



Ministry of Posts and Telecommunications



1999 - 2000



Inaugural Annual Report



Message from the Honourable Minister for Posts and Telecommunications:

The Ministry of Posts and Telecommunications was established on the 1st of July 1999 under the auspices of the Postal and Telecommunications Services Act 1999. This is the first Annual Report for the Ministry.

The formation of the Ministry of Posts and Telecommunications is part of the continuing manifestation of Government's resolve and determination to strengthen the overall Policy and Regulatory basis upon which national communications development can be based and sustained. The Postal and Telecommunications industries are significant contributors to the economic and social development of the nation. It is thus considered vital to separate the Policy and Regulatory functions from the Service Operations to enable proper growth and development of these industries.

The present reflection of an effective working relationship between the Private and Public Sectors is indeed pleasing to note. The Ministry's growing partnership with all the Sectors stakeholders in delivering their combined responsibilities to ensure an economical, reliable and affordable communications service for the people of Samoa is of utmost importance and priority. This Government continues to encourage this partnership as a strategy to facilitate a truly national effort in furthering Samoa's development in Postal and Telecommunications Services.

In its first year of operation, the Ministry of Posts and Telecommunications has commenced work to establish and continue to develop a sound Regulatory and Policy Framework for the Sector. The rapid and ever changing technological advances worldwide continue to affect the pace of development in postal and telecommunications operations in many less developed countries including Samoa. The developmental reforms now implemented for this industry reflect Governments determination to keep reasonable pace with these technological changes for the benefit of Samoa.

A key objective of the Ministry's visionary commitment is to encourage and enhance the development of communication and information technologies for the improvement of the processes of life for all citizens of the country.

It is indeed therefore my honour and pleasure to submit this Inaugural Report on the Activities of the Ministry of Posts and Telecommunications for the period, 1 July 1999 to the 31 June 2000.

A handwritten signature in blue ink, appearing to read 'Tuilaepa Sailele Malielegaoi'. The signature is fluid and cursive.

Tuilaepa Sailele Malielegaoi
PRIME MINISTER AND MINISTER FOR POSTS AND TELECOMMUNICATIONS



The Honourable Minister for Posts and Telecommunications,

I am pleased to submit the inaugural report on the activities of the Ministry of Posts and Telecommunications for the period from July 1999 to June 2000.

This report marks the first anniversary of the establishment of this Ministry since the Postal and Telecommunications Services Act 1999 was passed and effectively de-establishing the former Post Office Department. Under the same Act the Samoa Communications Limited (SCL) was formed. SCL is wholly owned by the State and is a limited company under the Companies Act, and is the main telecommunications and postal services provider for the country.

This report discusses the first year of operations of the Ministry. It focuses on the Ministry’s organization and mandatory functions, and gives important background information on the development of the postal and telecommunications services in the last ten years, before the Ministry’s inception.

Finally the Report discusses certain developmental options for the Ministry’s role in the future, taking into consideration the Government Reforms already taking effect in the Public Service.

Funds, which enabled the operations of the Ministry for its first year of work, were apportioned from the original Budget approved by Parliament for the former Post Office Department for the July 1999 to June 2000 financial year. Most of that Budget was retained for the operations of the new Samoa Communications Limited.

Faafetai,

(Sapa’u Ruperake Petaia)
DIRECTOR OF POSTS AND TELECOMMUNICATIONS



1. The Functions of the Ministry

The Ministry of Posts and Telecommunications is set up under the Postal and Telecommunications Services Act 1999, which spells out the formers functions as follows:

1. To provide policy advice on all matters relating to the provision of postal and telecommunications services;
2. To monitor the provision of postal and telecommunications services;
3. To advise the Minister on all matters relating to the grant and operation of licenses for the provision of postal and telecommunications services;
4. To encourage and promote the provision and availability of high quality and affordable postal and telecommunications services to the public;
5. To assist in the establishment of a regulatory environment which will facilitate the development of postal and telecommunications services in Samoa which are efficient, competitive, and responsive to the public;
6. To advise on the technical nature of the postal and telecommunications services available in Samoa and whether they are adequate and sufficiently advanced having regard to the services available outside Samoa, and;
7. To advise on any developments in the postal and telecommunications industry.

The Ministry is charged with the administration of the above Act, and in relations to its regulatory and licensing functions, it also administers certain parts of the Post Office Act 1972, and its related Regulations, which have not been repealed.



2. The Ministry's Vision and Mission

The Ministry of Posts and Telecommunications has pledged as its **Vision**, the aspiration to lead in the Formulation and development of a Communications Policy that provides the Basis for quality, innovative and responsive Postal and telecommunications services for The people of Samoa.

