

Universal Access Module

& infrastructure sharing practices

March 13, 2008, ITU Global Symposium for Regulators, Pattaya, Thailand
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Objective of presentation

1. Introduce ICT Regulation Toolkit Module 4 – Universal Access
2. Best practice Universal Access and Service Funds (UASFs) and examples
3. How can infrastructure sharing be part of UA policy and strategy?
4. Second wave of regulation and new objectives: affordable access to broadband services

ICT Regulation Toolkit: Module 4 – Universal Access (UA)

- <http://icttoolkit.infodev.org/en/index.html>



- **Beta-version of the first part is ready for public viewing and comments:**

- Overview of the UA concept
- Regulatory reform and UA
- Overview of UA approaches



- **Second part is the “How to” of the UA Toolkit:**

- How to develop a UA policy
- How to finance a UA program
- How to choose between UA options through economic analysis
- How to develop the specific UA program and UA projects
- How to manage the competitive minimum subsidy auction process; and
- How new technologies impact UA

A word about UASFs

Some of the key principles & elements of best practice UASFs:

- Technology neutral, transparent, impartial and fair
- Separate UASF account, independently audited and public financial reports
- Uses competitive allocation method: minimum subsidy auction
- Used as last resort – in areas where the market fails, after sector reform and enabling regulation
- UA program developed with industry and other stakeholder consultation
- Focus on ongoing sustainability
- Collect only needed amount from operators, can be reduced over time

Good examples

- **Uganda's Rural Communications Development Fund (RCDF)**
 - Country covered by mobile signal, one public access phone for every 2,500 inhabitants
 - 54 districts have Internet POPs
 - Assistance to schools for Internet access, public Internet cafes & ICT training centres
- **Mongolia's Universal Service Obligation Fund (USOF)**
 - Wireless voice service for all 'soums'
 - Internet POPs and public access Internet centres in ~30 soums
 - VSAT network for nomadic herders
- **Chile Telecommunications Development Fund (TDF)**
 - Two installations of fibre-optic networks in the south

Infrastructure sharing and UA

- Consider mandating infrastructure sharing if UASF finance is used:
 - Extension backbone to rural areas: winning bidder required to build twice the capacity it needs and offer leased lines to interested parties at cost-based commercial rates (Mozambique)
 - Subsidy to build wireless towers – open access/ shared towers (India)
 - If industry does not see business case to invest in broadband network – UASF could fund shared open access network (Canada)
- Other sharing principles of UASFs:
 - Recipients of funds for pilots publish their experiences (FITEL, Peru)
 - UASF Finances, UA program and results – all public

What role can UASFs play in broadband access? (1)

- Scope of UA and US: typically specific ICT services that majority enjoys and focuses on providing these services to remaining population and areas
- But broadband is an emerging market in most countries
- EU test if a particular service should be part of US scope:
 - In light of social, economic and technological developments, has ability to use the service become essential for social inclusion?
 - Are normal commercial forces unable to make the service available for all to use?
- In 2006, broadband failed the test in the EU as less than half of households had broadband service
- But can UA policy and UA programs ignore broadband? Not really!!!!

What role can UASFs play in broadband access? (2)

- UA policy that promotes broadband needs to focus on:
 - Implementing necessary sector and regulatory reforms (e.g. international gateway liberalization)
 - Create incentives for broadband development (e.g. tax breaks for fibre-network deployment)
 - See ITU Trends Publication 2006: Regulating in the Broadband World
- In addition, UASFs can fund broadband pilots:
 - Find out why industry is not investing in certain areas – what are uncertainties?
 - Pilot to test some of the uncertainties e.g. what is the demand in rural areas? Will an open access network work? Who should manage it?
 - Use pilot to learn and stimulate the market
- If backbone transmission is the challenge, UASFs can assist with open access backbones including funding
 - Careful consideration and feasibility study if appropriate for particular country

Thank you

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