



Office of the Regulator

**ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2012**

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1. EXECUTIVE SUMMARY

This Annual Report for the Office of the Regulator (OOTR) for the period ending June 2012 shows continuing success in creating efficient and well-regulated Telecommunications, Broadcasting, Electricity and Postal Sectors.

Priority remains with improved monitoring of all Regulated Sectors. This Annual Report is provided based on duties carried out by different Divisions within the Office of the Regulator.

The focus for the **Corporate Services Division** remained with equipping the office with the appropriate staff to carry out its increased mandate especially considering the nature of work carried result from the constant changing of technology nowadays. The Public Service Commission approved additional staff for the Office of the Regulator and this has resulted in the need to look for alternate headquarters to cater for additional staff needed to carry out the normal duties. Preparations have started and it is anticipated that by the next financial year, the Office will relocate to new headquarters. The official website for the office has also been revamped to include all relevant information needed by the public.

The **Legal Division** continues to provide advice to the Regulator and the Office based on relevant legislation that governs the work of the Office. There is an appeal that was lodged by Digicel against Order of the Regulator No. 2010/03 and Order No. 2012/02 issued due to Digicel's non compliance of the Regulator's Orders. The matter of Digicel's appeal of the Regulator's Orders has been heard by the Telecommunications' Tribunal but a decision is still pending.

The Legal Division continues to work on enforcing Orders already issued to companies whilst also looking into Sections of the Act not required to be included in the Act. These include proposals to amend the Telecommunications Act 2005, Broadcasting Act 2010 as well as proposals to include Cybercrime Provisions in the Crimes Bill.

The Legal Division is also developing an Act that would consolidate all Acts the Office of the Regulator is mandated under, so that the Office can operate more efficiently.

The **Spectrum and Technical Division** has continued to increase its activities for the financial year 2011/2012 as a follow up from the previous financial year.

The Division has finalised the development of policies for the use of spectrum, and these policies include the Spectrum Management Policy and Guidelines, Infrastructure Sharing and Co Location Policy, Spectrum TV Frequency Assignment Policy. The Numbering Plan is schedule to be developed in the next financial year.

The Spectrum and Technical division continues to work on formulating Plans and Policies required for the Division to carry out its mandated work, and this is planned to be completed within the next financial year. The responsibility of overseeing the office website has now been transferred to the Technical Division as there is in house knowledge within the Division. The responsibility was usually undertaken by outside companies and this transfer of responsibility has resulted in the Office saving funds.

The Technical Division continues to monitor spectrum to ensure that there are no interferences that will affect communication and broadcasting. This is in addition to the Division's continuous advice for radio spectrum licenses issued by the Office of the Regulator to allow companies and the general public to use spectrum for communications and broadcasting.

The Regulatory Division worked on resolving consumer complaints and provider disputes received by the Office of the Regulator. In addition, the Division has been working on the review of retail tariffs and monitoring providers' compliance with approved rates. The review is due to complaints arising from inconsistency with the Act and non complaints with Orders of the Regulator.

The wholesale rates remain unchanged during the reported period as per Order of the Regulator 2010/01. The rates as reported on during the last financial year were 3.3 sene per minute for flexed termination rates and 17.7 sene per minute for mobile termination rate. Such rates apply during from 2009 and will expire in 2012. It is intended that the OOTR will begin the process for review of the FTR and MTR in the next financial year for any required changes.

The Electricity Sector Supervision is a newly established Division within the Office of the Regulator with the newly created positions within the Office. The implementation of the Electricity Act 2010 shows additional policies and plans identified by government to ensure improved coordination of such an important sector to our economy. The provisions of the new Electricity Act 2010 encourages competition and the electricity market is now opened to allow for new companies to generate electricity subjected to conditions set out by the OOTR. These conditions include the issuance of relevant licenses by the OOTR. In addition, the OOTR also sets and reviews all electricity tariffs. The Division is now in a preparatory stage to ensure it is properly equipped to carry out its mandate and includes a Work Plan to identify priority areas.

The Financial Review of the OOTR continues to show healthy performance though the method of reporting continues to be misleading. The Government approved a budget of \$1,708,966 for the Office for the period July 2011 to June 2012. As at June 2012, the Office had recorded revenue in the amount of \$4,194,708 and had incurred expenses of \$4,025,671 and recorded a net profit of \$169,037. A total amount of \$2,469,503 relating to revenue collected has been transferred to the Government's accounts during the year.

Main revenue stream for the Office are from telecommunications licence and radio spectrum fees, and it is expected that revenue from broadcasting license fees will be collected by the OOTR based on license fees previously collected by the Ministry of Communications & Information Technology when the Ministry was regulating the broadcasting sector.

The OOTR is currently working on recovering license fees outstanding from the last financial year as well as cancelling licenses for license fees unpaid.

Operating expenses for the Office of the Regulator is mainly for operational expenses but given the method of reporting where the fees are collected by OOTR then remitted to the Government the expenditure is always increased by the amount remitted by OOTR. This has the perverse effect that the more is collected and remitted then the greater is the expenditure recorded. The amounts transferred (remitted) to Government represents 61% of the total expenses of the Office.

2. CORPORATE SERVICES

Corporate Services in the Office of the Regulator continues to provide the support activities required throughout the organisation including finance, administration and human resources development activities.

2.1 STAFFING

The staff of the Office of the Regulator comprised of the following eleven (11) personnel as at 30th of June 2012:

Regulator: Donnie De Freitas

Legal Counsel: Elisa Kohlhase

Manager Spectrum & Technical Services: Unutoa Auelua-Fonoti

Manager Regulatory & Consumer Services: Karen Komiti

Principal Spectrum & Technical Analyst: Tuuaga Aviata

Principal Spectrum & Technical Officer: Eteuati Eteuati

Principal Accountant & Administration Officer: Faalelei Sua

Principal Consumer Affairs Analyst: Ipiniu Filipo

Accounts Clerk: Etenauga Tanielu

Receptionist/Office Assistant: Leleiga Karene

Driver: Pio Bell

2.2 ORGANISATIONAL STRUCTURE

The Organisational Structure for the Office of the Regulator was again reviewed in the current financial year to show the establishment of the Electricity Sector Supervision Division (“ESSD”) to regulate the electricity sector. This included seven (7) new positions for the Office of the Regulator endorsed by the Public Service Commission in March 2012.

