



**REPUBLIC OF PALAU**  
**MINISTRY OF PUBLIC INFRASTRUCTURE, INDUSTRIES AND COMMERCE**  
**BUREAU OF COMMUNICATIONS**

Telecommunications Licensing Rules

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## **Chapter I. Preliminary**

### **§1. Authority**

These rules are promulgated pursuant to the powers granted to the Bureau by §302(a)(23) and §402 of the Act.

### **§2. Short Title**

These rules shall be cited as the “Telecommunications Licensing Rules, 2022.”

### **§3. Objectives**

The objectives of these rules include to:

- (a) fulfill the Bureau’s functions and duties regarding licensing, monitoring, supervision, and enforcement under §301 and §302 of the Act, according to principles of transparency, neutrality, proportionality, and non-discriminatory treatment of similarly situated operating licensees;
- (b) promote competition and efficient investment in telecommunications technologies and services in Palau; and
- (c) establish a streamlined, standardized, and technology-neutral framework for licensing telecommunications networks and services that promotes regulatory certainty in Palau.

### **§4. Scope**

These rules establish the:

- (a) licensing framework for operating licenses to authorize telecommunications networks and services in Palau;
- (b) procedures that shall be used for the application, review, and award of operating licenses;
- (c) general and specific terms and conditions that shall apply to licenses;
- (d) mechanisms that shall be used for licensees to access scarce resources;
- (e) provisions relating to monitoring, supervision, and enforcement; and
- (f) provisions to transition to the licensing framework established by the Act and these rules.

### **§5. Applicability**

- (a) These rules apply to any person requiring a license to own or operate a telecommunications network or provide a telecommunications service in Palau or between Palau and any place outside of Palau, unless exempt.
- (b) These rules do not apply to:
  - (1) exclusions specified under §102 of the Act, including:
    - (A) licensing for broadcasting radio and television services;
    - (B) telecommunications networks operated for the needs of defense and safety within Palau;
    - (C) telecommunications services provided to and for the benefit of foreign government entities pursuant to international agreements; and

- (2) the submarine fiber optic cables connecting Palau and foreign points that are procured, owned, or managed by BSCC on behalf of the Government of the Republic of Palau, as contemplated in the Legislative Findings and Chapter VIII of the Act. For clarity, these rules shall apply to any other telecommunications networks that BSCC may procure, own, manage, control, or operate and telecommunications services that BSCC may provide, unless otherwise exempted by the Act or these rules.
- (c) These rules do not authorize or assign scarce resources for operating licenses, including radio frequencies or numbers identified in the Numbering Plan adopted by the Bureau .

## **§6. Definitions**

- (a) Any word, phrase or expression used in these rules shall, unless the context requires otherwise or it is expressly defined in these rules, have the same meaning as in the Act.
- (b) Headings and titles used in these rules are for reference only and shall not affect the interpretation or construction of these rules.
- (c) References to a word or phrase in the singular encompass references to words or phrases in the plural, and vice versa.
- (d) The terms listed below shall have the following meanings:
  - (1) “Act” means Title 15 of the Palau National Code, the Palau National Telecommunications Act of 2017, as may be amended from time to time;
  - (2) “BSCC” means the Belau Submarine Cable Corporation;
  - (3) “Bureau” means the Bureau of Communications established under Title 2 of the Palau National Code, or its successors;
  - (4) “Class license” means an operating license to authorize the provision of any telecommunications service under §401 of the Act;
  - (5) “Customer” means a person who contracts for telecommunications, as or on behalf of a user of telecommunications services;
  - (6) “Days” means calendar days, unless otherwise stated;
  - (7) “Dominant services provider” means, in respect of a telecommunications market, a licensee who, as determined by the Bureau:
    - (A) receives forty percent (40%) or more of the total gross revenues of all service providers in that market; or
    - (B) has a position of economic strength or controls an essential facility in that market that allows the licensee to behave independently of competitors or potential competitors, or customers;
  - (8) “Effective date” means the date that these rules come into effect;
  - (9) “Equipment” means any apparatus, device, appliance, or accessory used or intended to be used for telecommunications purposes;
  - (10) “Individual license” means an operating license to authorize the ownership or operation of any specified telecommunications network and the provision of any telecommunications service pursuant to §401 of the Act;
  - (11) “Individual consolidated license” means the license granted to PNCC pursuant to §705 of the Act.

