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## Trends in Universal Service and Consumer Protection

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## Presentation Overview

- General Trends in Telecommunications
- Trends in Universal Service/Access
- Trends in Consumer Protection
- ITU Activities and Resources in the field of Universal Service/Access and Consumer Protection

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## General Trends in Telecommunications

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## ICT Users Worldwide

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## Global ICT Revenue

Revenues from public switched telephone, cellular mobile and other telecommunication networks worldwide, 1993-2003 and 2003, in current USD billions

Global service revenues, 2003 Total = US\$1.1 trillion

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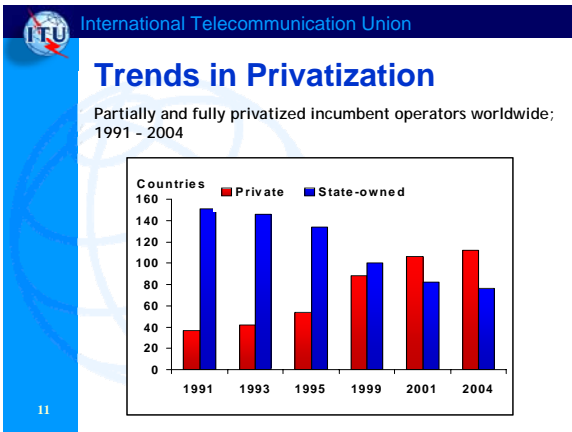
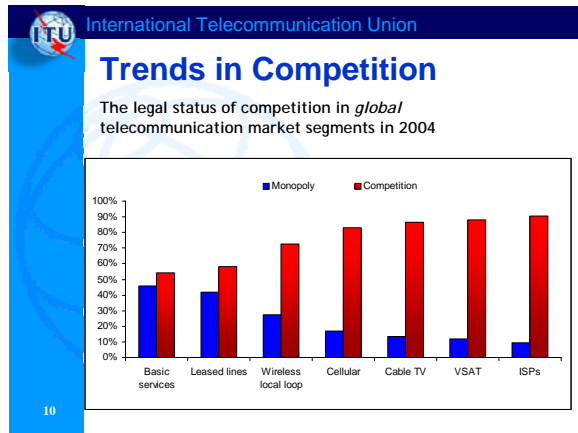
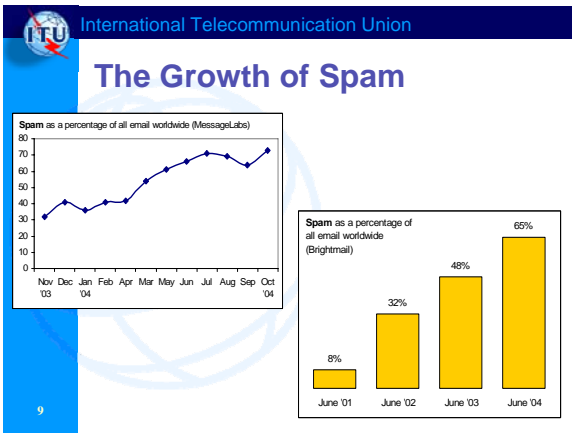
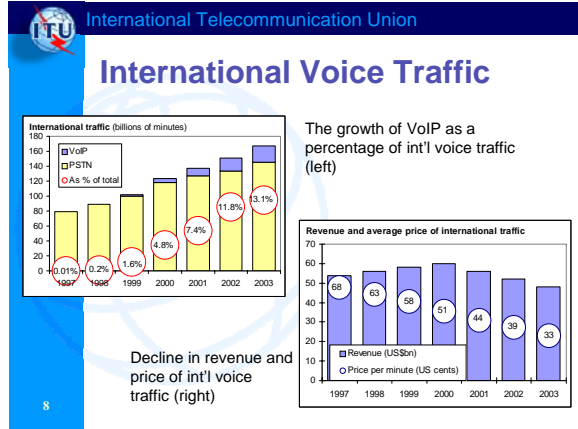
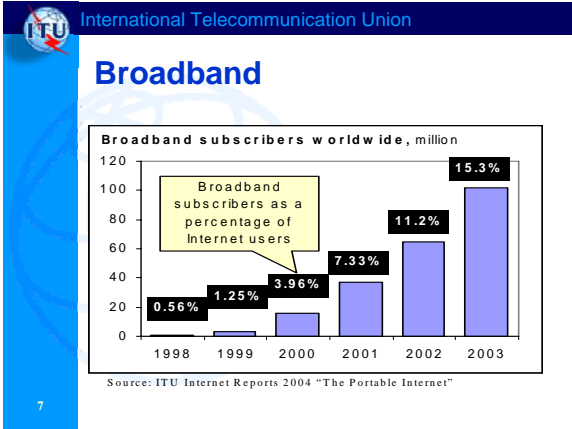
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## Cellular and Internet Users