Its **Mission** is to work in partnership with all Stakeholders to develop an efficient, Effective, reliable and affordable Communications service for all the people of Samoa.

3. The Ministry's New Offices

The new Ministry of Posts and Telecommunications was required to find office space elsewhere to make room for the newly established Samoa Communications Limited, which now occupies all the old Post Office premises, including the Main Post Office, Matafele. Given the urgency for SCL to take over the whole premises of the old Post Office building, a rather frantic search for office space was made and finally it was decided that the Ministry be relocated to the top floor of the Chan Mow Plaza building Savalalo. The decision was based not only on the ready availability of reasonably good office space but also on its affordability for the Ministry.



4. Initial Staff for the Ministry

The Ministry has an initial staff of 16 employees. There are eleven salaried employees and four wageworkers. Nine of these employees were formerly with the old Post Office Department, but chose to remain with the new Ministry when the transition was effected on the 1st July 1999.

The Director of the former Post Office Department was appointed on a six months interim arrangement to head the new Ministry. After six months this position was advertised and the interim Director was reappointed to the position for a contract period of 3 years.

Two Assistant Directors were appointed in January 2000, to head the Divisions of Policy, and Licensing and Monitoring respectively.



5. Organisation

The new Ministry is initially composed of three main divisions:

1. The Policy Division
2. The Monitoring and Licensing Division and
3. The Corporate Services Division

In addition, the administration and functions of the Spectrum Management Agency, also established under the Act, had to be carried out by the new Ministry during this initial year. This is an added responsibility, which the Ministry has to shoulder in view of its overall responsibility for the due and proper administration of the Act, and pending the recruitment of the required staff for the Spectrum Agency's separate management.

5.1 The Policy Division:

This Division's main role is to develop the Government's Policy for the Communications Sector.

Developing the Sector Policy requires the Division to carry out certain enquiries, surveys and researches to identify further communication needs of the country. It also requires assessing the performance of the Service Providers and Government in meeting the communication needs and in particular pursuing the objective of universal access for Samoa. The data collected is then analyzed and provided by way of advice to Government for development of the Policy.

This work involves assessing the current availability of the basic telephone and postal services around the country, and identifying the problems affecting its effectiveness in serving the needs and requirements of the people. Furthermore the attractions of new technology and other value-added services require proper and careful research into their advantages and disadvantages and how they may effectively fulfill any current and future demands in the local market.

The Division is also responsible for obtaining feedback from the public, in order to assess the perceived quality of the providers' performance, and to ensure the public's participation in the development of the Sector Policy. This data will also need to be compared with those from other countries with similar economic and social conditions as Samoa, to get a more global picture of Samoa's communications development.

At this initial stage of the Ministry's development, the Policy Division plays an important part in coordinating the Ministry's role in the on-going consultation with the stakeholders on a proper institutional set-up for the Sector, and in finalizing the National Communications Sector Policy.

5.2 The Monitoring and Licensing Division:

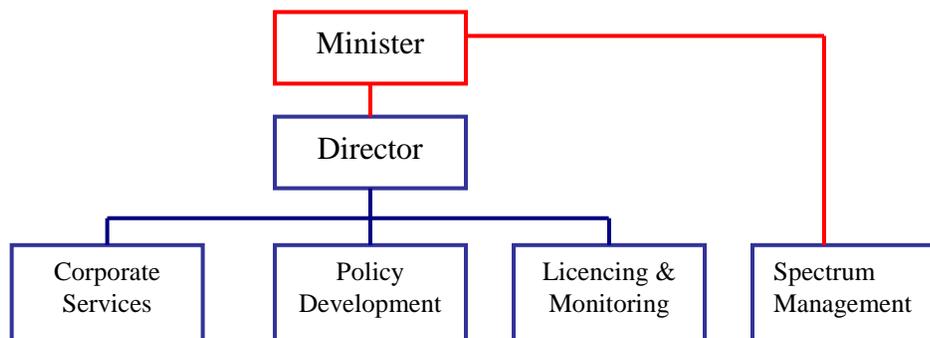
This Division complements and interfaces the work of the Policy Division and the Spectrum Management Unit through its monitoring and Inspectorate role. It is required to maintain a watch over the performances of all communications service providers, in terms of meeting the demands of the clients under their approved conditions of licenses, and in assessing any needs for service expansion to meet such demands. This Division is also required to research and provide the technical and feasibility advice on any new and potential investments in the communications industry.

This Division is also presently required to process applications for frequency usage and inspection of sites and other requirements for the issuance of licenses.

