



Government of Samoa

MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (MCIT)

ANNUAL REPORT 2005/2006





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Honourable Safuneitu'uga
Pa'aga Neri

Minister of Communications and
Information Technology

Foreword

Communications development in all areas is a major focus of the current Government. Traditionally, telecommunications and postal communications have been utility services carried out by the Government, in its role of providing the public users with these services at subsidized costs. In the advent of the Public Sector Reforms initiated and progressed by the Government over the last two decades, the Government intention was on liberalization, and for the business community to provide these services. The government entities, such as ministries and regulatory authorities were to be responsible for policy formulation, implementation, review and regulation of markets and related sectors respectively.

As part of the long term commitment of this government to public sector reforms, the public service realignment of 2003 saw the merge and control of all communication sectors under one Ministry, with telecommunications, postal, broadcasting, and the government newspaper media coming under the Ministry of Communications and Information Technology (MCIT). Information and Communication Technology (ICT) Secretariat joined the Ministry later in 2005. The Ministry continued to carry out a dual role of providing policy advice and regulating the sector, whilst work was in progress to develop various communications policies (National Communications Sector Policy, National Broadcasting Policy, National Postal Sector Policy and others), with related legislations drafted to enforce these policies.

The Telecommunications Act 2005 was passed by parliament and became the main tool for telecommunications regulation since the 27th of July 2005. The Act was the cornerstone for establishing the Office of the Regulator later on. The 2005 telecom legislation is a notable achievement by the Ministry, as it has addressed numerous issues in licensing, competition, universal access, and monitoring of the current telecommunication environment.

I commend the assistance and involvement of all related stakeholders in achieving the goals and objectives of the Ministry. I also wish to extend a word of gratitude to the Cabinet/Government for trust in the Ministry as they fulfilled their services to the public in the reporting period.

Faafetai tele,

Safuneitu'uga P. Neri

Honourable Safuneitu'uga Pa'aga Neri

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY

Contents

Foreword.....	1
Contents.....	2
Introduction	3
Vision.....	4
Mission.....	4
Corporate Values	4
Corporate Primary Objectives.....	5
Mandate.....	5
Organisation Structure.....	6
Significant Developments Financial Year 2005/2006	6
Corporate Services Division	7
2005/2006 Workforce:.....	7
Budget Expenditure/Revenue	7
Policy Development and Formulation Division.....	8
Reviewing of the National Communications Sector Policy 2003 (NCSP)	8
Survey Work	9
International and Regional Forums.....	9
Licensing, Monitoring and Spectrum Management Division.....	10
Licenses	10
Licensing/Frequency Allocations.....	10
Regulatory Environment	11
Regulations.....	11
Liberalisation	11
Inspections	11
Telecommunications Act 2005.....	12
Deed of Settlement September 2005	12
GSM Operations	13
Conferences.....	13
ICT Secretariat.....	14
National ICT Strategy.....	14
Regional and International Development Conferences.....	15



Afioga Tua'imalo A. Ah Sam

Chief Executive Officer of the
Ministry of Communications
and Information Technology

Introduction

The Samoa Communication Sector has been stagnant for years, hindered by the lack of adequate sector policy and regulation. Realizing this unhealthy communication environment which has limited competition and detained economic growth, the Government then was committed to implementing a telecom sector reform. The key elements of the reform include increasing competition; strengthening regulatory capacity; expanding rural access; and the process towards privatization of the national telecommunication service provider, the SamoaTel.

The Government's commitment to sector reform saw the approval of a Telecommunications and Postal Sector Reform Project in December 18, 2002. Its focus was in Competition and Sector Reform; Regulatory Reform; SamoaTel Privatization; and Postal Sector Reform. The ultimate goal of the Government via the Ministry is for the users of communications services to gain economic and financial benefits via reduced prices of communications services; extended access to communications services; higher regional integration and reduced isolation; increased competitiveness of enterprises; and improved postal services to the benefit of households and businesses.

The passing of the Telecommunications Act 2005 by parliament has laid down the new legal, policy and regulatory framework for telecommunications development in Samoa. It is another milestone towards achieving world class telecommunications services for the country.

We wish to convey our appreciation and heartfelt gratitude to the Prime Minister and Cabinet for their support of the Ministry in the financial year reported. We also wish to extend a word of thanks to the Regional and International organizations such as the International Telecommunications Union (ITU), Asia Pacific Telecommunity (APT), and the Pacific Island Telecommunications Association (PITA) for the many opportunities to attend meetings, conferences, forums, workshops and trainings for the sector and the Ministry.

