

ITU Workshop on Policy and Regulations for Newly Established Regulators in the Asia Pacific Region

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LAO PDR EXPERIENCE IN THE SETTING UP OF THE TELECOMMUNICATION REGULATORY AUTHORITY

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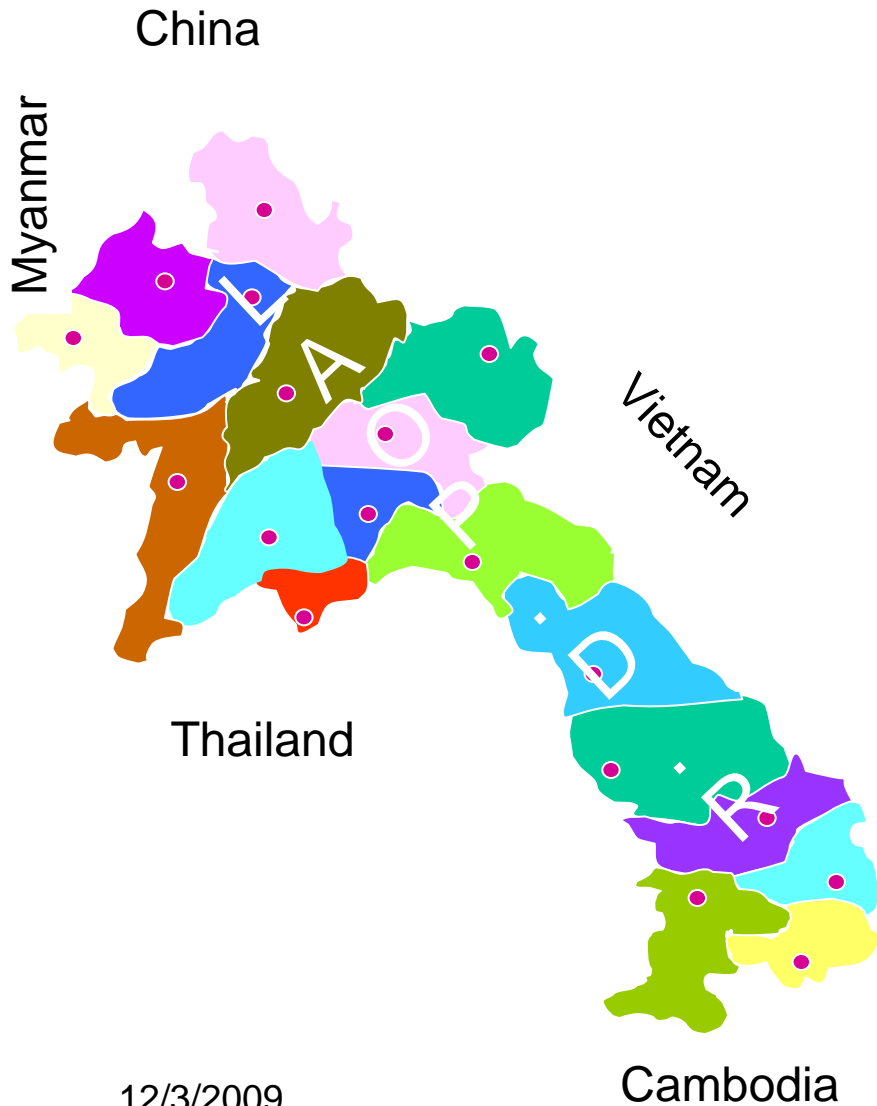
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Agenda of the Presentation

1. A brief outlook of Lao PDR
2. Governance of Telecommunications sector in the past
3. Telecommunication Regulatory Authority
4. Function and Duty of of NAPPT
5. The ICT Policy Approach of NAPPT
6. Current Structure of NAPPT
7. Market Structure
8. Regulations
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1. A brief outlook of LAO P.D.R



12/3/2009

- ◆ **Geographic Location: South East Asia**
- ◆ **Area: 236, 800 Sq.km**
- ◆ **Population: 5,873,616**
 - ◆ **Urban: 30%**
 - ◆ **Rural: 70%**
- ◆ **Capital of Lao PDR : Vientiane**
- ◆ **Provinces: 17**
- ◆ **Districts:142; Villages: 10.868**