5.3 The Corporate Services Division:

This Division includes the Accounts, Records, and training sections, which provide the administrative support services that are required for the work of the Ministry. A Chief Administration Officer heads this Division but it is intended that this position would be upgraded to the Assistant Director level in the future for consistency and in order to reflect on the level of responsibilities and importance of the work involved.

6. Current Organisation Structure



7. Budgetary Provision

A total expenditure budget of about \$600,000 was apportioned from the 1999/2000 Expenditure Budget of the former Post Office Department, for the establishment of the Ministry. A further 300,000 was provided in budget below the line, for the Spectrum Management function. Much of this total provision was used for the establishment of the new Ministry in this first year of operation, although the funds provided below the line were not much used.

The Ministry proposed a revenue collection of about \$150,000 for this initial year of operations. This amount of revenue collection was estimated from a proposed revision of



rates for licenses, Spectrum fees and charges, which unfortunately could not be finalized and effected for the year under review. The Ministry nonetheless collected a total of \$14,439.85 of such fees and charges based on the existing rates, during this initial year of its operations.

8. State of the Postal and Telecommunications Services before 1999

The new Samoa Communications Limited (SCL) as the main provider of postal and telecommunications services in the country, has been granted an exclusive license for an initial period of 10 years to provide all services that were previously carried out by the former Post Office Department. These services include the provision of the main telecommunications network and its subsidiary services for the country. By way of background the following sections provide some brief information on the state of the industries in terms of infrastructure and other related developments made prior to the establishments of the Ministry of Posts and Telecommunications and the Samoa Communications Limited.

8.1 2nd Major Telecommunications Upgrading Project:

Most of the present telecommunications infrastructure was installed during the 1990-1994 Second Major Telecommunications Project, funded mainly by the Asian Development Bank and the World Bank. The main objectives of this Project were to upgrade and expand the existing Telecommunications Network and set up a basis for its future expansion and to lay the groundwork for the necessary development of rural telecommunications. This Project introduced modern technology, which provided superior services of minimum maintenance and maximum reliability. The three main components for this upgrading and expansion project were, Switching, Radio Transmission and External Plant. Some of the expected results of this Project included the installation of a new Digital Exchange at Lalovaea with an optimum capacity of 10,000 lines and associated manual toll board, which replaced the old cross-bar telephone exchange of about 3000 lines, that had existed for over ten years. Four new Remote Line Rural Digital Exchanges were also installed at the locations of Faleasiu (700 lines), Lufilufi (250 lines), Salelologa (700 lines), and Auala 250 lines), providing improved telephone lines facilities for the surrounding districts. A new digitalized Microwave Network was also installed to connect these exchanges.

The Project also provided for new improved quality underground and overhead cables for the new main Exchange and the four new rural exchange networks.

As a second phase to this major upgrading of telecommunications facilities, this Project also included Technical Assistance for the Institutional Strengthening of the Post Office Department. This technical assistance sought to address the need to improve accounting records and financial operational control, and the more longer term objective of assisting Government in the formulation of an appropriate regulatory and institutional environment for future postal and telecommunication development.



A recommendation submitted as part of this Technical Assistance initiated the process of changes, which were finally realized and effected in July 1999.

8.2 New Satellite Earth Station:

The new Standard 'A' Satellite Earth Station at Maluafofu was commissioned in 1993, replacing the old Earth Station at Afiamalu. This Project resulted in a significant increase to more than 90 international circuits for the new station, from the 46 maximum circuits that the old Station was capable of providing. The new station is a state-of-the-art model that provided a larger capacity by maximum channels available, and a marked improvement in the quality of voice clarity.

8.3 French IRT 2000 Project:

Funded under French assistance, this project was commissioned primarily to provide a more reliable specialized communication system for the aviation services of the main International Airport, Faleolo. The new radio system replaced the old 19-mile underground cable link from the Airport to the main Apia Exchange, which was creating too frequent interruptions for the safety of aircraft operations. The capacity of this system also allowed for the provision of telephone services to select rural areas like Tuasivi and Mulifanua.

8.4 The Rural Telecommunications Project:

Funded under a Grant from the Japanese Government, this project provided more telephone services to the rural areas with radio linked Digital Concentrator System Technology. Coverage spanned most of the country from Aleipata district in Upolu to Itu Salega district in Savaii.

8.5 Privately owned Communications Services:

Exceptions to the services under the exclusive license for SCL are the privately owned telecommunications equipment dealers and courier companies, which were in existence before SCL came into being. The telecommunications companies deal in the sale of telecommunications systems and equipment as well as the internal installations of these systems, and the courier services provide alternative mail delivery internally and internationally, especially for private companies and international organizations.