All new positions are expected to be filled within the upcoming financial year.

The approved Organisational Structure is reflected in Fig 2.1 below and has been updated to reflect all current positions as at 30 June 2012.

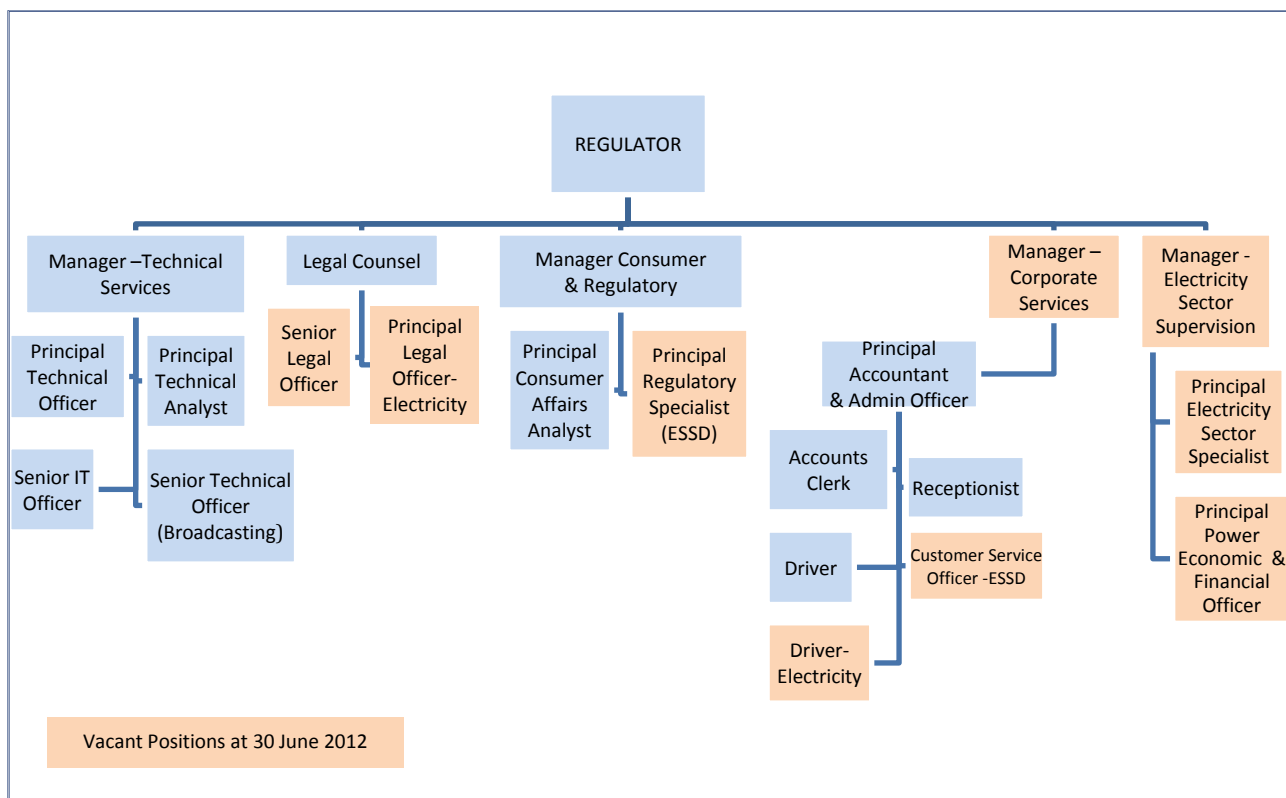


Fig 2.1 Organisational Structure of the Office of the Regulator

2.3 OFFICE RELOCATION

Management identified the need for new Headquarters for the OOTR in the previous financial year and has started preparations to renovate a vacant building at Mulinu for this purpose. With additional staff expected to join the OOTR in the near future, relocation will now be a priority.

In June 2012, the notification of the contract award for renovations was given to ALCC Brown Enterprises Co. Ltd for the total amount of \$565,809 and it is expected that works will be completed by October 2012. The OOTR will cover costs of renovation to be repaid over the period of a long term lease.

2.4 INSTITUTIONAL STRENGTHENING AND CAPACITY BUILDING

Staff members of the Office of the Regulator attended specialised overseas training already identified for them from the previous financial year. This was to ensure that all employees are adequately equipped to carry out their duties.

Training for the Divisional Managers remained a priority to ensure the continuity of the Office.

Training opportunities were provided through the International Telecommunications Union (“ITU”) and the Asia Pacific Telecommunity (“APT”).

The OOTR also became a member of the Pacific Island Regulatory Resource Centre (“PIRRC”) in October 2011 and has been using the resources provided by the Organisation for regulatory research for capacity building.