- (12) “License” means, for purposes of these rules, an operating license or an individual consolidated license;
- (13) “Licensee” means, for purposes of these rules, a person who holds an operating license or an individual consolidated license;
- (14) “License exempt” or “license exemption” means a telecommunications network or telecommunications service that is an exempt network or exempt service as set forth by §103 of the Act or by these rules;
- (15) “Operating license” means an individual license or class license for telecommunications networks and/or services;
- (16) “Operating licensee” means a person who holds an operating license;
- (17) “Palau” means the Republic of Palau;
- (18) “Person” means any natural person or other nongovernmental entity, however organized;
- (19) “PNCC” means the Palau National Communications Corporation;
- (20) “Technology neutral” means that operating licenses shall not specify or restrict the technology or network type to be used by the licensee to provide telecommunication services;
- (21) “Telecommunications network” means a system that uses electricity or electromagnetic energy for providing telecommunications services between network termination points;
- (22) “Telecommunications service” means a service for the transmission or transport of messages by means of a telecommunications network.

## **Chapter II. Framework for Operating Licenses**

### **§7. Operating license required**

- (a) No person shall own or operate a telecommunications network or provide a telecommunications service in Palau or between Palau and any place outside of Palau without first being issued an operating license, pursuant to §§401-403 of the Act.
- (b) Subsection (a) will not apply if a telecommunications network or telecommunications service is:
  - (1) license exempt;
  - (2) excluded by §102 of the Act;
  - (3) provided by PNCC as authorized by the individual consolidated license granted pursuant to §705 of the Act; or
  - (4) submarine fiber optic cables procured, owned, or managed by BSCC referred to in §5. (b)(2).

### **§8. Types of operating licenses**

There are two types of operating licenses under §401 of the Act that the Bureau may issue:

- (a) An individual license, as set out in Chapter III of these rules; and
- (b) A class license, as set out in Chapter IV of these rules.

**§9. Restrictions on the number of operating licenses**

- (a) Individual licenses and class licenses shall be issued on a non-exclusive basis.
- (b) There shall be no limit to the number of individual licenses or class licenses issued by the Bureau.
- (c) Notwithstanding subsections (a) and (b), the Bureau may restrict the number of individual licenses issued pursuant to the national security reasons and procedures established in §401(h) of the Act.

**§10. Uniform terms and conditions of operating licenses**

- (a) The individual license and class license shall be standardized and made publicly available on the Bureau's website.
- (b) The terms and conditions of the operating licenses shall be uniform for all similarly situated licensees, unless:
  - (1) differences are objectively justified based on different circumstances between licensees; and
  - (2) the Bureau has adequately assessed such objective justifications in a written notice to the affected licensee.
- (c) Operating licenses shall be technology neutral as much as practicable in accordance with the provisions of these rules.

**§11. License exempt activities**

- (a) Telecommunications networks are exempt from requiring an operating license if they are:
  - (1) not used to provide any telecommunications services for which a charge is imposed;
  - (2) wholly within one discrete piece of real property, including a ship or aircraft, or a number of such properties which together comprises a campus;
  - (3) used only for a person's private or internal requirements (including the requirements of an organization's staff or an affiliate);
  - (4) otherwise exempted by law.
- (b) Telecommunications services are exempt from requiring an operating license if they are:
  - (1) provided over an exempt telecommunications network;
  - (2) voice or messaging services offered over the public internet that are not allocated numbers identified in the Numbering Plan adopted by the Bureau;
  - (3) the provision of satellite capacity by foreign satellite providers within Palau; or
  - (4) otherwise exempted by law.
- (c) The deployment of receive-only satellite earth stations in Palau shall not require an operating license.
- (d) Pursuant to §402(a)(1) of the Act, the Bureau may amend these rules to identify additional telecommunications networks and telecommunications services that are license exempt, either on the Bureau's own initiative or pursuant to a person applying to the Bureau for a license exemption that is not identified in subsections (a) or (b).
- (e) Subject to §401(e) of the Act, the Bureau may require persons who consider their activities to be license exempt to submit to the Bureau a certification that such activities are exempt and:

- (1) confirm that the person's activities are exempt from licensing under the Act and these rules; or
- (2) direct the person to apply for the relevant license.