- ◆ **GDP per capita: \$606**
- ◆ **Teledensity: 46%**
 - ◆ **Fixed Line: 2%**
 - ◆ **Mobile: 44%**
 - ◆ **Internet: 0.23%**

3. The Telecommunication Regulatory Authority

- Separation of Post and Telecommunications functions from the ministry of Communication and TPC (MCTPC) in 2007.
- Establishment of the National Authority of Posts and Telecommunications of Lao PDR (NAPT) by the Decree of Prime Minister No.375/PM of 22nd October 2007 ;
- NAPT is a state administration under the Prime Minister Office, to regulate post, telecommunication and internet sector in Lao PDR.
- For better governance and improve sector performance

2. Governance of Telecommunication sector

- Since 1990 the Ministry of Communication and TPC (Department of Post and Telecommunications) governed the of post and telecommunications sector.
- some government ministries and agency are involved in supervising telecommunications by related laws of Lao PDR such as Law on the Investment Promotion, the Business Law and PM decrees.
- Telecommunication resources such as radio spectrum was regulated under the Prime Minister's decree.
- In 2001, GA approved the Telecommunications Act which empower MCTPC to regulate the sector.
- MCPTC supervised the Enterprise of Post and Telecommunications (EPTL) till 1995.

4. Functions and duties of the Authority

- (a) to advise the Minister on all matters concerning the telecommunications and ICT sectors;
- (b) to implement, administer and enforce the provisions of the Telecom Law and other applicable laws;
- (c) to supervise and monitor telecommunications and ICT sector activities in Laos;
- (d) to exercise licensing and regulatory functions in respect of the telecommunications and ICT sectors in Laos;
- (e) to exercise licensing and regulatory functions in respect of the allocation, management and use of radio spectrum in Laos;
- (f) to ensure the observation, enforcement and participation of international communications conventions and practices;

Functions and duties of the Authority (cont.)

- (g) to liaise and cooperate with counterparts from foreign countries and international organizations on telecommunications and ICT sectors;
- (h) to issue and approve codes of practices, guidelines, decisions, regulations and notifications relating to the telecommunications and ICT sector;
- (i) to monitor, regulate and approve the use of telecommunications equipment and devices in Lao PDR;
- (j) to exercise regulatory functions in respect of *inter alia* tariffs, numbering planning, spectrum planning, technical standards and internet ;
- (k) to take measures to protect and promote consumer interests;
- (l) to manage competition and promote efficiency in the operation of telecommunications and ICT services in Lao PDR;
- (m) to carry out any functions conferred on the Authority by or under the telecom Law.

5. The ICT Policy Approach of NAPPT

- Increasing access to ICT, especially in underserved regional areas and communities;
- Ensure the efficient use of resources
- Creating an enabling environment for the adoption of new technologies;
- Removing obstacles to competition and eliminating anti-competitive practices:
- Encouraging foreign direct investment;
- Developing ICT skills and competencies in Government, industry and society; and
- Ensuring the availability of services at affordable prices.

The ICT Policy Approach of NAPT (cont.)

- The establishment of the Lao Internet Exchange ('LIX') to provide a carrier-neutral, transparent and efficient means to exchange and aggregate IP traffic;
- The establishment of the Electronic Government Project using WiMax to maximize coverage;
- To issue non-discriminatory, cost-based access and interconnection guidelines, publishing a Reference Interconnection Offer ('RIO');
- Creating national spectrum management and numbering plans to effectively and efficiently administer these scarce resources;
- To provide a forward looking, technology neutral licensing framework that specifies the rights and obligations of all industry players;
- The formation of a Telecom/ICT Fund ('TICTF') .

Licensing Policy

Licensing principles are the following:

- To ensure fair, non-discriminatory entry onto the market;
- To be technology neutral oriented in their scope;
- To impose the least burdensome obligations necessary for their scope;
- To provide the use of rights of ways;
- To provide the right to use numbers from the national numbering plan; and
- To contribute to the achievement of universal access.

Tariffs Policy

- Require an adjusted tariff list to ensure transparent telecom pricing;
- Unique fee for leased line and monthly rental fee;
- Market based pricing to support investors while protecting consumers;
- Unique domestic telephone tariff;
- Introducing of cost based pricing.