Training provided for the OOTR during the period under review is listed below:

OOTR Representative (s)	Course Attended	Venue	Period
Donnie De Freitas	4 th Policy and Regulation Forum for the Pacific	Nadi, Fiji	6 – 8 July 2011
Eteuati Eteuati	ITU Asia-Pacific Regional Multi-stakeholder Forum on Emergency Telecommunications	Ulaanbaatar, Mongolia	8 – 11 July 2011
Donnie De Freitas	ITU ICB4PAC workshop on Monitoring and Evaluation of National ICT Policy Implementation	Honolulu, Hawaii	18 – 20 July 2011
Ipiniu Filipo	Vanuatu’s Telecommunication & Radiocommunication Regulator’s Workshop on Competition Guidelines	Port Vila, Vanuatu	22 – 23 August 2011
Donnie De Freitas	Broadband for Delivering e-Society: ACP Europe ICT Roundtable 2011	Brussels, Belgium	20 – 21 October 2011
Unutoa Auelua-Fonoti	ACMA/ITU International Training Program	Melbourne, Australia	8 – 9 November 2011
Donnie De Freitas	Government of FSM Public Consultations on the Review of the Licensing Regime	Pohnpei, FSM	12 – 16 December 2011
Tuuaga Aviata	ITU/APT International Mobile Roaming Workshops	Bangkok, Thailand	7 – 11 May 2012
Donnie De Freitas	ITU Asia-Pacific Regional Development Forum	Bangkok, Thailand	16 – 18 May 2012
Donnie De Freitas	Third Asia Pacific Dialogue on Clean Energy Governance, Policy, Law and Regulation	Manila, Philippines	4 – 5 June 2012

The Office continues to focus on upgrading interaction with the public through an improved website and making its process of public consultation more interactive and consumer friendly.

3. LEGAL FRAMEWORK

This part of the Annual Report provides an overview of the Legal Division's work for this specific period.

This year the Legal Division has been occupied with a series of events ranging from the provision of legal advices, preparation and review of legal instruments (including but not limited to Acts, Orders and licences).

3.1 LEGAL CHALLENGES

Telecommunications Tribunal Decision – Appeal against Order of the Regulator No 2010/03- Digicel (Samoa) Ltd v Regulator & Samoa Tel Limited

Following the issuance of Order of the Regulator No 2010/03, Digicel (Samoa) Ltd lodged an appeal with the Telecommunications Tribunal in relation to licensing arrangements, technology used to provide the service and more importantly tariffs charged which are associated with regulatory approval. As of date, the Tribunal's decision is still pending and the Office of the Regulator has continuously followed up and will continue to follow up on the decision given the impact that the decision might have on the Orders and any following action that the Regulator may make to subsequent matters arising.

Code of Practice for ISPs

In addressing consumer protection matters and equally important the protection of children online from the negative materials distributed via the internet and through the use of technology; the Office of the Regulator developed and consulted stakeholders on a Code of Practice for retail Internet Service Providers, however the players of the industry did seem to be keen on the initiative and therefore this initiative was not implemented within this Financial Year.

3.2 LICENSING

The Office of the Regulator continues to work in accordance with the Government objectives for the telecommunications sector, more particularly the development of technologies and allowing for the introduction of new service providers so as to increase the number of telecommunications services available to the public.

Pursuant to the above objective, the Regulator worked towards the development of a number of licence templates for different services including a:

- (a) non-commercial broadcasting licence,
- (b) community broadcasting licence,
- (c) a subscriber TV licence;

3.3 RULES, GUIDELINES AND ORDERS

The Office of the Regulator is working towards the review of the Rules on Licensing Telecommunications Services 2006, revamping the rules to be more technology neutral and other necessary changes.

The Office of the Regulator conducted initiatives into establishing a Guideline for Alternative Dispute Resolution and had engaged Macmillan Keck an Australian consultant for technical support.

The following Orders were issued in the past year in relation to the regulation of all the sectors under the jurisdiction of the Regulator:

Order of the Regulator No. 2011/02 -	Type Approval of Telecommunications Equipment
Order of the Regulator No. 2012/01 -	Approval of a monthly fuel surcharge
Order of the Regulator No. 2012/02-	Approval of Digicel's DigiFixed Rates for Select Plans 1000 and 2000
Order of the Regulator No. 2012/E03-	Approval of Fuel Surcharge

3.4 DEVELOPMENT IN ACTS

Telecommunications Act 2005 – Proposed Amendments

The proposed Amendment Bill has been reviewed by the Office of the Regulator and its consultation is scheduled for early 2013.

Broadcasting Act 2010 – Proposed Amendments

Amendments to the Act have been discussed by the Office of the Regulator with the Ministry of Communication and Information Technology as the current administrative entity; whom has confirmed that there were no objections to the amendments. Consultations on the proposed amendments are scheduled for early 2013 once the Amendment Bill is finalised by the Office of the Attorney General.

Crimes Bill (Cybercrime Provisions)

A successful workshop was conducted by collaboration of the Office of the Regulator and the Office of the Attorney General with some assistance from the International Telecommunications Union (“ITU”) and the European Commission under the **IC4PAC Project** on Concepts and Techniques for developing Cyber Crime Policy and Legislation on 22-25 August 2011; facilitated by an expert from the International Telecommunications Union Mr. Marco. Gercke.

Subsequent to the abovementioned workshop specific provisions on cybercrime was developed and were incorporated into the new Crimes Bill. The Crimes Bill will in effect amend the Telecommunications Act 2005 by removing any internet related crime which would now be included in the new Crimes Bill, leaving only telecommunications related offences in the Telecommunications Act 2005.

Public Utilities Act

A Public Utilities Act is being developed to establish a Multi-Sector Regulator (which includes telecommunications, broadcasting, postal services and electricity) and so to consolidate administrative roles and responsibilities of the Regulator and the Office of the Regulator as mandated under the various relevant Acts, specifically the *Telecommunications Act 2005*, *Broadcasting Act 2010*, *Electricity Act 2010* and the *Postal Services Act 2010*.

4. SPECTRUM & TECHNICAL DIVISION

The Technical Division has continued to increase its activities for the financial year 2011/2012 as a follow up from the previous financial year. As usual, we continue to face with the challenges of organising its work so as to meet the competitive and increasing demand in the market and especially with the emerging of new technologies in Samoa. Technical Division continue to monitor the sector, in telecommunication and that of the Broadcasting.

