Enabling Policies and Regulations and Next Generation USO or USO 2.0

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SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD

Three Dimensions of Sustainable Development

- **Sustainable development has been defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs**

- For sustainable development to be achieved, it is crucial to harmonize three core elements: economic growth, social inclusion and environmental protection

Enabling Policies and Regulations

The Challenge:

ICTs have moved far beyond the realm of simple 'communications' and have become the **foundation** for every economic sector and a *sine qua non* of business performance and national and individual growth.

Regulators and Policy Makers need to focus on driving **inclusive** and **cross-sectoral** approaches and collaboration, so that, ALL players have their voice in decision-making based on current and granular evidence and market data.

Regulatory process and tools must be adapted to create a virtuous dynamic for investment, innovation and inclusion, leading towards **digital** transformation.

The Solution:

Supporting Collaborative ICT Policy and Regulation Frameworks for Digital Market Development and User well-being

Two impact pathways:

1. **Digital Policy and Regulation Engagement and Awareness: exchange platforms and training** enhancing collaborative policy and regulatory capability for digital transformation.

2. **Digital Policy and Regulation Tools Enhancement**: **tools and processes and implementation support** to strengthen agile and inclusive policy and regulatory frameworks and approaches.
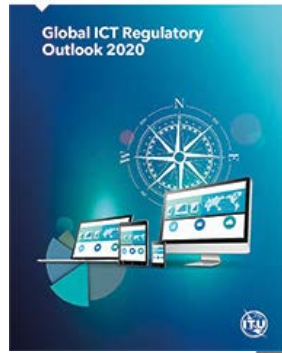
Covid-19 Related Actions:

- **REG4COVID**

  - The new **Global Network Resiliency Platform (#REG4COVID)** is a place where regulators, policy makers and other interested stakeholders can **share** information, **view** what initiatives and measures have been introduced around the world, and **discuss** and exchange among peers on experiences, ongoing initiatives, and innovative policy and regulatory measures designed to help ensure communities remain connected, that we support one another, and that we harness the full power and potential of ICTs during this crisis and to prepare for the medium and long-term recovery from COVID19.

- **GSR Discussion Papers and Webinars** also addressing the short- and medium-term policy and regulatory response to COVID19

  - Virtual GSR and Regional Regulatory Round table

  - Webinars, Virtual Trainings, Web discussions

Learn

Impact Story

Engage

Exchange

ITU Regional Regulatory Associations Portal

ITU International Mobile Roaming (IMR) Portal

ITU Infrastructure Development and Connectivity Portal

See:
https://www.youtube.com/watch?v=IYLrH7pFbCg&list=PLpoIPNlF8P2PsT4gZWyR9ssYBfuwRbp19&index=3

https://www.itu.int/en/ITU-D/Regulatory-Market/Pages/default.aspx
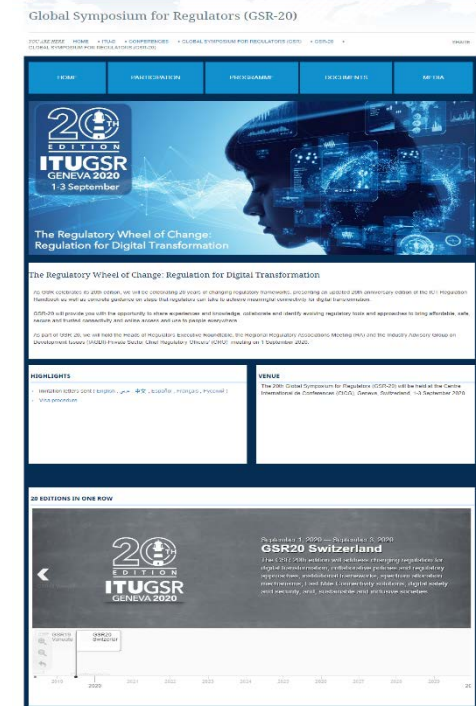
Major Initiatives in the ASP region:

i) Evidence based policies and regulations

ii) Towards Collaborative Regulations

Studies Being Conducted

- **Econometric modelling – the impact of competition, liberalization, and taxation in the ICT Sector**

- **Innovative Business Models in the ICT Sector**

- **Co-deployment with Transport and Energy (Electricity and Oil & gas) Infrastructure**

Econometric modelling – the impact of competition, liberalization, and taxation in the ICT Sector (1/2)

- To provide policy makers and regulators with the empirical evidence required to further regulatory reform in the ICT sector and address the challenges and the gaps in current regulatory frameworks for digital services and applications.

