Government of Samoa

MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (MCIT)

ANNUAL REPORT 2006/2007

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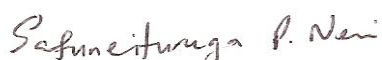
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Foreword

Communication continues to provide in this financial year an enabling environment for the social and economic development of Samoa. Both the technical and business development in the telecom sector became more important than ever. The developments on the Information and Communications Technology (ICT) for both voice and data services look promising, after the Government started negotiations for a submarine fiber optic cable that would provide more capacity and broadband services in the future. The Government continues to fulfill its mission on separating operational activities, policy developments and regulatory approach as evident in the initial stages taken in drafting a Broadcasting Act. Ongoing assistance via the Telecom and Postal Sector Reform Project continues to assess a postal services policy for the country.

With the limited financial, human and economic resources available to the communications sector, the Government of Samoa via the Ministry continues to prove to the world that it can undertake a successful development in spite of such limitations. The long term commitment of the Government in bringing down costs of communications services; extending communications services to all four corners of the country; and liberalization of the sector is starting to pay off tremendously. The investment by the Government in a Telecom and Postal Sector Reform Project since 2002, that focuses on the establishment of a policy ad regulatory framework that befits the existing changes in the telecom sector has materialised well. The Office of the Regulator is now established to regulate telecom services, and to ensure growth in the sector is sustained, while at the same time ensuring consumers/public interests and issues (such as QoS - quality of services) are addressed by the operators and service providers.

I commend the assistance and involvement this year of all stakeholders in achieving the goals and objectives desired by the Ministry.

Faafetai tele,

Safuneituuga P. Neri

Safuneitu'uga Pa'aga Neri
MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY

Honourable Safuneitu'uga Pa'aga Neri

Minister of Communications and Information Technology

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Introduction

The ongoing policy developments in the communications sector have further benefited the country in the financial year reported. The holistic approach the Government has taken in reforming the telecom sector saw competition and liberalization as the key factors to sector development.

The number of customers in communication services has more than doubled. More services have been offered as a result of new technologies adopted. New operators have come into the market while old ones were able to expand with new services added. Competition is rising as a result of open market. To maintain a sustainable growth in the telecommunication sector, the office of the Regulator was established as an independent body to ensure equal opportunities without discrimination are provided to the operators. The achievement on ICT development has proven that Samoa is no longer isolated from the developing countries but now closing the digital divide and further enhancing its economic growth.

The financial year reported has been a remarkable year for the Ministry, with significant achievements in telecommunications, such as the establishment of the Office of the Regulator; the commencement of Digicel mobile services; the commencement of SamoaTel mobile services; policy considerations in immediate or delayed liberalization of international telecommunications traffic and gateways; and commencement of negotiations for higher capacity connection to the outside world via an undersea submarine fiber optic cable network.

Acknowledgement

We acknowledge with great gratitude the financial assistance from the World Bank and the Government of Samoa's Ministry of Finance, as well as the International Telecommunications Union (ITU), Asia Pacific Telecommunity (APT), and the Pacific Island Telecommunications Association (PITA) for the never ending support granted to the Ministry.

Faafetai.

Tua'imalo A. Ah Sam
CHIEF EXECUTIVE OFFICER

Tua'imalo A. Ah Sam

Ministry of Communication and Information Technology 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 (Consultative)
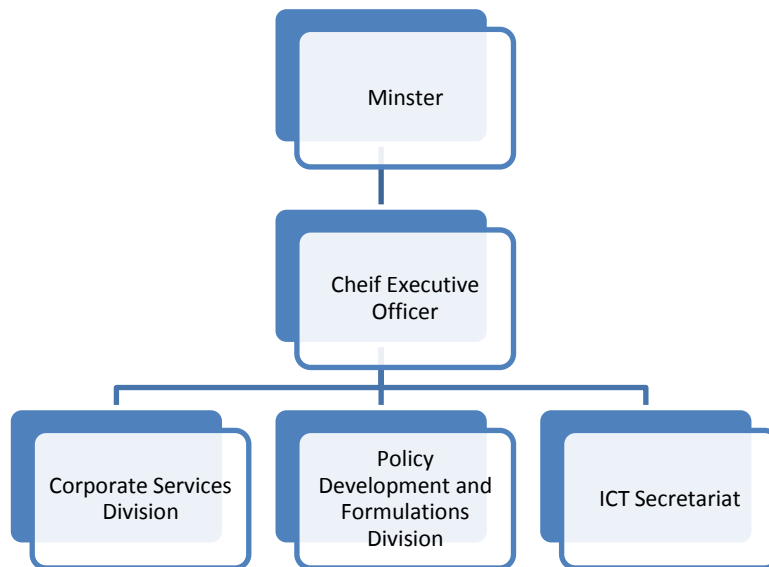
Corporate Primary Objectives