With the increase number of users of the spectrum band, meaning technical division has additional responsibilities especially with monitoring of the spectrum band. The technical division during this financial year have completed few policies and guidelines as part of the Spectrum Management Plan such as the Infrastructure Sharing and Co Location Policy, Spectrum Management Policy and Guidelines, Frequency Allocation Table Review, EGSM Policy and the TV Frequency Assignment Policy. All of which were in accordance to Technical Division Work Plan intended to finalise in this financial year. All of which were subject to consultations under the legislation.

Technical Division were also engaged in the development of the number of documents as part of the Spectrum Management Plan. The aim is to develop these documents which will be finalised and consulted on in the next financial year. These documents including the Authorisation Procedures for Amateur License, Policy on Internet on Vessels/Aircrafts, 700MHz Band Plan, Fixed Microwave Band Plan, VHF and UHF Mobile Service.

This financial year also sees the transfer of the responsibilities of developing the OOTR website which was originally outsourced to the Technical Division in order to utilize the in house knowledge in website development within the office but most importantly is to save money.

Technical Division continues to monitor the electromagnetic-spectrum and the results were encouraging as it has been seen that most users are operating within their range of regulatory allowances. As a result of this ongoing monitoring exercise, the first coverage maps of the broadcasting sector has been recorded and released for the information of the service providers.

Numbering audit has completed but the Plan is again reschedule to formulate in the next financial year due to the introduction of Broadcasting Regulations and the urgent need to improve the broadcasting sector. Equipment type approval has been ongoing and the standardization of the type approval process is continuing.

4.1 RADIO SPECTRUM LICENCES

The Office of the Regulator continue to issue radio spectrum licenses based on the provisions of the Telecommunications Act 2005, the newly enacted Broadcasting Act 2010 and according to conditions set by the Regulator. The number of new licenses issued during the financial year 2011/2012 continues to increase due to the rapid growth of the telecommunication sector and the introduction of more innovative technology in the Samoan market. The obvious decrease in Land Mobile license is due to outstanding payment hence no license has been issued. The decrease in Amateur License issued is due to the less tourists visiting Samoa because this service is mostly use by tourists and business people visiting Samoa for short stay.

The following **Table 4.1** describes how the licenses were distributed in the financial year 2011/2012 compared to the last financial year.

Jul 2010 to Jun 2011		Jul 2011 to Jun 2012	
Type of License	Quantity	Type of License	Quantity
Amateur	13	Amateur	4
Land Mobile	48	Land Mobile	16
Fixed Link	4	Fixed Link	17
Broadcasting FM	2	Broadcasting FM	7
Broadcasting TV	3	Broadcasting TV	8
Ship Station	6	Ship Station	10
Aeronautical Station	2	Aeronautical Station	4
Satellite Earth Station (RX/TX)	4	Satellite Earth Station (RX/TX)	5
GSM Mobile	2	GSM Mobile	2
		EGSM Mobile	1
SES Rx only	2	SES Rx only	2
SES Tx only	2	SES Tx only	3
WiMAX Broadband	2	WiMAX Broadband	3
		WiFi Broadband	2

Table 4.1: Distribution of Radio Spectrum License by operations as at June 2012

4.2 SPECTRUM MANAGEMENT

As indicated before, the Technical Division continues to develop the documents that intend to be used as part of the Spectrum Management Master Plan. The Spectrum management Plan includes many plans and policies which will be part of the Spectrum Management Plan for Samoa as a requirement by the Act. The priority of course will be the Spectrum Management Policy which has already been completed and finalised in this financial year. Its purpose is to set forth the policies and guidelines for the use of the radio spectrum in Samoa. The intent is to ensure that the principles of good spectrum management would be achieved in order to maximize the efficient use of radio spectrum and to ensure that spectrum is made available for new technologies and services.

Technical Division also anticipated more documents to be added to the Plan given the introduction of Broadcasting to their Work Plan from the last financial Year. The Technical Division simultaneously takes on efforts to resolve spectrum-related or interferences issues arise.

Frequency Allocation

The frequency allocation for Samoa was last reviewed in the last financial year as it was part of the Spectrum Management policy already developed and finalised in this financial year. One of the key features of the Allocation Table is that it sets out the frequency bands that have been allocated to services and divides the providers into what they needed for their respective services. The next step for the Technical Division now is drawing up the Frequency Allocation Chart based on the currently existed Frequency Allocation Table, the chart is part of the OOTR

Technical Division work plan for this financial year and the intention is for it to be finalised in the next financial year.

This financial Year also saw the introduction of the more sophisticated 3G mobile services by both service providers. Bluesky in December 2011 launched its new HSPA+ technology and Digicel in March 2012 to improve the quality of its signal hence increase the quality of service for both companies. This has resulted in the release of more spectrum in the EGSM band allocation and we anticipated the demand for more spectrum with the introduction of IMT Advanced technologies now out in the market where 700MHz spectrum will be use. Allocation for the Digital Dividend will also be added as the way forward because Samoa will also be looking at the Digital Dividend Spectrum as part of its market in the near future.

There were amended made to the spectrum allocation and assignment tables based on the changes mentioned above. This information will be within the framework of the International Telecommunication Union's Radio Regulations and the requirement of the Telecommunications Act 2005 and Broadcasting Act 2010.

Spectrum Monitoring

OOTR Technical Division continues to monitor the Spectrum in all respective services available in Samoa. Scheduled three monthly monitoring are ongoing and all findings are recorded and reported to the providers for proper action. With the growing demand for radio spectrum in Samoa, spectrum management is becoming one of the most important functions of the Office of the Regulator. Spectrum management requires special considerations to ensure high quality of service and efficient use of radio spectrum in Samoa.

