



## **ANNUAL REPORT 2015**

**Telecommunications Commission Solomon Islands**

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# 1. The Telecommunications Regime

## 1.1. THE 2009 REFORMS

In 2009, the National Parliament passed a major piece of economic reform legislation, the Telecommunications Act 2009. The most significant change under the Act was the opening up of telecommunications to private sector competition, and the end of political and public service involvement in the industry's operations.

Instead, the Act established the Telecommunications Commission as an independent expert statutory authority to undertake the economic and technical management of the telecommunications sector. The Act stipulates that the Commission is not in the service of the Crown and the Commissioner, who must be recruited internationally, and his staff are not public servants. The Commission is funded independently of parliamentary budget appropriations, through services licence fees paid to the Commission by the operators. In the exercise of its statutory powers and functions the Commission is not subject to the direction and control of government Ministers.

Since the Act came into force, the Government's only ongoing involvement in the market to date has been as an important consumer of the telecommunications services supplied by local competing operators. The Ministry of Finance & Treasury is party to the Asian Development Bank concessional funding for the private sector led Honiara to Sydney undersea cable project, but in all other decisions around communications infrastructure investment and services, the Government has no formal legal role.

The benefit of curtailing Government involvement in the telecommunications business in Solomon Islands is readily apparent from the rapid growth in the market over the last five years. This progress has been noted around the world, especially by other developing countries still struggling with corruption and mal-administration in the sector.

## 1.2. FUNCTIONS AND OPERATIONS OF THE COMMISSION

The Telecommunications Act aims to enhance the long-term well-being, inclusiveness, and fairness of Solomon Islands society by improving the variety, availability, affordability, and quality of telecommunications services which Solomon Islanders can enjoy. This is primarily to be achieved through the introduction and maintenance of competition between private sector commercial enterprises.

The Commission is responsible for ensuring the effectiveness of this market driven approach, while also protecting the interests of consumers and encouraging sustainable investment in the sector. The Commission deals with complex issues around land use and land disputes, licensing, competition and administrative law, regulatory economics, accounting and technology.

The Commission enables competition by facilitating market entry through its general authorisation (class license) for network and service provision. Its particular activities include:

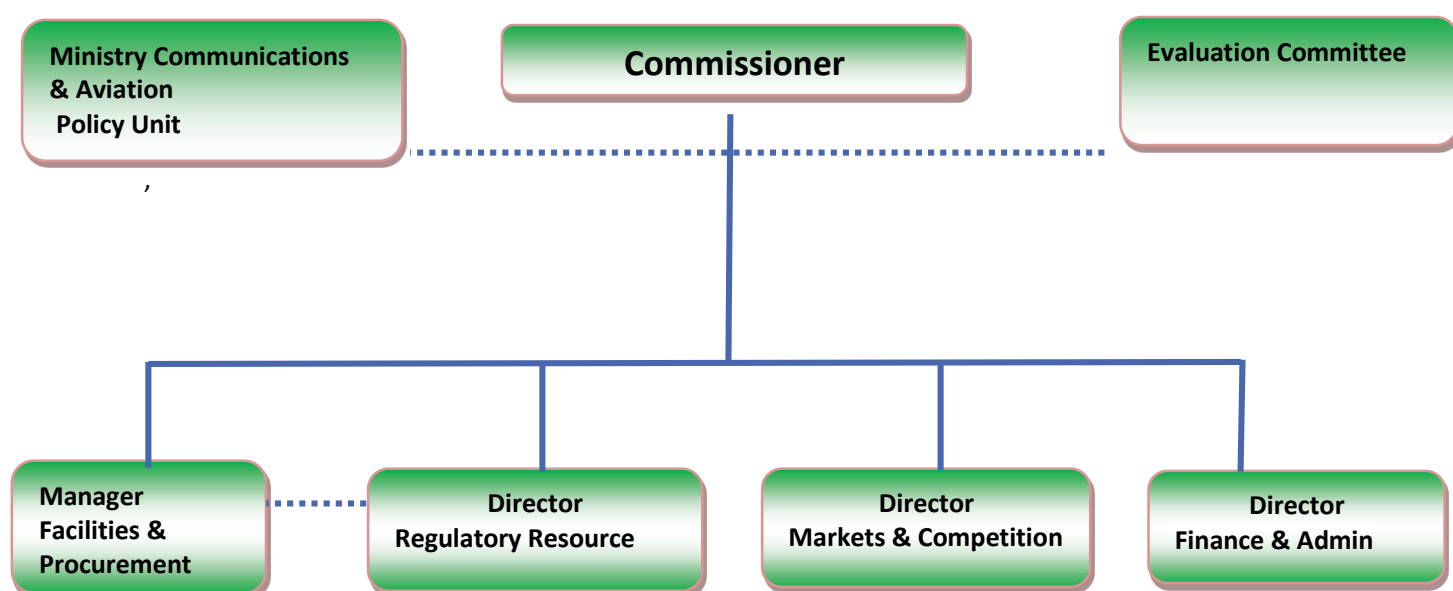
- Ensuring operator compliance with particular licensing and statutory obligations.
- Monitoring competitive conduct in urban and provincial centres.
- Facilitating the development of the telecommunications, especially in rural areas.
- Supporting the interests of telecom users within the Solomon Islands.

- Ensuring the efficient management and use of the radio frequency spectrum and telephony numbers.
- Operator and consumer dispute resolution.
- Surveillance of the established telecommunications operators, focusing on pricing and quality of service competition, as well as consumer considerations such as billing practices, false and misleading advertising claims, protection of customer personal information, and customer complaints.

### 1.3. ORGANISATIONAL STRUCTURE

The Commissioner, in consultation with the statutory Evaluation Committee, is responsible for the strategic and operational management of the organisation. The Commission's successful execution of its specific duties is however the product of its local professional staff and their spirit of working as one team.

TCSI consist of four divisions, comprising cross-functional teams which need to operate in a multi-disciplinary environment. This structure is illustrated below:



#### 1.3.1. THE EVALUATION COMMITTEE

The Evaluation Committee constituted under section 7 of the Telecommunications Act 2009, maintains financial administrative oversight of the Commission. The Committee reviews the Commission's budgets and activities plans annually.

The members of the Committee hold office *ex officio* are:

Mr. Denton Rarawa (Chairman) - Governor of the Central Bank of Solomon Islands  
 Mr. Jeremy Bartlett (Member (new)) - Chairman of Solomon Islands Chamber of Commerce and Industry  
 Mr. Douglas Hou (Member) - Public Solicitor

### 1.3.2. THE COMMISSIONER

During 2015, Mr. Bernard Hill remained as the Telecommunications Commissioner, and the Commission employed four local professional staff to carry out the Commission's statutory functions under the Telecommunications Act 2009.