- Develop a methodology to illustrate the causal relationship – through empirical evidence and available data – between government policies in the area of competition, liberalization and taxation of ICT/digital services and the level of connectivity, penetration of ICT/digital services, prices of such services

Econometric modelling – the impact of competition, liberalization, and taxation in the ICT Sector (2/2)

- The study will also explore the following:

  - How do government policies and regulations affect the degree of competition in ICT/digital market? How do policy/regulatory barriers and incentives play out in practice?

  - How do competition, liberalization and taxation affect market outcomes, such as prices, innovation and access to digital services? What are the trans-border effects observed?

  - Is there a difference between the impact of sector-specific tariffs (e.g., on Internet services) and general tax (e.g., VAT)? What is the impact of double taxation on cross-boarder digital services?

Innovative Business Models in the ICT Sector (1/3)

- The business model of the Telecom sector which was based on voice services have disrupted after the era of mobile broadband in general and due to smart phone in particular have resulted in similar services being offered by the platform providers (like voice OTT etc.)

- This has impact on the economy the country as outlined in the ITU report titled " Economic impact of OTTs on national telecommunication/ICT markets "

- The traditional telecom Operators have to diversify their businesses also .

Innovative Business Models in the ICT Sector (2/3)

- Examples of Digital Platform providers investing in connectivity and the business model

- Ways the government policies and regulations are impacting different players (platform providers, telecom operators)

- Successful examples of diversification of telecom operators into other sectors like financial, health sectors, etc.

- Optimal way forward for the traditional telecom sector and for the government and regulators especially in reference to collaborative regulations.

Innovative Business Models in the ICT Sector (3/3)

- Explore futuristic models that both the traditional telecom operators could use to address the whole digital ecosystem, and the digital platform providers to support in the basic connectivity.

- Examples: Reliance Jio, India, which is of great interest as described in the report "Market Penetration through disruptive entry strategy- A case study of Reliance Jio's Entry into Indian Telecom Industry".

- Impact of the high cost of spectrum and the competition introduced by Jio in the Indian market

- Other innovative examples from the Telecom Sector around the world

Co-deployment with Transport and Energy Infrastructure

- The transport and energy sectors can play a vital role in increasing connectivity if co-deployment is planned and implemented properly

- Some of the initiatives that the study will consider are:
  - The Optical ground wire (OPGW) deployment in India and Bhutan

  - Co-deployment initiative of optical fiber in the transport sector in Bangladesh

  - The connectivity initiatives in Republic of Korea in relation to E-Government

  - Co-deployment initiative of optical fiber in the railway and transport sector in China

  - Green energy initiates in the ICT network deployments
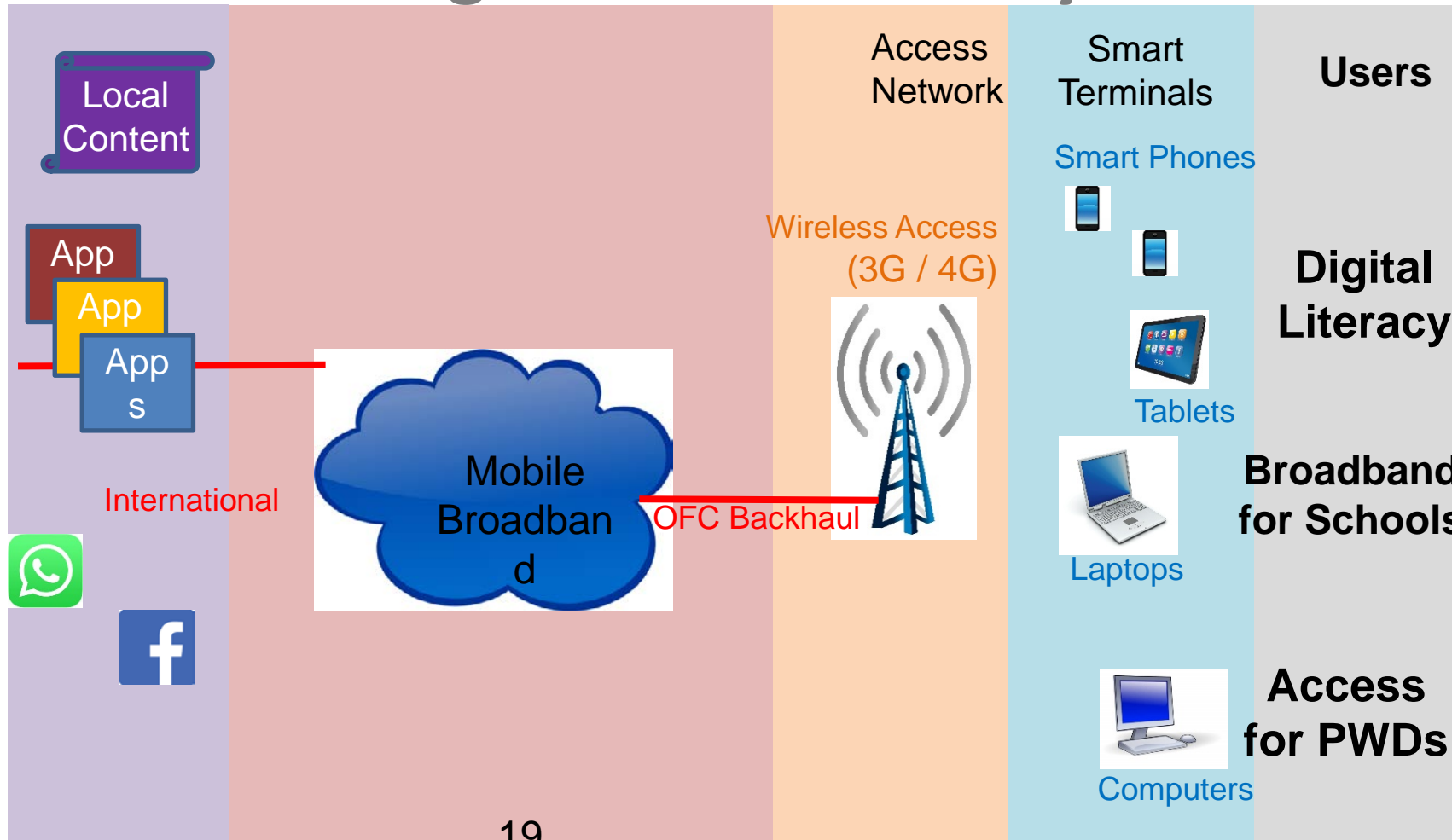
Next Generation USO or