Cellular mobile users mid-2004 and mobile users added 2000-mid 2004;

Number of Internet users 2003, and new Internet users added, 2000-2003

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## Universal Service and Universal Access

- **Different concepts**
  - **Universal Service:** Every household has telephone service
  - **Universal Access:** Everyone in a community has access to a publicly available telephone e.g. payphone, tele-centre, etc.
- **Similar goals**
  - **Availability:** Provide the same level of service everywhere
  - **Affordability:** Same price for service everywhere
  - **Accessibility:** Mental and physical ability does not affect access

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## Objectives

- **Promotion of economic productivity and growth**
- **Promotion of political and social cohesion through the integration of isolated communities into mainstream society**
- **Improved delivery of government services**
- **Elimination of social and economic disparities (“info rich” vs. “info poor”)**

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## Role of the Regulator

- **Define universal access and service**
- **Define affordability**
- **Implementation and financing of universal access/service goals**
- **Verification of USO costs**
- **Periodic reviews of progress**
- **Ensure involvement of local communities**

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## Pay or Play

### Pay (Mandatory Obligations)

- **Cross Subsidy**
- **License Obligation**
  - India, South Africa
- **Access Deficit Charges**
  - Transitory in nature
  - Australia, Canada, India
- **Universal Service Fund**
  - **All operators are required to contribute a percentage of their revenues to the fund**
  - France, India, Malaysia, Peru
  - **Governments allocate a portion of their general revenues to the fund**
  - Chile

### Play (Incentive-based Opportunities)

- **Micro Credit**
  - Grameen Phone
- **BOT and BTO arrangements**
  - Indonesia
- **Cooperatives and Community-owned systems**
  - France
- **Regional Operators**
  - Bangladesh, Chile, South Africa, Venezuela

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## Definitions

For countries with a Universal Service definition, % of those with particular services included in their US definition

Service	Developed countries (%)	Developing countries (%)
Telecentres	~5	~35
Internet	~35	~45
Mobile public payphone	~15	~25
Fixed-line public payphone	~65	~75

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## Mandatory Obligations

Which operators are obliged to provide universal access/service? (left)

Operator Category	Number of Countries
All operators	~20
Some operators	~15
Only one	~20
None	~1

Under what legal mechanism are operators required to provide universal access/service? (right)

Legal Mechanism	Number of Countries
Licensing obligations	~35
Universal service legislation	~25
Other	~15

Note: Other refers mainly to Telecommunications Law

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## Universal Service Funds

Number of countries with a Fund: 60

Regional distribution of countries with a fund (left)

In countries where a fund is in place, 67% are managed by the regulators, what are they responsible for? (right)

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## How is Universal Service/Access financed?

How is universal service/access financed? (left)

In the case of a fund, what do operators contribute? (right)

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## Trends in Consumer Protection

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## Consumer Protection

- The protection of consumers from hazards to their health and safety;
- The promotion and protection of the economic interests of consumers;
- Access of consumers to adequate information to enable them to make informed choices;
- Consumer education, including education on the environmental, social and economic impacts of consumer choice;
- Availability of effective consumer redress;
- Freedom to form consumer and other relevant groups or organizations and the opportunity of such organizations to present their views in decision-making processes affecting them;
- The promotion of sustainable consumption patterns.