#### **§12. Public register**

- (a) Pursuant to §306 of the Act, the Bureau shall establish and maintain a publicly available register on the Bureau's website of all licenses and persons who the Bureau issued a license exemption under §11. .
- (b) For licensees, this register shall contain:
  - (1) the licensee's name, address, phone number, fax number (if any), and website;
  - (2) the license held;
  - (3) types of telecommunications networks and/or telecommunications services that the licensee is authorized to provide; and
  - (4) the license effective and expiration dates.
- (c) For persons who were issued a license exemption under §11. , this register shall contain the person's name and address, and the specified exempted activities.

### **Chapter III. Individual License Scope and Licensing Procedures**

#### **§13. Scope of the individual license**

- (a) An individual license authorizes the individual licensee to:
  - (1) own or operate any specified telecommunications network;
  - (2) lease all or part of the capacity of any specified telecommunications network to another licensee; and
  - (3) provide any telecommunications service in Palau or between Palau and any place outside of Palau, including on a resale or retail basis.
- (b) The activities that the Bureau may authorize under the individual license include, but are not limited to, the establishment, operation, and management of, and the provision of telecommunications service using:
  - (1) terrestrial fixed line transmission facilities;
  - (2) terrestrial radiofrequency communications transmission facilities for fixed and mobile service;
  - (3) submarine cable and landing station facilities;
  - (4) international gateway services facilities;
  - (5) satellite earth station facilities and apparatus; and
  - (6) other facilities located in Palau providing capabilities for the transmission of telecommunications services.
- (c) The activities that the Bureau may authorize under the individual license may be provided within Palau or between Palau and jurisdictions outside of Palau.

**§14. Licensing procedures for the individual license**

- (a) A person seeking an individual license shall submit the prescribed application form in writing to the Bureau, including any supporting documents that the Bureau may specify.
- (b) If the Bureau rejects an application for an individual license, then:
  - (1) the Bureau shall provide written notice to the applicant within thirty (30) days of submission of the application explaining the reasons for the rejection; and
  - (2) within thirty (30) days of receiving the Bureau’s written notice of rejection, the applicant may submit a revised application for an individual license that amends or corrects the deficiencies cited in the rejection notification without being subject to a new application fee.
- (c) If the Bureau rejects a revised application as set forth in subsection (b), then the Bureau shall provide written notice to the applicant within thirty (30) days of submission of the revised application explaining the reasons for rejection.
- (d) If the Bureau is satisfied that the applicant meets the eligibility criteria and requirements identified in §15. , then the Bureau shall:
  - (1) promptly issue the individual license; and
  - (2) include the licensee in the public register as an individual license holder.
- (e) An applicant may combine the individual license application with an application for a radio frequency license, pursuant to §403(c) of the Act.

**§15. Eligibility criteria for the individual license**

To obtain an individual license, an applicant shall meet the following eligibility criteria:

- (a) the applicant shall submit a complete and accurate application in writing, including all supporting documents specified by the Bureau;
- (b) the applicant shall be duly authorized to conduct commercial activity in Palau, including any registration with the Foreign Investment Board, the Bureau of Revenue and Taxation, the Registrar of Corporations, and other agencies, as may be relevant;
- (c) if the applicant, its parent company, or other entities within its corporate group, holds or has held a license issued by the Bureau:
  - (1) there are no outstanding fees, fines, or other charges to be paid; and
  - (2) such license has not been revoked by the Bureau within the last three (3) years;
- (d) the applicant, its parent company, or other entities within its corporate group, possesses the financial and technical capabilities to carry out and engage in the planned telecommunications networks and telecommunications services;
- (e) the applicant’s planned telecommunications network will not have the effect or is unlikely to have the effect of substantially lessening competition in a telecommunications market or unnecessarily duplicate telecommunications networks in Palau, as determined by the Bureau on a non-discriminatory basis; and
- (f) the applicant meets the requirements identified under §403(b) of the Act.