Radio Spectrum Policy

- Ensure the widest range of services, while ensuring efficient use of this limited resource;
- Coordination with neighboring countries;
- All future spectrum licenses will be technology neutral;
- Users of spectrum shall be charged (spectrum fees;
- Where spectrum is not being used, it will be reclaimed from licensee and all or part of the license revoked.
- Special consideration will be given to the use of spectrum for rural telecommunications.

Policy on Universal Access

- Affordable Access to full range of traditional and emerging ICT;
- Establishment of Telecom Development Fund;
- Establishment of Multi-purpose Community Centers;
- All licensed and authorized ICT operators and services providers are required to contribute TDF either through financial contribution or direct investment and construction of facilities in designated under-served areas or both.

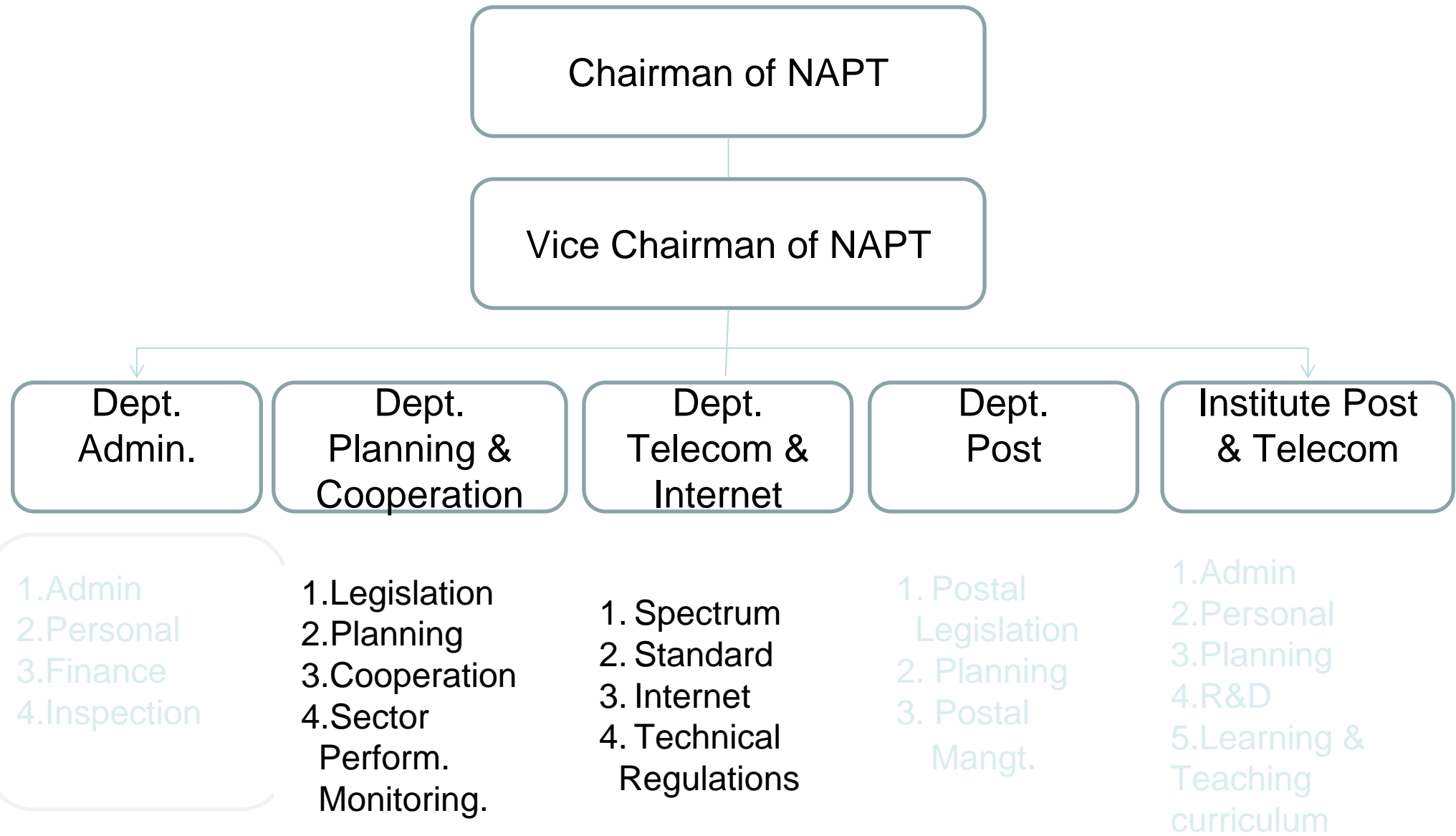
Policy on Internet Exchange

- None profit center;
- Serve as Domestic and International Gateways;
- High Security Configuration;
- Low settlement for routing of local traffic;
- Non-discriminatory to any qualified operator;
- Efficient Network Infrastructure use;

Telecommunication ICT Development Fund Policy

- **To develop up-to-date telecom system progressively, especially for rural area, the Government of Lao PDR authorizes the set up of the telecommunications Development Fund which sources from internal support, foreign countries, international organization funding, and from a share of fees and charges for telecommunications services.**