Faafetai tele,

Tua'imalo A. Ah Sam
CHIEF EXECUTIVE OFFICER

Vision

It is envisaged that the Communications Sector of Samoa will provide services and technology that are:

- ✓ Modern
- ✓ Available
- ✓ Accessible
- ✓ Affordable
- ✓ Suitable

Mission

To ensure the provision of high quality postal, telecommunication, broadcasting, Information and Communications Technology (ICT) services.

Corporate Values

We value our Samoan culture and traditions and their emphasis on respect when dealing with all our stakeholders and customers. They complement the following values:

- ✓ Honesty
- ✓ Integrity
- ✓ Consistency
- ✓ Professionalism
- ✓ Timeliness
- ✓ Fairness
- ✓ Commitment
- ✓ Dedication
- ✓ Loyalty
- ✓ Fitness
- ✓ Gender Equity
- ✓ Transparency/Accountability
- ✓ Feutaga'i/Soalaupule

Corporate Primary Objectives

1. Update and reform communications frameworks for regulatory and policy development
2. Maintain quality and availability of communications services
3. Maintain suitable and secured Information and Communication Technology (ICT) infrastructure
4. Relevant National ICT Policies
5. Maintain and develop human resource skills

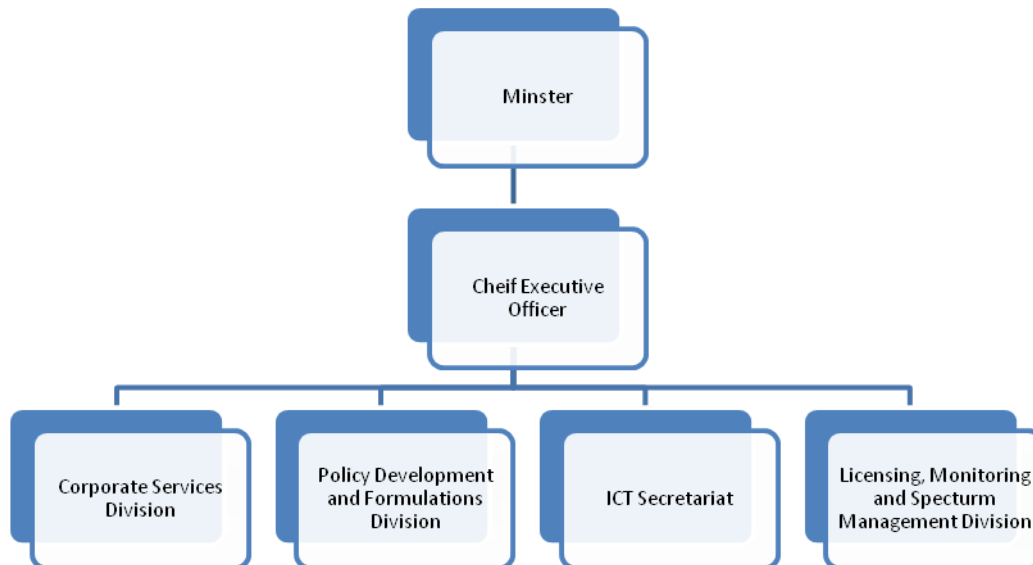


Mandate

The Ministry derives its authority to carry out its core activities from:

- ✓ Ministerial and Departmental Arrangements Act 2003
- ✓ Postal and Telecommunications Services Act 1999 (not repealed parts thereof)
- ✓ Post Office Act 1972 (not repealed parts thereof) and related regulations
- ✓ Broadcasting Ordinance 1959
- ✓ Public Service Act 2004
- ✓ Public Finance Management Act 2001
- ✓ Public Finance Management Amendment Act 2005
- ✓ Telecommunications Act 2005
- ✓ National ICT Strategic Plan
- ✓ Strategy for the Development of Samoa (SDS) 2005 – 2007
- ✓ National Communications Sector Policy
- ✓ Nation Broadcasting Policy 2005 and related codes and standards
- ✓ Government Policy on Competition in the International Telecommunications Market 2008
- ✓ Cabinet Directives

Organisation Structure



Significant Developments Financial Year 2005/2006

July 2005:

- ✓ The New Telecommunications Act 2005 came into force
- ✓ National Broadcasting Policy in place
- ✓ The establishment of the ICT Secretariat within the Ministry of Communications and IT.