## Chapter IV. Class License Scope and Licensing Procedures

### §16. Scope of the class license

- (a) A class license authorizes the class licensee to:
  - (1) provide any telecommunications service in Palau or between Palau and any place outside of Palau, including on a resale or retail basis;
  - (2) lease transmission capacity directly from another licensee to provide any telecommunications services; and
  - (3) establish, manage, and operate switches, routers, and processing equipment necessary to provide the licensed telecommunications service, but does not otherwise authorize the licensee to own or operate a telecommunications network.
- (b) The activities that the Bureau may authorize under the class license include, but are not limited to, the provision of the following telecommunications services:
  - (1) resale of terrestrial fixed line connectivity and data transmission services;
  - (2) resale of terrestrial wireless connectivity and data transmission services;
  - (3) resale of satellite connectivity and data transmission services;
  - (4) resale of fixed line and/or wireless public telephone services using numbers identified in the Numbering Plan adopted by the Bureau; and
  - (5) resale of public Internet access services.
- (c) The class license does not authorize the licensee to use radio frequency resources that are subject to licensing pursuant to the relevant radio frequency rules the Bureau may promulgate.
- (d) Where a person who holds a class license subsequently applies for and is granted an individual license, then the individual license shall replace the class license.

### §17. Registration procedures for the class license

- (a) A person seeking a class license shall submit the prescribed registration form in writing to the Bureau, including any supporting documents that the Bureau may specify.
- (b) The Bureau shall issue the class license within thirty (30) days upon receiving:
  - (1) an accurate and complete registration form demonstrating that the applicant meets all eligibility criteria established in §18. ; and
  - (2) the application fee established in the Fee Regulation for the Telecommunications Sector, 2022, and its amendments.
- (c) If the Bureau rejects a registration for a class license, then:
  - (1) the Bureau shall provide written notice to the applicant within thirty (30) days of submission of the registration explaining the reasons for the rejection; and
  - (2) within thirty (30) days of receiving the Bureau's written notice of rejection, the applicant may submit a revised registration for a class license that amends or corrects the deficiencies cited in the rejection notification without being subject to a new application fee.

- (d) If the Bureau rejects a revised registration as set forth in subsection (c), then the Bureau shall provide written notice to the applicant within thirty (30) days of submission of the revised registration explaining the reasons for rejection.
- (e) Pursuant to §401(d) of the Act, the class license shall come into force upon registration in the public register.

#### **§18. Eligibility criteria for the class license**

To obtain a class license, an applicant shall meet the following eligibility criteria:

- (a) the applicant shall submit a complete and accurate registration in writing, including all supporting documents specified by the Bureau;
- (b) the applicant shall pay any relevant application fee to the Bureau;
- (c) the applicant shall be duly registered to conduct commercial activity in Palau, including any registration with the Foreign Investment Board, the Bureau of Revenue and Taxation, the Registrar of Corporations, and other agencies, as may be relevant; and
- (d) if the applicant, its parent company, or other entities within its corporate group, holds or has held a license issued by the Bureau:
  - (1) there are no outstanding fees, fines, or other charges to be paid; and
  - (2) such license has not been revoked by the Bureau within the last two (2) years.

### **Chapter V. General Terms and Conditions for Licensees**

#### **§19. Duration of the license**

Licenses authorizing the construction and operation of telecommunications networks and/or the provision of telecommunications services under the Act shall each have a duration of ten (10) years.

#### **§20. Expiration of the license**

The license of a person who does not obtain a license renewal in accordance with §21. shall be considered to have expired on the date of expiration identified in the license.

#### **§21. Renewal of the operating license**

- (a) A licensee may request renewal of the license by submitting a written request to the Bureau no more than twenty (24) months and no less than twelve (12) months prior to the license expiration date.
- (b) Upon receiving a renewal request, the Bureau shall review the request and renew the relevant license within sixty (60) days, provided that the licensee has substantially complied with:
  - (1) its obligations under the Act;
  - (2) all applicable laws, regulations, rules, and other decisions issued by the Bureau; and
  - (3) the terms, conditions, and obligations under the relevant license.
- (c) The Bureau may extend the timeframe for review set forth in subsection (b) up to ninety (90) additional days with written notice to the applicant explaining the reasons for the extension.
- (d) The Bureau may waive any failure to comply with the timeframes in subsection (a).

- (e) The Bureau shall renew the license on the same or substantially similar terms and conditions and for the same duration as the initial license unless the Bureau considers any variations are objectively justified and provides such justification in a written notice to the licensee.
- (f) The Bureau shall collect a renewal fee in accordance with the following principles:
  - (1) renewal of a relevant license shall reflect the Bureau’s administrative costs of the renewal process; and
  - (2) renewal fees for individual licenses shall be separate from any renewal fees for a radio frequency spectrum license associated with such individual licenses.

