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Telecom: FIJI'S SOLE MOBILE SERVICE FIRES UP

Govt taken to task for opening up the market

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Telecom regulator... Josua Turaganivalu explains a few issues during the first telecommunication consultation last month. Photo: Fiji's Ministry of Information.

As Fiji begins the long overdue reform of its telecommunication industry, its sole mobile telephony service provider Vodafone Fiji filed an injunction in the Fiji High Court last month to stop the Ministry of Information, Communications and Media Relation from allowing any other independent operator to enter the market. At least, not just yet.

The ministry, through its Department of Communications, is the industry regulator and licensing authority.

By the time this edition went to press, it was awaiting a court clarification on the matter.

According to the Telecom Decree 1998, no mobile license was issued at the time. But TFL (Telecommunications Fiji Limited) assigned one of its services to Vodafone Fiji to provide cellular phone service.

◆And there are some questions on the assignment of exclusivity. That is what we are trying to sort out so that we may be able to open up the mobile market for the players,◆ says Marieta Rigamoto, minister responsible for communication.

TFL is the major shareholder in Vodafone Fiji, while Vodafone International Holdings BV is the other joint partner with 49 percent ownership.

The ministry presently has four applicants for mobile licenses, which include the Ballu Khan-Native Land Trust Board joint venture PacificConneX (PCX), the Jamaica-based Digicel, which is looking for a local partner, and two other foreign-local joint venture companies.

According to the ministry, PCX and Digicel have indicated their desire to begin operating. But this has been hamstrung by the lack of certainty in the mobile market with relation to the exclusivity.

The point raised by Rigamoto about the transfer of exclusivity from TFL's license to Vodafone has been questioned before by a number of people.

When the small United States company Telpac Ltd came to Fiji in 2001 and began selling its e-mail based telephone service locally, it not only kicked up dust in the market. its chief executive officer Tim



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Gibbons relentlessly questioned the way Telecom Fiji had transferred its licenses, along with the exclusivities, to Connect and Vodafone.

There were also criticisms on how data services could possibly become exclusive when TFL's license predates the Internet.

No one has been able to construct a comprehensive legal case against TFL's insistence that it has subleased its exclusivities to its subsidiaries, TFL's parent company, Amalgamated Telecom Holdings (ATH, has reiterated the reasons behind the injunction that Vodafone has filed.

◆Vodafone Fiji has an exclusive sublicense,◆ says Lionel Yee, chief executive officer of ATH and board chairman of Vodafone Fiji.

◆They would like the rules honoured on that.

◆Vodafone (International Holdings BV) is a competitive player in the world and they are not afraid of competition. But they will only go into jurisdictions which follow the rules so if you have a place which does not follow the rules, the confidence is not there.◆

Yee says Vodafone's action must not be taken to mean that ATH and TFL are against the removal of exclusivities because they will cooperate with the ministry.

◆But there is a way to remove that exclusivity. Vodafone holds the license and we paid money for it, so we would like to buy the solution for everybody's sake.◆

Clearly, this is an issue the ministry and the government will want to tread very carefully upon because it has the potential to shape Fiji's image in the outside world.

Therefore, it is important that we are seen as a country that honours contracts, says Fiji Islands Trade and Investment Bureau board chairman, Joseph Singh.

◆I think from the investors' perspective, they will be very concerned if we unilaterally cancel any existing license. So there has to be a negotiating process, and I think that has already been suggested today,◆ says Singh, who was part of the workshop organised last month by the ministry to start the consultation process that will take the telecommunication industry towards a liberalised environment.

When this edition went to press, representatives of the incumbent carriers and the ministry had begun preliminary discussions on how the exclusivity would be revoked.

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