

## **CONTRIBUTION OF OSPITEL FOR GSR-20**

### **THE GOLD STANDARD FOR DIGITAL REGULATION**

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#### **I Demonstrating regulatory thought leadership for digital transformation**

The COVID-19 pandemic has thrown into relief the importance of digital connectivity (mobile and fixed Internet) in coping with quarantine and ensuring partial production in some of the country's industries. The quarantine period and required connectivity during it have laid bare the need for greater communication infrastructure for access, transport and hosting of ICT services and content. One particular problem to emerge has been the lack of infrastructure in areas with a high population density whose residents work elsewhere. Consequently, with the arrival of the pandemic, connectivity problems became apparent, as most infrastructure investment prioritized areas with a high concentration of office space (production areas). It is important to stress that connectivity is the foundation on which digital transformation is built, thus it has a key role to play in this process.

In addition, the COVID-19 pandemic has demonstrated the importance of having a system of suitable data for the design of key public policies to overcome the crisis. In this regard, the pandemic revealed shortfalls in the area of State-level data governance and the urgent need to advance related policies and promote open-source data so that different industries and stakeholders can combine efforts. For example, State aid would have been better directed if people living below the poverty line had been efficiently identified. Similarly, it would have been possible to avoid people seeking assistance from banks if there had been alternative systems in place, such as e-money and an ecosystem capable of handling such a form of payment.

Also important to consider is analysing the digitization of customer service, in particular for services provided by the State and those under the public service umbrella. Performing all customer service remotely, using digital information systems/tools, even the implementation of virtual assistant systems, will improve the efficiency and effectiveness of customer service against the backdrop of any sanitary requirements arising during the pandemic.

Finally, the popularization of these digital tools in the context of a digital transformation and greater sharing of user data require a more robust and purpose-built national policy for personal data and information security, which would allow users, whatever their command of the tools, to use these new services more broadly.

#### **II Vectors of regulatory action: Inclusiveness, agility, and resilience**

At the State-level, there have been several developments which aim to prepare the way for digital transformation, promoting mechanisms for inclusivity, agility and resilience. The main provisions cited include references to the COVID-19 pandemic:

- January 2020 – a National Digital Transformation System was created by Emergency Decree No. 006-2020.<sup>1</sup>
- January 2020 – the Digital Confidence Framework was approved by Emergency Decree No. 007-2020<sup>2</sup> and provides for strengthening measures.
- March 2020 – The Peruvian State, as part of its steps taken to combat the COVID-19 pandemic, promulgated Supreme Decree No. 044-2020-PCM, which declared a “National state of emergency due to the serious circumstances affecting the life of the Nation, owing to the COVID-19 outbreak”.

At the level of OSIPTEL, and in the light of the emergency situation affecting networks owing to the COVID-19 pandemic, a number of Resolutions were issued, namely No. 035-2020-PD/OSIPTEL, No. 045-2020-CD/OSIPTEL, No. 040-2020-PD/OSIPTEL, No. 050-2020-CD/OSIPTEL, No. 042-2020-PD/OSIPTEL, No. 043-2020-PD/OSIPTEL and No. 067-CD/OSIPTEL, which approved specific measures to guarantee access to and continuity of public telecommunication services during the national state of emergency. They established that operating companies would not be able to suspend or terminate public telecommunication services owing to non-payment for the entire duration of the national state of emergency. In addition, we wish to highlight the following provisions:

- March 2020 – On the same day as the state of emergency began, Presidential Resolution No. 00035-2020-PD/OSIPTEL was issued, approving regulations that established provisions to guarantee the continuity of public telecommunication services, within the framework of Supreme Decree No. 044-2020-PCM. It established that, throughout the period of the national state of emergency and in compliance with the established sanitary provisions, operating companies will not be able to: (i) suspend or terminate service due to non-payment; (ii) provide in-person service at customer service centres or offices on a national level; (iii) deal directly with issues of quality and interruptions, which should be addressed by telephone or virtual channels only; (iv) stop managing traffic that is necessary for prioritizing the operation of applications facilitating teleworking or remote working, tele-education, e-health, from 08:00 to 18:00 Monday to Friday, in accordance with the provisions contained in the Regulation on network neutrality (Resolution of the Board of Directors No. 165-2016-CD/OSIPTEL) for emergency situations, given the need to keep a record of actions taken.
- April 2020 – Presidential Resolution No. 00040-2020-PD/OSIPTEL was issued, approving measures complementary to provisions introduced by Emergency Decree No. 035-2020 concerning the provision of telecommunication services. The resolution, *inter alia*, addresses: (i) facilities for the payment, including by instalment, of bills; (ii) reduction of services; (iii) delivery of bills by alternative means; (iv) prioritization of the telecommunication traffic of public entities; and (v) measures aimed at enhancing connectivity. It should be noted that this resolution states that services cannot be reduced for those who opt for payment by instalments.

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<sup>1</sup> <https://busquedas.elperuano.pe/normaslegales/decreto-de-urgencia-que-crea-el-sistema-nacional-de-transfor-decreto-de-urgencia-n-006-2020-1844001-1/>

<sup>2</sup> <https://busquedas.elperuano.pe/normaslegales/decreto-de-urgencia-que-aprueba-el-marco-de-confianza-digita-decreto-de-urgencia-n-007-2020-1844001-2/>

- May 2020 – It was found that low settlement rates on payments since the beginning of the state of emergency in March had affected the financial sustainability of telecommunication companies, which will be unable to invest in infrastructure improvements without revenue. It was therefore considered necessary to update regulatory provisions issued by OSIPTEL. Thus, Presidential Resolution No. 043-2020-PD/OSIPTEL authorized, as of 3 June, the suspension of service owing to non-payment for those who had not paid three or more telecommunication bills for the months of March, April and May and had not agreed to an instalment-based settlement plan. Resolution No. 067-CD/OSIPTEL established an extension until 15 June 2020. OSIPTEL has focused on ensuring that users understand their entitlement to pay in instalments and thereby avoid service cuts.

In the future, investment in infrastructure should continue, thereby avoiding network congestion and ensuring that basic activities, such as tele-education or telemedicine, can be carried out in the event of a similar emergency. Likewise, initiatives seeking to provide access to Internet Services to residents without access to such services should be encouraged. At present, there are initiatives such as “Internet for All”, but we believe that they need to be scaled up further.

Regarding economic recovery strategies, activities are being resumed in phases, so that the business sector can recover after several months of ceased production. The State currently has in place programmes that allow companies to apply for low-rate State-guaranteed loans from financial institutions. This would allow companies to meet their obligations and prevent a break in the payment chain and, in turn, provide an opportunity to change business plans or resume operations when allowed to do so by the Government.

In the medium and long term, the focus should be on formal job creation, as it is estimated that a million jobs have been lost in the Lima metropolitan area alone during the pandemic.

### **III Collaboration across sectors, cooperation across borders, and engagement across the boards**

One way to improve the relationship between market and consumers is to seek to reduce the barriers encountered by users to information on market products, enhancing mechanisms which facilitate digital access to information with a view to empowering users in their decision-making process. Tools geared towards this purpose include personalized web tools and applications, virtual assistants and 24/7 call centres.

As part of the digital transformation, it is necessary to reduce the need for in-person procedures, which has taken on particular importance in the context of social distancing. As a result, digital channels should allow users not only to obtain the relevant information but to carry out procedures quickly and securely.

In addition, these new digital channels, given the level of interactivity achieved with the user, must be able to gather user insights and, as a result, continue to shape the tool in an ongoing process of improvement and refinement. An example of these mechanisms is virtual assistants, or chatbots, which are able to store all interactions with users and subsequently analyse that information with a view to improving the tools, based on user feedback.

In this regard, OSIPTEL has developed a tool internally that allows one to compare different operators' telecommunication services according to price and offer, thereby helping users to make an informed decision. Currently, the tool allows for the comparison of mobile service postpaid plans and can be readily accessed by all users at the following address: <https://www.comparatel.pe>. In the short term, it is planned for the tool to incorporate Internet services (stand-alone or packaged) and a chatbot, among other functionalities.