

**TRASA, ITU and CTO Universal Access
and Rural Connectivity Regional
Workshop for Southern and Eastern
Africa**

Dar Es Salaam, Tanzania, (8-12 July 2002)

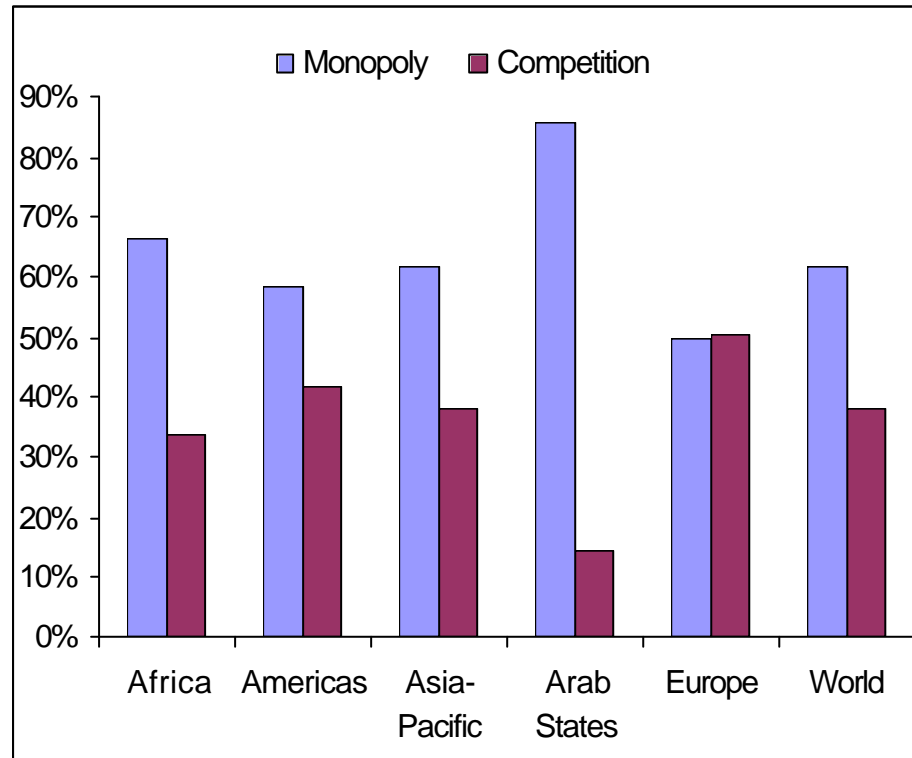
**Regulatory Approaches to Universal Service
And Universal Access Around the World**