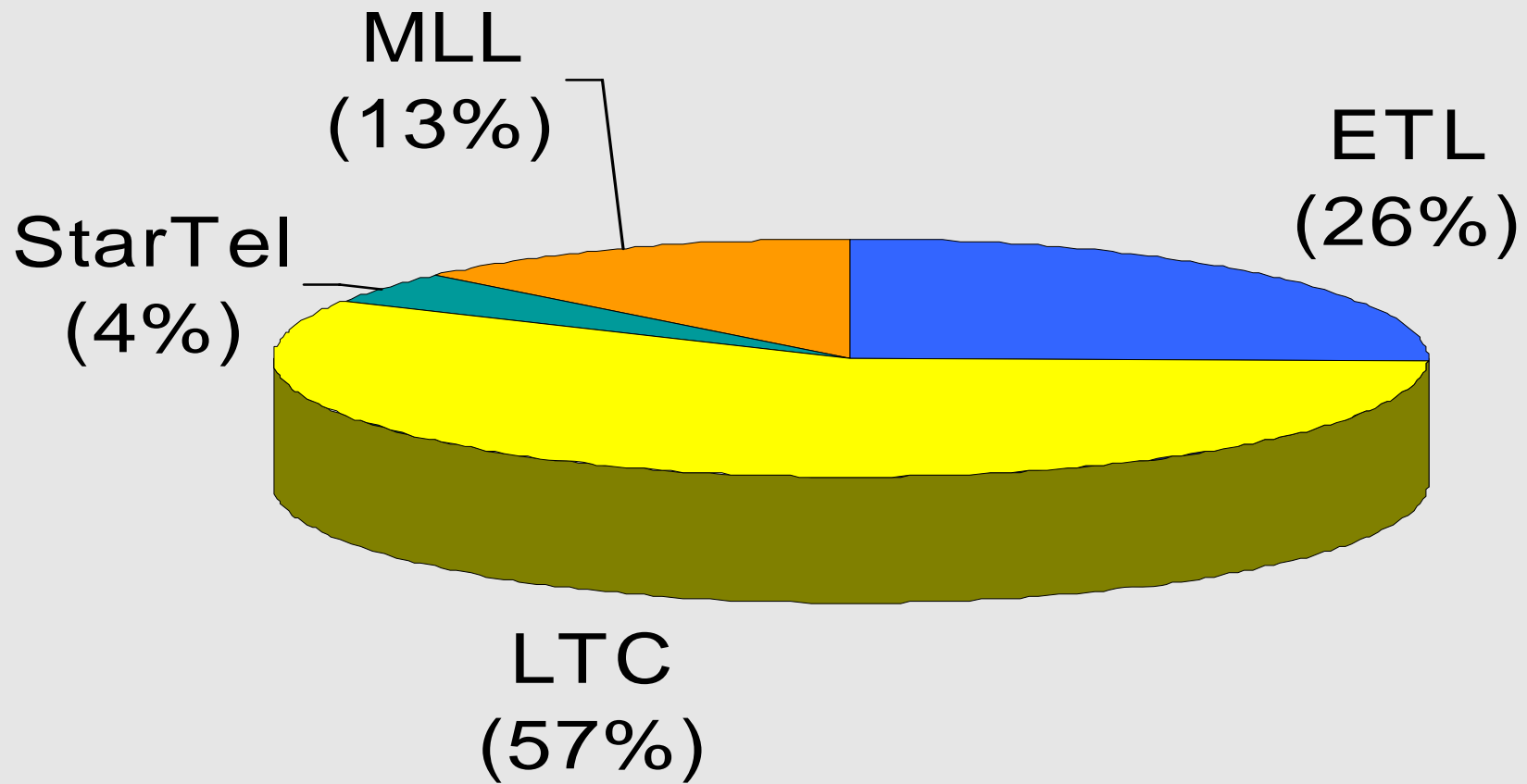
6 Current Structure of NAPPT



7. Market Structure

- 1996, established Lao telecom Company (LTC) , JV agreement between Lao Gov. and Shinawattra of Thailand, 51/ 49 shares;
- 2000, established ETL as 100% SOE;
- 2002, established a Private Millicom Lao Holding company (MLL), Master Agreement between Lao Gov. and Millicom cellular S.A. Sweden (with 22% Golden shares to Gov) ;
- 2004, establish a Private SkyTel, Master Agreement between Lao Gov. and SkyTel & Net Thailand (with 30% Golden share Lao Gov).
- In 2008, established STARTEL, JV Agreement between LAT (Lao Gov.) and VietTel Vietnam, 51/49 shares;
- Licenses are in the form of Decision, Master Agreement or Joint Venture Agreement.

Current market share



8. Regulations

8.1 Technical Regulation.

- **Decree No. 41/PCM issued by the Prime Minister, on the Radio communications Equipment and Spectrum Management.**
- **Elaborate a National radio frequency allocation plan.**
- **Regulation on Internet Café (issued)**
- **Regulation on Radio frequency, licensing radio station and assignment radio frequency (drafted)**
- **Plan to Draft Radio Law.**

8.2. Economic Regulations

- **Economic Regulations have been initiated including:**
 - **Presidential Decree on Telecommunication and radio spectrum fee No. 03/PL, 19 Nov 08** (issued);
 - **Ministerial Decree on radio spectrum usage fee** (issued)
 - **Notice of NAPT on Facility sharing** (issued)
 - **Licensing Regulation** (drafted);
 - **Interconnection Regulation** (drafted);
 - **Universal Service Obligation & Fund** (drafted);
 - **Telecom Development Fund** (drafted);
 - **Competition Regulation** (drafted);
 - **Dispute Resolution** (drafted)
- **Human Resources Development to meet regulatory functions.**

9. New Telecommunication and ICT Law

- **Objectives of the Law**