The Technical Division have obtained a portable and more sophisticated monitoring equipment to compliment the currently existed equipment. This new equipment contain an additional component to add to the spectrum monitoring equipment currently in use which could expand the scope of information the OOTR could collect for monitoring purposes. The Technical and Spectrum Division is now in a good position to monitor and continue on with the monitoring activities both in Upolu and Savaii. This monitoring process is vital to ensuring the complete compliance in the part of services providers and radio communication services to their licenses terms and conditions, but also to investigate complaints of radio frequency interference.

4.3 INFRASTRUCTURE SHARING AND CO LOCATION POLICY

The Office of the Regulator has developed this policy in the last financial year and it continues to finalised and implement in this financial year. The purpose of this policy is to set forth the objectives and recommendations to all service providers to encourage infrastructure sharing. The intention is to ensure and support the idea that improved telecommunication services can be given to the customers if the provisions of co location and infrastructure sharing are encouraged. This approach in the unserved and underserved communities will be in line with the OOTR's stated commitment to promote Universal Access for the public to telecommunication services. It is also the intention of this policy and associated guidelines to encourage and stimulate competition between service providers and seeks to reduce operating costs of telecommunications services (including broadcasting services) especially in the provisioning of service in rural areas. This policy will include but not be limited to identifying

network elements which can be shared, conditions under which sharing should occur, various terms and conditions of sharing arrangements including pricing and regulatory measures such as licensing. The OOTR also takes into consideration existing international practices and has opted for co-operative efforts amongst telecoms and broadcasting service providers with minimal regulatory intervention. The OOTR through the proposed policy requires that the entire process be transparent and non-discriminatory.

4.4 SPECTRUM MANAGEMENT POLICY

The Technical Division has developed and finalised its Spectrum Management Policy in this financial year and will implement it based on the requirement of the Act. The purpose of this Policy is to set forth the policies and guidelines for the use of the radio spectrum in Samoa. The Policy addresses the general principles to be applied in the allocation and assignment of frequencies and further the associated Plan addresses the implementation mechanisms for these policies. It sets out the allocation of the frequency bands to the various types of services in Samoa. The allocations and the supply of the Spectrum are governed by the Recommendations of the International Telecommunication Union (ITU) and the World Radio Conferences (WRC). These allocations are based on the three ITU Regions, where Samoa and the Pacific are in Region 3. The Policy is focused on four main areas of work in Spectrum Management they are Planning, Engineering, Authorisation and Monitoring.

4.5 NUMBERING

The Samoa National Numbering Plan (Plan) has already been drafted but hasn't been finalised. Since the enactment of the Broadcasting Act in the last financial year, OOTR have reprioritise its work on Broadcasting since there is an urgent need to improve the regulation of the Broadcasting Sector. Therefore the Numbering Plan has been put on hold although it has already been in its first draft form.

This plan basically sets out the rules and guidelines for the numbering plan for all types of telecommunication services in Samoa. These rules and guidelines shall apply to all operators and users of the Numbering Plan.

The Plan also describes the current assignment of numbers within the country. All operators have the responsibility to implement numbering schemes that comply with this Plan. In addition, the numbering plan intends to address issues involved the misuse of numbers for online cyber services when it's needed.

The plan also reiterates the fact that it is the responsibility of the Office of the Regulator to allocate reserve, assign, and monitor numbers and codes used by service providers. Currently numbers are allocated to Bluesky SamoaTel and Digicel who are the only providers providing that public service. The Office of the Regulator has conducted a numbering audit in the last financial year of all Numbers and Codes used in Samoa for the purpose of improving that service. The Samoa National Numbering Plan is now planned to be finalised in implemented in the next financial year.

4.6 NATIONAL EMERGENCY TELECOMMUNICATION PLAN

The Technical Division has already developed the National Emergency Telecommunication Plan for Samoa and is now with the Honourable Minister for Cabinet Approval. The NETP will be an integral part of the National Disaster Management Plan (NDMP). The Telecommunications Act 2005 ('the Act') mandates the formulation of a strategy to address emergency communications shortfalls. The Office of the Regulator is charged with the responsibility of ensuring that such a strategy is established and efficiently implemented when disasters strike and also to satisfy section 8(1) (n) of the Act.

This also applies during periods of natural disasters where we make sure that telecommunications utilization during natural disaster is effective and efficient and that Service Providers should provide the best service as in provision of their service. The OOTR will implement this plan once we have approval from Cabinet.

4.7 TELECOMMUNICATION EQUIPMENT

The Office of the Regulator continues to type approve telecommunications equipment intended to use for telecommunications services in Samoa. This process is a requirement of the Telecommunication Act 2005 and it has been further enforced by OOTR after issuance of Order Number 2011/02. Type approval process involves assessing the device/equipment if it is compliance with the Australia and New Zealand Standards and/or if they are ETSI¹ and FCC compliance. OOTR has identified the standards used by New Zealand and Australia, ETSI and FCC as the foundation standards for all devices to be use in Samoa.

From 1st July 2011 to 30th June 2012, 35 devices have been type approved, a listing of which is provided in **Table 4.2**

Manufacture	Product Description	Model Number	Approved Date
Research In Motion Limited	BlackBerry	9360	28-Jul-11
Nokia Australian Pty Ltd	Nokia	100	4-Aug-11
	Nokia	101	5-Aug-11
	Nokia	300	7-Sep-11
Wireless Approval Consultants	SYNC GEN II	YNCG2	20-Sep-11
	Remote Function Actuator (RFA) Module	BG10B	
Research In Motion Limited	BlackBerry	9790	14-Nov-11
	BlackBerry	9380	15-Nov-11
Nokia Australian Pty Ltd	Nokia	302	21-Nov-11
BlueSky SamoaTel	Ubiquiti	M365P	25-Nov-11

¹ ETSI – European Telecommunication Standards Institute; FCC – Federal Communications Commission (USA)