**Susan Schorr
Sector Reform Unit
ITU BDT**

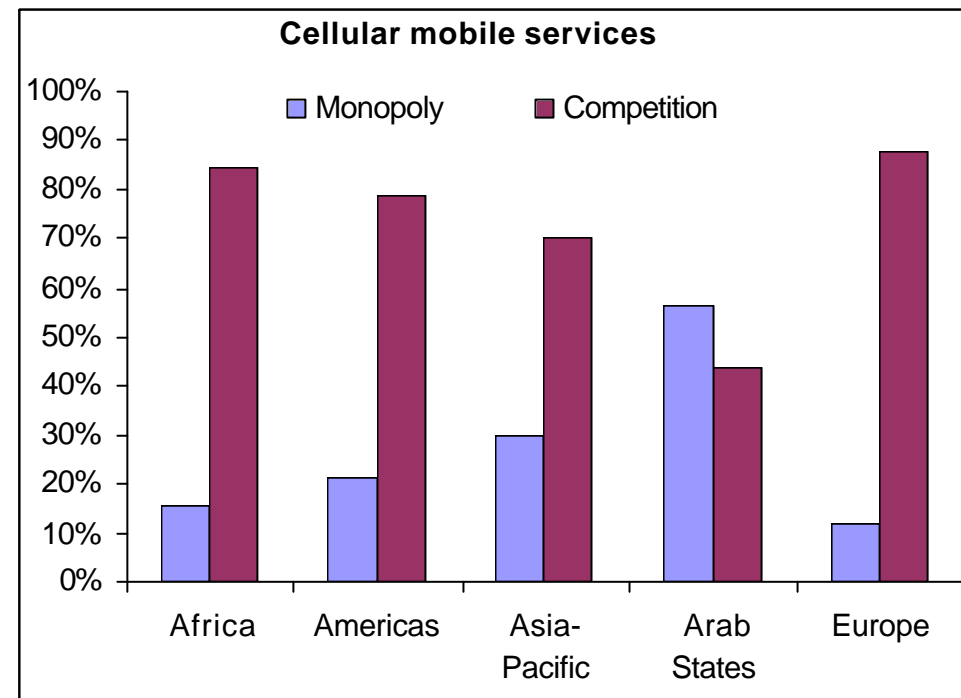


Competition, The Universal Service Foundation

Basic Services



Mobile Cellular Services



Source: ITU World Telecommunication Regulatory Database, 2001.

Principal Objectives of Universality Policies

- ➔ **Allow full participation in the Information Society**
- ➔ **Promote national political, economic and cultural cohesion**
- ➔ **Promote economic development**
- ➔ **Encourage equal access by all segments of the population**
- ➔ **End differences in access between rural and urban areas**

Definition

Universal Service: policies focused on providing individual household connections to public telecommunication network.

Universal Access: policies focused on ensuring that all people have reasonable means to access a publicly available telephone in their community (but not necessarily in their home) through shared use of lines or terminals including public payphones, community telecentres, teleboutiques or community Internet access centres

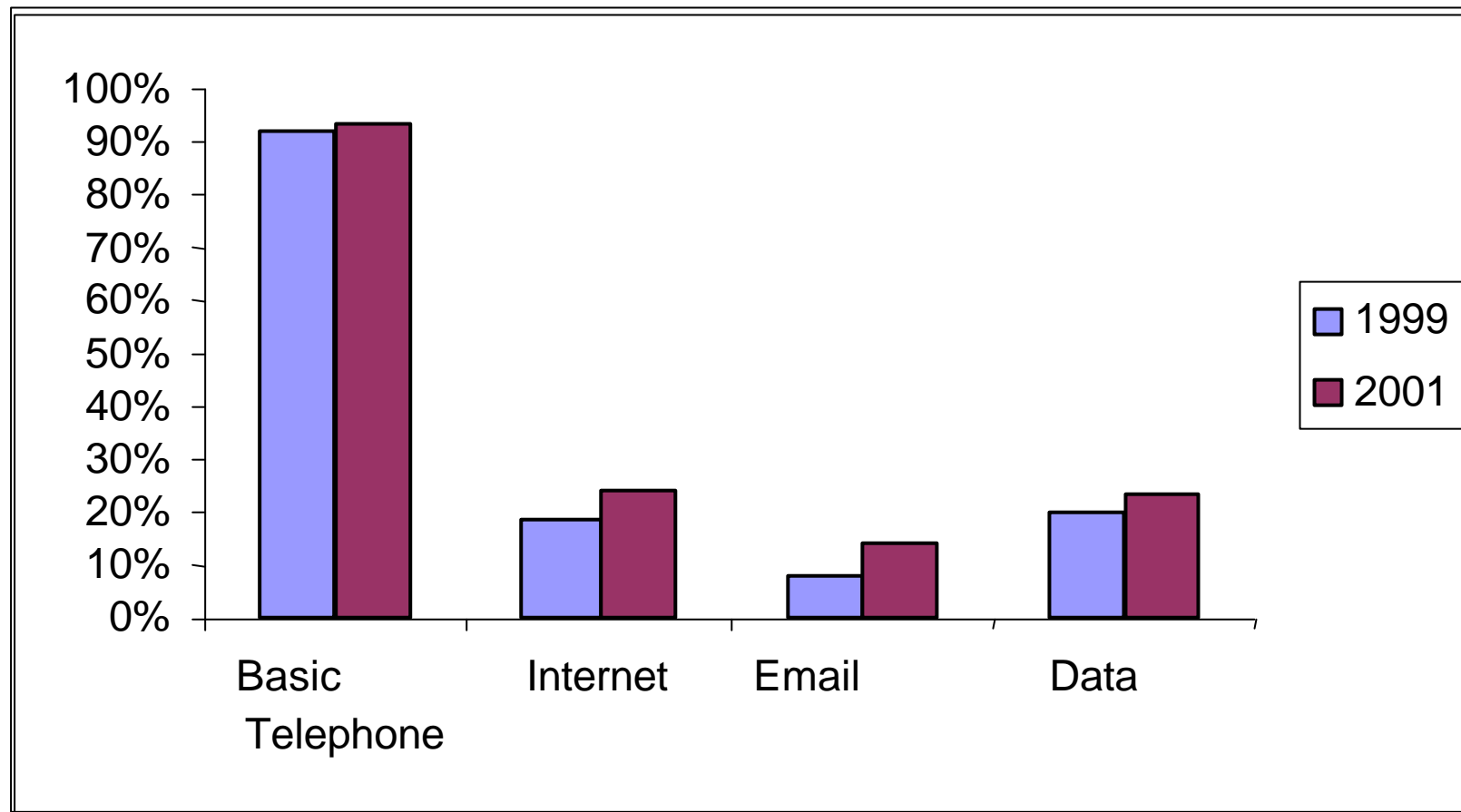
Universality: term used by some to refer to both universal service and universal access

