



Key Messages Raised in the Public Conference on Bottleneck Fiber Optic Communications Facilities

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Introduction

The TRA hosted a public conference on Bottleneck Fiber Optic Communications Facilities by Zoom on 14 July 2021. The conference was attended by representatives of FSMTC, OAE, CPUC, Boom! Inc. and DTC&I.

The TRA is grateful for the extensive discussion and contributions by the stakeholders in attendance. The TRA notes that much of the discussion among attendees was general, and often related to stakeholders' views on a range of topics, including relationship matters and ongoing disputes between licensees, the appropriateness and validity of the regulatory regime, the role of the TRA, and the merits of telecommunications competition in FSM. To the extent such topics are not relevant to answering the question of whether certain fiber optic communications facilities are bottleneck facilities, they are not included in this summary and will not form part of the record of this consultation.

This summary is not a transcript of the proceedings, nor does it seek to summarize all of the discussion. The summary focuses on messages from attendees, and matters raised by TRA, that emerged in the discussion that are relevant to progressing TRA's thinking on whether particular fiber optic communications facilities should be declared bottleneck facilities pursuant to the Telecommunications Act 2014.

Key Messages Raised in the Public Conference

We summarize below the key messages presented by attendees during the conference. These represent the views of the attendees and not the TRA's own views or decisions on the matters.

1. Facilities should not be considered holistically. Subsea cables should be analyzed individually, and terrestrial facilities should be analyzed by geographic area.
2. A single physical facility access to which is controlled by a single party may need to be considered differently to a single physical facility where arrangements are already in place to allow access for more than one party.

An example of this is the Pohnpei spur of the HANTRU 1 cable. FSMTC owns the cable, but provides access to half of the spectrum on the cable to FSMTCC pursuant to the Indefeasible Right of Use Deed that is in place between the two entities.

3. While most facilities can technically be duplicated, the key issue is whether it is practicable to do so. The main determinant of whether it is practicable to duplicate the facility will be the cost of procuring, operating and maintaining the facility.
4. Where subsea cables are controlled by a sole party, while it is technically possible to duplicate the facility, it is not practicable to do so because of the high cost of procuring and installing a new cable.
5. The costs of duplicating terrestrial fiberoptic facilities in FSM may differ materially by region, including between different:
 - a. States
 - b. islands within a single State
 - c. distinct areas on a single island

For example, duplicating a fiberoptic network in a major population center where a submarine cable landing station already exists will likely be cheaper than in less densely populated and more remote parts of the same island.

6. Where some geographic areas have a fully developed terrestrial fiber network (for example Weno), and others do not, this may be a sign of differing market characteristics, and potentially different considerations when deciding whether a facility in each area should be declared a bottleneck.
7. Facilities that are planned, but not yet built (like the submarine cable to Kosrae) may need to be considered differently to existing facilities.
8. An important relevant consideration is whether satellite facilities are sufficiently strong substitutes to fiber facilities for the purposes of both:
 - a. international/inter-island connectivity, and
 - b. providing services to individual retail consumers
9. In considering the above, it is important to examine whether satellite services can provide access:
 - a. to the same set of retail consumers as terrestrial fiber
 - b. at a quality that is sufficiently comparable to fiber
 - c. at a price that is sufficiently comparable to fiber.