

# Strings attached, please

If Australia is going to pay for Vanuatu's next submarine cable, they might as well get some value for money

By Dan McGarry

**IT'S BEEN WIDELY REPORTED THAT PRIME** Minister Charlot Salwai wants a new submarine cable for Vanuatu.

It's at the top of his wish list as he visits Canberra this week. And Australian Foreign Minister Julie Bishop stopped only a hair shy of agreeing to fund it before they'd even sat down together.

The visit can be credited largely to some very tactful engagement by the Vanuatu contingent of Australia's diplomatic corps. While it has to be said that the idea coalesced long before the whole China furore erupted, there's little debate why it suddenly got so much traction with Australia's PMO.

In the time-honoured spirit of what's good for that goose there and that other goose over there is good for this goose over here, it transpires that one of the most likely outcomes of the visit, glad-handing and ceremony aside, will be a second fibre-optic cable for the country.

That's a great deal. It's essential for Vanuatu, because it assures redundancy, should anything happen to our first cable. It's good for businesses, especially financial operators, who can now shop around for bulk bandwidth prices. This opens a lot of doors for offshore companies, among others.

It may or may not be a good deal for Interchange Ltd, however. That's the company that owns the original cable, running from Suva in Fiji to Port Vila. They've already announced their intention to build a spur up to Honiara to join with Solomon Islands' new cable. This would effectively turn our internet point of presence into an international way-station, topologically speaking, rather than then end of the line.

The Daily Post published concerns expressed by CEO Simon Fletcher that he was being frozen out of the



Photo courtesy DFAI

planning stages of the planned Coral Sea Cable joining PNG and Solomon Islands to Australia.

So an obvious question arises: If Australia accedes to Charlot Salwai's request for assistance with a second cable, will it belong to Interchange or not?

That's not a simple question. Nor is there a simple answer. On the one hand, there's a pretty strong argument to be made that steam-rolling over privately-owned infrastructure using public funds is what we generally mean when we talk about development.

On the other hand, competition is demonstrably good—and arguably necessary—in the telecoms sector. The introduction of a second telephone company in 2008 revolutionised communications in Vanuatu, adding an estimated 1% to our GDP growth in the mid-term.

Since the ICTL cable arrived in 2013, internet use in Vanuatu has exploded. Bandwidth usage has increased quite

literally by more than two orders of magnitude in just a few years. These have been achieved even though the lowest-cost broadband connection packages cost nearly 10% of the minimum monthly wage. Imagine the impact lower prices would have.

The Australian government has already invested millions of dollars in Vanuatu's Universal Access Policy, which has made it a region-leader in broadband internet accessibility. To add a second more competitive cable as the cherry on top... would be one heck of a final flourish.

The government of Vanuatu has got to feel conflicted here. It is a 12.5% shareholder in Interchange Ltd, and has gone to bat—and gone too far, according to the courts—in protecting shareholder interests in the company. After the independent telecoms regulator, or TRR, imposed price controls on Interchange and others, the Prime Minister wrote a scathing letter, accusing her (against evidence to the contrary) of rendering the telecoms

sector 'paralyzed, handicapped and stagnant'.

Salwai's attempt to suspend and presumably to sack her was rebuffed by the Supreme Court amid findings of conspiracy and collusion.

Since then, he's resorted to legislative measures. In the latest parliament, legislation was amended to make the TRR answerable to a politically appointed oversight panel. The amendment was introduced without any stakeholder consultation or public awareness. The Daily Post only received a copy of the bill after it was passed.

Australia is always quick to proclaim that its development aid is completely untied. In this case, however, a few strings attached wouldn't go wrong.

Both the World Bank and the government of Australia have invested significant resources in helping develop Vanuatu's telecoms sector, and the results have been a shining success. Vanuatu recently won international recognition at the UN as a leader in

using ICT for development. Much of that progress was made possible by Australian taxpayers.

One of the largest interventions has been in to help with the creation of an independent regulator to prevent a repeat of the depredations that happened in the bad old monopoly days before we had two telcos.