Goals Concern Two Aspects:

The type of access

The type of services

Services Included in Universality Definition, 1999 and 2001



Source: ITU World Telecommunication Regulatory Database, 2001.

Services Included in Universality Definitions in Selected Industrialized Countries

Canada: individual line local service with touch-tone dialing, provided by a digital switch with capability to connect via low speed data transmission to the Internet at local rates

United States: voice-grade access to the PSTN, with the ability to place and receive calls; Dual Tone Multi-frequency (touch tone) signaling or its functional equivalent; single party service; access to long distance, emergency, operator and directory services.

Denmark: access to a telephony network and associated telephony service; ISDN network access and associated ISDN services; leased lines (excluding broadband lines); special services and tariffs for disabled subscribers; public radio-based maritime distress and safety services and directory enquiry services.

Source: Adapted from Communications Outlook, OECD, March 1999.

Services Included in Universality Definitions in Selected Industrialized Countries (cont'd)

Italy: voice telephony (also capable of providing fax and data transmission); provision of directory for local area users; provision of customer information service; payphones; special services for the disabled; connection to emergency services.

Spain: basic telephone service including local, national and international access; free directory services; public phones; special services for disabled people.

United Kingdom: a connection to the fixed network able to support voice telephony and with speed data and fax transmission (and the option of a more restricted service package at a lower cost); public telephones; free access to emergency services; itemized billing; selective call barring, access to operator assistance and directory assistance.

Source: Adapted from Communications Outlook, OECD, March 1999.

Internet and Consumer Protection

Internet: Few countries guarantee Internet access; a growing number of countries are implementing policies to improve Internet access

Consumer Protection: An increasing number of countries are focusing on consumer protection

Special Equipment Requirements

In addition to providing access to services, some universal service requirements apply to equipment:

- Large button phones**
- Loud ringers**
- Visual ringing alert indicators**
- Hearing aid couplers**
- Teletypewriters for the deaf**
- Braille teletypewriters for the blind**

Universality Definitions and Obligations in Selected Developing and Transitional Economies

Universal Access Policy Operator obligations

Comoros	A telephone in every locality	No obligations
Ethiopia	A telephone booth in every town	Obligations under preparation
Guinea	A telephone box for every locality; a telephone exchange for every administration	Service and interconnection expected no specific obligation
Kenya	A telephone within walking distance	A performance contract entails obligations on service quality and expansion

Source: Adapted from World Telecommunication Report 1998: Universal Access, ITU.

Universality Definitions and Obligations in Selected Developing and Transitional Economies