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

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                    │     Minster     │
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                             │
                    ┌────────┴────────┐
                    │ Cheif Executive │
                    │    Officer      │
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  ┌─────────┴────────┐ ┌─────┴──────────┐ ┌───┴────────────┐
  │ Corporate        │ │ Policy         │ │                │
  │ Services         │ │ Development and│ │ ICT Secretariat│
  │ Division         │ │ Formulations   │ │                │
  │                  │ │ Division       │ │                │
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Significant Developments in this Financial Year

July 2006:

- ✓ Office of the Regulator established with Mr. John Morgan taking up office as first Telecommunication Regulator;

August 2006:

- ✓ Disestablishment of the Licensing, Monitoring and Spectrum Management Division from the Ministry to join Office of the Regulator

October 2006:

- ✓ Digicel (Samoa) Limited launched its mobile telephone services on the 31st

November 2006:

- ✓ New Minister for Communications and IT, Honourable Safuneituuga Paaga Neri appointed

January 2007:
- ✓ Launched of Second GSM cellular operator, SamoaTel (the fixed line operator)

February 2007:

- ✓ Commenced work on a International Telecommunication Traffic and Gateway Policy

March 2007:

- ✓ Started discussions and negotiations on Samoa connecting to an undersea submarine cable

April 2007:

- ✓ Analogue cellular (TDMA) system terminated

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.

2006/2007 Workforce

Output 1	Policy Advice to the Minister	1 CEO
Output 2	Ministerial Support	3
Output 3	Policy Development	4
CSU	Corporate Services	7 + 4 Casuals
Transaction on behalf of the State	ICT Secretariat	1 ICT Manager 1 + 1 Casual Worker
	Total Staff	**17 + 5 Casual Workers**

Budget Expenditure/Revenue

Expenditure FY 06/07	Revenue 06/072
$2 144 588	$522 481

Policy Development and Formulation Division

This is a challenging year for the Ministry in its core role in policy review, formulation and development for government consideration due to shortage in financial support from the Ministry of Finance. The government in this reporting period has reallocated most of its financial resources for national preparation of sports facilities for the South Pacific Games held in the following financial year, and also to facilitate and fund the last and final proportion of the public sector salary increases across the board that was carried out in three consecutive years.

The limited funds did not allow for a major consultative approach with customers and consumers of communications services. The Division could only focus on minor local communications researches, and also engaged in studying and finding out the existing best practices in other social and democratic countries, while at the same time also looking at the trends world wide in postal, telecommunications, broadcasting and ICT developments.

Office of the Regulator

While the Telecommunications Act was passed by parliament in the previous financial year, the Ministry and participating stakeholders (Ministry of Finance, Public Service Commission, KVA Consult, Attorney General's Office, and others), had to follow quite a number of steps before finally setting up the Office of the Regulator in July 2006. At the same time the separation of regulatory and policy roles was formally effected. The Office of the Regulator, empowered under the new Telecommunications Act took over responsibilities on licensing, monitoring, and management of the spectrum and frequency allocations.

Further tasks for the same office as specified under the Act included the development of a Universal Access Policy and a Competition Policy. One major goal of the government via this set up was to liberalise the telecommunications market, and allowing competition to flourish, which has been the global trend, and the most effective way of bringing down costs for the public users. The establishment of the Office of the Regulator saw the shift of the Licensing and Monitoring Division and the Spectrum Management Unit from the Ministry to their new regulatory office.

One of the significant features of the Act is the establishment of the Office of the Regulator which is an agency independent from Government, the Ministry of Communications and any service provider. The Office is also responsible for implementing the Act.

The establishment of the Office of the Regulator meant that the Licensing, Monitoring and Spectrum Management Division had to be transferred to that Office given the nature of its functions. It meant a disestablishment of the division from the Ministry and setting it up with the Office of the Regulator. This division moved from the Ministry and joined the Office of the Regulator in August 2006. Staff transferred included Tima Leavai (Assistant CEO, Licensing and Monitoring), Tuuaga Aviata (Principal Frequency Management Officer); Faafetai Aviata (Principal Licensing Officer); and Eteuati Eteuati (Principal Radio Bandwidth Officer). John Morgan the Regulator started in July 2006.

