynamic change in ICT and telecommunication technology.
- Along with convergence, there is a need to consider open access regulation.