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Contribution from an ITU Study Group

Question 7-1/1: Universal access/service

STUDY GROUP 1

SOURCE: CHAIRMAN OF ITU-D STUDY GROUP 1

TITLE: GUIDELINES FOR THE IMPLEMENTATION OF INNOVATORY SOLUTIONS
REGARDING MANAGEMENT AND FUNDING OF UNIVERSAL
ACCESS/SERVICE POLICIES

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Introduction

In the framework of the study of Question 7-1/1 on universal access/service of ITU-D Study Group 1 submits the guidelines, the fruit of a study on innovatory solutions regarding management and funding of universal access/service policies, to the World Summit on the Information Society (WSIS) with a view to including them in the WSIS Action Plan.

Historically, universal access/service was provided by a public operator or one exercising a regulated monopoly and the funding mechanism for it was structured accordingly.

Now that the process of liberalizing economies is intensifying, the regulatory authorities face the problem of providing and funding universal access/service in an increasingly competitive environment.

The concept of universal access/service is generally defined as a series of measures in the public interest aimed at ensuring access for all, under specified conditions, to a package of electronic communication services considered to be essential, of a certain quality, and at an affordable price.

However, the terms of this definition take no account of the economic consequences of its application. The political principles that they express may, however, have an impact on the functioning of the sector and have repercussions on national competitiveness and territorial coherence.

Results of analysis of the experiences of a number of developing and developed countries whose environment is either liberalized or monopolistic allow the following guidelines to be identified:

- *define consumer needs and rights in order to stimulate usage;*
- *define the main stages of a universal access/service policy;*
- *establish a framework conducive to investment;*
- *make innovations in funding and management.*

The guidelines are described below.

GUIDELINES

Define consumer needs and rights in order to stimulate usage

The concept of universal access/service is both *a right to be served for consumers and a right to serve for operators of electronic communications*.

Universal access/service policies require the following actions to be implemented:

- define consumers' needs and rights in terms of the provision of services, information and transparency. Consumers must be able to define the services which they need and which are accessible to them in financial terms;
- establish effective procedures for settling differences between users and enterprises supplying communication services accessible to the public;
- draw up a charter of user rights which would stipulate that national regulatory authorities consult user and consumer associations before taking certain measures;
- focus on contractual procedures to ensure that consumers have a minimum level of legal security in their relations with operators. Contracts should specify conditions and quality of service, procedures concerning cancellation and cessation of service, compensation measures and methods for settling disputes.

Define the main stages of a universal access/service policy

In order to be effective, a universal access/service strategy must be reviewed and readjusted periodically in the light of social, commercial and technological changes.

In addition to adopting basic measures in the sector such as opening it up to competition and setting up an independent regulatory body, political leaders must define specific political objectives and monitor the implementation thereof by undertaking the necessary reviews and adjustments at regular intervals.

Hence it is essential to define the main stages of a universal access/service policy. These stages are planning, implementation and evaluation. Above all there is a need to define the scope of universal access/service, to guarantee an affordable price, to find companies which can provide universal access/service, to calculate both the direct costs of the provision of universal access/service and the indirect advantages thereof, to choose a funding mechanism and apply it.

Political leaders, regulators and operators must implement new competencies and the institutional means necessary for drawing up an appropriate policy and strategy.

Establish a framework conducive to investment

Regular and effective action with respect to regulation must enable the implementation of a universal access/service policy. The purpose of such action will be to remove obstacles to the effectiveness of the market, quantify the operating deficit relating to universal access and establish suitable conditions for interconnection and/or relevant instructions for the distribution of revenue.

Universal access policy must seek to make services available to the greatest possible number. The criterion of economic efficiency should therefore be upheld and obstacles to investment and the efficient functioning of the market removed.

It is necessary to give political leaders and regulators the means to "encourage" operators to become more efficient, so that universal access/service can be proposed on the widest possible scale. Regulators and political leaders must also take steps to ensure that new technologies for the reduction of costs are applied.

Make innovations in funding and management

There is a need to encourage innovatory initiatives in funding and management such as:

- self-financing of network development;
 - self-management of rural communities;
 - systems of licensing for the running of public telephone booths or private telecentres;
 - universal service funds financed by contributions levied from operators' turnover.
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