



**Telecommunication  
Development Bureau (BDT)  
Regional Office for Americas**

Bridgetown, 25 August 2020

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- ITU Member States
- Regulators
- ITU-D Sector Members

**Subject: ITU Workshop on regulatory costing and pricing strategies for digital services - Caribbean Countries, 9 to 13 November 2020**

Dear Sir/Madam,

The International Telecommunication Union (ITU), has the pleasure to invite you to the Online Multi-stakeholder Consultation on Advances in Regulatory Costing and Pricing Strategies for Digital Services for the Caribbean Countries organized by the ITU and in cooperation with the Telecommunications Unit, Ministry of Innovation, Science and Smart Technology, Barbados and which will take place from 9 to 13 November 2020.

The Online consultation will address:

- building knowledge and skills of policy makers, regulators, telecom operators, and enterprise network administrators on strategic cost modelling in this rapid changing environment.
- building skills on how to make practical use of cost models for decision making in the real environment using hands-on exercises.

Besides the agenda (**Annex 1**), to help ensure that this training targets your specific needs, please indicate what issues you would like the workshop to address by completing and returning the “DELEGATE QUESTIONNAIRE” before 12<sup>th</sup> October 2020, (**Annex 2**).

This training is targeted at managers, engineers and technical staff from regulators, policy makers, telecom operators and academia, who are interested in costing and pricing issues. Sessions will be facilitated by David Rogerson, Director, Incyte Consulting Ltd.

Please see meeting information below:

**Subject: Online Multi-stakeholder Consultation on Advances in Regulatory Costing and Pricing Strategies for Digital Services for the Caribbean Countries**

Date: 9 to 13 November 2020

Time: 0900-1230 (Barbados time)

To Register: In order to register for the event delegates must have an ITU User Account. Please access this link to create an ITU User Account if you have not already done so - <https://www.itu.int/en/ties-services/Pages/login.aspx>

Registration: Please register [here](#)

All documents related to this online event can be viewed on the event webpage:

<http://www.itu.int/en/ITU-D/Regional-Presence/Americas/Pages/EVENTS/2020/26075.aspx>

For further information, please contact: [Sheron.small@itu.int](mailto:Sheron.small@itu.int); [sylvester.cadette@itu.int](mailto:sylvester.cadette@itu.int), or [cleveland.thomas@itu.int](mailto:cleveland.thomas@itu.int).

We look forward to your positive response, active participation and contribution to the success of this important Online Consultation.

Yours sincerely,

Bruno Ramos  
Americas Regional Director

## Annex I



# ITU Workshop on advances in regulatory costing and pricing strategies for digital services for the Caribbean Countries

Online training, 9 to 13 November 2020

*Sessions to be held on Zoom. Participants will be expected to work in break-out groups during the workshop. Timings given are for Barbados.*

## DRAFT AGENDA

### Day 1 – Traditional price regulation is under pressure

#### OPENING SESSION

09:00-09:30

Welcome & introductions.

#### SESSION 1: COSTING AND PRICING REGULATION

09:30-10:30

Objective: to examine the history of telecom price regulation, the circumstances under which regulators seek to determine cost-based prices for services in telecommunications/ICT markets and the basis on which they do so, with a particular emphasis on interconnection and wholesale access. To provide a high-level overview of the various approaches that may be applied to costing digital services. Consideration of the various cost standards including FDC, LRIC, LRAIC, marginal costs, etc.

### BREAK

#### SESSION 2: GOOD PRACTICE IN REGULATORY COSTING AND PRICING

11:00–12:30

Objective: to identify situations in which regulatory cost models are helpful and how they can be used effectively and to consider alternative forms of price regulation that do not require cost modelling, identify circumstances in which they might be appropriate. The session will incorporate a number of real and hypothetical but realistic case studies.

### Day 2 – New regulatory approaches for changing times

### **SESSION 3: THE FUTURE OF SERVICE PRICING AND REGULATION IN A DIGITAL ENVIRONMENT**

09:00-10:30 Objective: to examine the extent to which regulation of digital services and prices is necessary and sufficient to achieve national broadband policy goals. How can price regulation be compatible with incentives for investment in fibre and 5G mobile technology and IoT? The main issues will be examined through a review of international experience and practice.