8.6 The Mobile Cellular Service:

In 1995, the former Post Office Department proposed through a Cabinet submission the provision of mobile cellular service for the country. Cabinet then decided to approve the privatization of this service, through a joint venture arrangement between the Government of Samoa and Telecom New Zealand, which arrangement now exists as the Telecom Samoa Cellular Company (TSCL). The License issued to TSCL is an exclusive one for the provision of cellular service by the Analogue System. This service is



presently a monopoly but competition would ensure more efficiency and better quality as well as a less expensive service.

8.7 The Internet Service:

Internet service was first introduced and provided in the country by a private company called Pacific Internet Company. In 1997, Pacific Internet was in receivership and the Internet service was terminated. The Government then passed Legislations, which allowed the former Post Office Department to take full responsibility and control of the Internet services in the country. The intervention of Government was most necessary for many reasons, the most important of which was to ensure the urgent reintroduction and the provision of a more reliable Internet service for the country.

In 1998, two companies presented proposals for the provision of Internet services. Computer Services Limited was authorized to be the Internet Service Provider for the time being. The Post Office Department continued to be the Main Gateway provider for international Internet link. The other private company of Lesa Telephone Services Ltd who presented a proposal became the second Internet Service Provider for the country later in 1998. A third Internet service provider, iPasifika, began operations in early 2000.

The new Samoa Communications Limited has been granted an exclusive License to operate all telecommunications services. As such the way is opened for it to also operate as an Internet service provider. However SCL is also the International Gateway Provider for Internet for the country.

Internet service is booming in the country and its popularity may be measured simply by the extensive usage of computers by all sectors particularly, business, education, health, government, international organizations and a number of individuals. A real setback in this development however is the noticeable lack of telecommunications lines to some of the more remote and outer districts of the country.

8.8 Other Value-Added Services:

There is a host of new technological developments now in the telecommunications international market, which could be introduced into the local network. Packet Switching, Paging, Wireless Local Loop, Fibre Optic Cabling, Teleconferencing/Tele-education/Telemedicine and the network convergence concept, are just some of these technologies for mention in this report, which are already in use in most developed countries. Closer to home, countries like Fiji, Papua New Guinea, and Tahiti have already introduced some of these new value-added technologies into their systems.

8.9 Postal Services Development:

Part of the developmental activities during the years discussed above, was the implementation of plans for modernizing the postal systems and operational procedures for the Postal Services and the expansion of postal facilities in the rural areas.



New District Post Offices and a few more Sub-Post Offices were established. The computerization of transactions for the then Post Office Savings Bank also became a reality for the very first time in the history of the Postal Services in Samoa. Additionally new services were introduced for the improvement and modernization of the postal operations for the country. These included the introduction of the Express Mail Service (EMS), which was considered vital in our efforts to provide a more competitive working relationship with the private courier services already operating in the country. Also the introduction of Franking Machines operation providing a more efficient postage alternative to the traditional use of definitive stamps was made. Private companies and organizations, international and regional agencies as well as Government Organizations with exceptionally large volumes of mailing requirements have benefited more through this franking machine service.

A number of changes were also made to the physical layout of the Postal Division to enable a more effective and customer oriented service for the Public. The relocation of the Philatelic Bureau to the ground floor and the improvements in the physical layout of the mail and parcel areas for better service and to improve security of mail items, were effected.

Despite the physical setbacks brought about by cyclones Ofa and Val, the Department was able in conjunction with the Universal Postal Union to continue its programme of consultancies for the purposes of introducing new systems and services as well as for the training of local staff. The expansions of such services meant the need for training of staff and the provision of new equipment for postal services in the district and rural areas.

In line with Governments Reforms Agenda the Post Office Savings Bank was finally privatized in 1995.

8.10 Cyclones Ofa and Val:

It is considered pertinent to make a brief statement on the impact of the two cyclones Ofa and Val on the development of the postal and telecommunications services in the country. In the month of February 1990 Cyclone Ofa struck the country. Despite the promising progress eagerly anticipated by the department this year, particularly in its developmental efforts as explained afore, the cyclone wrought havoc and devastation to the departments existing facilities. The unavoidable delay that resulted in the implementation of the set development projects for that year meant that the setback in the Departments plans for the future was inevitable and sadly experienced.

The damages to the Departments facilities as a result of Cyclone Ofa were quite extensive. Particularly in the Telecommunications sector where about 80% of the networks including outside plants, radio links, and switching facilities were severely damaged, putting such services out of use for many months for most of the country.

The Departments main building in Apia and other department buildings in Salelologa, Asau, Tuasivi, Maluafou, Tapuivi, Lepiu-tai, Afiamalu and Mt Fiamoe were also extensively damaged and required urgent major repairs.