### 1.3.3. DIVISIONAL ROLES

The four Commission divisions and their directors are:

#### **Regulatory Resources**

Director: Mr Wilson Leguvaka – (*BCom Eng (Hons) Communications Engineering*)

Manager: Mr Aaron Hopa – (*BEng Com & BEng ELec Communications & Electrical Engineering*)

Regulatory Resources is responsible for licencing, radio spectrum management, subscriber numbering, domain name policy, and equipment type approval. It also oversees user and services licensing and monitors compliance with licence conditions. Authorisation includes equipment type approval, radio-frequency allocation and maintaining registers of Licensees. The division manages all use of the national radio spectrum and issues radio user "licences" to businesses and individuals. It also administers the telephony Numbering Plan as well as undertaking public consultations on regulatory requirements in respect of fixed and wireless services. This division also advises the Commissioner in relation to broadband deployment and Next Generation network access issues.

The director of this division is also the Chair of the statutory Television Board, appointed by the Minister of Communications & Aviation.

#### **Market and Competition**

Director: Mr Haggai Arumae – (*BA Accounting and Information Systems, CPA Australia*).

Markets & Competition handles all issues concerning the functioning of the Telecommunications markets including such matters as interconnection, dispute resolution and pricing of telecommunications services. It further responsible for the local market statistics report and database using the GIS solution. This division has responsibility for the regulatory financial aspects of the telecom sector. In addition, the division also handles policies related to consumer's interaction with sellers of services. The division also undertakes scoping of universal service provision of telecoms access, consumer rights and some retail pricing and roaming in the rural areas. The division is also responsible for investigation of anti-competitive behaviour, as well as managing the Commission's involvement in International telecommunications matters.

#### **Finance and Admin**

Director: Mr. Emmanuel Tora – (*MBA - Masters Business Administration*)

The Finance division is responsible for the financials and corporate services.

#### **Facilities & Procurement**

Manager: Mr. Aaron Hopa

This division handles all issues in relation to the asset management and all the Commission's procurement and maintenance.

## 1.4. TRAINING AND CAPACITY BUILDING

In providing for the professional and competent development of the staff of the Commission, the following specific professional training events were attended during the year;

**Director Resources:** Attended training in Fiji, on Radio Spectrum Management and Services in the Pacific organised by the Asia Pacific Telecommunity. The training was aimed at improving the radio spectrum management capabilities of the regional telecom regulators.

**Manager Resources:** Undertook training organised by the Asia Pacific Telecommunity in Japan on Radio Spectrum Management and Monitoring for Wireless Broadband Infrastructure. The training was to raise the level of administrative and technical knowledge of radio spectrum management and monitoring including the latest technologies for wireless broadband infrastructure.

**Director Finance:** Attended project management and financial management software training at the University of Sydney. The training provided the skills and knowledge about analysing and solving complex problems, and the use of the MYOB platform.

**Director Markets & Competition:** The Director attended the ITU-T Focus Group of IMT2020 5G in Beijing. The workshop directly provided the in-depth knowledge on how emerging 5G technologies will interact in future networks and the networking innovations required to support the development of 5G systems.

## 1.5. PROJECT IMPLEMENTING ENTITY ROLE

Subject to the Commission maintaining a cash sufficiency, for a five-year transitional period commencing in 2010, the Act provided for the Commission's licensing fee revenue to be diverted to pay Our Telekom further to the Government's contractual obligation to compensate that company for the surrender of its former exclusive telecommunications licence. For most of the transitional period the Commission was therefore reliant on a World Bank project for grant funds to finance its operations. As the Project Implementing Entity for this project, the Commission also applied grant funds towards the development of the Solomon Islands National ICT Policy and Broadcasting reform.

The World Bank project had some design shortcomings and there was also a degree of donor administrative dysfunction during the project term. Nevertheless, all stakeholders in the project can take satisfaction from the success of the telecommunications market liberalisation overall, in terms of the statutory objective of improving the availability, affordability, quality of service and kinds of telecommunications services in Solomon Islands since 2010.

The Commission's Project Implementing Entity function under the transitional period arrangement between World Bank and the Solomon Islands Government concluded on 31 March 2015.

The formal review of the World Bank project was completed in September 2015<sup>1</sup>.

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<sup>1</sup> World Bank Implementation completion and results for the Telecommunications and ICT development project report, September 2015.

## 2. Telecommunications Market

### 2.1. OVERVIEW

Since the advent of the new mobile services entrant in 2010<sup>2</sup>, Solomon Islands telecommunication market has grown six hundred fold. At times during the last five years, Solomon Islands has been the fastest growing market around the whole of the Asia Pacific region. For the 2015 financial year, the Central Bank<sup>3</sup> data shows that the sector's contribution to the national GDP was some 7.3%. The steep increase is the result of the intensifying investment by the mobile operators in particular and the recent rapid deployment of value added services made possible by the take up during 2015 of new international connectivity via the O3b satellite service.

### 2.2. THE COMPETITION

During 2015 competitive sales activity in telecommunications was constant, especially in terms of the voice and data plan options offered by the mobile networks in Honiara, Auki, Gizo, Munda and Noro. This competition could be observed in the very heavy volume of advertising in Honiara, but also in other centres, via newspapers, brochures, billboards, radio, text messaging and the social media. The two mobile network were also active with a range of other marketing promotions around sport and civic events. This marketing activity has greatly expanded local consumer awareness about the range and choice of customer services now available.

As well as focusing on price, the competition between Our Telekom and Bmobile-Vodafone was also about the depth of customer service. For instance, Our Telekom's "RED HOT" plans for prepaid voice, text or SMS, allow data to be purchased using prepaid mobile credits.

Plan offered (prepaid mobile)	Our Telekom <sup>4</sup>	BmobileVodafone
	Red hot (SBD)	Unis (SBD)
Voice	16c - 20c per min	Unlimited free calls
Text or SMS	16c – 20c per sms	Unlimited free txts/sms
Data	13c – 16c per MB	Data sizes varies
Plans; (daily, weekly, monthly)	Yes	Yes

The network competition between the network operators was not confined to Honiara. Both companies commissioned new towers in the provinces and completed technology upgrades to existing assets. These improvements nationwide enabled the roll out of new third party services including mobile banking services now provided by the trading banks, allowing subscribers to view, purchase and transfer funds by mobile phone.

