

21. COMMENTS RECEIVED FROM Nepal / Nepal Telecommunications Corporation

1. As yet Nepal Telecommunications Corporation is using circuit switched technology for its telephone traffic. A study on VoIP is underway in cooperation with ITU. Internet telephony is not regulated, but Internet customers are not barred accessing Internet telephony sites. This has reduced telephone traffic through the normal gateway of Nepal Telecom.
2. Price of the circuit switched international telephony in developing countries is kept too high to subsidize the local traffic and to generate fund for the expansion of the network. On the other hand Internet telephony is using the subsidized local call to cater the international market. The subsidy envisaged for the local calls is in effect being enjoyed by international IP telephony which is not necessary.
3. Solution would be to find ways where international IP telephony is not subsidized and at the same time in the name of USO, international circuit switched telephony calls are not priced unnecessarily too high. For this a regulated framework is needed where IP telephony is routed and priced in such a fashion that it also contribute towards the USO.
4. To accelerate the economic growth in developing countries, infrastructures need to be improved. In 21st century telecommunication is one of the main infrastructure. Developing countries are deprived of many infrastructures including roads, railways, electricity that requires heavy investment to build them. But due to the rapid development of telecommunication technology, the telecom infrastructure is becoming in the reach of general populace of the world. Monopoly private and public sector international operators in developing countries are reluctant to lower international tariff for fear of losing revenue needed for USO. The high international tariff has adversely affected the growth of economy. The cost of international call must be decreased drastically to fuel the economic growth of the developing countries.
5. In an effort to reduce the international tariff, the Internet telephony should be allowed in a regulated framework, where it also contributes to the expansion of the network.