USO 2.0

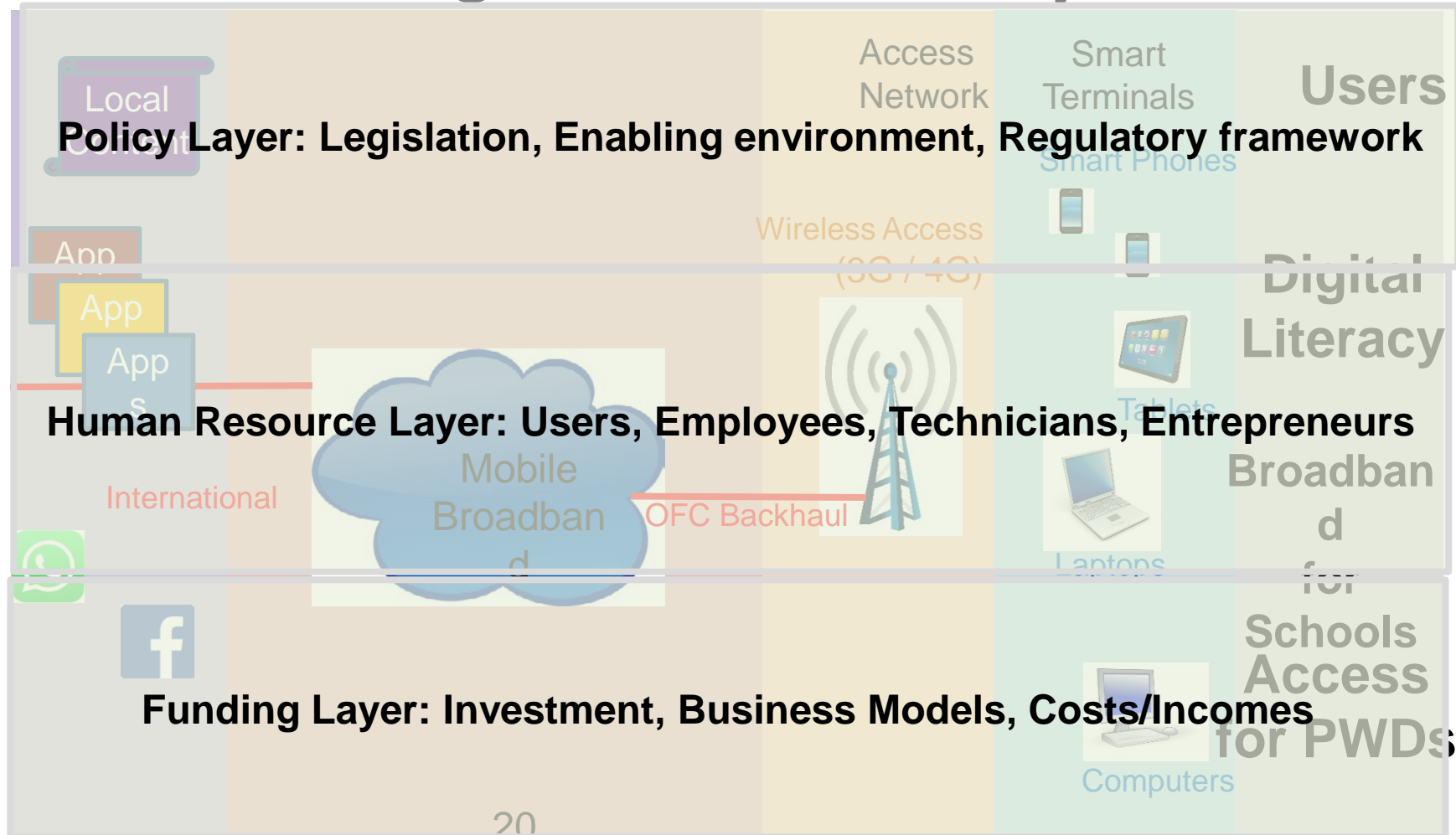Renewed importance due to COVID-19

Evolution of USO

- USO 1.0
  - Basic connectivity (voice, text, low speed data)
  - Mobile Broadband
  - Fiber
  - Barriers: Model (spending issue etc), broadband adoption

- USO 2.0
  - Beyond broadband connectivity: addressing the ecosystem
  - Changes in the model

Addressing Broadband ecosystem

Addressing Broadband ecosystem

Policy Layer: Legislation, Enabling environment, Regulatory framework

Human Resource Layer: Users, Employees, Technicians, Entrepreneurs

Funding Layer: Investment, Business Models, Costs/Incomes

Local Content

App
App
Apps

International

Mobile Broadband

OFC Backhaul

Access Network

Smart Terminals

Smart Phones

Wireless Access (3G / 4G)

Tablets

Laptops

Computers

Users

Digital Literacy

Broadband for Schools

Access for PWDs

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1. Policy Layer

- People cannot benefit from ICTs if they cannot understand due to availability, affordability, language or lack of skills and knowledge

- Therefore, Policies have to ensure that:

  1. Availability, Affordability

  2. Relevance: Citizens are able to use the delivered Content and Applications

Example: Smart Devices

More and more functions requiring smart devices are getting integrated into daily life:

- Users can only use advanced ICT services and applications if they have Smart Devices, like Smartphones, Tablets, Digital Assistants and Laptops

- Some day it will have to be ensured that all citizens can obtain Affordable Smart Devices – through USO?

2. Human Resource Layer

- As ICTs get integrated in society, the need for teaching those who live in unserved/under-served locations increases

- Therefore:
  - Digital Literacy is becoming one of the highest priorities in most countries
  - Public digital literacy programs especially in Schools, are becoming a vital gateway for such trainings

3. Funding Layer

- Just like it is done in case of physical infrastructure projects,

- New models of funding ICT initiatives must be explored and tested

- One such model seems to be the **Public Private Partnership** model

CONCLUSIONS