September 2005:

- ✓ Signing of Deed of Settlement between Government, Telecom Samoa Cellular Limited (TSCL) and SamoaTel

January 2006

- ✓ Due to Government Reforms and the realignment of Ministries in 2003, the Savali Newspaper was referred to MCIT as part of uniting all Government Communication entities under one Government Ministry. It stayed with MCIT until the reallocation to the Office of the Prime Minister in January 2006.

April 2006:

- ✓ Issuance of GSM license to Digicel (Samoa) Limited

June 2006:

- ✓ Issuance of GSM license to Telecom Samoa Cellular Limited (TSCL)

Corporate Services Division

The output is managed by the Principal Accounts & Administration Officer. The division provides administrative, personnel and secretarial support services to the CEO of MCIT, Hon. Minister of Communications, Policy Division of MCIT, Licensing & Monitoring Division, ICT Secretariat and the Savali Newspaper (Public Information Release Services).

It provides leadership in administration and supervision of resources to ensure compliance with the Public Finance and Management Act 2001 and the Public Service Commission.

2005/2006 Workforce:

Output 1	Policy Advice to the Minister	1 CEO
Output 2	Ministerial Support	2 +1 Casual
Output 3	Policy Development	4
Output 4	Spectrum and Licensing monitoring	4
Output 5	Public Information Release Services	5 +1 Casual
CSU1	Corporate Services	8 +5 Casuals
Transaction on behalf of the State	ICT Secretariat	1 ICT Manager 1 Project Coordinator
	Total Staff	26 + 7 Casual Workers

Budget Expenditure/Revenue

Expenditure FY 05/06	Revenue FY 05/06
\$2 560 636	\$1 680 146

Policy Development and Formulation Division

Description: This output coordinates policy advice on behalf of the Ministry of Communications and Information Technology; develops and reviews the National Communications Sector Policy; promotes awareness of the Policy; coordinates development of specific legislations related to communications; revise and recommend legislation amendments; coordinates communications projects in consultation with international organizations; and represents the Ministry at various government and international communications forums.

The division conducted its work activities with its capable staff, and with the assistance from the selected consultants working in the various communications projects coordinated by the Ministry.

The key policy achievements for the government via the Ministry in reporting period 2005-2006 are reported as follows:

Reviewing of the National Communications Sector Policy 2003 (NCSP)

The Ministry is responsible for reviewing the efficiency and commercially viable application of the NCSP for Samoa. At this reporting period, the division put more effort into further assessment of the policy, to ensure that all issues in relation to it are properly addressed.

The policy was the main document that the Ministry used as a guide for its decision making, while also focusing on the long term goal of separation of a regulatory body from the ministry. While the Policy division conducted ongoing consultation with key stakeholders to seek comments on the critical policy issues, minor surveys on postal and

telecommunications services provision and customer needs/satisfaction were also carried out and assisted in informing the policy assessment process further.

The policy has also been a living document appropriately used for not only regulation of the sector, but the focus on the issue of establishing an independent regulatory body for monitoring the implementation of the same policy. This policy initiative saw the investment by the government to develop over a couple of years prior to this reporting period legislation for the establishment of the regulatory body. On the 27th of July 2005, the Telecommunications Act 2005 officially became the tool for implementation of the NCSP, and the establishment of the Office of the Regulator. The Ministry, on the other hand looked at developing and formulating other policy issues in the sector, such as Internet, Information and Communication Technology, broadcasting and widening perspective on postal service provision and regulation.

Since the realignment of government ministries, MCIT became the sole Ministry for providing policy advice to the government on all communication matters. Traditionally, telecommunications and postal were more or less utility services provided by the government. However, in the advent of dynamic public reforms by the government, the ministry was mandated to also devise policies and legislations for other forms of communications as in broadcasting, ICT, the use of the Internet and other related policy issues.

While the NCSP has its focus on telecommunications and postal issues, the ministry formulated the National Broadcasting Policy (NBP). The policy was approved by Cabinet and has since become a tool that assisted the ministry/government in the

regulation of radio and television broadcasting services, with focus on content regulation. The management of spectrum and frequency allocations was reinforced by the Telecommunications Act 2005.