As if Ofa was not pernicious enough, the year 1991 saw yet another natural calamity in the form of Cyclone Val. Despite the substantial progress in the rehabilitation of the ruins of cyclone Ofa, Val brought about further and more extensive destruction. The particular area of major damage and therefore concern for the Department was the telecommunications facilities. Some 60% of the outside plant network was rendered out of order. However the lesser extent of the damage by Val as compared to the Ofa destruction, particularly in the cable network was due mainly to the higher quality of the new technology and improved cables installed under the then progressing Major Telecommunications Upgrading Project. Some of the buildings damaged by Ofa were either still under repair or not yet repaired when Cyclone Val struck.

In all a total of more than five million tala's worth of repairs and reconstruction work was estimated, as a direct result of the destructions caused by the two cyclones.

9. The Work of the Ministry in its First Year of Operation

9.1 The Communications Sector Policy:

A major task for the Ministry since its establishment was to formulate and draft a Communications Sector Policy. A Task Force comprised of the major stakeholders in the Sector took up the mission of researching, discussing and formulating the first draft of the Sector Policy. These stakeholders included representatives from most of the private telecommunications and courier companies in the country, various Government Ministries and Corporations, the Chamber of Commerce organization, and the general public. The Ministry was directed to facilitate the work of this Task Force. After several months of work, a first Draft Policy was submitted for Cabinet consideration and decision through the Minister of Posts and Telecommunications.

In line with the general intentions of Government, the proposed Communications Sector Policy is based on the idea of encouraging a good and stable working relationship and partnership between the Public and Private Sectors. The Policy proposes the need to open up competition as appropriate in the provision of Postal and Telecommunications services. This is considered a basic strategy in achieving the ultimate goal and objective of improving the quality of these services for the people of Samoa, while at the same time promoting a commercially viable environment for all stakeholders. By definition, quality is basically proposed to include the ready availability of services to all the people of the country and ensuring that the best technology is used at affordable costs to the consumers. The efficient and effective provision of such services plus ensuring universal access, are fundamental objectives for this Policy proposal.

9.2 Licensing and Monitoring Functions:

The Ministry experienced during this initial year of operations a number of teething problems that are normally associated with newly established entities. Some of these difficulties have prompted recommendations for certain changes and revisions of the



existing legislations. There is an obvious need to consolidate all existing legislation with a view to repeal the previous Post Office Act 1972 completely, and thus maintaining one piece of basic legislation, the 1999 Postal and Telecommunications Services Act, to ensure clarity and avoid ambiguity and contradiction.

During a stakeholders analysis discussion conducted as part of the Communication Sector Policy drafting Assignment, it became apparent that a marked division exists between stakeholders on the question of which authority should administer the Regulatory and the Licensing functions. Some argued for the function to be executed by an independent authority to be set up separately, and others have suggested that this is a role for Government through the Ministry. The commercialization of the postal and telecommunications operations under SCL, and in relations to the private telecommunications companies, requires Government to ensure a fair and responsible execution of the regulatory function for the Sector. With the establishment of the new Ministry of Posts and Telecommunications, the Government is in a position to initiate and properly establish such a situation for communications development in the future.

Some key issues, which have been considered during the discussions of this matter, include the considerable costs to Government of setting up yet another regulatory organization. The Ministry is the official Department of Government, charged with the responsibility to advise the Minister of Posts and Telecommunications on matters pertaining to the processing and issuance of licenses, including monitoring and regulating such operations. As the industry assumes a more commercial approach in line with the intentions of the 1999/2000 Statement of Economic Strategy, the Ministry is developing a closer working relationship with the private sector. The involvement of the private sector should also pave the way for competition as a strategy for the achievement of better quality and more affordable services for the people, hopefully in the foreseeable future. The opening up of such competition would then allow for increased private investment in the industry. Such a setting should raise the call for a neutral and fair administration of the Regulatory and Licensing functions for the Sector.

9.3 Spectrum Management:

Spectrum Management is the administration of certain rights to a Spectrum Bandwidth of Radio Channels and Frequencies allocated by the International Telecommunications Union (ITU), to countries of the world for telecommunications transmission purposes. As such, international and national laws, rules and regulations, control this Radio Frequency Spectrum and the allocation of frequencies. The former Post Office Department had carried out this function since its inception under the 1972 Post Office Act, until its de-establishment in July 1999. Since then the Ministry of Posts and Telecommunications has continued to perform the work required for the allocation of such frequencies and maintaining the Management of this Spectrum. This initiative is dictated by the mandatory responsibility of the Ministry to undertake such functions as are necessary for the due and proper administration of the related Legislations.