- (a) To regulate and promote the provision, access and use of affordable telecommunications and ICT facilities and services in Lao PDR especially for those in rural areas, for ethnic minorities, for the disabled and the socially disadvantaged;
- (b) To establish a telecommunications and ICT licensing and regulation framework in support of the national aspirations and the Government's sector policy objectives;
- (c) To establish the powers, functions and responsibilities for the Regulatory Authority (NAPT);
- (d) To promote and protect the interests of consumers of telecommunications and ICT services;
- (e) To ensure the efficient use of national resources for the citizens of Lao PDR including the frequency spectrum plan and the national numbering and electronic addressing plan;

Objectives of the Law (cont.)

- (f) To promote fair and sustainable competition in the supply and provision of operation of telecommunications and ICT facilities and services;
- (g) To create an enabling environment for the adoption of new ICT technologies and online content in the Lao language and representative of the culture of Lao people;
- (h) To facilitate investment in the telecommunications and ICT sector including foreign direct investment;
- (i) To promote the formation of skills, training and job creation in the Lao telecommunications and ICT sector; and
- (j) To establish the powers and procedures for the administration of this Law.

10. Sector Review in 2010

- Review of current structure of NAPT, elaboration of an adequate regulatory authority
- Assessment of sector performance
- Determine the market structure
- New spectrum allocation
- Determine the scope of licenses granted to existing operators
- Assess the current Universal Service Arrangement
- Assess whether any additional regulations need to be issued.



(End)

Thank you !