



INDEPENDENT CONSUMER AND COMPETITION COMMISSION

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MEDIA RELEASE

INTRODUCTION OF COMPETITION IN MOBILE PHONE NETWORKS

Following the recent government decision to introduce two new mobile telephone networks, PNG's telecommunications regulator, the Independent Consumer and Competition Commission, has today announced the arrangements which will be put in place to select the two new mobile carriers, to operate in competition with Telikom PNG's mobile company, PMC Ltd.

"The government has decided through an NEC Policy Submission sponsored by the Prime Minister late last year, that the selection of new mobile carriers be done by the ICCC through a closed tender process, which will lead to the selection of the successful tenderers later this year, with their licences to operate expected to be granted at the end of March 2007. It is hoped that the new networks will be operational, initially with limited coverage but which will quickly be expanded, from the time the licences are granted in March next year, or very shortly thereafter," Said Mr Abe, Commissioner of ICCC.

"The introduction of competition in mobile networks will be of great benefit to all consumers, with improvements in the quality and range of services, better prices and more pricing options and, in particular, a much wider mobile network coverage throughout many parts of the country which currently have no access to a mobile phone network and, in many cases, have no access to any telecommunications. This is because the new mobile networks will be required, along with the existing network, PMC, to roll out their networks to all large and medium sized towns, as well as to a large number of smaller population centres throughout the country," Said Commissioner Abe.

The ICCC is currently preparing detailed tender documents which it will be issuing on 7 March 2006 to selected telephone companies, inviting them to submit tenders to acquire one of the two new mobile licences. The same information will be given to all tenderers by the ICCC, to ensure that all tenderers are treated equally. Tenders will be required to be lodged with the ICCC by early May, which will be followed by a detailed analysis and assessment of all of the tenders received. This assessment will be made by the ICCC against selection criteria which will be set out in the tender documents, to ensure the selection process is totally fair and as transparent as possible.

The assessment process, which will include discussions as appropriate with the tenderers, will result in the selection of the two successful tenders which

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will be announced in mid-October this year. From then on, there will need to be further discussions with the existing carriers, Telikom and PMC, and with the ICCC and the technical regulator, PANGTEL in preparation for the commencement of construction of the new mobile networks.

It is hoped that network construction will be able to commence around the end of this year, in the expectation that the networks will be able to commence operations, in some locations at least, by the time their operating licences are granted by the ICCC towards the end of March 2007. If the new carriers need to test their networks before they commence operations, PANGTEL will issue appropriate test permits to allow testing in the months leading up to March 2007, however, commercial services will not commence until after the licences have been issued in late March 2007.

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THOMAS ABE
Commissioner & CEO