Universal Access Policy

Operator Obligations

Lesotho A public payphone within 10 km of any community

Voluntary objectives to be obtained by 2002

Madagascar A public telephone in every village

No obligations

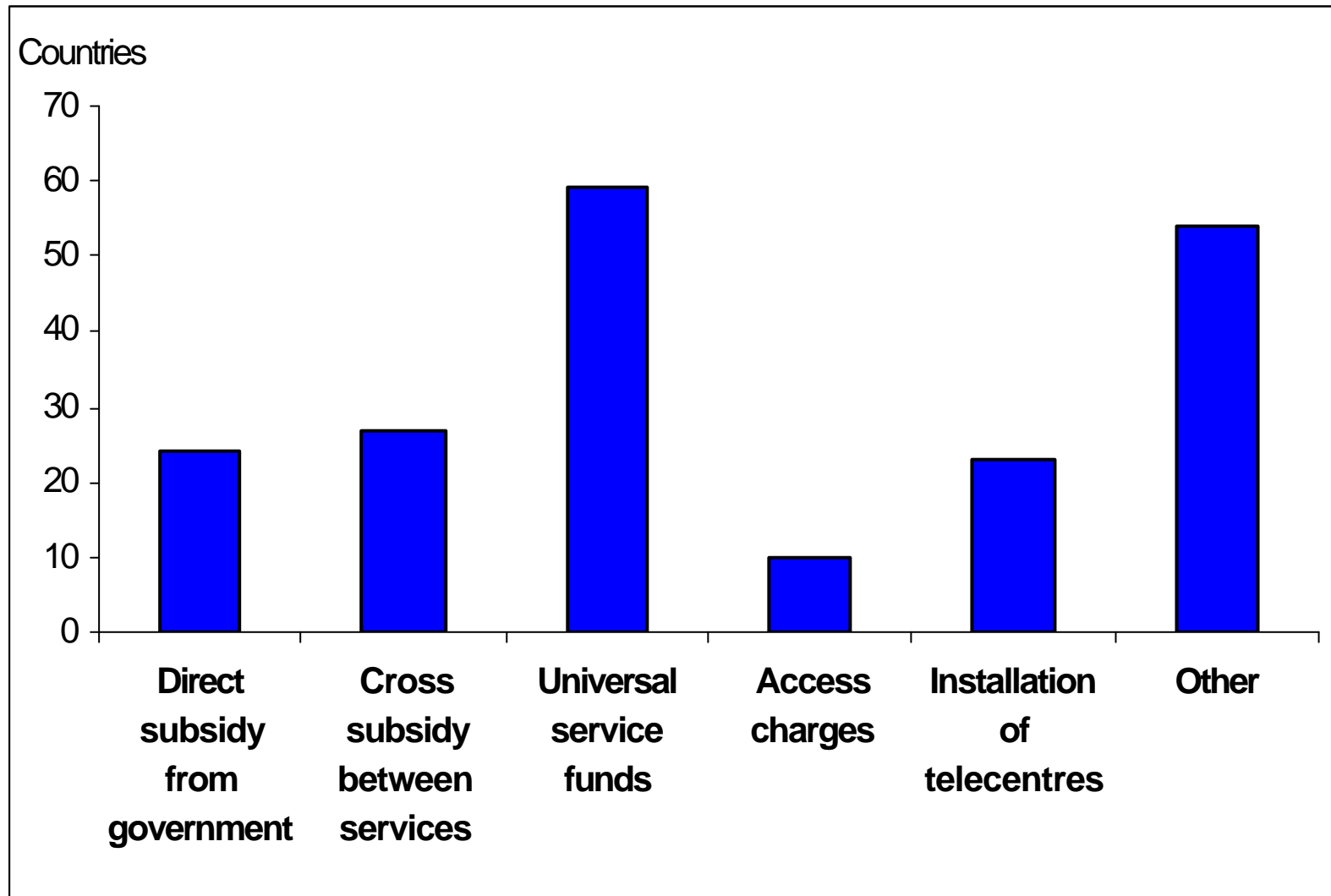
Togo A telephone within a distance of less than 5 km by 2010; a telephone in every administrative and economic center of importance

Contract with the State to determine the objectives for development and plurality of service

Funding Alternatives For Universality Programmes

- **Market-based reforms (privatization, competition and cost-based pricing)**
- **Mandatory service obligations (imposed by license conditions or other regulatory measures)**
- **Cross-subsidies between or within services provided by incumbent operators**
- **Access deficit charges**
- **Universal service funds – recognized as the current best practice**

Universality Financing Policies and Strategies, 2001 (World)



Source: ITU World Telecommunication Regulatory Database, 2001.