- Those without access (coverage issue, affordability, skills issue) to broadband are at a great disadvantage.

- Unless affordable broadband services are provided ubiquitously, the digital divide between the haves and the have-nots will go on increasing

- USO, in its present form, is not suitable to make remaining billions adopt broadband.

- Mere supply of broadband does not fulfil anyone's purpose, USO 2.0 must turn its attention to the demand side too – i.e. the whole ecosystem must be addressed.

CONCRETE RECOMMENDATIONS (1/2)

1. USO 2.0 must be supported by a Broadband Policy, with a clear legal and regulatory framework.

2. USO 2.0 should have the authority to finance broadband projects (eg: not just Voice projects).

3. USO 2.0 governance must be participatory, where no decisions are taken without consultation and involvement of all stakeholders.

4. USO 2.0 administration must be appropriately staffed, autonomous and independent, with authority to determine the scope of its work within parameters set by Policy and Rules. Administration must undergo audit by qualified professional auditors on a regular basis.

5. USO 2.0 administration must have highest level of transparency, visibility and accountability. Every decision or action of the administration must be visible on its website.

6. USO 2.0 funding must be completely impartial and fair, and there should be an impartial Appeal Management process in case of any complaints against head or staff of USO 2.0.

7. USO 2.0 disbursement of subsidies only after proper checks and technical-audits (preferably by neutral third parties). Periodic Reviews of USO 2.0 programs by the government.

8. USO 2.0 must be technology agnostic, and not promote or discourage any technical solutions.

9. USO 2.0 must provide own inexpensive Energy, by subsidising innovative energy solutions

10. USO 2.0 must play a facilitator's role for the Telcos who bid. The Ministries and/or the regulators need to support efforts such as in obtaining Rights of Way.

11. USO 2.0 must also support Demand side initiatives, so as to help in widespread adoption of broadband Internet.

Thank You

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