	Networks	M365N	
		M365	
	Base Band Unit	BBU3900	25-Nov-11
	Remote Radio Unit	RRU3908	25-Nov-11
A.D.C. Automotive Distance Control Systems GmbH	Blind Spot Monitoring System (RADAR)	SRR2-A	15-Dec-11
Maxkar Limited	CPE Ubiquiti Networks	M5-S81509B	9-Jan-12
Nokia Australian Pty Ltd	Nokia	201	11-Jan-12
HJF Electronics	Motorola	GM3000	30-Jan-12
Nokia Australia	Nokia	203	26-Mar-12
	Nokia	202	
BlueSky SamoaTel	NanoBridge	M2	13-Apr-12
Nokia Australia	Nokia	111	13-Apr-12
	Nokia	110	
Digicel Samoa Limited	ZTE	V9	20-Apr-12
	Coral	C280	
	Coral	C285	
	Coral	C680	
	Alcatel	OT-910	
	Nokia	C5-00	
Nokia Australia	Nokia	X2-01	25-Apr-12
Nokia Australia	Nokia	211	17-May-12
Digicel Samoa Limited	HTC-ChaCha	PH06110	28-May-12
	Alcatel	OT-900	
	Samsung Calaxy	Tablet 10.1	
	Motorola	M0C3B	
Visteon Corporation	Bluetooth Car Kit	GEN3.1	22-Jun-12

Table 4.2: Equipment Type Approved from 1st July 2011 to 30th June 2012

4.8 HARMFUL INTERFERENCE

During financial year 2011/2012, there was no major interference reported. There were few minor ones reported but were due to poor installations on the part of the operators and also due to poor coordination on the part of the providers. OOTR have managed to resolve these minor interferences by advising the respected providers of their obligation under the law.

The creation of the interference forms have helped the Technical Division to promptly solve these issues which in fact saved money and time from attending these interference. OOTR hope to keep on this good record as it shows that the spectrum management is well managed and all users are complying with the guidelines of using the spectrum.

5. REGULATORY & CONSUMER SERVICES

During the reported period the Division mainly focussed on characteristics of the regulatory support relating to consumer protection for telecommunications and broadcasting sectors including: addressing outstanding consumer complaints and provider disputes; the review of retail tariffs; monitoring providers' compliance with approved rates and facilitate evaluations for application for services licence.

5.1 OUTSTANDING REGULATORY ISSUES

The OOTR resolved a number of outstanding regulatory matters, which dated back to 2007, some of which remain in the stage of resolution process which required thorough and lengthy consultation for the principles of natural justice and fair process to be administered.

The OOTR intends to resolve outstanding complaints from providers during the next financial year notwithstanding the resource constraints.

5.2 CONSUMER COMPLAINTS

The OOTR received a number of complaints during the reported period, most of the complaints has been resolved whilst some of which remain in the passage of its complaints resolution process. It is expected these complaints will be resolved in the next review period.

5.3 TELECOMMUNICATIONS TARIFFS

5.3.1. Wholesale Rates

The wholesale rates remain unchanged during the reported period that is 3.3 sene per minute for fixed termination rates ("FTR"), and 17.7sene per minute for mobile termination rates ("MTR") as per Order of the Regulator 2010/01 issued in the last financial year.

Such rates are to apply from the period 2009 and expire in 2012

It is intended that the OOTR would begin process for review of the FTR and MTR in the next financial period.

5.3.2. Retail Tariffs Audit

The OOTR continues to monitor Digicel's Cellular Radio Services and Bluesky's Fixed Line Services consistent with the Regulator's functions and duties under section 25 and section 40 of the Act.

For sake of clarifications, Digicel (Samoa) Limited was designated the dominant service provider in the cellular radio services market as per order of the Regulator 2006/06 and SamoaTel now Bluesky Samoa Limited was designated the dominant service provider in the public fixed telephony market as per order of the Regulator 2006/01.

The OOTR recognized that the issuance of the new and lower interconnection rates should mark the beginning of a more vigorous regulatory analysis of the retail rates currently charged to consumers.

Equally important, the OOTR intended to ensure during the exercise that pursuant to the provisions of the Act, all tariffs and rates for services provided by a dominant service provider for the services for which they have been determined or deemed dominant must first be approved by the Regulator; the approved tariffs will apply to those services for which the provider has been deemed dominant.

5.3.3. Tariffs Review

During the period under review, the Regulator issued Order No. 2012/02 for approval of Digicel DigiFixed Rates for Select Plans 1000 and 2000 and Digicel is permitted to charge twenty five (0.25) sene per minute maximum retail rate for each minute of traffic for the said plans. It is intended that during the next reporting period, that the OOTR would review Guidelines for the filing and approval of tariffs to provide guidance for providers on the relevant approval and notification procedures for tariffs, as part of the establishment of the general regulatory framework for competition in the markets.

5.4 UNIVERSAL ACCESS

5.4.1. Universal Access Policy

The final Universal Access Policy was approved by Cabinet in May 2011 however it is not yet implemented due to the unavailability of funds.

5.4.2. Universal Access Fund

The OOTR is now looking at several options in order to fund the implementation phase of the universal access pilot project Access. The options to consider are:

- i. Impose a special fee on all telecommunications providers;
- ii. Government through donor agencies obtain funds for Universal access
- iii. Use “excess” funds collected from existing spectrum and telecommunications fees to fund Universal Access
- iv. A hybrid of funding mechanisms be used

It is intended that during the next reporting period that the OOTR would develop Discussion Paper for public consultation on the OOTR’s proposal on a funding mechanism for implementation of the Universal Access (UA) Policy.

5.5 APPLICATIONS FOR SERVICES LICENCE

The OOTR received the number of applications for Telecommunication and Broadcasting Services during the reported period. Most of the applications have been approved by the Regulator whilst some of the applications remain incomplete due to some outstanding issues between the applicant and other service providers.

