

Attachment 1 - Comments Form



Feedback on Consultation Paper: Bottleneck Fiber Optic Communications Facilities

Information of commenting party

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Is confidential information being submitted?	No

Comments

	Comment	Proposed changes	Confidentiality ¹
	<i>Please describe comments on specific section or question. Please be as detailed as possible and explain why you hold your views and what the potential impact of the Authority's proposed declaration would be</i>	<i>Please suggest an alternative to the proposed declaration (if applicable)</i>	<i>If confidential, please explain reasons for confidentiality request</i>
36a	<p>Do you agree with the proposition that submarine and terrestrial fiber communications facilities are bottleneck facilities as defined in the Act?</p> <p>Yes CPUC agrees with the proposition that submarine and terrestrial fiber communication facilities are bottleneck facilities as defined in the Act. They cannot economically be replicated and achieve low prices. CPUC would like to offer a compelling service as it believes that high prices and poor services are holding Chuuk back from</p>		No

¹ Confidentiality requests are managed under the rules set out in Section 322 of the Telecommunications Act. Respondents should clearly mark which information is claimed as being confidential and should provide reasons of what commercial harm will result should the information be published. Respondents who make a request for confidentiality should also provide a redacted copy of their submission, with all confidential information removed, that the TRA may publish.

	<p>being able to deliver on the economic potential and growth that the internet offers.</p> <p>Whilst CPUC have the technical skills and capability to build fiber networks, we cannot make the economic business case to do so to cover all of Weno for example. We could build a connection from the CLS to our head office and justify it just on the cost saving against our own FSMTC account but that just solves for CPUC. We need to be able to offer lower prices and better services to all of Weno (and through the rest of the lagoon). Duplicating the network is not financially possible.</p> <p>CPUC also wants to be able to ensure that Weno gets the same access to better services that the other main islands in each state will get with the OAE. If OAE won't build fiber in Weno because it already exists then we need access to the fiber that has been built.</p> <p>Otherwise the competition objectives will not be delivered in Weno.</p>		
<p>36b</p>	<p>In your view, are submarine and terrestrial fiber communications facilities essential for the production of communications services in the FSM?</p> <p>Submarine and terrestrial fiber communications facilities are essential for the production of modern, reliable and high speed communications services in FSM. Satellite, wireless and copper can all deliver a service, but not to the quality and price that fiber can deliver.</p> <p>Fiber is essential for low cost, high quality and high speed connectivity essential for Chuuk's economic and social development.</p>		

<p>36c</p>	<p>In your view, could either submarine or terrestrial fiber optic communications facilities practicably be duplicated by a potential competitor in a communications market in the FSM? Please explain the reasons why, in your view, a communications facility can or cannot practicably be duplicated by a potential competitor in a communications market in the FSM</p> <p>Physically, networks can be duplicated. There is no unique skill or resource that any participant in FSM has that is unique.</p> <p>CPUC can easily build any network and is keen to help OAE build it's network in Tonowas, Udot and Eot.</p> <p>Economically though it is not possible to achieve low prices and high take up if networks are duplicated. Chuuk has a low income per person; it needs access to the lowest priced, highest quality bandwidth and this can only be done by using network assets efficiently.</p> <p>Duplicating investment means that prices have to be higher to cover the costs and higher prices means less takeup. Takeup is already low compared to other countries and should be much higher. Being forced to duplicate is not going to improve takeup.</p>		
<p>36d</p>	<p>Referring to the description of fiber optic communications facilities in paragraphs 17-18 above, are in your view there any specific elements or portions of either submarine or terrestrial fiber optic communications facilities that could be practicably duplicated by a potential competitor?</p> <p>It is not practical to duplicate submarine cables.</p>		

	<p>In terrestrial, given the pricing that OAE as announced, it does not make any economic sense to duplicate the infrastructure. OAE will offer a fiber connection to a house for \$10 per month.</p> <p>CPUC can see how it can deliver a compelling proposition in Tonowas when OAE builds, but it is frustrated that it cannot see how it could do that in Weno, where all the customers currently are.</p> <p>CPUC can duplicate the electronics used by FSMTC in Weno. This is the ONT that goes in people’s homes and the electronics at the telephone exchange. It is concerned though that the way that FSMTC has built the network may mean that it is not possible to get. CPUC would argue that FSMTC has chosen to build the network in such a way as to make this layer one access difficult and potentially could be a breach of Section 343(2)(g) as noted in para 33.</p> <p>The next best alternative is a bistream service from FSMTC that would allow cost based access. This however is a poorer outcome as it limits service innovation to the assets that FSMTC has invested in.</p>		
<p>36e</p>	<p>Are there any geographic or product markets in the FSM in which submarine or terrestrial fiber networks could be practicably duplicated by a potential competitor?</p> <p>No. While individual point to point links may be able to be built (CPUC has considered building a link from the CLS to its head office) duplication of networks is not sustainable in the long run. It increases costs which increase prices and therefore provides a worse outcome for end customers.</p>		

Please complete this form in full and submit to consultations@tra.fm or in person before **June 25th 2021** to:

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