While competition was quite intense domestically, the cost of international connectivity remained high. The prices for International calls, internet access and roaming were more expensive than in some other Pacific Island countries, which already have the benefit of high capacity broadband, usually via undersea fiber optic cable.

<sup>2</sup> The first new entrant was Bemobile (Solomon Islands) Ltd, now trading as Bmobile-Vodafone. The company commenced business on 31 August 2010.

<sup>3</sup> Central Bank of Solomon Islands preliminary data 2015

<sup>4</sup> Source, Our Telekom.



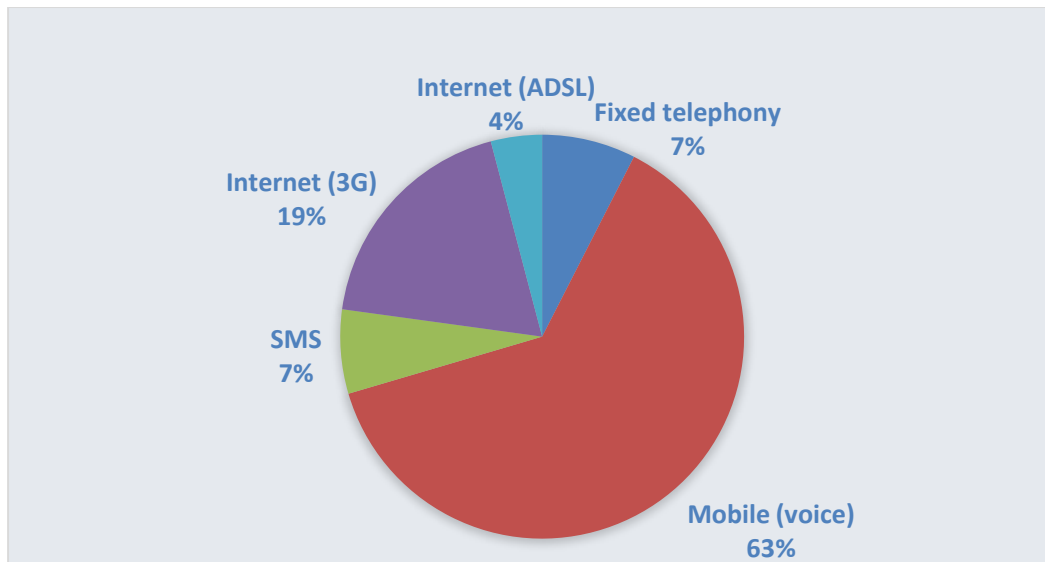
## 2.3. MARKET PROGRESS INDICATORS

Indicator	2010	2015
	Actual	Actual
Mobile Subscribers	115,500	424,712
Mobile Penetration	20%	73%
Mobile Coverage	20%	91%
Fixed Lines	8,400	7,438
<b><u>Internet Subscriber:</u></b>		
Mobile (3G)	8,205	66,664
Wireless	127	38
ADSL	1,359	1,382
DSL	1,163	592
<b><u>Internet Penetration:</u></b>		
Mobile (3G)	1.80%	11.5%
Fixed Line (ADSL)	0.2%	0.2%
Internet Providers (Active)	1	3
Gross Total Revenue(USD\$m)	35	48
GDP contribution	1.3	7.3
Mobile Network Operator	2	2
Class license registered	-	24

### 2.3.1. REVENUE BY TELECOM SERVICE

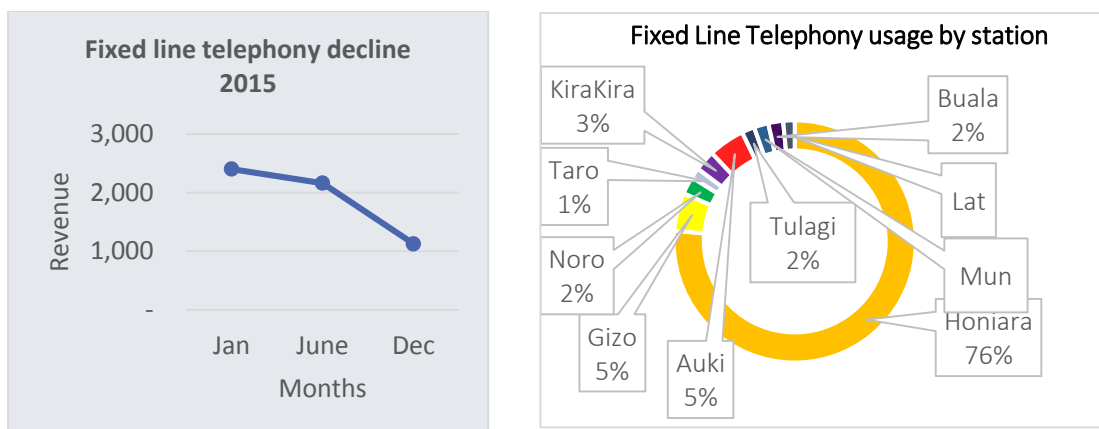
The revenue contribution by service type in 2015 is shown in the chart below. Mobile voice revenue was the largest segment at 63%. This reflects the fact that the majority of calls were handled by the GSM 2-2.5G network platforms, and that traffic terminated or originated in the provincial areas, where most of the population resides, are on those platforms. Mobile data (3G) was the next biggest contributor, reflecting the growing competition between data plans offered by the two mobile operators and the use of 3G data for internet access in urban locations.





### 2.3.2. FIXED LINE TELEPHONY

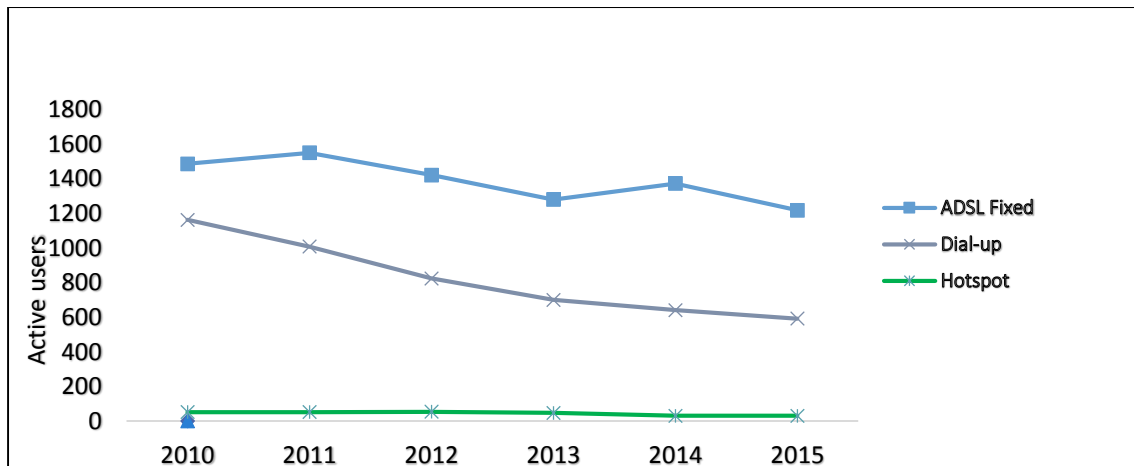
The trend of declining use of the Our Telekom fixed line network for voice telephony continued in 2015, as illustrated in the graph below. Under the 2009 settlement agreement between the Government and Our Telekom, compensation was payable to the Company for this expected decline arising from the introduction of a second mobile services operator. The compensation payments concluded in 2014.