This work is presently carried out by the Ministry, which has the skeleton expertise to perform the basic related tasks for frequency allocations and management of the Spectrum. A request has been made to the ITU for a short-term consultancy in frequency



management to update the systems and procedures for a more efficient management of the Spectrum, and to provide the necessary training for the staff.

The Radio Spectrum is considered a sovereign right of any country, which its Government should be fully responsible for its management and safeguard. This work is similar in nature to any other licensing authority's work presently administered by Government Departments and Ministries. In this case, although the allocation of frequencies is somewhat routine it is still an integral and pertinent task crucial to the effective execution of the Ministry's licensing advisory function.

With the growing demand for new broadband technologies for Internet access and radio based services, the need to properly manage radio frequency spectrum and set up an efficient and effective procedure for coordinating the use of frequencies has become an urgent priority.

9.4 Human Resources and Training:

New changes have been introduced to the system, ensuring the modernization of methodology and technology in the industry in order to improve service quality. Subsequently, the Ministry's core function has changed significantly from the work once carried out under the former Post Office Department. The current emphasis of the Ministry's work on the Regulatory and Policy areas, means greater urgency and importance is being placed on its training needs. There is a lot of diversification and specialization in the work now carried out by the Ministry, which call for the retraining and upgrading as required, of the skills and knowledge of the workers. On that basis, almost every appropriate training opportunity offered to the Ministry is being taken advantage of. The main problems of lack of funding for some of these training offers, which are not provided with fellowships, continue to be a hindrance to this effort however.

Training plays such a vital role for the Ministry not only for the improvement of skills and knowledge of its own staff, but also in ensuring that the overall provision of postal and telecommunications services by the service providers are maintained at the appropriate quality levels within the Sector. The establishment of the Ministry's Training Division needs to be given serious priority in view of its own as well as the sector's expertise development needs. A series of Seminars and workshops on Public Awareness and Policy Development will be a major feature of the training programme of the Ministry in the next few years and in future.

Formal and on the job training conducted locally continue to cater for the immediate needs of the Ministry in records keeping, public relations, staff supervision, and improvement of knowledge and understanding of Treasury and PSC Regulations and procedures.

Training Courses and Conferences Attended during the Year:

| | Names Participants | Conference | Training | Period | Host | Venue |
|---|----------------------------------|--------------------------------------|-----------------------------|------------------|-------------------------|-----------------------|
| 1 | Hon Gafa Ioelu Sapau R Petaia | 22 nd UPU Congress | | 23/08-15/09/1999 | UPU | Beijing Hong Kong |
| 2 | Sapau R Petaia | | | | | |
| 3 | Sapau R Petaia | Talks with American Samoa Government | | 15/12/1999 | Govt. of American Samoa | American Samoa |
| 4 | Sooialo D Fong | 2 nd AGM ITU | | 03-07/4/2000 | ITU | Geneva Switzerland |
| 5 | Faafetai Ah Kuoi | 4 th AGM PITA | | 03-05/5/2000 | PITA ITU | Nadi Fiji |
| 6 | Leuelu Setu | | Radio Communication Seminar | 03-07/4/2000 | | Islamabad Pakistan |
| 7 | Sooialo D Fong | Telecommunications Development | | 7-8/6/2000 | ITU | Atlanta, Georgia |
| 8 | Kisa Kupa | 2 nd APT Conference | | 19-23/6/2000 | APT | Seoul, Korea |

UPU – Universal Postal Union: PITA – Pacific Islands Telecommunications Association:
ITU - International Telecommunications Union: APT – Asia Pacific Telecommunity

9.5 Corporate Plan and other Publications:

The Ministry's first Corporate Plan has been drafted. The Draft Plan documents the proposed mechanism for the Ministry to implement its functions during the next three years from July 2000 to June 2003.

Other publications under preparation for compilation include a Management Plan and a Service Charter for the Ministry. The Ministry's survey results and analysis will also be included in the various statistical publications of other Government Agencies for public information where appropriate.

10. Broad Outlook on the Work of the Ministry and a Vision for its Future

10.1 Functions and Legislation:

There is some difficulty in the proper execution of the Ministry's functions due to the lack of a clear-cut mandate for it to do so. A basic concern is the seemingly confusing wording and implications of certain parts in the current Postal and Telecommunications Services Act 1999, particularly on the execution and administration of the licensing and regulatory/advisory functions. The Ministry is therefore proposing certain amendments to the legislation along those lines.