All executive representatives from both the radio and television media in the country were involved in the Broadcasting Working Group (BWG) that was chaired by the Minister of Communications that assisted in developing and formulating the same policy. All broadcasters were all active in the policy development process, and were all aware of the policy codes such as observance of good taste and decency, maintenance of law and order, privacy of individual, balance in reporting, fairness, accuracy and their social responsibilities to the public listeners and viewers. In light of the public complaints, the policy assisted in resolving content issues raised by complainants, and the broadcasters complaints were usually based on radio interferences, and were resolved under the Spectrum Management Unit.

Survey Work

The Policy division is tasked with undertaking relevant and appropriate research on local sectoral activities as well as regional and international diversity in communications development.

Minor surveys were organized during the reporting period, to build up the Ministry's database on the range of communications services provided and the types of technology used.

Human Resources Development of the Sector Training Needs Analysis of the sector is an annual exercise, which is conducted to assist the capability development of industry personnel so that the ultimate goal of delivering efficient and high quality services to the public is achieved.



MCIT staff and a participant at a Broadcasting Workshop

From the analysis, the policy division identified network planning, radio and satellite communications and learning other new technology as high priority training needs. Through ongoing liaison with regional and international donor agencies, including submission of a report on the sector human resources needs, training opportunities were provided that met some of the identified needs.

A total of five short-term training fellowships were awarded during the review year.

All fellowship recipients furnished training reports to the Ministry upon completion of the course.

International and Regional Forums

Through continued participation at relevant international and regional forums, the policy division effectively coordinated the Ministry's position on significant policy issues. The Ministry's involvement not only assisted the work of organizations, namely International Telecom Union (ITU), Asia Pacific Telecommunity (APT) and Pacific Island Telecom Association (PITA), but also proved to be very educational for the Policy staff.

The reporting period also saw the continued involvement of policy staff in specific working/study groups of ITU and APT.

Such exposure at these levels, coupled with the various training opportunities, helped not only in the overall staff professional development but also improved quality of advice coordinated for the Ministry on key issues. Timely and relevant reports were submitted to the Minister and Cabinet.

The corresponding table summarises the conferences, seminars and training programmes attended by Policy division on behalf of the Ministry.

Event	Period	Sponsor
Regulation and Privatisation Issues in Telecommunications Washington, DC	22 July-29 July 2005	World Bank Project
Telecommunication, Standardisation Program Forum, Melbourne Australia	22 October-29 October 2005	Asia Pacific Tele-community
Communications Regulatory and Policy Environment, ACMA, Melbourne Australia	13 November – 25 November 2005	World Bank Project
Workshop on IP Telephony and Next Generation Network (NGN), Hong Kong	3 March-12 March 2006	Asia Pacific Tele-community

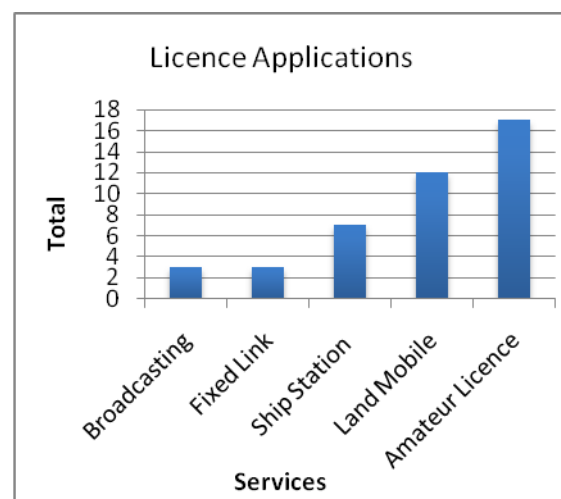
Licensing, Monitoring and Spectrum Management Division

Description: This output is responsible for the execution of the licensing procedures and monitoring of the telecommunications sector as well as managing radio spectrum. The key issues in the Licensing, Monitoring and Spectrum Management division in reporting period 2005-2006 are reported as follows:

Licenses

The Division processed forty-two (42) applications for this year. Seventeen (17) applications were received for amateur licences; twelve (12) for land mobile and fixed stations; seven (7) for marine (ships) stations; three (3) for broadcasting stations; and three (3) licences for fixed link (point to point).

New Applications 2005-2006



Compared to the previous years, applicants proved to have more knowledge of the information required to process licences. Therefore, the process proved faster and smoother. The consultative workshop held at the beginning of the financial year assisted in informing the public about the licensing process especially on terms of the information that needs to be submitted with the applications as well as payment of licence fees.