### 2.3.3. FIXED LINE INTERNET ACCESS

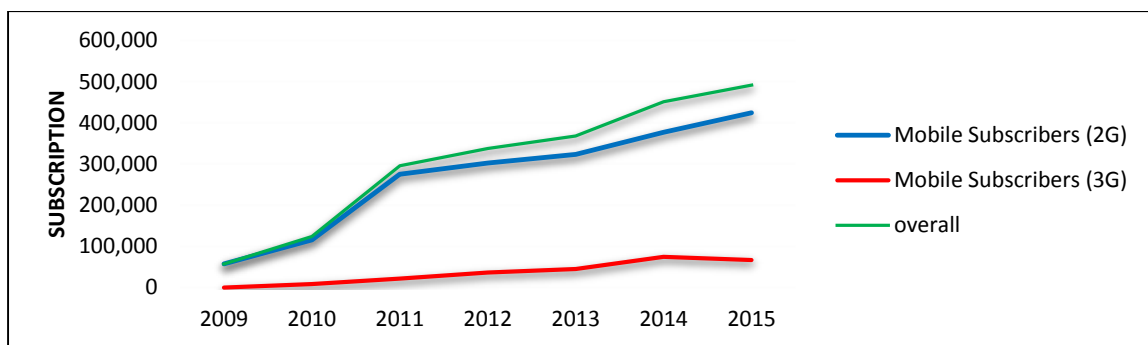
Fixed Line (ADSL) internet subscriptions also declined in 2015 as consumers in Honiara migrated to mobile phone 3G data plans, and other fixed wireless offerings from new internet service providers such as Satsol. The increasing popularity of wireless internet and mobile access is likely to continue to drive the consumer market's development for the foreseeable future.

Although fixed Broad band is declining in popularity with consumers, many retail businesses still rely on the ADSL service for effecting credit and debit card transactions. The table below shows fixed line services performance since 2010.



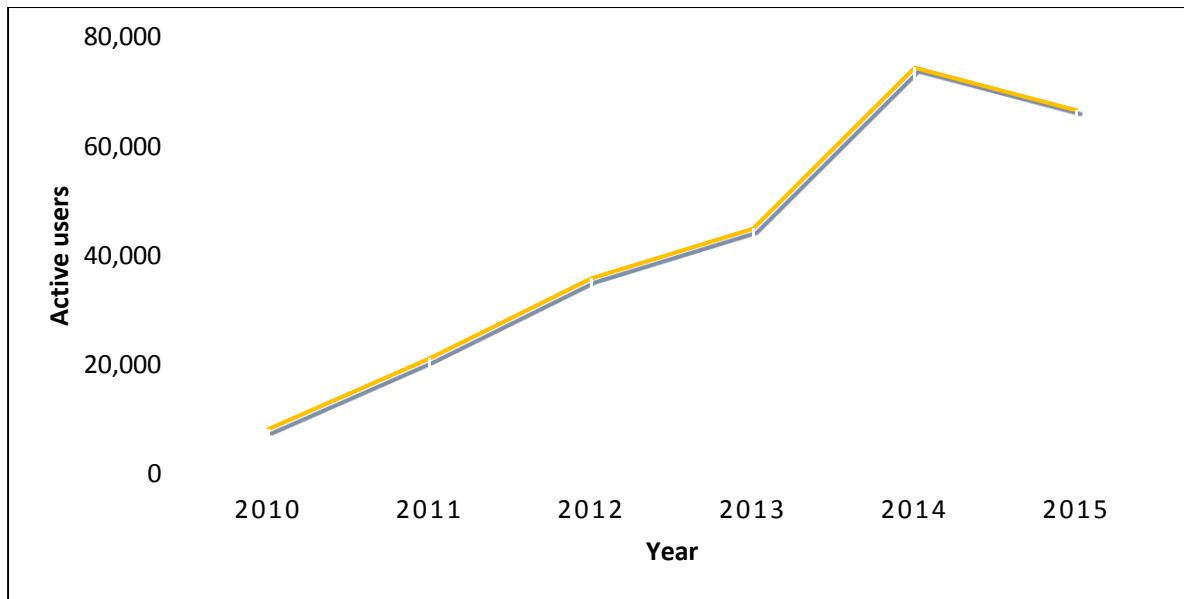
#### 2.3.4. MOBILE TELEPHONY

Mobile service subscriptions have been the principal key indicator of market growth since the commencement of the market liberalisation in 2010. The 13% increase in new mobile connections in 2015, is attributed to the expansion of the two mobile networks and the prominent marketing and promotions programmes pursued by Our Telekom and Bmobile-Vodafone.

