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IDENTIFYING BEST PRACTICE GUIDELINES FOR PROMOTING LOW COST
BROADBAND AND INTERNET CONNECTIVITY

Regulatory principles in the promotion of low cost broadband and Internet Connectivity

1. The importance of Internet and broadband as a tool towards bridging the digital divide cannot be left to market forces alone but may need to be treated as national priority infrastructure.

The importance and potential of low cost broadband for bridging the digital divide is underscored by its functionality for online services and high speed accessibility. Given the magnitude of infrastructure investment required, government as well as private sector participation is necessary. However, as market sector priorities will inevitably skew deployment to areas of high population density and income where it expects the greatest return, the Government must act to spur broadband deployment to underserved areas to reduce the disparity. For this reason, Government policy is necessary to identify the laying of nationwide infrastructure for Internet and broadband as a national priority, thereby providing the impetus and the driver while securing a supportive relationship with the private sector.

Hence, where private sector participation is governed by market forces and competition, the Government can act strategically as a driver and enabler in order to ensure fair competition, appropriate funding mechanisms, timely broadband deployment and to avoid excess duplication of infrastructure. The impact of broadband on closing the digital divide should no longer be debated as a critical budget issue given the positive trends shown in countries all over the world.

2. National broadband policies for any country should be technology neutral and should be implemented in conjunction with market forces and free competition.

Whilst there may be short term logic in giving preference to any one particular technology, whether fixed or wireless, nevertheless, encouraging technological flexibility and interoperability will provide a conducive environment towards competition and prudent infrastructure investment. This will ensure that market forces will constantly prevail to spur the right level of investment and innovation to meet the needs of all consumers and stakeholders.

A technology-neutral environment would allow the provider, be it hardware, software or service provider, to choose a mixture of technologies to serve different areas and customer segments as may be appropriate. This will also promote internet and broadband applications and usage in a dynamic and rapidly evolving marketplace. The flexibility would also help to reduce cost and maximize operating efficiency thus translating into greater profitability, allowing providers to reinvest into networks and services to marginal customers at the fringe of their networks. Improved performance would result in high valuation companies with the ability to attract investors or secure other funds for future growth and expansion.

3. Utilise existing telecommunications infrastructure to enable the quickest means of deployment.

The build-out of necessary infrastructure can be accelerated by leveraging on existing telecommunications infrastructure and encouraging further investment in broadband and internet deployment. Very often, the bottleneck is at the last mile where deployment can be facilitated only with the appropriate regulatory framework on access and interconnection. Regulatory intervention may take the form of proactively removing roadblocks to investment in broadband deployment by instituting an interconnection and peering regime that is crucial for continuous operating efficiency under a transparent legal and regulatory framework.

There also the need to have a concerted effort by both the Government and private sectors to concentrate on upgrading of existing infrastructure to avoid duplication of core fixed network systems. Continuous maintenance on such key network is crucial against a backdrop of gradual increase in broadband demand over time.

4. The aggregation of supply and demand of broadband is a vicious cycle which needs to be nurtured by governments on a combined private-public partnership basis in order to create the critical mass.

In order to spur greater broadband deployment, very often, governments interject with public funding based upon public sector e-government deployment alone. This creates wastage in terms of numerous private network circuits each having restricted access and the lack of interoperability. Whilst network security may be an issue, it should not be the main issue which justifies excessive duplication of such infrastructure.

In order to create the critical mass in terms of demand, broadband roll out has to be done on a combined private-public sector aggregation basis using the latest available surveys conducted on a locality basis such that the cost of maintaining the supply of broadband can then be lowered.

5. Common standards for broadband wireless access systems should be a priority in order to promote cheaper costs and interoperability for regional broadband deployment.

Wireless broadband is a potentially ideal alternative to increase low broadband penetration and resolve the difficulty in obtaining quality fixed broadband connections in remote and underserved areas. Due to its unique reach and scope, wireless broadband has a potential to experience exponential growth particularly when voice becomes an integrated part of wireless broadband technology.

In view of rapid technological advancements in this arena, the need to quickly establish common wireless broadband standards is necessary, especially for developing countries, to ensure that all proprietary wireless broadband solutions become standards-compliant and promote interoperability. Only with such features will the ability for operators in developing countries to offer cheaper roll out, especially in terms of Customer Premises Equipment become a distinct probability. With reasonable costs, market players are able to effectively implement pricing strategies and cost-effectiveness in order to survive and thrive as they compete for market share.