Licensing/Frequency Allocations

MCIT continued to be responsible for issuing licences for communications services that have been approved by the Minister of Communications and monitoring compliance with the licences, and the mentioned responsibilities were referred to the Office of the Regulator when established in the following financial year. It has also managed the radio frequency spectrum (according to its

allocation plan), until the proposed regulatory body was to be established.

Regulatory Environment

As a reinforcement of Government's commitment to introducing competition in the telecommunications sector, stipulated in the National Communications Sector Policy, two teams of consultants were working in conjunction with the MCIT in producing the new Telecommunications Law and appropriate regulations to govern a "reformed sector". As part of this move, the establishment of an independent Regulator was mandated under the new Telecommunications Act 2005 to ensure that the Sector operates competitively and fairly.



Olomanu, Taga Radio Inspection Site

Regulations

Under the World Bank Sector Reform Project, a new set of regulations were introduced to supplement the new Telecommunications Act and equip the proposed independent Regulator with tools to enforce the implementation of objectives in the National Communications Sector Policy.

The Radio Regulations 1979 still existed in reporting period and were subject to review when the Office of the Regulator was to be established.

Liberalisation

It was anticipated that the Office of the Regulator would be set up in advance of implementing staged liberalisation of the communications sector.

Inspections

The Division continues its routine and spot-check inspections as part of its efforts to monitor the services of licensees as well as service providers. The essence of the inspections is to check on radio equipment or apparatus used for communications at fixed and mobiles stations such as taxi stands, ferries, ships, any fishing vessels; satellite dish and the like. This is to ensure that the specifications mentioned in the forms submitted to the Ministry are consistent with the equipment used. The inspections also look at the location of the poles and fixed stations used for transmission to ensure that there is no interference of radio frequencies used. The Division acknowledges the assistance and cooperation of the service providers during its inspections.

The Division also continued its mediating role in disputes between service providers especially on usage of frequencies. Very few complaints were received for this period most notable of which was the interference problem between the Samoa Airport Authority and Samoa Broadcasting Corporation. (SBC) which was resolved after parties met with the office and agreed on remedial actions.



Microwave Repeater Station, Lepiu-Tai, Safotu

Telecommunications Act 2005

As one of the major outputs and objectives of the Telecommunications and Postal Reform Project, a Telecommunications Act 2005 (“Act”) came into being in July 2005 replacing parts of the Post Office Act 1972 and the Postal and Telecommunications Service Act 1999. The Act was successfully passed following a series of public consultations whereby the content of the Act was presented for stakeholders comments, scrutiny and analysis. Drafted by McCarthy Tetrault of Canada, the Act effectively captures the Government of Samoa’s (“Government”) policies and intentions for the telecommunications sector.

The Act created a new regulatory and legal framework for the telecommunications sector (“sector”) encompassing principles and trends not inconsistent with countries with well developed sectors as far as policies, regulatory practices, technology and general developments are concerned. The Act has 13 objectives to facilitate the development of the sector and to promote the efficient and reliable provision of telecommunication services relying as much as possible on market forces such as competition and private sector investment to achieve such objective.

The Act has 86 provisions split over fifteen Parts with comprehensive references to issues such as licensing, universal access, radio spectrum management, competition policy, interconnections, tariffs, equipment, numbers, access to property, relationships between service providers and customers and disputes, offences and enforcement.

Deed of Settlement September 2005

One of the Project’s objectives was to introduce a second mobile provider into Samoa. By 2005, the only mobile provider in the country, since February 1997 was Telecom Samoa Cellular Ltd (“TSCL”). TSCL

was a local company which, via a Joint Venture Agreement between the Government of Samoa and Telecom New Zealand Ltd, was given a licence granting exclusive rights to offer mobile services for a ten-year period in Samoa starting from February 1997.

When Government commenced the process to recruit a second mobile provider in 2004, TSCL objected saying that Government would be breaching the joint venture agreement as well as the licence terms regarding the 10 year exclusive period.

The two parties, Government and TSCL negotiated over the matter and having agreed on some terms agreed to a Deed of Settlement (“Deed”) between Government, TSCL, Telecom Pacific Investments Limited and SamoaTel. In a nutshell, the Deed directed:

- that Government grants TSCL a licence to provide telecommunications services to the public based on the Global Systems for Mobile (“GSM”) Communications standard;
- Government commenced proceedings to issue a GSM licence to a new mobile operator;
- Amendments to the 1997 Cellular Services Licence to TSCL;
- Government to licence TSCL to operate an international gateway for the purpose of transmitting traffic originating or terminating on TSCL’s own Samoan network between Samoa and international destinations; and
- Government grants SamoaTel a GSM licence three months after the new

mobile operator and TSCL commenced providing GSM services.