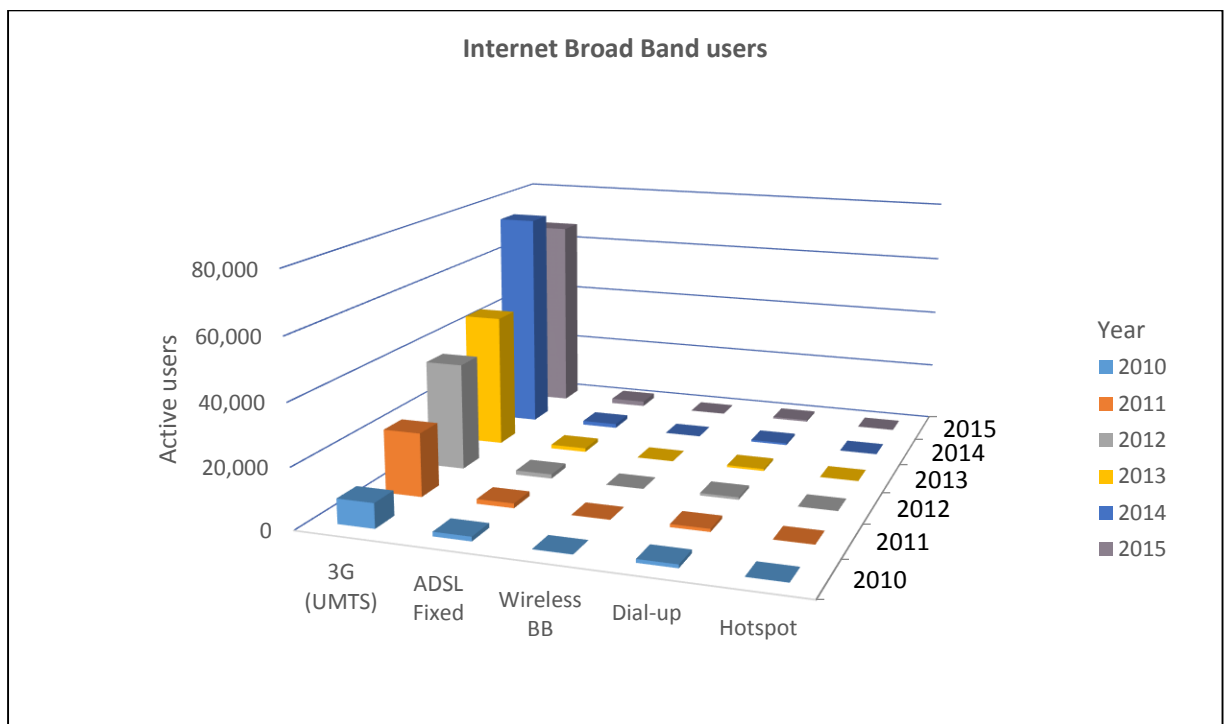


#### 2.3.5. MOBILE INTERNET ACCESS

The most significant feature of the market's performance during 2015, was the decline in mobile internet access from a high point in mid-2014, notwithstanding the expansion of 3G capability beyond Honiara to Gizo, Auki, Munda and Noro. A number of factors may account for this change, including the cost of the international connectivity component of the service, the declining number of expatriates in Honiara as the RAMSI project has started to wind down, and a general lower level of economic activity in the city.



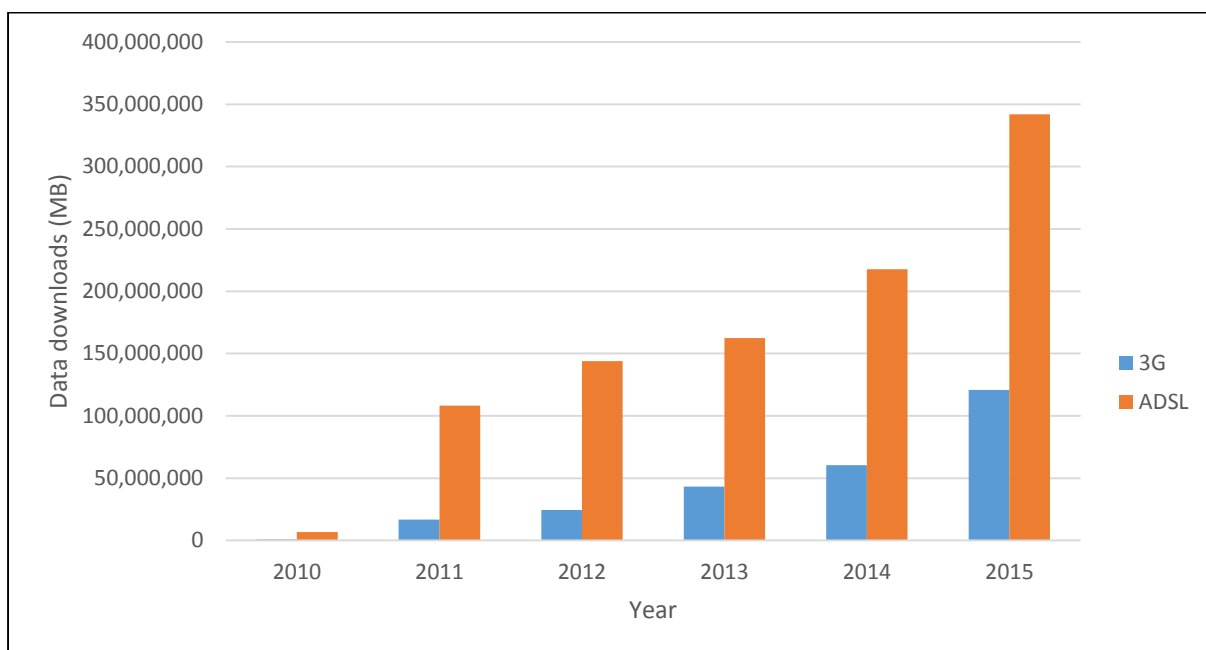
### 2.3.6. INTERNET CONNECTIONS (FIXED AND WIRELESS)



### 2.3.7. DATA DOWNLOADS- MOBILE vs FIXED

Although the number of mobile internet connections was higher; fixed line (ADSL) carried the larger volume of data, as shown in the graph below. This reflects the preference for ADSL amongst large data and specialist users, because of its speed and dedicated line features. The

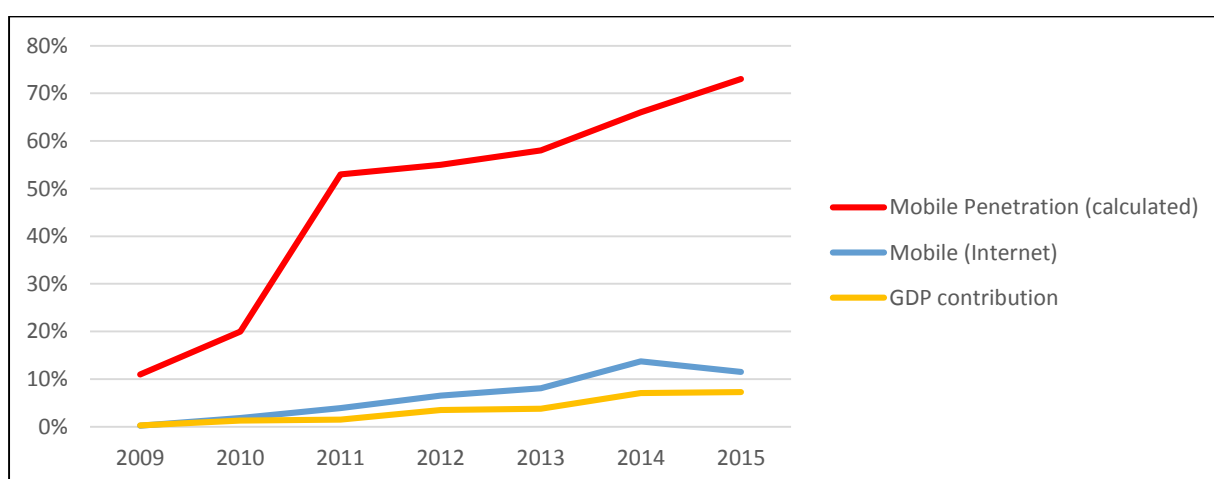
cost of downloading also contributes to the higher download volume for fixed line internet over mobile data.