The current Regulations issued under the old Post Office Act 1972 are also being reviewed to ensure compatibility and coherence with the requirements of the new Postal and Telecommunications Services Act 1999 as well as the proposed Communications Sector Policy.

The Ministry's functions need to be spelled out clearly through a revision of the current Legislation, to allow for a more effective performance of such functions. The Ministry must be allowed to make determinations and decisions in the exercise of its mandatory functions without the undue disruptions through the contradictions and lack of clear-cut definitions of such functions in the related Legislation.

Properly developed and maintained communications sectors in this industry worldwide have reflected extensive social and economic benefits. For Samoa, the ready availability of the basic telephone and mail service to all people in any part of the country is a vital communication link that would normally assist in the resolution of many social and economical needs. There are in addition a number of other new technological inventions that have been of much interest and use to certain sectors of the community. For the provider, who includes Government as a major stakeholder, a profitable investment should be pursued.

Such a beneficial situation can only be realized through a properly established and executed regulatory and licensing framework. This framework must start with the amendments of the Legislations and the introduction of new revised Regulations to ensure sufficient legal premises upon which the continuing developments in these services can and must depend. The Ministry is placing top priority on this aspect of its work in the next three years.

10.2 Spectrum Management and the Regulatory Functions:

Spectrum Management needs to be developed into a full-scale operation that should include all the functional tasks pertinent to an effective utilization and an efficient administration of this very important resource. Basic to this operation is a reliable monitoring system that will ensure proper control of the usage of the spectrum bandwidth by customers.



Likewise, the regulatory function must embrace the need for an efficient and effective law to control and administer the operations of postal and telecommunications services in the country.

The international situation suggests that different countries favour different models. The major developed countries have taken leaps in their regulatory functions developments. The New Zealand experience for example has already demonstrated full de-regulation of her Telecommunications industry. Australia and the USA have the Australian Communications Authority (ACA) and the Federal Communications Commission (FCC) respectively, as separate authorities controlling their industries. Yet another giant in this industry, Japan has continued to maintain tighter regulatory control of the industry through their Ministry of Posts and Telecommunications. Closer to home the question of separation of these functions is still under debate in many Pacific Island countries, where scarce market potentials and high technology costs call for more careful and full consideration of all factors involved.

For Samoa, several scenarios can be looked at for future development:

1. Retain all the three functions namely Policy, Regulatory and Spectrum Management, under the umbrella of the Ministry of Posts and Telecommunications.
2. Establish the Regulatory and Spectrum functions as a separate authority from the Ministry.
3. Retain the Regulatory and Policy functions under the Ministry of Posts and Telecommunications and establish a separate Spectrum Management Agency, as the present situation seems to demonstrate.
4. A further option is to have three separate authorities thus; the Ministry Of Posts and Telecommunications; the Telecommunications Regulatory Authority; and The Spectrum Management Agency.

The first option is obviously the more economical. The second option reflects an effort to economize yet at the same time demonstrating the need to ensure independence in the operation of these functions. The third option would be less costly and allows for the Regulatory and Policy functions to be executed in necessary interrelations, by the same authority. This option also allows flexibility and may be considered transitional to further development changes in the future for these functions. The last option is too costly and in an honest responsible view unnecessary for Samoa.

10.3 Network Expansion and New Services and Technological Database:

The Ministry has commenced during the year under review, the task of compiling and collating a reliable updated database upon which the considerations and recommendations for the establishment of new postal and telecommunications services technology, as well as improvements and expansions of the existing networks, could be based. Such tasks include the monitoring of existing services, the carrying out of related



surveys and studies, and the observance of other countries postal and telecommunications services progress and development.

10.4 Staffing:

The range of functions and the extent of the work of the new Ministry call for certain expertise and skills for implementation purposes. Technical expertise in many aspects of electronics and radio transmission and engineering are lacking in the present staff of the Ministry. This technical knowledge is necessary and vital to ensure that proper and reliable assessment and advice are made available for Policy formulation and issuance of licenses as required.

Moreover the need for experienced and competent analysts and researchers become more and more crucial as new and more dynamic technologies and systems are introduced. The diverse nature in interests and needs of people in the Communications sector in our country, require a totally new perspective and attitude to communications policy analysis and formulation. These ranges from the need for basic postal and telecommunications services to the very popular Internet and Tele-conferencing facilities, and as well as the potentially more economical convergence concept.

The need for more qualified staff in the corporate support services is also stressed in this report.

10.5 Competition as a Strategy to Ensure Quality Services and More Responsible Service Providers:

The availability of more than one Internet service provider has given the public a choice of which provider they should use. Likewise the availability of various types and brands of competitive quality telecommunications equipment like PABX's, Key Phone systems, Radio systems and telephone apparatus has contributed to a reasonable control in prices. Tighter controls and monitoring procedures for licensing and frequency allocations requirements by the Ministry has also encouraged the provision of high quality systems and technology by service providers.