The Deed also noted that further reforms may be introduced by Government to licence additional services providers and to introduce further competition in telecommunications markets at any time including removal of restrictions in respect to the use of the international gateway licence held by TSCL.

GSM Operations

Two other significant events during this financial year; and outcomes of the Project were the issuance of two GSM licences; one to Digicel (Samoa) Ltd in April 2006 and TSCL in June 2006. The issuance of licences was partly a result of the implementation of Government's reforms under the project and partly a direct condition of the Deed which also meant a later granting of a GSM licence to SamoaTel.

Conferences

The Division Staff were fortunate to attend meetings, conferences and seminars on the international and regional level.

Event	Period	Sponsor
Pacific ICT Needs Assessment and Strategy Planning Workshop, Noumea	27Aug - 31 Aug 2005	South Pacific Commission/ International Telecommunications Union
6 th Meeting of TDAG and 2 nd meeting of Experts Group on IP Telephony, Geneva	1 Oct - 5 Oct 2005	International Telecommunications Union
Pacific Senior Communications Meeting, Hawaii	5 Nov – 9 Nov 2005	Ministry of Defence
Expert Group Meeting on Gender Perspective for ICT, Bangkok	18 Dec - 19 Dec 2005	United Nations Economic and Social Commission for Asia and the Pacific
Seminar on Telecom Policy and Regulatory Framework, Pacific Islands Countries, Suva	19 Feb - 21 Feb 2006	International Telecommunications Union
Telecom Policy and Regulations Training, Japan	27 May - 15 Jun 2006	Japan International Cooperation Agency
Seminar for Industry Associations in ICT Sector, Bangkok	12 Jun - 14 Jun 2006	International Telecommunications Union

ICT Secretariat

Cabinet established the ICT Secretariat once the National ICT Strategy was completed. The role of the Secretariat was to implement the strategies as detailed in the National ICT Strategy.

The Manager and Project Coordinator were appointed as staff of the Secretariat.

National ICT Strategy

Vision: ICT for all - To harness ICT as an enabler of social and economic development for Samoa.

The Priority Projects for each sector are listed and include:

- Rural Connectivity Programme
- Electronic Applications such as e-Government, e-Commerce, e-Education, e-Health etc.
- ICT Related policies and regulations
- SchoolNet and Teacher ICT training
- Digital Archiving of Information
- Capacity Building as well as
- Representing Samoa at the regional and international development ICT conference and or workshops.

Implementation

During this period, the Rural Connectivity Programme started with the Feso'otai centers, or telecenters. Ten centers were funded by the International Telecommunication Union (ITU). These centers are managed by Women's Committees and one Youth Group, and are located in the following villages:

1. Vailoa Palauli
2. Gataivai
3. Sagone
4. Auala
5. Safune
6. Fuailoalo
7. Safaatoauta

8. Salepoua'e
9. Saoluafata
10. Lotofaga



Feso'ota'i-Center, Auala Savai'i

The room and furniture for this project was the responsibility of the women and youth group. Each center has the following items:

- i. Five Computers
- ii. One all in one printer that also has a scanner
- iii. Photocopier with fax
- iv. Internet dial up connection
- v. Web Cam
- vi. Data Projector and Screen
- vii. Digital Camera

During this financial year, the implementation of 2 telecenters was completed and launched. These were the centers in Fuailoalo, Mulifanua and Safaatoa-uta, Lefaga. Implementation of the rest of the telecenters continued until the next year.

Training was conducted in all telecenters as implementation was completed in the Samoan language. It included center management, recording data and basic book keeping.

The services offered by the Feso'ota'i centers are all paid services that include typing, fax, Internet, photocopier and photo taking. The idea is they receive the monies from these

services then bank it to be used for consumable and maintenance when needed.

While this project was implemented, the Secretariat was also seeking funds to start implementing other priority projects.

Regional and International Development Conferences

Event	Period	Sponsor
World Summit of the Information Society, Geneva	13 Nov-18 Nov 2005	International Tele-communications Union
Internet Governance Forum Preparatory meeting, Geneva	16 Feb – 18 Feb 2006	International Tele-communications Union
World Telecommunication Development Conference, Doha	7 March – 15 March 2006	International Tele-communications Union