Selected Licence Network Expansion Obligations

Country	Company	Obligation
Ghana	Ghana Telecom	225,000 new telephone lines within 5 years, starting in 1996.
Mexico	Telmex	Starting in 1990, average annual line growth of 12% p.a. to 1994. Public payphone density of 2 per 1,000 inhabitants by 1994 and 5 per 1,000 inhabitants by 1998.
Panama	Cable and Wireless	From 1997, increase teledensity to 25% by 2002. Install 600 rural payphones within 2 years.
Peru	CPT and Entel	Starting in 1994, add 978,000 telephone lines by 1998. Install 19,000 public telephones by 1998.
Venezuela	CANTV	Increase telephone lines by 355,000 p.a. from 1992 to 2000.
South Africa	Telkom	Starting in 1997, install 2.69 million new lines by 2002. Install 120,000 new public pay phones by 2002.
Philippines	9 International Licensees	Each install 300,000 new access lines within 3 years of obtaining licences.
	5 Cellular Licensees	Each install 400,000 access lines within 5 years of obtaining licences.

Sources: Various, including ITU (1998a)

Features of an Effective Universality Fund

- ❖ **Independent administration**
- ❖ **Transparent financing**
- ❖ **Market-neutral**
- ❖ **Funding targeted to specific beneficiaries**
- ❖ **Subsidies should be relatively small and subsidize only the uneconomic portion of service**
- ❖ **Competitive bidding process for implementation of universality projects**

Sources of Fund Revenues

- **Direct funding from general government revenues**
- **Contributions from telecommunication operators in proportion to their revenues from specific services**
- **Proceeds from telecommunication privatizations, spectrum auctions and/or license/concession payments**
- **A subscriber levy paid on a per access line basis and collected by telecommunication operators**
- **Funding from international development agencies**

Compliance with International Trade Rules

The WTO Regulation Reference Paper—part of the WTO Agreement on Basic Telecommunications — deals with universality and subsidy issues

Universal service – Any WTO Member has the right to define the kind of universal service obligation it wishes to maintain.

These obligations will not be regarded as anti-competitive per se, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

ITU Regulatory Models

**ITU in collaboration with CTO has developed a series of
Three universal service models**

- ❖ **Guidelines on creating US policies, creating and managing US funds and procedures for fund management**
- ❖ **Guidelines for minimum subsidy auctions for the provision of public access in rural areas**
- ❖ **Guidelines on telecentre options and strategies**

**Starting Tuesday, the workshop will focus on
developing the models to address regional needs**

References

European Union

March 2002 the European Parliament and Council adopted a
new regulatory package

for electronic communications that includes a directive
on universal service and users' rights relating to
electronic communications networks and services

The Universal Service Directive

[http://europa.eu.int/information_society/topice/telecoms
regulatory/new_rf/index_en.htm#us](http://europa.eu.int/information_society/topice/telecoms_regulatory/new_rf/index_en.htm#us)

European Universal Service Atlas

<http://www.uso-atlas.org/IE1x7/HOME.HTML>

TREG - <http://www.itu.int/ITU-D/treg/>

The screenshot shows a Microsoft Internet Explorer browser window displaying the ITU-D Sector Reform Unit Website. The browser's address bar shows the URL <http://www.itu.int/ITU-D/treg/>. The website header features the ITU logo and navigation links: "Our Sites", "News", "Events", "Publications", "Site Map", and "About Us". There are also language options for "Français" and "Español", and a "Print Version" link. The main content area is titled "Welcome to the Telecommunication Sector Reform Unit Website" and is divided into "News & Events" and "Events" sections. The "Events" section lists three events: "TRASA, ITU AND CTO Universal Access and Rural Connectivity Regional Workshop for Southern and Eastern Africa" (8-12 July 2002), "Forum on Telecommunication Regulation in Africa" (19 - 21 November 2002), and "Global Symposium for Regulators" (7-8 December 2002). The "News" section lists "Trends in Telecommunication Reform 2002: Effective Regulation, 4th edition, 2002" (marked as NEW) and "Regulators' Profile". A sidebar on the left contains links for "About T-REG", "Publications", "Address book", "Legislative Information", "Profiles", "Documents", "Events", and "Related Websites". A search box is located in the top right corner of the page. The browser's status bar at the bottom indicates "Local intranet".