CEO of MCIT Tua'imalo A. Ah Sam and Telecom Regulator John Morgan at Office of the Regulator

The Ministry on the other hand was left with the role of developing and advising the government on policy issues on a higher level, via their review of existing policies, and also reviewing Acts related to communications markets, customers and consumers.

License for a Second Mobile Operator

The driving factor behind the National Communications Sector Policy is for all residents of Samoa to have access to basic telephone services. The Ministry, and with strong advocacy from the government decided to issue a second mobile operator license, with the view of speeding up private participation, encouraging competition for market share, and extending mobile telephone services to the rural side of the country. Thus, the bidding process started in the previous financial year prior to this reporting period, with license issued to Digicel in the same year.

Digicel started operations in October 2006, which also marked the beginning of their Pacific roll over plan. Digicel made a real presence in the country via buying the Telecom Samoa Cellular's 90% share from Telecom New Zealand at SAT$26.6 Million, acquiring a customer base of 33,000 at the outset.

At the end of the reporting period, Digicel has extended its infrastructure to most part of the country and at an estimated coverage of 85%, a coverage very much appreciated by the Ministry and policy makers alike, as it was an indicator of the successful policy developments and strategic planning by the government via the Ministry.

Submarine Cable

Samoa has never been connected to a submarine cable before, but recent global communications developments, and in the advent of the dynamic progress in ICT online services, the government has been considering all possible options in acquiring a submarine cable connection. While satellite telecommunications connection has proven sufficient for Samoa in the past, the heavy reliance on communications as a backbone and infrastructure for both social and economic developments confirmed the need to have access to a larger medium for international communications.

To name a few benefits of having access to large telecommunications capacity include improved services in terms of e-government, e-medicine, e-tourism, e-commerce, e-business and others; an opportunity for more participants in the market such as additional Internet cafes; providing a bold communications backbone for more businesses and users; a draw card for encouraging Foreign Direct Investment (FDI) to Samoa; and so forth.

In the last half of this reporting period, the Ministry with strong support from the Prime Minister considered an undersea cable connection via the South Pacific Island Network (SPIN), OR Pacific Rim (PacRim) East cable. SPIN is a project by a French consortium promising an eastbound submarine cable running from New Caledonia to French Polynesia via Wallis and Futuna. It would link to Fiji, Samoa, American Samoa, Tonga, Niue and Cook Islands, if their governments wished to sign up with the project. The cable is a new investment in the global market of cable networks.

The PacRim East cable on the other hand is an existing cable running from New Zealand onto Hawaii. American Samoa had been negotiating connection to this cable, and our government considered the option of joining. The financial year ended with no definite decision on the carrier to connect to, and negotiations between the ministry and both cable carriers are continuing to the next financial year.

International Gateway Policy

For the Office of the Regulator, meeting the requirements of the Telecommunication Act was its priority. One of these requirements was satisfying the Competition Policy guidelines as specified by the Act. For instance is the establishment of an open and transparent regulatory framework that minimizes regulatory and other barriers to entry into telecommunications market.

However, the government via the Ministry intervened via an International Traffic and Gateway Policy, allowing time for the incumbent to become a financially viable business to compete in the fast growing market, before full liberalization of telecommunications services was to be effected. The policy considered guidelines for the liberalization of international fixed line

traffic, international Internet access, undersea cable landing station and other gateways, and also Voice over Internet Protocol (VoIP). The policy however opted to request a four year business plan from the incumbent to consider revenue changes, whether in reduction or new streams before a decision on full liberalization was to be finalized.

The financial year ended with the policy still in its draft form, and for the ministry to further refine its content before submission to Cabinet for consideration and approval. The telecommunication regulatory environment in relation to full liberalization though was temporarily put on hold until the government via the ministry finalized the policy guidelines.

National Postal Sector Policy

Privatisation of SamoaTel was to be the next and final stage in the full separation of policy, regulatory and operational activities, the role that was held independently by the government in the past.