So it might not be inappropriate to remind the Prime Minister of the benefits of fair and free competition—and of the dangers of regulatory capture. Corporate influence and lobbying operations in the US telecoms sector have turned it from a world leader to a technological backwater for residential internet, allowing Europe and Asia to leapfrog them in terms of affordable and effective high tech. And every Australian has the measure of the NBN.

China knows the value of e-commerce perhaps better than any other nation. And you can bet your bottom dollar that if Australia won't come to play, China will—albeit with very different emphasis and values. It was fears over Chinese influence that drove Australia's initial telecoms investment back in the oughties.

It shouldn't be the defining concern, though. Telecommunications is something that requires large pots of money but that's not all that's required. We need to be able to live with the results. And two questions pop to the top of everyone's mind here when the subject of another cable comes up:

1) If public money is competing with private investment, what is the potential for market distortion?

2) But if public money is used to bolster Interchange's de facto monopoly in Vanuatu, is this the kind of market balance we want?

If Australia wants to toss us a cable, they'll likely have no choice but to attach a few strings. Choosing which strings to attach will be an unenviable task.

## TVL First Sponsor of Asia Pacific regional Internet Governance Forum

**TELECOM VANUATU LIMITED (TVL) IS THE** first to respond positively to a national call from the Vanuatu Government on Friday, June 22 with a Vt1 million sponsorship to support the hosting of the upcoming Asia Pacific regional Internet Governance Forum (APRiGF).

The APRiGF is scheduled for August 13 – 16, at the Iririki Island Resort. This is the first time in the history of the APRiGF for the forum to be hosted in the Pacific, since its establishment seven years ago.

APRiGF is an annual regional (Asia Pacific) event of the global Internet Governance Forum (IGF) process, a UN activity initiated in 2006 as a global platform for multi-stakeholder policy dialogue on prevailing and emerging issues on Internet governance so as to foster the sustainability, robustness, security, stability and development of the Internet.

It serves as a platform that allows multi-stakeholders across our society from individuals, NGOs, semi-Governmental, Governments and Private Sectors to discuss,

exchange and collaborate on internet governance issues including policies and regulations that guide the Internet development in the Asia Pacific region.

During the presentation, TVL's Chief Executive Officer (CEO), Mr. Divik DEO said TVL, a member of Vanuatu's ICT & Telecom sector is very happy not only to be able to respond to the Government's call for sponsorship, but also in support of growing governance of the internet and making the internet better for users.

He was accompanied by TVL Marketing Manager, Mr. Palash Bhowmik who was instrumental in negotiating the sponsorship deal with TVL, director and the OGCIO's Deputy Chief Information Officer, Mr. John Jack.

The APRiG Forum will be broadcasted across Vanuatu on Television live, thanks to a platinum sponsorship by the Vanuatu Broadcasting and Television Cooperation (VBTC) through the media house's new CEO, Mr. Francis

Herman.

Earlier this month the first Exclusive sponsorship deal was sealed with the local fibre optic and service provider, Intern-Change. The company CEO, Mr. Cainton Millroy said their support, a massive 100MEG bandwidth will allow smooth internet access during the forum.

He added, more importantly allow for smooth livestream of the forum on internet so Vanuatu public and the world will have access to including online participants to join the forum.

Mr. Jack, in his capacity as Acting Chair for the Local Organising Committee for the APRiGF 2018, thanked TVL for being the first to come up front and confirm their support to the forum. He expressed the Government's gratitude to TVL's sponsorship of Pacific ICT Days.

He continued to reiterate the call to all potential sponsors to step forward and support the hosting of this highly important forum.

A call made from local co-hosts, OGCIO and TRR, to the



public especially professionals and community leaders to register (<http://aprigf.vu/registration/>) and be part of the four (4) days forum.

"This is an opportune time for our local registered participants to meet and join in the discussions with high officials who will be at this forum. We

are also expecting to see more locals participating as speakers. If you have that potential, we invite you to sign up yourself as a potential speaker, said John Jack, Deputy CIO of the OGCIO office.

The URL to sign up as a potential speaker is <https://form.jotform.me/80631748289467>

Daily Post understands that one of the fathers of the Internet, Dr. Vinton G. Cerf, Vice President and Chief Internet Evangelist for Google is attending this forum.