*United Nations Guidelines on Consumer Protection (expanded 1999)*

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## Value-added chain of Consumer Protection Policies

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## Role of the Regulator

- Defining Consumer Rights**
  - Quality of Service; Operator Codes of Conduct (e.g. transparency in billing, prohibition against unsolicited calls & e-mails, etc.); data protection; access to emergency services; health and safety standards; etc.
- Compliance and enforcement**
- Resolution of operator – consumer disputes**
- Research, Education and Information Dissemination**
  - Public consultations, website publication, consumer outreach campaigns, communication with consumer groups, public warnings (e.g. virus)

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## Roles and Actors in Consumer Protection

Role	OSIPI TEL	Operators	Consumers Associations	Competition Agency	Ombudsman
Definition of rights	●			●	
Dispute resolution	●	●			
Interactive customer service	●	●			
Research	●	●	●	●	●
Compliance	●			●	●
Information	●	●	●	●	●
Education	●		●	●	●
Representation			●	●	●
Support to Consumers Associations	●		●	●	●

25 *Opoyo Consultoria*

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## Role of the Regulator

The percentage of regulatory agencies that undertake activities on behalf of consumers, by type (left)

Activity	Percentage
Consumer complaints	89%
Provision of comparative tariff information	75%
promoting consumer participation	71%
Informing consumers of their rights	72%
Representing consumers	62%

Percentage of consumer consultation methods carried out by regulators, by type (right)

Method	Percentage
Meetings with consumer protection agencies	32%
Public hearings	25%
On the regulator's website	43%

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## ITU Resources and Activities in the fields of Universal Service/Access and Consumer Protection

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## ITU in Brief

- UN specialized agency, concerned with the development of telecommunication networks and services worldwide
- 140 years old
- 189 Member States; 650+ Sector Members
- Around 790 staff / 83 nationalities
- 2004 budget = CHF164m (USD 132m)
- Secretary-General: Yoshio Utsumi (Japan)
- Deputy Sec-General: Roberto Blois (Brazil)
- Website: <http://www.itu.int>

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## ITU Structure

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## Development Sector (ITU-D)

- World Telecom Development Conference - Doha, Qatar 2006
- Study Groups
- Telecommunication Indicators reports and databases
- Regulatory assistance
- Technical cooperation
- Regional offices
- Director: Hamadoun Touré (Mali)

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## ITU Field Offices

• Regional Office  
 • Area Office

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## ITU Resources on Universal Service & Consumer Protection

- Global Symposium for Regulators (GSR) 2002 and 2003
  - Best Practice Guidelines on Universal Service/Access (2003)
- ITU Trends in Telecommunication Reform Reports
  - Trends 2003 – Promoting Universal Access to ICTs
- ITU-D Study Groups 1 & 2
  - Q.7-1/1 Universal Access/Service
  - Q.10-1/2 Communications for Rural and Remote Areas

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## ITU Resources on Universal Service & Consumer Protection

- Regulatory models, reports, & case studies
  - Dispute Settlement Case Studies (2003) – Botswana, Denmark, India, Jordan, Malaysia
  - Report to GSR 2003 - Feedback to Regulators from Consumers (2002)
- Seminars, workshops and forums
  - e.g. ITU Seminar on BWA for Rural and Remote Areas (1-2 Sep 2005, China)
- Financial Tools
  - COSITU - Tool to automate calculation of tariffs, taking into account impact of USO

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## ITU Resources on Universal Service & Consumer Protection

- Regulatory Tools and Resources
  - TREG database – online database of regulatory profiles
  - Global Regulators' Exchange (GREX) - online exchange and discussion board for regulators and policy makers
  - ITU - infoDev ICT Regulation Toolkit - online regulator's handbook on telecommunications regulation
  - ITU - WorldBank Telecommunications Dispute Resolution Database – online database of global regulatory decisions

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## ITU Resources on Universal Service & Consumer Protection

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<http://www.itu.int/itu-d/treg>

The screenshot shows the ITU website with a navigation menu on the left and a main content area. The main content area is divided into several sections: 'Upcoming Events', 'Publications', 'News', and 'Contact Us'. The 'Upcoming Events' section lists several events with their dates and locations. The 'Publications' section lists various ITU publications with their covers and titles. The 'News' section lists recent news items. The 'Contact Us' section provides contact information for the ITU.

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Thank you

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