As part of SamoaTel's privatization process, postal services that traditionally co-existed with telecommunications services was to be separated when privatization took place. Thus the ministry has to put in place a postal sector policy for regulation of the postal market, as well as a postal legislation to enforce the new proposed postal framework. The World Bank via the Telecommunications and Postal Reform Project has suggested to use the Letter of Intent for the process towards passing a Postal Services Act in parliament to be the basis for a postal sector policy. The Policy Division drafted a policy along the lines stipulated by the Letter of Intent, however, the financial year ended with the draft policy requiring further revision which required further consultancy work to be carried out in the following financial year.

Broadcasting Bill

One emphasis of the National Broadcasting Policy (NBP) was to have a new broadcasting legislation in place, not only to enforce the new approach by the government on liberalization of communications market, but also to replace an old and obsolete Broadcasting Ordinance that could not address most of the issues in the current broadcasting environment. In the latter half of the reporting period, the ministry worked together with the selected consultants in carrying out a market analysis, individual consultations with the market players, non-government organizations and related stakeholders. The financial year ended while the consultancy continued to the following year with efforts to finalise a Broadcasting Bill.

International and Regional Forums and Training Participation of Staff

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 ITU, APT and 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

ICT Secretariat

Implementation of the rural connectivity programme continued this year. Other new

programmes attended by Policy division on behalf of the Ministry.

Event	Period	Sponsor
Protecting the Internet; IP Multimedia Subsystem (IMS) Introduction; Management Effectively in the Changing Telecommunications Environment	6 Jul - 21 Jul 2006	World Bank Project
Internet and Technology Development, Kitakyushu, Japan	28 Aug – 8 Sep 2006	Asia Pacific Telecommunity
Telemedicine, Chiangmai, Thailand	6 Feb -9 Feb 2007	Asia Pacific Telecommunity
Disaster Communications, Fiji,	4 Jun – 6 Jun 2007	Asia Pacific Telecommunity
Introduction to Public Television Broadcasting, USTTI Washington, DC	4 Jun-15 Jun 2007	World Bank Project

A representative of Korea and a representative of MCIT at an overseas training.

projects started its implementation this year. These new projects include:

a. Strengthening the Ministry of Communications and Information Technology (MCIT)
b. Millennium Development Goals
c. E-Government project

Rural Connectivity Program

Implementation Continued: Pilot of Solar Powered Fesootai Center

For the rural connectivity programme, a proposal was prepared for the pilot of a solar powered Feso'otai center. The proposal was approved and the VIA Technology funded this pilot. The village of Ulutogia was selected for this pilot. All the ICT equipment in this center are powered by solar. It was launched by the village and all attended as it is a village project.

New Projects

Strengthening MCIT Project:

Strengthening of MCIT looks at the tools and resources required by the newly established ICT Secretariat as well as the MCIT staff.

For this project, all staff were trained on how to use the Microsoft applications. An electronic document system was developed as part of this component.

Millennium Development Goals

The MDG digital display unit project has been started. LED screen technology enables the manager to change and display up to the minute information to the public 24 hours, during the day and night. Since Samoa has no local company working in this field of Solar Powered Large Outdoor screens, it was agreed that Atsuo Sakuma (local solar powered computer expert be consulted to help in designing the project while Scott Phipps who designed, planned and install the Ulutogia Solar powered Fesootai Center be the consultant to work with Atsuo on this

project selecting the most economical system. Expected date of delivery is August 2007.

Asiasiga i Feso'ota'i-Center, Upolu, Iuni 2007

E-Government Project:

E-government (electronic government) refers to the use of ICT to improve the efficiency, effectiveness, transparency and accountability of government through online services such as websites and centralized electronic information management.

The Government of Samoa recognizes that ICT plays a central role in improving government, reducing costs, improving service delivery and public administration and facilitating the advancement of an information society.

E-Readiness Study

An expression of Interest was developed and advertised for a consultant to conduct an e-readiness study. The National ICT Committee approved the awarding of the e-readiness study to the NUS consulting company.

Regional and International Conferences

Event	Period	Sponsor
Telecenter Conference, Korea	3 July – 8 July 2006	Government of Korea and Government of Samoa
Internet Governance Forum, Athens	30 Oct – 3 Nov 2006	Government of Samoa & Japan Government
ITU Plenipotentiary meeting, Turkey	5 Nov – 24 Nov 2006	Government of Samoa & Japan Government
Pacific Island Digital Funding	20 Feb – 22Feb 2007	Pacific Island Digital Organisation
Study Group Meeting, Geneva	9 May – 11 May 2007	International Telecommunications Union

Asiasiga i Nofoaga o Feso'ota'iga, Savai'i, Me, 2007