
SOURCE: Telecommunications Regulatory Commission (TRC) of Jordan

TITLE: 2011 GSR Consultation on “Incentive Regulation to Promote the Deployment of Broadband”

Government involvement in stimulating broadband infrastructure deployment can take either of the two forms; incentives and direct funding.

The Jordanian practice in this area has been limited to incentives in the form of relief from certain financial levies such as spectrum fees and revenue share. The incentives undertaken by the Government of Jordan for the promotion of Broadband deployment have mainly targeted 3G Mobile telecommunications services as well as Fixed Broadband Wireless Access (FBWA) services (WiMAX). 3G services' providers were granted gradual exemption from the proceeds of the annual frequencies for five years. Customs and sales tax exemptions on infrastructure equipment were also granted. In addition, the government reduced and consolidated the sales tax on internet services from 16% to 8% regardless of the used technology or the recipient. Other initiatives are related to spectrum liberalisation, re-farming, re-distribution, allowing licensees to work in a noise-free environment (spectrum Interference). The re-farming process will present future chances for further frequencies to be licensed (re-allocation) to provide higher speed and quality services.

From the Jordanian government perspective, the different regulatory approaches needed for promoting the deployment of broadband infrastructure, can be best described as the following:

1. Facilitate the grant of the proper permissions for building of infrastructure, especially the access network that require rights of way. However ownership should be by the operators and not the government itself and at affordable prices.
2. Minimize licensing hurdles in order to improve and simplify the licensing system.
3. Reducing regulatory burdens in order to lower the cost of laying infrastructure and providing services to end users, and employing the least degree of regulatory intervention.
4. Coordinate with other sectors to access alternative fibre backbones.

However, it is important to note that there should be no confusion in the respective roles of the private and public sectors. The Government shouldn't seek to distort the market to meet political objectives. Should the Government establish infrastructure and facilities that may have economic potential beyond their use by Government, then the sale or lease of such infrastructure should be implemented in a transparent and non-discriminatory manner, so that it won't distort the relevant markets.

As a regulator we truly believe that stimulating innovation and development of application and services is best achieved through adopting a technology neutral approach, easy access to spectrum and non-exclusive basis in licensing to provide services to end users, which will evidently enable providers to use the most cost effective technology.

The government of Jordan recognises literacy as a basic human right and that digital literacy has become an essential one indeed, especially when the global economy is increasingly more open and competitive. Countries that are more innovative and productive are capturing a greater share of the world's trade, investment and jobs.

The success in the knowledge economy demands increasingly higher skill levels, especially in ICT to ensure that people have the skills to thrive in the digital economy. Accordingly, the government of Jordan decided to reform the national education system to foster more creative, critical thinking and collaborative capacities in its students and graduates as well as its adult learners. Increased opportunities to learn with computers and networks are a central part of this transformation.

The Jordanian government launched many initiatives in this regard, like the “National Broadband Network initiative that is primarily intended to be a private network to serve schools and universities, with an added advantage of allowing licensed operators to lease infrastructure in the form of dark fibres to be used in the provision of broadband public telecommunications services.