ITU-D: Sector Reform Unit Website - Microsoft Internet Explorer

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Welcome to the Telecommunication Sector Reform Unit Website

News & Events

Events

- [TRASA, ITU AND CTO Universal Access and Rural Connectivity Regional Workshop for Southern and Eastern Africa](#)
Dar-Es-Salaam, Tanzania, 8-12 July 2002
- [Forum on Telecommunication Regulation in Africa](#)
Ouagadougou, Burkina Faso, 19 - 21 November 2002
- [Global Symposium for Regulators](#)
Hong Kong, China, 7-8 December 2002

News

- [Trends in Telecommunication Reform 2002: Effective Regulation, 4th edition, 2002](#) **NEW**
- [Regulators' Profile](#)

About T-REG
Publications
Address book
Legislative Information
Profiles
Documents
Events
Related Websites

Local intranet




Global Symposium for Regulators 2002
Hong Kong, China
Immediately Following Asia Telecom 2002

- **Private Sector Sessions: Feedback to Regulators from Operators, Investors and Consumers**
- **Regulator Sessions:**
 - **Regulatory Models**
 - **Model Universal Service Fund Policy and Procedures**
 - **Model Procedures for Minimum Subsidy Auctions for Rural Public Access Projects**
 - **Examine Consumer Protection and QoS Indicators For Converged Services**
 - **Review progress on G-REX and other initiatives**

Other ITU Initiatives: G-REX

The screenshot shows a web browser window titled "WebBoard - Nancy Sundberg - Microsoft Internet Explorer". The address bar is empty. The browser's menu bar includes File, Edit, View, Favorites, Tools, and Help. A "Links" section contains "Customize Links". The main content area has a blue header with "G-REX" on the right and navigation buttons: Refresh, Search, More..., Help, Guide, Users, Moderators, TREG, and Logoff. The page is divided into two columns. The left column, titled "Conferences", lists various topics with message counts and expandable icons (+). The right column, titled "Welcome to Regulators exchange/hotline, Nancy!", contains a list of links and a contact email address.

Conferences
All Messages | [11 New](#) | [0 Attn](#)

- + [Interconnection](#) (11)
- + [Tools for Effective Regulation](#) (4)
- + [Regulatory Independence](#) (16)
- + [Mobile Services](#) (4)
- + [Convergence / New Technologies](#) (4)
- [Universal Access/Service](#) (5)
 - + [Launch message 6/5/01](#) (5)
- + [Consumer-Oriented Regulation](#) (1)
- + [Framework for Competition](#) (11)
- + [Frequency Planning Management](#) (5)
- +  [Regulators' Hotline](#) (181, 11 New)
- +  [Bulletin Board](#) (2)
- +  [Archives](#) (1)

Welcome to Regulators exchange/hotline, Nancy!

To view topics within a conference, click a plus symbol (+) next to a conference name (or the conference name itself) in the frame to the left.

- > [Welcome from BDT Director Hamadoun I. Touré](#)
- > [Opening remarks from William Kennard](#)
- > [G-REX User's Guide \(Français\) \(Español\)](#)
- > [Welcome from Regulators' Hotline Administrator](#)
- > [G-REX Focal Point contacts](#)
- > [Meet the G-REX Moderators](#)
- > [Connecting through G-REX](#)
- > [To TREG website home page](#)

Questions or comments on GREX can be sent to regulators.hotline@itu.int

Expand Internet


BDT Technology and Applications Group

Rural Development and Universal Access - Microsoft Internet Explorer

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Rural Development and Universal Access

Background Information on Valetta Action Plan 3 (formerly Buenos Aires Action Plan 9 & 12)

- ▶ [Overview of Programme 3 \(Valetta Action Plan\) implementation and latest developments](#)
- ▶ [Rural Development / Universal Access \(Programme 3\) as outlined in Valetta Action Plan](#)
- ▶ [Integrated Rural Development \(Programme 9\) as outlined in Buenos Aires Action Plan](#)
- ▶ [Development of Telematics and Computer Networks as outlined in Buenos Aires Action Plan \(Programme 12\)](#)
- ▶ [Progress Report to World Telecommunication Development Conference, Valetta, May 1998](#)
- ▶ [World Telecommunication Development Report 1998 - Universal Access - Executive Summary](#)
- ▶ [Final Report of ITU-D Focus Group 7: New Technologies for Rural Applications Table of Contents and Executive Summary](#)
- ▶ [New Technologies for Rural Applications](#)

Local intranet

Thank You!

For any further information

Contact:

Susan.Schorr@itu.int