6. ELECTRICITY SECTOR SUPERVISION

The implementation of the Electricity Act 2010 resulted in two major reforms in the electricity sector. First was the introduction of competition to the electricity market by allowing private licensees also known as Independent Power Producers ('IPPs') to generate electricity and second is the establishment of the Office of the Regulator as the Regulator of the sector in August 2011.

In accordance with the provisions of the Act, the OOTR has amongst other major functions, the responsibility for issuing licences for IPPs and setting and reviewing all electricity tariffs. In addition, one other major function of the OOTR is to seek public input and consulting affected stakeholders in all matters having widespread public impact arising from the exercise of duties, functions and responsibilities of the OOTR under the Act.

Section 6 of the Act specifies the responsibilities, functions and powers of the Regulator as follow:

- (a) Proper and effective administration of the Act
- (b) Provide advice to the Minister and Cabinet on matters of electricity sector policy
- (c) Ensure that decisions are made independently and transparently and in accordance with the Act
- (d) Set, monitor and enforce electricity tariffs
- (e) Issue, monitor and enforce licences
- (f) Protect interests of consumers of electricity
- (g) Enforce standards of electricity services
- (h) Review and approve power system expansion plan and power purchase agreements
- (i) Implement the National Energy Policy
- (j) Assure safeguarding of the environment
- (k) Support the national policy on combating climate change
- (l) Provide electricity sector policy advice to the Minister and Government
- (m) Impose and collect licence fees or surcharges to cover its costs of operation
- (n) Impose sanctions for non compliance
- (o) Require licensees to provide all information necessary to carry out regulatory monitoring and enforcement functions
- (p) Inspect and monitor service licensee's operations
- (q) Order licensees to engage independent consultants to carry out studies of efficiency and economy of operation

7. FINANCIAL REVIEW

The Government approved a budget of \$1,488,356 for the Office for the period July 2011 to June 2012. Additional funding was received for the amount of \$220,610 to fund for new positions approved as well as operating and capital costs for the newly established Division within the OOTR.

As at June 2012, the Office had recorded revenue in the amount of \$4,194,708 and had incurred expenses of \$4,025,671. It therefore realised a net profit of \$169,037. A total amount of \$2,469,503 relating to revenue collected has been transferred to the Government's accounts during the year.

7.1 REVENUE

The key sources of revenue for the Office are telecommunications licence and radio spectrum fees, accounting for 48.09% and 10.90% respectively. This is in addition to government grants received during the year amounting to 40.74% of its revenue. The balance is represented by application fees.

7.1.1. Telecommunications Licence Fees

The Office was able to invoice telecommunications licence fees of \$2,017,164 for the year ended June 2012. Telecommunications licence fees comprise of fees payable by licensed telecommunications services providers, in accordance with the Telecommunications Licence Fee Regulations 2007.

7.1.2. Radio Spectrum Fees

The total amount invoiced as radio spectrum fees for the year was \$457,151. It comprises the fees payable by licensed radio spectrum users, in accordance with the Radio Spectrum Fee Regulations 2007. Broadcasting licence fees are now collected by the Office of the Regulator and are included as radio spectrum fees for financial reporting purposes and this has seen an increase in radio spectrum fees in the current year compared to 2010/2011. There was also an increase in the number of radio spectrum licences issued compared to prior years.

As at the end of the financial reporting period, there was \$290,770 recorded as outstanding spectrum licence and administration fees. An additional provision for doubtful debts is included in the financial statements for the amount of \$127,642 to address the issue of licence fees that have been long outstanding while the OOTR continues to follow up on invoices that have been recently issued to ensure that they're settled within the next six months.

7.2 EXPENDITURE

In the 2011/2012 financial year, the usage of the Office's spending was primarily limited to operating expenses.

In the financial year ended 30 June 2012, 61% of the total expenses of the Office is represented by income collected and transferred to Government.

As reflected in **Figure 7.1**, approximately 27% of the organisation's expenses for the year comprised salaries, wages and allowance for staff members, and depreciation of assets.

The segment labelled "Other", which accounted for approximately 5% of the total expenditure; include payments towards advertising, audit fees, electricity charges, internet costs, loss on disposal of fixed assets, bank charges, subscription to publications and other miscellaneous operating expenses.

