

RECOMMENDATION ITU-D 9-1

Appropriate regulatory structures as a means of encouraging the extension of telecommunication services to remote and rural areas

(January, 2002)

Question 10/2: *Communications for rural and remote areas*

The ITU-D,

considering

- a) that the need to establish a regulatory function that is independent of political influence is widely recognized;
- b) that the regulation of telecommunication services in the rural and remote areas of developing countries must address all appropriate regulatory facets and elements;
- c) that experience clearly indicates that an entrepreneurially-oriented recognized operating agency (ROA)¹ may be cost-effective in a regulated context in providing telecommunication services to the rural and remote areas;
- d) that it is generally agreed that the best vehicle to implement service obligations is through the ROAs' concession,

noting

- a) that a considerable body of knowledge and experience regarding regulation exists and is available;
- b) that there are good examples of concessions that have successfully enabled the provision of telecommunication services throughout some country's rural and remote areas,

recommends

that administrations of developing countries:

¹ Recognized Operating Agency (ROA): Any operating agency which operates a public correspondence or broadcasting service and upon which the obligations provided for in Article 6 of this Constitution are imposed by the Member State in whose territory the head office of the agency is situated, or by the Member State which has authorized this operating agency to establish and operate a telecommunication service on its territory. (CS/AN. 1008, PP-98). Operating Agency: Any individual, company, corporation or governmental agency which operates a telecommunication installation intended for an international telecommunication service or capable of causing harmful interference with such a service. (CS/AN. 1007).

1 put into place regulatory arrangements to foster the development of rural telecommunications, which include the following conditions:

- a) a regulatory authority is established which is as independent as possible;
- b) appropriate tariffs and revenue settlement arrangements are in place;
- c) the access obligation should take into account the financial viability and sustainability of telecommunication services in rural and remote areas;
- d) interconnection terms and conditions are addressed and defined;
- e) effective spectrum management measures and efficient spectrum utilization are established;
- f) appropriate regulatory policies are exercised through licensing and concession arrangements;
- g) licensing arrangements are consistent with efficient network structure;

2 take steps to ensure that the provision of telecommunication services to rural and remote areas includes the following principles:

- a) service is provided through PCOs and MCTs, or other community access centres on a market-oriented basis;
- b) rural investment and telecommunications development is encouraged, in ways which are generally consistent with price/cost relationships and, when feasible, sharing facilities with other telecommunications and/or other public services;
- c) innovation is encouraged in providing telecommunications services to rural and remote areas;
- d) access to IP-based networks should be fostered, as well as access to the Internet and other applications;
- e) rural PCOs, MCTs or community access centres' operations follow sound commercial practices and preferably are locally owned and operated;
- f) facilitation of access to telecommunication services by public institutions and development-oriented institutions also should be considered.
