



CREATING AN COLLABORATIVE REGULATORY ENVIRONMENT

འབྲུག་བར་དོན་བརྒྱུད་འབྲེལ་དང་བར་བརྒྱུད་དབང་འཛིན།

BHUTAN INFOCOMM AND MEDIA AUTHORITY
ROYAL GOVERNMENT OF BHUTAN
THIMPHU, BHUTAN



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CONTENT OF THE PRESENTATION

- Role of Regulator in the Digital Era
- Evolution of Regulator's role in the Digital Era
- Initiatives undertaken by Bhutanese Regulator in creating enabling and collaborative regulatory environment in Bhutan
- Initiative that needs to be taken



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ROLE OF REGULATOR IN THE DIGITAL ERA

- ❖ Digitalization has harnessed the power of technology to:
 - ❖ solve problems
 - ❖ re-imagine the customer experience
 - ❖ inspires trust, accelerates change
 - ❖ reinvents business models.

 - ❖ Going digital has thus become a key differentiator for companies and individual when competing in today's world.
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ROLE OF REGULATOR IN THE DIGITAL ERA

- ❖ Governments acknowledge the economic and social benefits that digitalization can bring, and have developed ambitious plans and strategies for socio-economic development.
 - ❖ Broadband services are increasingly viewed as non-optional utilities (or “rights”) whose availability and performance impact every aspect of the economy and societal development
 - ❖ However, the challenge for most of the regulators and the governments is to ensure access not only to digital infrastructures for every individual but also safe and secure digital services
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EVOLUTION OF REGULATORS' ROLE IN DIGITAL ERA(1...)

- ❖ As ICT sector gets transformed, converged and evolved, the role of regulators need evolution and redefined
 - ❖ Need to **comprehensively** review whether the existing statutory and regulatory framework can continue to serve the converged and rapidly evolving ICT ecosystem
 - ❖ ICT regulators now must confront new services – content and financial service regulation
 - ❖ Therefore, to adapt to the unrelenting pace of change in the development of, the regulators need to diversify and adapt regulatory practices to encounter such change.
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EVOLUTION OF REGULATORS' ROLE IN DIGITAL ERA(2...)

First Generation Regulation

- Regulation of Monopoly
 - Intent to improve efficiency and services

Second Generation Regulation

- Introduction of competition (Partial privatization)
 - opening up access to incumbent network

Third Generation Regulation

- Introduction of Full competition
 - Protecting competition in service and content delivery including consumer protection

Fourth Generation Regulation

- To ensure access to digital infrastructures and making broadband services accessible and affordable for every individual (Right to Broadband Service)
 - Creating enabling regulatory environment



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5th Generation Regulations: Collaboration

❖ Services over the Internet

- Health
 - Education
 - Agriculture
 - Financial (Branchless Banking)
 - Media
 - Smart Cities (IoT, Big Data Analytics)
 - Other (Taxi, Hotel, Job Portals, etc)
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INITIATIVES UNDERTAKEN BY THE ICT AND MEDIA REGULATOR (BICMA) TO CREATE AN ENABLING REGULATORY AND COLLABORATIVE ENVIRONMENT IN BHUTAN





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❖ Establishment of Converged regulator

- Converged Act known as Bhutan Information, Communications and Media Act was enacted in 2006 becoming the first country in South Asia to have a converged Act
 - Converged regulator known as Bhutan InfoComm and Media Authority (BICMA) was established in Jan 2007:
 - ✓ ICT Services including broadcasting
 - ✓ Media Services
 - ✓ Spectrum Management
 - ✓ Management of Universal Service Fund
 - ✓ Entertainment sector
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❖ Spectrum Management

- Spectrum is never considered as the source of revenue for the government
- Bhutan never auctioned spectrum till date, it is allocated based on the “**first-come first serve**”
- Spectrum has been allocated to achieve maximum economic and social benefits
- Spectrum is treated as wholesale commodity where the operators are required to pay minimum rental charges for its use.

- Nu. 1.31 Million (around 0.02 Million USD) is charged as annual utilization fee for 2 x 20 MHz in 700MHz band



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- Bhutan has one of the lowest fee per MHz when compared to the region
 - ✓ Pakistan : Nu. 31 Million (0.48 Million USD) per MHz per Year
 - ✓ Bangladesh: Nu. 16 Million (0.25 Million USD) per MHz per Year
 - ✓ Nepal : Nu. 10 million (0.15 Million USD) per MHz per Year
 - ✓ Bhutan: Nu. 32,433 (499 USD) per MHz per Year
 - Bhutan has one of the lowest Annual price per MHz per population
 - ✓ Asian Countries average is around Nu. 16 /MHz/population
 - ✓ India : Nu 2/MHz/Population
 - ✓ Nepal : Nu.1 / MHz/ population
 - ✓ Bhutan: Nu. 1/MHz/ Population
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❖ Technology Neutral and Service Sector Neutral regulatory regime

- Adopted a converged and technology neutral licensing framework to encourage innovation, diversity and competition that would lead to affordability, choice and quality of service.