### 2.3.8. MOBILE SERVICES CONTRIBUTION TO GROSS DOMESTIC PRODUCT

According to GSMA and the Deloitte report<sup>5</sup>, the doubling of mobile data use led to an increase of 0.5% points in the GDP per-capita growth. The report highlighted the incremental benefits of next-generation mobile telephony services such as 3G technology and mobile data services, to the country's future economic growth.

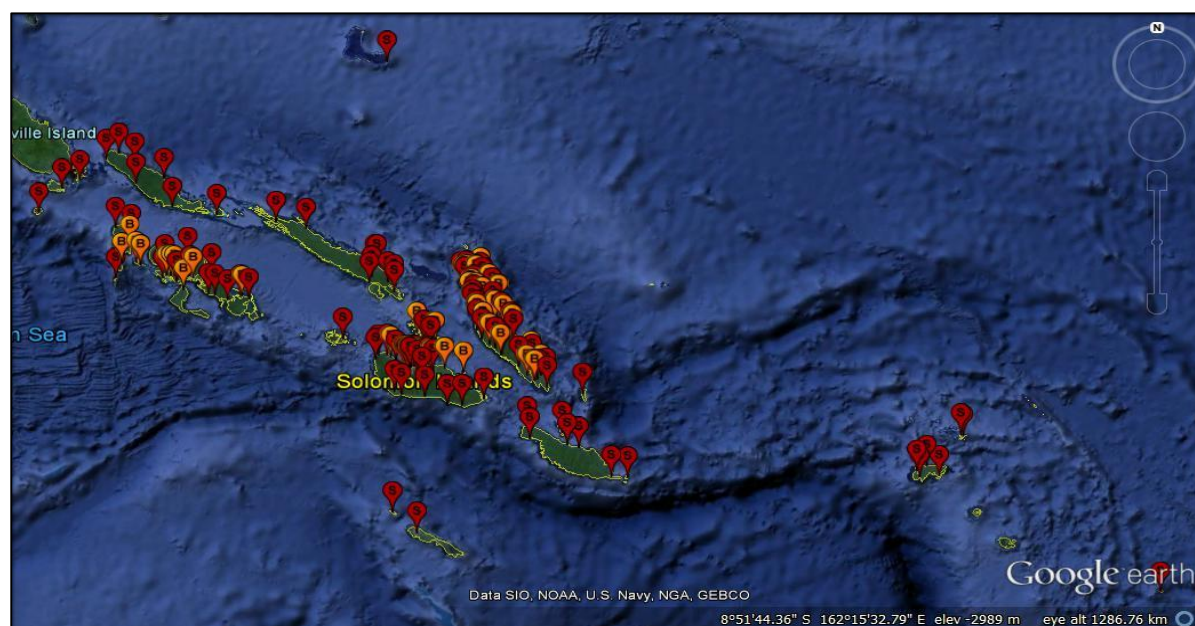
Based on the Central Bank data, the Commission calculates that mobile telephony contributed 7.3% to the economic growth of Solomon Islands in 2015. Clearly further expansion of mobile penetration is likely to improve national productivity.



<sup>5</sup> <http://gsma/study-finds-mobile-connections-directly-related-gdp-increase-2>

## 2.4. GIS NETWORK DATABASE

Using the latest available GIS software, the Commission developed a GPS location map of all telecommunications network assets in Solomon Islands, in conjunction with a local specialist vendor<sup>6</sup>. The Commission's Google Earth based coverage map will be available during 2016 on the Commission website which is currently undergoing an upgrade. This will be a useful resource for all parties who need to know, in detail, where there is existing infrastructure and where communications coverage can be relied on.



S- Our Telekom, B- BmobileVodafone

## 2.5. MOBILE SERVICES ACCESS BY PROVINCE

The graph below shows how the Solomon Islands' population is able to access mobile telecommunications services. The percentage coverage is for both pre-paid and post-paid services of the two mobile network operators. In Honiara the difficult topography and limited tower siting options in some locations means that there are still pockets where mobile coverage is weak or inconsistent.

Province	Coverage
Choiseul	69%
Western	76%
Isabel	72%
Central Islands	75%
Rennell & Bellona	92%
Guadalcanal	79%
Malaita	85%
Makira	58%
Temotu	82%
Honiara	99%

<sup>6</sup> GIDEONS Geographics, Honiara

## 2.6. INTERNATIONAL CONNECTIVITY

### 2.6.1. INTERNATIONAL CAPACITY

During 2015 Solomon Islands remained dependent on satellites for telecommunication connection to the rest of the world, and for links domestically. These services remain an expensive component for Solomon Islands consumers, although there was an improvement in the satellite offerings, with the appearance in the market of O3B and Kacific. In response to the increase in demand for international bandwidth in the previous year, both the mobile network operators opted to sign up for new satellite solutions in 2015, for the medium term.

The prospect of new bandwidth capacity coming on-stream in the near future through the SOCC undersea cable had diminished by the year's end, as a result of the Ministry of Finance & Treasury's suspending the donor funding arrangements for the SOCC Honiara to Sydney cable project.

International bandwidth capacity reported for the year was 415MB with O3b contributing some 60% of the total.

### 2.6.2. O3b BROADBAND SATELLITE

Solomon Telekom started using the O3b satellite service in April 2015 with an initial capacity of 150MB which was increased by further tranches of 85MB and 50MB by December.



Bmobile-Vodafone activated its connection to the O3B satellite service in September 2015.



### **2.6.3. KACIFIC BROADBAND SATELLITE**

The Kacific Broadband Satellite service, which will deploy a new technology geo-stationary satellite over the region, entered into a five-year Framework Services Agreement with Our Telekom to provide high speed bandwidth. Coverage will extend from Choiseul and the Shortland Islands in the far west and north-west, all the way to the most northern atoll, Ontong Java. It will also extend to the most eastern remote atolls of Tikopia and the Duff Islands and to the Rennell Bellona Islands in the south.