**§22. Bureau’s refusal to renew an operating license**

If the Bureau refuses to grant a request to renew a license, then the Bureau shall provide written notice to the licensee. Such notice shall:

- (a) state the reasons for the refusal to renew the license, which may be based on, but not limited to, the licensee’s:
  - (1) serious failure to comply with any obligations specified in the Act or other relevant laws, or any rules, regulations, or other decisions issued by the Bureau;
  - (2) serious failure to comply with any term, condition, or obligation contained in the license; or
  - (3) conduct that the bureau determines to be anti-competitive; and
- (b) provide the licensee a reasonable opportunity to remedy any defect identified by the Bureau and resubmit the renewal request.

**§23. Transfer, assignment, or sub-licensing of the operating license**

- (a) Prior to transferring, assigning, sub-licensing, or otherwise obligating the ownership or control of a license to another person (the transferee), the licensee (the transferor) and the transferee shall apply in writing to the Bureau and obtain the Bureau’s written approval.
- (b) The request for transfer, assignment, or sub-license shall contain, at a minimum:
  - (1) the particulars of the transferor, including the name, address, telephone number, and contact information of an authorized representative;
  - (2) the particulars of the transferee to whom the license is to be transferred, assigned, or sub-licensed, including the name, address, telephone number, fax number (if any), and website, and contact information of an authorized representative;
  - (3) identification of any licenses that the transferee holds or has held with the Bureau, including the license type, authorized activities, and status;
  - (4) the planned date of the transfer, assignment, or sub-license;
  - (5) a description of the transaction;
  - (6) a description of the telecommunications networks, telecommunications services, customers, and geographic areas that will be impacted by the transfer, assignment, or sub-license;
  - (7) a description of any other licenses or authorizations that may also require transfer, assignment, or sub-license, such as radio frequency licenses;

- (8) signatures from authorized representatives of the transferee and transferor;
  - (9) provision of information identified in §15. for individual licenses and §18. for class licenses demonstrating that the transferee satisfies the relevant eligibility criteria; and
  - (10) any other information that may assist the Bureau with review of the request for transfer, assignment, or sub-license.
- (c) The Bureau shall review the request for transfer, assignment, or sub-license and provide a written decision to the transferor and transferee within thirty (30) days.
  - (d) The Bureau may extend the timeframe for review of the request to transfer, assign, or sub-license the operating license for up to thirty (30) additional days with written notice to the transferor and transferee explaining the reasons for the extension.
  - (e) Where the Bureau refuses to grant a request to transfer, assign, or sub-license a license, the Bureau shall provide written notice to the transferor and transferee explaining the reasons for refusal.
  - (f) The Bureau shall not unreasonably withhold approval of the transfer, assignment, or sub-license.

#### **§24. Mergers and industry consolidation**

In accordance with §417 of the Act, a licensee shall not acquire or obtain an interest in shares or assets related to telecommunications networks or the provision of telecommunications services of another licensee without the Bureau's prior written consent.

#### **§25. Variation of the license**

- (a) The Bureau may, on its own initiative or upon request by a person, vary or modify the standard terms and conditions of licenses.
- (b) Any variation or modification of operating licenses shall be reasonable, aimed at promoting specified policy objectives consistent with the Act, subject to principles of non-discrimination, and be subject to public consultation. No public consultation shall be required where the Bureau reasonably considers that the variation or modification is to amend an error, is of a technical nature, or otherwise is unlikely to materially alter the terms and conditions of the licenses.

#### **§26. Suspension or revocation of a license**

- (a) In accordance with §52. , the Bureau may suspend or revoke a license if the licensee commits a contravention, including if the licensee:
  - (1) is in material breach of a license condition;
  - (2) has made false or misleading statements to the Bureau in a license application or material information submitted to the Bureau;
  - (3) is insolvent, in receivership, bankruptcy, or being wound up; or
  - (4) consents to the suspension or revocation.
- (b) The Bureau may only revoke a license if the Bureau is satisfied that a suspension is not appropriate in the circumstances, having regard to the seriousness of the contravention.

**§27. Surrender of an operating license**

- (a) A licensee holding an individual license may surrender a license with at least sixty (60) days' written notice to the Bureau.
- (b) A licensee holding a class license may surrender a license with at least thirty (30) days' written notice to the Bureau.