#### **BREAK**

### **SESSION 4: PRACTICAL EXERCISES IN CONSTRUCTING REGULATORY COST MODELS**

11:00-12:30 Objective: to experience how regulatory cost models can be constructed to meet the current and emerging regulatory issues of the digital economy. A new cost model, established by ITU for this training course, will be developed as part of a realistic but hypothetical case study. The case will cover fixed and mobile networks and the convergence of voice, data and TV services. Participants will work in groups to build a customised version of the cost model through four practical exercises covering key cost parameters: subscribers and coverage; traffic forecasting; network routing; determining equipment costs.

## **Day 3 – Practical exercises in cost and price regulation**

### **SESSION 5: FURTHER PRACTICAL EXERCISES IN CONSTRUCTING REGULATORY COST MODELS**

09:00-10:30 Continuing the work from Session 4.

#### **BREAK**

### **SESSION 6: REGULATION OF DIGITAL PLATFORMS**

11:00-12:30 Objective: Online content providers are provoking intense pressure on network operators by challenging the established industry value chain, redefining the rules of market competition and shifting traditional key success factors. This session will analyze the new business models (IoT, digital services, new applications, etc.) that create new services and allow innovation of commercial offers, with particular emphasis on the new and powerful role of digital service platform providers. Should these platforms be regulated and, if so, how can it be done to protect users and foster competition without jeopardizing growth of the digital economy.

## **Day 4 – Practical exercises in cost and price regulation**

### **SESSION 7: PRACTICAL EXERCISES IN USING REGULATORY COST MODELS**

- Objective: to experience the usefulness and the limitations of regulatory cost models in a realistic but hypothetical case study. Participants will work in groups using the customised cost model to address a number of realistic but hypothetical regulatory scenarios. The session will draw out the implications and challenges for regulation, especially price regulation, such as
- 09:00–10:30
- Is cost-based regulation still necessary? If so, in what form?
  - How can cost models best be used, and what are their limits?
  - How to regulate the price of retail service bundles?

### **BREAK**

### **SESSION 8: FURTHER PRACTICAL EXERCISES IN USING REGULATORY COST MODELS**

- 11:00–12:30
- Continuing the work from Session 7.

## **Day 5 – Plenary session**

### **SESSION 9: QUESTIONS, ANSWERS AND DISCUSSION**

- 09:00–10:00
- Objective: At the end of Day 4 participants will be invited to contribute questions or topics for discussion relevant to their national circumstances, based on their experience and building on issues raised in the workshop. These topics will be addressed in plenary forum during this session.

- 10:00–10:30 **WRAP-UP AND CLOSE OF THE WORKSHOP**
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## Annex 2

# ITU Workshop on advances in regulatory costing and pricing strategies for digital services for the Caribbean Countries

Online Consultation, 9 to 13 November 2020

## DELEGATE QUESTIONNAIRE

Please indicate what issues you would like the workshop to address by completing and returning this questionnaire before 20 October 2020.

Please score each topic that potentially could be covered in the training workshop between 5 ("very important") and 1 ("not significant").

- |    |  |       |
|----|--|-------|
| 1  | How to regulate retail service tariffs   | ..... |
| 2  | How to regulate wholesale and interconnection charges                            | ..... |
| 3  | How to regulate the price of service bundles                                     | ..... |
| 4  | How to construct network cost models   | ..... |
| 5  | How to use a mobile network cost model   | ..... |
| 6  | How to use a fixed network cost model  | ..... |
| 7  | How to use a submarine cable cost model  | ..... |
| 8  | How to keep existing cost models up to date                                      | ..... |
| 9  | How price regulation is linked to market analysis and dominance                  | ..... |
| 10 | What will be the impact on price regulation of 5G mobile networks? .....         |       |
| 11 | What will be the impact on price regulation of all-fibre networks?               | ..... |
| 12 | Please state any other relevant topic that you would like the workshop to cover: |       |

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Name: .....

Organisation: .....

Please return the completed form to: Cleveland Thomas ([cleveland.thomas@itu.int](mailto:cleveland.thomas@itu.int))