Kacific will provide Solomon Telekom with a minimum of 150 Mbps of bandwidth from 2017 until 2022.

Under the agreement Solomon Telekom can, at its discretion, increase bandwidth in bursts of up to 50 percent at any time to 225 Mbps of capacity. Solomon Telekom currently has 200 Mbps of capacity.

### **2.6.4. SOCC UNDERSEA CABLE**

The original time frame for the Solomon Oceanic Cable Company's project to build a fiber optic undersea cable from Honiara to Sydney, was for the cable to be in service in the second half of 2016. As a result of the Ministry of Finance & Treasury still not having presented the cable supply bids to the ADB by the end of 2015, it would appear that the project will be significantly delayed or cancelled altogether during 2016.

## 3. Activities of the Commission

*(The activities requiring specific report further to Section 23 of the Telecommunications Act 2009.)*

### 3.1. DETERMINATIONS, ORDERS AND DIRECTIONS MADE

No formal Determinations, Orders and Directions were gazetted during 2015.

### 3.2. STEPS TAKEN IN CONNECTION WITH UNIVERSAL ACCESS

The Commission considered that during 2015, the effective competition between the network operators was continuing to result in a satisfactory rate of network deployment. Accordingly implementing a supply-side Universal Access Scheme at this point would probably distort the market substantially, thus disadvantaging Solomon Islands consumers in the long run. The Commission is continuing to monitor the prospects for alternative demand-side subsidy measures, to assist remote communities' affordable access to internet access services in the future.

### 3.3. APPLICATIONS, DISPUTES AND COMPLAINTS FILED

No formal complaints or notices of dispute between licensed telecommunication service providers were filed with the Commission during 2015, and the Commission did not receive any formal written complaints by users and consumers. The Commission was however made aware of differences between Our Telekom and Bmobile-Vodafone in a number of areas, including advertising practices, and interconnection, and the Commission conducted appropriate enquiries and held meetings with the parties to resolve those differences.

There was also media discussion about regulations to require SIM cards to be registered to individuals, following a High Court case in which the Police had not been able to determine who was the caller to a particular phone number. The Commission responded with a public statement pointing out that the Commission had not yet made it compulsory to register who buys a SIM card, because it was not practical in the local context. In developed countries, everyone has a precise physical address and an official photo identity of one kind or another. However, most Solomon Islanders, especially in the rural areas, do not have a passport, driver's licence, or bank account and not everyone has or is qualified for a voting identity card. Moreover, most people can only afford to use a pre-paid SIM. Clearly it would not be in the public interest to deny the use of mobile phones to a large section of the population just because there is no absolute proof of who they are when buying a SIM or a top-up. In the larger centres it would also be too easy for people to pretend to be someone else when buying a SIM, thus laying a false trail for the police.

### 3.4. INVESTIGATIONS UNDERTAKEN

In response to concerns raised by Our Telekom an investigation of international traffic routing over the domestic interconnect was carried out. This determined that Bmobile-Vodafone's termination of traffic it receives from its sister PNG network via a dedicated link, at the Solomon Islands domestic interconnect, was compliant with regulatory principles.

Both mobile operators asked for the Commission's intervention to resolve the issue of the companies' respective exclusive advertising rights at the domestic and international air terminals.



The Commission obtained the cooperation of Terminal Services at Henderson Airport, to the waiver of the exclusivity contractual provisions in the terminal advertising contracts, so that both operators can advertise in both terminals.

### 3.5. PROCUREMENT AND OUTSOURCING ACTIVITIES

There were no major procurements undertaken during 2015.

### 3.6. MATERIAL LITIGATION

There was no material litigation during the year.

### 3.7. STATUTORY OBJECTIVE AND PLAN

The Commission considers that during 2015 satisfactory progress was made towards the principal objective in the Telecommunications Act in terms of improvements in the “... *availability, affordability, quality of service and kinds of telecommunications services in Solomon Islands.*”

Services in Solomon Islands are of course predominantly mobile services and their better availability is demonstrated in part by the rapid increase in the number of mobile subscriptions nationally from some 376,696 at the beginning of 2015 to some 424,712 by year’s end.

Network coverage grew from around 87% of the population at the beginning of the year to some 91% at the year’s close, as a result of mobile infrastructure expansion. High capex and opex cost of deployments in the rural areas is still an issue for the operators, and accounted for 60% of the total cost.

The affordability of mobile voice calls did improve during 2015, reflecting the level of effective competition in the sector. The Commission estimates that prices for mobile network voice calls fluctuated by some 20% during the year. Text messaging prices also fluctuated. However, regular price specials on weekends were common. Mobile data plans for prepaid and post-paid service were also provided with various data access options. Data services coverage was mainly in Honiara, Auki, Gizo, Munda and Noro with plans in progress for the other locations.

The upgrade and rollout of mobile network services by both the mobile operators did contribute to an overall improvement in services availability and quality of service, although both had traffic congestion and other technical difficulties from time to time.

The Commission’s plan of activities to further advance progress towards the statutory objectives is outlined in *section 6*.

### 3.8. SUMMARY OF INCOME AND EXPENDITURES

Under the Telecommunications Act, the Commission is to be funded by telecommunications services licence fees and special levies. The Act caps the upper limit of services licence fees at 2% of a licensee’s gross revenue, and the current Fees Regulations<sup>7</sup> fix fees at that level for all licensees. In 2015 the amount of license fees collected was SBD7.3m.

The Commissions rolling budget is for three years and is submitted to the Evaluation Committee for approval. Major material variances in respect of the 2015 financial year were associated with the winding up of the World Bank grants on 31 March 2015. Thereafter, a formal funding deficit notice

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<sup>7</sup> Licence fees are fixed under the Telecommunications (Transitional Licence Fees) Regulations 2010.

was issued to Accountant General, whereby, the remaining licence fee revenue for the year was retained by the Commission for its own use.

The summary of unaudited statement of the Commission's 2015 income and expenditure versus Budget is set out in *section 7*.

### 3.9. LIST OF LICENCES AND EXEMPTIONS

In 2015, neither the service operators applied for exemption. The new class licensees register for 2015 were:

Type of Services	Type of Licence	No. of Licensee
Fixed telephony	Individual	1
Fixed Internet (ADSL + DSL)	Individual/Class	3
Mobile (Voice) 2G	Individual/Class	2
Mobile (Voice + Data) 3-3.9G	Individual/Class	2
Leased lines	Individual/Class	3
TV	TV/Broadcasting	2

Active Licensees were: Solomon Telekom Company, Bmobile-Vodafone, Satsol Limited  
Inactive, but duly registered Class Licensees totalled 21.