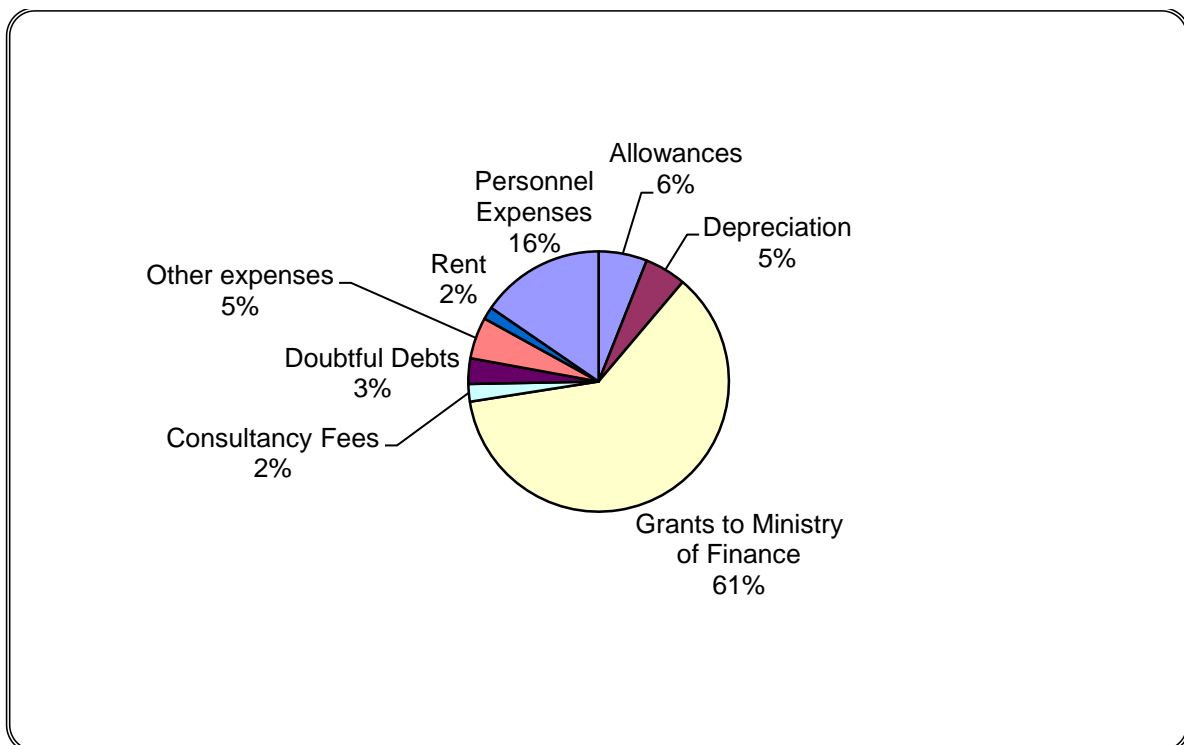


Figure 7.1: Distribution of expenses for the year ended 30 June 2012

7.3 FINANCIAL AUDIT REPORTS

The report of the Audit Office, Government of Samoa, has been supplied as Appendix C of this report. Note should be made that as at 30 June 2012 the audit exercise did not include examination of financial statements and accounts in respect of the Universal Access Fund, as the fund has not yet been established.

APPENDIX A

Register of Telecommunications Licensees for the year ended 30 June 2012

Fixed Licence

- Bluesky SamoaTel Limited

GSM Licences

- Bluesky SamoaTel Limited
- Digicel (Samoa) Limited

Retail Internet Service Provision Licences

- Bluesky SamoaTel Limited
- Digicel Samoa Limited
- Computer Services Limited
- iPasifika Limited
- Lesa's Telephone Services Limited

Wholesale Internet Service Provision Licence

- Bluesky SamoaTel Limited

International Gateway Licences

- Bluesky SamoaTel Limited
- Digicel Samoa Limited
- WiMax Samoa Limited

Submarine Cable Licence

- Samoa American Samoa (SAS) Cable Limited
-

APPENDIX B**Register of Radio Spectrum Licensees**
for the year ended 30 June 2012Register of Spectrum Licensees for Television Broadcast

- Apia Broadcasting Ltd (TV3)
- Samoa Quality Broadcasting Limited
- R&M Meredith Family Trust (TV2)
- Worship Centre

Register of Spectrum Licensees for Maritime Radio (Ship Station)

- Apolfish Limited
- Leckie McDonald
- Samoa International Game Fishing
- Samoa Shipping Services
- Samoa Shipping Corporation

Register of Spectrum Licensees for Land Mobile Radio

- 24/7 Taxi Stand
 - 57 Taxi Stand
 - Apia Concrete Products
 - Airport City Cab
 - Betham Brothers Enterprises
 - Central Bank of Samoa
 - DB Taxi Stand
 - Express Taxi Stand
 - Fire and Emergency Services Authority
 - Fisheries Division (FISHNET)
 - KL Security
 - MNRE (Disaster Management Organisation)
 - Motootua Taxi Stand
 - National Provident Fund
 - Samoa Airport Authority
 - Samoa Island Taxi Stand
 - Samoa National Health Services
 - Samoa Shipping Corporation
 - Samoa Land Corporation
 - Samoa Lager Taxi Stand
 - Samoa Cab
 - Samoa Ports Authority
-

APPENDIX B

- Le Vai Limited
- Liliolevao Taxi Stand
- Ministry of Commerce, Industry and Labour
- Ministry of Finance
- Ministry of Works, Transport & Infrastructure
- Sivamua Taxi Stand
- Top Security Services Co. Ltd
- Tafatolu Taxi Stand
- Wong Chiu Taxi Stand
- Worship Centre
- Tonu Peleseuma
- Red Cross Society

Register of Spectrum Licensees for FM Radio Broadcast

- Aiga Tafesilafai (Catholic)
- Radio Polynesia Ltd
- Samoa Quality Broadcasting Limited Chinese FM Radio
- Samoa Quality Broadcasting Limited
- Worship Centre

Register of Spectrum Licensees for Fixed Station (Radio)

- Aiga Fesilafai Radio
- Bluesky SamoaTel Limited
- Computer Services Limited
- Digicel (Samoa) Limited
- Fisheries Division (FISHNET)
- Samoa Quality Broadcasting Limited
- Radio Polynesia

Register of Spectrum Licensees for Aeronautical Radio (Aircraft Station)

- Polynesian Airlines
- Samoa Air

Register of Amateur Radio Licensees

- Atsuo Sakuma
 - Craig Harrison
 - Carlos Carcia (expires in 2014)
 - Dr. Hranislav Milosevic
 - Joerg Ossig
-

APPENDIX B

Register of Licensees for Satellite Earth Stations (transmit and receive)

- ANZ Bank Samoa Limited
- Bluesky SamoaTel Limited
- Digicel (Samoa) Limited
- Ministry of Natural Resources and Environment
- World Health Organisation (WHO)

Register of Licensees for Mobile Broadband Spectrum (GSM900)

- Bluesky SamoaTel Limited
- Digicel Samoa Limited

Register of Licensees for Broadband WiMAX & WiFi

- Digicel Samoa Limited
- Samoa WiMAX (CSL)

Register of Licensees for Television Outside Broadcasting (Satellite)

- TV Works New Zealand Limited
-

APPENDIX C

AUDITED FINANCIAL STATEMENTS FINANCIAL YEAR ENDED 30 JUNE 2012