❖ Light touch regulation

- Believing that technology will always advance regulation, to promote technology and service development, a flexible or rather light touch approach has been adopted.
 - Service Providers are given more flexibility to the way they operate and compete and to innovate.
 - Bhutan was the first country to launch 3G and 4G services in South Asia
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❖ Ensure universal access to communications services

- Universal access to communications services have been provided through the use of Universal Service Fund maintained and managed by the regulator
 - No annual contribution is required by the service providers to the USF
 - Initial license fee is the source of USF. This fee is retained by the regulator to develop the ICT infrastructures in the rural and remote areas.
- USF utilization is about 80 percent and almost 730 villages, 130 schools and **29 health centers** have been connected with communications services.
- Regulator work with **different government departments to support the delivery of better health and education service** to achieve not only government's goal of ICT for all but the use of ICTs for achieving SDGs



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❖ Roles of Facilitator and Protector

- Acted as a facilitator of the sector
 - ✓ Bridge between the ICT players, users and Government
 - ✓ Mediate between ICT service providers as well users and ICT service providers
 - ✓ Promotes self-regulation
 - ✓ Supported in making national fibre accessible at free of cost by the telecom operators.
 - Protector of Personal information
 - ✓ Besides the court, only regulator has right to authorized the service providers to share its subscribers' personal information
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❖ Process and Approach at BICMA

- The Law (Act) requires BICMA to carry out extensive consultations with the stakeholders before any Regulations or Rules are formulated
 - After consultation, the Regulations or Rules are developed and submitted to the Members of the Authority for approval. Once these documents are approved, it is further submitted to the Ministry for endorsement
 - Ultimate goal of BICMA is to be a **facilitator**. Eventually we want very light touch regulation but would like to protect the user's interest and user's data privacy
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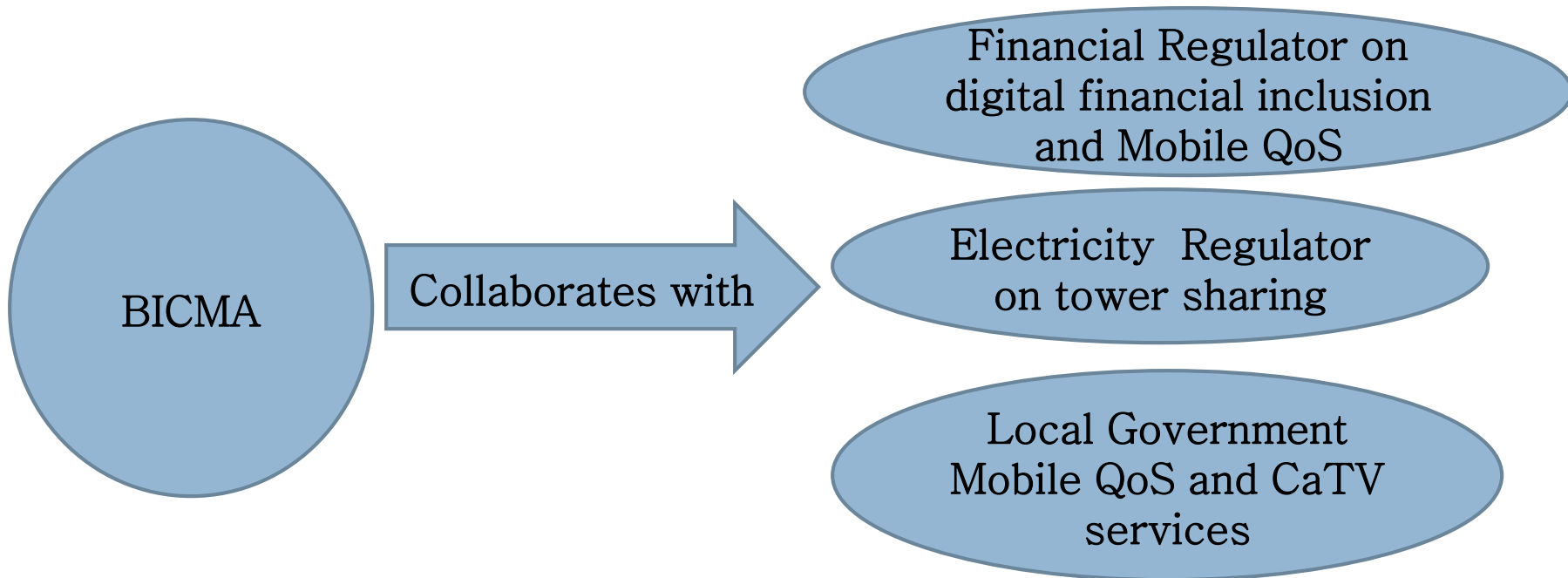
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❖ Strengthening Regulatory Cooperation

- Adopted “collaborative regulation” or “Partnership” as the main regulatory model to foster the ICT development in Bhutan





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❖ Partnership or Collaborative Approach

- Convener
 - ✓ Lead role to arrange stakeholders meeting
 - ✓ Facilitate discussion amongst its partners
 - Open and Flexible
 - ✓ Remain open and more flexible to varied ways of functioning itself to accomplishing the common goal with its partners
 - Open and frequent communications
 - ✓ Interact at regular interval and update its collaborating partners; discuss issues openly and convey all necessary information.
 - Establish informal relationship and communications links
 - ✓ Besides formal communication, personal connections with its collaborating partners was also established
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INITIATIVES THAT NEEDS TO BE UNDERTAKEN

❖ Evidenced based regulation /decision

- Plan of BICMA is to promote evidence based regulation and is committed to replacing ideologically-driven politics with rational decision making, especially in the digital era prompted with the convergence of technologies.

❖ Consumer Protection

- Steps to protect the interest of the consumers, purchasers and other ICT users including those who are disabled or are senior citizens.
 - Data protection and cyber security
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THANK YOU