### 3.10. SUMMARY OF RADIO FREQUENCIES ALLOCATED

The radio spectrum licences issued during 2015 were in the table below;

Type of Radio Spectrum Licence	Licensees	Licences
Amateur	6	6
Aeronautical	1	6
Maritime	76	133
Land mobile	11	11
VSAT Satellite	8	8
Handheld	None	None
Fixed Station	11	11
Broadcasting	5	5
Television	6	6

### 3.11. INTERNET COUNTRY CODE TOP LEVEL DOMAIN (ccTLD .SB) MANAGEMENT

The Telecommunications Act 2009 provides for the Commission to assume administrative responsibility for the registration and allocation of internet domains under the ".sb" country code top level domain, either directly, or by delegation. Historically the country domain management task has

been carried out by the incumbent telecommunications network operator, Solomon Telekom Limited.

Discussions with Solomon Telekom have continued so that the Commission can establish the scope of the various tasks and the resources which need to be deployed. The Commission may eventually undertake a consultation on the costs and benefits of changes to the current .sb domain administrative arrangements, and the impact of any new management proposals.

### **3.12. RADIO SPECTRUM MANAGEMENT**

In December 2015, the Commission commenced a major public consultation on the National Spectrum Band Plan. The Plan sets out which services and application are permitted in Solomon Islands in the different frequencies along the spectrum. Sub-bands are allocated based on the types of wireless technology available, technical criteria and specifications, and any national interest considerations. Sub-bands are further subdivided into frequency channelling arrangements from which frequency channels are then assigned to users.

The plan will bring the Solomon Islands into line with the ITU Regional Regulations and the objectives of the Telecommunications Act 2009. The Commission continued to deploy its radio signal monitoring equipment in its monitoring of radio licence compliance and enforcement as when required and necessary.

A key area in spectrum management is also the creation of the spectrum data base using the ITU SMS4DC software which TCSI is currently using to ensure the management of the spectrum becomes administratively efficient.

## 4. International Affairs

### 4.1. REGIONAL

The Pacific Islands ICT Minister's meeting was held in Tonga in June 2015, and the outcome provides for review of all ICT related issues facing the Pacific Island countries. The meeting was held in conjunction with the 8<sup>th</sup> APT Policy and Regulation Forum for Pacific (PR the CommissionFP-8).



### 4.2. INTERNATIONAL

As provided for under the Telecommunications Act 2009, The Commission pays for the country's membership of relevant international organisations. One of the milestones achieved during the year was the settlement of Solomon Islands' ITU membership arrears, which had been accumulating since 1990. This settlement will see the Solomon Islands voting rights reinstated for all telecommunication issues at the International Telecommunication Union a UN body responsible for telecommunications. The Commission also met the cost of membership of the Asia Pacific Telecommunity, the Pacific Telecommunications Council, and the Pacific Islands Telecommunications' Association.

### 4.3. WORLD TRADE ORGANISATION

Commission staff also assisted in the Governments preparation of papers and positions touching on telecommunications at MSG, OCTA, WTO, PACER+ negotiations and also provided inputs for international discussions on trade in services.

## 5. Other ICT Developments

### 5.1. NATIONAL ICT AND BROADCASTING POLICY

In June 2015 the Technical Adviser appointed under the World Bank Telecommunications and ICT Development Policy Project presented the completed draft National ICT Policy and Broadcasting Reform to the Prime Minister.



## 6. Plan of Activities

With the winding up during 2015 of the World Bank project for funding the Commission's operations, the Commission is proposing a conservative activities agenda for 2016, when it will be fully reliant on licence fee revenue. The Commission will therefore focus on the following:

- Surveillance of the telecommunications services markets in respect of the competition conduct and consumer protection rules in the Act, with particular attention on domestic network interconnection arrangements.
- Commencement of dialogue with service providers on public awareness protocols for major service faults, and quality of service standards.
- Completion of the public consultation on the national radio frequency spectrum band plan, and introduction of the final Plan.
- Consumer choice awareness and rural district outreach in relation to telecommunications and ICT issues, including internet access and use.
- Continuation of national signal testing programme, in conjunction with the population of the national radio spectrum database, and refinement of the GIS coverage maps.

# 7.Statement of Cash Receipts and Payment

## TELECOMMUNICATIONS COMMISSION SOLOMON ISLANDS

### STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 Budget (SBD)	2015 Actual (SBD)
<b>FINANCING</b>		
IDA & PRIF grants	7,515,337	1,547,831
<b><u>Other Receipts</u></b>		
Service licence fees	8,435,583	7,303,675
Radio spectrum application fees	306,748	106,400
Numbering fees	-	292,105
Other income	20,706	1,741,917
<b>TOTAL FINANCING</b>	<b>16,278,374</b>	<b>10,991,928</b>
<b>EXPENDITURE:</b>		
<b><u>Operational expenses</u></b>		
Commission remuneration	4,812,117	7,135,447
Technical consultants	1,265,337	-
Legal advice	421,779	-
Fixed line audit	195,552	94,539
International memberships and subscription	207,247	87,774
Office rent	663,344	640,080
Telecommunications	274,540	569,213
Electricity, water, gas & utilities	152,761	340,654
Stationery, printing and publications	128,834	167,485
Vehicle & vessel maintenance & operation	36,733	315,464
Bank services	61,350	13,468
Insurance	35,828	116,291
Professional training & development	184,050	153,156
Workshop & participation	153,374	734,944
Incidental & general maintenance	59,586	255,366
	8,652,432	10,623,880
<b><u>Capital Expenses</u></b>		
Office accessories		
ICT equipment & software	46,012	111,147
ICT maintenance	15,337	2,500
Office equipment		75,077
Furniture & fittings	15,337	46,516
Motor vehicles	383,436	-
Motor vessel		-
Office improvement		-
Spectrum equipment & software		78,570
	460,122	313,811
<b><u>Other Expenses</u></b>		
Tax on interest income	-	-
Our Telekom compensation	8,435,583	2,057,259
Bmobile performance bond		-
Non-grant fund	-	-
	8,435,583	2,057,259
<b>TOTAL EXPENDITURES</b>	<b>17,548,137</b>	<b>12,994,950</b>
Surplus/(Deficit) for the period	(1,269,763)	(2,003,022)