**§28. Winding down period for expiration, revocation, or surrender**

- (a) No later than sixty (60) days prior to the expiration, revocation, or surrender of a license, the licensee shall wind down activities authorized by the license and make reasonable efforts to transition affected customers to alternate providers of the telecommunications networks and/or telecommunications services provided by the licensee.
- (b) The Bureau may, on its own initiative or upon written request by a person, extend the period in subsection (a), where the Bureau is satisfied that such extension is necessary to protect customers or is otherwise in the public interest.

**§29. Approval to provide additional telecommunications networks and telecommunications services**

- (a) A licensee intending to provide additional telecommunications networks and/or telecommunications services under its existing license shall notify the Bureau in writing at least thirty (30) days prior to providing such additional telecommunications networks and/or telecommunications services.
- (b) The licensee shall use the relevant application form and identify the additional telecommunications networks and/or telecommunications services to be offered.
- (c) The Bureau may request that the licensee submit additional information during the review period, which may include demonstration that the applicant, its parent company, or other entities within its corporate group, possesses the financial and technical capabilities to carry out and engage in additional planned telecommunications networks.
- (d) The Bureau may request that the licensee pay an application fee necessary to recover the costs of reviewing the application.
- (e) The licensee may begin offering the additional telecommunications networks and/or services after the thirty (30) day period unless the Bureau:
  - (1) notifies the licensee that the additional telecommunications networks and/or telecommunications services require a different type of license;
  - (2) notifies the licensee that the additional telecommunications networks and/or telecommunications services require scarce resources that are subject to separate authorization;
  - (3) determines that the licensee has failed to comply with existing license or other obligations;
  - (4) agrees in writing that the licensee may begin offering the additional telecommunications networks and/or telecommunications services at an earlier date; or
  - (5) determines the deployment of the planned telecommunications network:
    - (A) would have the effect, or would likely have the effect, of substantially lessening competition in a telecommunications market or unnecessarily duplicate telecommunications networks in Palau, as determined by the Bureau on a non-discriminatory basis; or
    - (B) is otherwise inconsistent with the objectives of the Act.

- (f) A licensee that is authorized to offer additional telecommunications networks and/or telecommunications services shall be automatically subject to and must comply with all obligations, terms, and conditions that may apply to the provision of those additional telecommunications networks and/or telecommunications services.

### **§30. Fees for licenses**

- (a) Licensees shall pay all applicable fees established by the Bureau in accordance with the Act.
- (b) The Bureau shall set fees and the terms relating to payment of such fees in the manner established in the Fee Regulation for the Telecommunications Sector, 2022, and its amendments.

### **§31. Payment of fees**

- (a) A licensee shall pay the fees due to the Bureau, in the manner established in the Fee Regulation for the Telecommunications Sector, 2022, and its amendments.
- (b) Notwithstanding the Bureau's ability to recover fees owed to it in accordance with §304(c) of the Act, if the licensee willfully or repeatedly fails to pay the annual license fee or other fees due to the Bureau within thirty (30) days of the date on which the payment is due, the Bureau may initiate an investigation of contravention according to §52.

### **§32. Notification of changes**

Notwithstanding other notification requirements set forth in these rules, the licensee shall notify the Bureau of any changes to the information provided in the license application or registration form within thirty (30) days of the licensee becoming aware of such change.

### **§33. Consumer protection obligations**

- (a) Subject to any relevant consumer protection rules that may be adopted from time to time, a licensee providing telecommunications networks and/or telecommunications services to customers shall:
  - (1) Have standardized contracts with customers;
  - (2) Provide customers detailed and accurate billing that reflects the true amount of any telecommunications network or telecommunications service provided to the customer;
  - (3) Make available to customers a fair and transparent complaints and dispute resolution process, providing customer remedies where warranted;
  - (4) Publish terms and conditions of service, including prices; and
  - (5) Publish comparable, adequate, and up-to-date quality of service information where directed by the Bureau.
- (b) The Bureau may waive any or all of the obligations specified in subsection (a) regarding contracts that the licensee may enter into with enterprise or governmental customers for telecommunications networks or telecommunications services.

### **§34. Confidentiality of customer information and communications**

- (a) A licensee shall protect the confidentiality of customer information in accordance with §420 of the Act.

- (b) A licensee shall protect the confidentiality of customer communications in accordance with and §421 and §449 of the Act.

### **§35. Prohibition of anti-competitive conduct**

Pursuant to §415 and §416 of the Act and any relevant rules that the Bureau may adopt from time to time, licensees are prohibited from engaging in conduct that has the purpose or effect, or likely to have the effect, of substantially lessening competition in a telecommunications market in Palau.