Several courier postal services have been in operation in the country for many years. These services are internationally based networks and despite the limitations of their service coverage to mainly the major business and government sectors, have nonetheless provided quality and reliable services for the people of the country and, presumably to some extent, healthy competition for SCL.

Competition in this industry must be encouraged in the areas where it is considered appropriate to do so. This will assist in realizing development in terms of expansion of network, and affordability and reliability of such services. In addition, competition breeds new methodology and quality technology, and creative innovation.

10.6 Licensing and other Fees:

The existing licensing and other related fees were set over ten years ago. With the obvious lucrateness of the telecommunications industry in particular, and the present increase in companies dealing in these services, the need to be more realistic in terms of cost/benefit comparisons, dictates that the current rates be revised accordingly.

The present rates are considered too low to reflect a realistic commercial value basis for an ideal investment in the granting of licenses and frequency usage. These licensing fees must reflect the importance of these services and should also act as a deterrent for those providers who may want to be in only for the money but have no real desire to provide genuine and quality service for Samoa. New and quality technology and infrastructure costs have increased considerably over the last ten years. By the same token any increase in charges for these services by the service providers, must be considered as basis for corresponding increases in the license fees and other related charges.

10.7 Budget Provisions:

The dynamic development in these industries demands quality management, and the execution of services is of top priority for the Ministry. In that respect adequate resources must be made available to ensure that the Ministry achieves its set goals and objectives. Sufficient provisions must be appropriated in future budgets to fund the necessary staff and to implement the Ministry's on-going developmental initiatives.

10.8 International Relations:

The Ministry continues to draw on the appropriate assistance offered by the Universal Postal Union (UPU) and the International Telecommunications Union (ITU) as well as other international and regional agencies such as the Pacific Islands Telecommunications Association (PITA), in postal and telecommunications matters. For Samoa, the real lack of resources, vis-a-vis, the need for technical assistance, training opportunities, and other developmental assistance, dictates our need to affiliate with international and regional organizations such as these, as well as the strengthening of multi and bilateral relations with many countries of the world.

10.9 Reforms and the Future Role of the Ministry:

Government has started the ball rolling in terms of implementing its reform policy on the industries of postal and telecommunications. The current situation where the Policy/Regulatory/Licensing and the Spectrum Management functions have been separated from the operations of postal and telecommunications services seems to be taking hold and making some fair progress so far. However in order for Government to fully realize its initial intentions to work in partnership with the private sector for obvious positive reasons, it must be seen to be progressing towards that goal through continuing the development phases of the planned reforms for the industries concerned. There is a need for the service provision to progress further into a fully market based commercialized operation. Such an ideal service provision setting could however be



seriously jeopardized in terms of competition and increased quality investment, by a prolonged monopolized situation.

There is still a lot of work, which the Ministry should continue to concentrate on in schedule with its Corporate Plan objectives. The progress of work so far has indicated a convergence of views on the priority areas, which may need change. As discussed under the section on the Regulatory and Spectrum Management functions, the options for future Management of these functions are wide and open, depending on the model selected. The fledgling status of the Regulatory and the Spectrum Management functions also suggests a more cautious and careful approach to ensure the proper and sound nurturing of a reasonable and competitive operating environment.

For the Ministry, the major task of managing its scarce resources and its activities in the area of policy development and coordination provides a handful that must be pursued with determination and timeliness. Such a responsibility should not be discouraged or even understated through the lack of appropriately trained staff and sufficient funds, for its operations.

It is anticipated that the work of the Ministry in the next few years shall culminate in the final adoption of the National Communications Policy, which has already been submitted in draft form and adopted through Cabinet approval as a working document for further development. In that respect such assignments, as regular monitoring and fact-finding surveys of the sector need to continue. Regularly produced publications and reports on statements of progress in the sector policy's development, periodical corporate and management plans as well as the provision of service charters for the Ministry's work, will be high on its work priority schedule.

11. Acknowledgements

The assistance and cooperation of other Government Departments and Organizations, the Diplomatic Corp and International and Regional organizations during this first year of operations of the Ministry are acknowledged with much appreciation and gratitude. Our most sincere appreciation is also expressed for the cooperation and extremely fruitful support shown by all the Sector Stakeholders and members of the general public during our first year of work.

Finally we convey our special appreciation and gratitude to the Prime Minister and Cabinet for their guidance and decisions in support of the Ministry's efforts in its first year of operation.

Faafetai.