### **§36. Proper functioning of telecommunications networks and telecommunications services**

- (a) The licensee shall take all necessary measures to maintain, to the greatest extent possible:
  - (1) The proper and effective functioning of the telecommunications networks and telecommunications services that the licensee provides at all times, and
  - (2) In the event of major outages, or in cases of force majeure, the fullest possible availability of the telecommunications networks and telecommunications services that the licensee provides, including to promptly restore service.
- (b) Prior to any planned interruption of service, the licensee shall give reasonable advanced notice to the Bureau and to any customers and other licenses that will be materially affected by the interruption.

### **§37. Quality of service**

Licensees shall comply with quality of service obligations, made in accordance with §425 of the Act and any rules that the Bureau may promulgate.

### **§38. Technical standards and equipment**

- (a) Licensees shall comply with any required technical standards, made in accordance with the Act and any rules that the Bureau may promulgate.
- (b) Where attaching equipment to a telecommunications network, licensees shall comply with the obligations pursuant to §427 of the Act and any rules that the Bureau may promulgate relating to customer equipment.

## **Chapter VI. Specific Terms and Conditions**

### **§39. Access and interconnection requirements**

Licensees shall be subject to the access and interconnection obligations specified under §§407-413 of the Act and any relevant rules that the Bureau may promulgate.

### **§40. Obligations for dominant service providers**

- (a) A licensee that the Bureau determines to be a dominant service provider shall comply with the requirements set forth in §411-418 of the Act and with any rules that the Bureau may promulgate relating to dominant service providers, publication of terms and conditions, pricing and tariffs, fair dealing, and quality of service, among others.
- (b) The Bureau may impose additional specific obligations on a licensee determined to be a dominant service provider pursuant to a review of the relevant market in accordance with the Act and other relevant legislation, rules, and regulations.

#### **§41. Access to land and rights-of-way**

Access to public and private land and rights-of-way shall comply with the rights, obligations, and procedures set forth in §442-445 of the Act and any relevant laws, regulations, or rules.

#### **§42. Infrastructure sharing**

Any licensee holding an individual license or individual consolidated license seeking to engage in infrastructure sharing shall comply with the requirements set forth in §408 and §414 of the Act.

#### **§43. Directories and provision of directory assistance**

- (a) In accordance with §424 of the Act, the Bureau may require a licensee or class of licensees to establish and provide customers with directory assistance services.
- (b) A licensee that offers fixed telephone service and has been allocated numbers identified in the Numbering Plan adopted by the Bureau shall:
  - (1) maintain a complete and accurate database of its customers' names and telephone numbers, including information regarding customers who have asked to be excluded from directories pursuant to §420 of the Act; and
  - (2) make that data available on reasonable terms and conditions to any other licensee that has been allocated numbers identified in the Numbering Plan adopted by the Bureau, at the other licensee's request in case such other licensee seeks to provide directory assistance services.

#### **§44. Provision of emergency call services**

Pursuant to §429 of the Act, the Bureau may require a licensee that provides voice telecommunications services to provide its customers with access to the numbers specified in the Numbering Plan as begin allocated for emergency services free of any charge at its origin.

#### **§45. Universal access**

A licensee may become subject to a universal access obligation, pursuant to §432 of the Act and any relevant rules promulgated by the Bureau.

#### **§46. Interception capabilities**

Licensees shall provide the specified interception capabilities and disclosure in accordance with the Act, including §421, §422, and §448, and §449 of the Act.

#### **§47. Exposure to electromagnetic fields**

Licensees shall comply with measures regarding the limitation of exposure of the general public to electromagnetic fields caused by telecommunications networks and other relevant health and safety requirements as determined by the Bureau in accordance with the Act and other relevant rules and regulations.

## **Chapter VII. Access to Scarce Resources**

### **§48. Access to radio frequency spectrum resources**

The Bureau shall issue radio frequency spectrum licenses separately from an operating license in accordance with §404 and §405 of the Act and any radio frequency rules promulgated by the Bureau.

### **§49. Allocation and use of numbers**

- (a) Licensees may request the allocation of numbers from the Bureau in accordance §428 of the Act and the Numbering Plan and relevant rules promulgated by the Bureau.
- (b) Licensees must ensure that numbers allocated to them are used effectively and efficiently in accordance with the requirements set forth in the Numbering Plan that the Bureau may promulgate.

## **Chapter VIII. Monitoring and Enforcement**

### **§50. Provision of information**

- (a) The Bureau may establish additional notification and provision of information requirements, including regular reporting obligations, provided that such requirements are necessary or desirable for the Bureau to carry out its functions or exercise its powers under the Act.
- (b) Pursuant to §448 of the Act, a licensee shall provide information or documents or give evidence to the Bureau upon written notice and within the time and manner specified in the notice.

### **§51. Permission to inspect**

A licensee's premises are subject to entry or inspection in accordance with §446 of the Act.

### **§52. Notice of contravention**

- (a) Where the Bureau considers that a licensee is engaging in anti-competitive conduct, the Bureau and the licensee shall follow the contravention procedures in accordance with §416 of the Act.
- (b) Except for anti-competitive conduct, if the Bureau has a legitimate reason to believe that a licensee has committed or is committing a contravention the Act, these rules, the license, or other regulations, rules, orders or decisions issued by the Bureau, the Bureau may initiate an investigation into the alleged contravention, pursuant to the Bureau's duties and powers under §302 of the Act.
- (c) Prior to the determination that an offense has been committed under §450 of the Act, the Bureau shall provide the licensee with a written notice of the alleged contravention that specifies:
  - (1) the conduct and specific obligations that the Bureau deems to be in contravention;
  - (2) a description of the Bureau's factual and legal conclusions;
  - (3) the actions that the licensee shall take to remedy the alleged contravention; and
  - (4) the timeframe in which the licensee shall comply with the alleged contravention notice.
- (d) The licensee shall be granted a reasonable opportunity to respond to the Bureau's notice, including to correct the alleged contravention.
- (e) If a licensee does not comply with the notice served under subsection (b), the Bureau may refer the alleged contravention to the Attorney General for prosecution in accordance with §454 of the Act.

## **Chapter IX. Transition Provisions**

### **§53. Moratorium on operating licenses**

- (a) Pursuant to §707 of the Act, there shall be a moratorium until January 1, 2025, or as modified by the Bureau, on the:
  - (1) establishment of new telecommunications service companies in Palau; and
  - (2) issuance of any new operating license to any person, company or entity that did not have an established telecommunications business in Palau on the effective date of the Act.
- (b) For avoidance of doubt, the moratorium does not apply to:
  - (1) individuals or entities operating or intending to operate exempt networks or exempt services; and
  - (2) excluded services and networks in accordance with §102 of the Act.

### **§54. Transition provisions for PNCC**

The replacement of PNCC's statutory authorizations for the individual consolidated license shall be conducted pursuant to §705 of the Act.

### **§55. Transition provisions for persons subject to §401(b) and §706(a) of the Act**

- (a) Applications filed in accordance with §401(b) and/or §706(a) of the Act shall be reviewed and adjudicated by the Bureau within six (6) months of the effective date.
- (b) The Bureau shall:
  - (1) review applications filed pursuant to subsection (a);
  - (2) request the applicant to provide any necessary information to complete the review process; and
  - (3) issue or deny the appropriate operating license authorizing the same telecommunications networks and/or telecommunications services that the applicant was previously authorized to engage in and provide.
- (c) The applicant shall:
  - (1) promptly respond to any information requests from the Bureau;
  - (2) otherwise cooperate with the Bureau on the review of the application; and
  - (3) follow the procedures specified in §29. if the person seeks to offer additional telecommunications networks and/or telecommunications services that were not authorized prior to the effective date of the Act.
- (d) The Bureau shall not charge an application fee for the review of applications subject to this section.
- (e) For any person subject to §401(b) and/or §706(a) of the Act who did not apply to the Bureau for the appropriate license as specified thereunder, the person shall follow the procedures specified in Chapter III or Chapter IV, as relevant, to obtain the appropriate operating license, unless the Bureau agrees to convert the prior authorization according to the procedures specified in subsection (a).
- (f) Within twelve (12) months of being issued an operating license, persons subject to this section shall transition all existing service contracts entered into with customers prior to the effective date to standardized contracts, pursuant to §33.

- (g) Transition provisions for radio frequency licenses or licenses, assignments, or authorizations other than an operating license shall be contained in the relevant rules promulgated by the Bureau.

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