**Telecommunication
Development Sector**

INTERNATIONAL TELECOMMUNICATION UNION

6th Private Sector Chief Regulatory Officers Meeting
Sharm El Sheikh, Egypt, 11 May 2016

11 May 2016

Original: English

Summary Report of the Meeting

Opening of the meeting

The 6th Private Sector Chief Regulatory Officers (CRO) Meeting was held in Sharm El Sheikh, Egypt, as a pre-event to the 16th Global Symposium for Regulators (GSR-16). The meeting was attended by 20 high-level industry executives from the ITU-D Sector Members.

The opening of the meeting was moderated by Mr. Kemal Huseinovic, Chief of BDT's Infrastructure, Enabling Environment and E-Applications Department (IEE) Department, who introduced the Director of the Telecommunication Development Bureau (BDT), Mr. Brahima Sanou for his opening remarks.

Opening remarks by the BDT Director

The BDT Director, Mr. Brahima Sanou, in his opening remarks, emphasized on the need for ITU-D Sector Members, and the private-sector members in particular, to contribute to the CRO meeting's effectiveness as a platform for the industry's engagement on regulatory, policy and market issues. Mr. Sanou emphatically stated that the ITU believes in strengthening the private sector's contribution to BDT's work, also drawing the participants' attention to the importance of sharing proposals and thus promoting the CRO as a valuable platform and truly representative of the needs and the concerns of the private sector.

Mr. Brahima Sanou then welcomed Mr. Bocar Ba, Chief Executive Officer of SAMENA Telecommunications Council, the Chairman of the CRO meeting, and commended Mr. BA for his leadership and dedication in fostering commitment and a collaborative spirit in CRO Meetings.

Opening remarks by the CRO Chairman

Mr. Bocar Ba congratulated Mr. Brahima Sanou for his support to the CRO platform and for the recognition of the industry's key role in sharing regulatory case studies, best practices and proposals which can foster BDT in building collaborative regulatory frameworks. Mr. Ba, seeing new participants in the CRO meeting, gave an overview of past CRO meetings and emphasized its mission, objectives, mechanisms, and, in particular, the progress since the 4th CRO Meeting. Mr. Ba highlighted the following:

1. **CRO Mission and Objectives:** The CRO Chairman described that the CRO is designed to be a platform that *helps identify regulatory areas of global industry interest, to foster co-operation between the public and the private sector, toward achieving the common goal of enabling socio-economic growth*. For the convenience of new participants, Mr. Ba summarized precise objectives of the CRO, which revolve around *securing confidence*, *raising dialogue*, *serving as a tool* to better define and reach consensus on industry issues, *promoting ICT development*, *facilitating* the fulfillment of ITU-D's mission, and gaining *industry-wide acceptance* as an intellectual forum for the private sector.

2. **CRO Mechanism:** The CRO Chairman defined the mechanism, which is composed of regular meetings, fostering of dialogue, and alignment of the CRO agenda with GSR's for consideration among the regulators and policymakers. Mr. Ba highlighted the success of the mechanism as CRO meetings are now being planned twice a year since 2015. The level of participation from ITU-D Sector Members, and the industry in particular, has seen a successful improvement and important areas have been discussed on the CRO platform and shared with within ITU.

3. **CRO Progress Updates:** Mr. Ba provided a succinct progress update and communicated that all efforts to-date have been focused on advocating the need for *(1) Achieving the Optimal Regulatory Environment and (2) Promoting Market Access and Infrastructure* – two priorities which are common to and of concern to all the stakeholders. He further shared with the participants an important development that, since the definition of these two output statements of the CRO participants, several regulatory bodies have expressed interest to experiment with the CRO platform on pilot projects[1]. The Chairman drew attention of the participants that a call for specific proposals and action plans was launched within the CRO in March 2016, to help point out prospective areas of potential engagement among the public and private sector stakeholders to create benchmarks. However, the Chairman noted that only one response in the shape of a proposal had come forward from within the CRO participants. He encouraged all participants to contribute their ideas to help identify priority areas to effectively engage with interested regulators.

4. **CRO Future Work:** Mr. Ba then gave a roadmap for future activities, which include:
   - Specific suggestions and actions plans from the CRO to be shared with ITU to assist regulators;
   - Defining a set of diverse collaborative regulatory pilot projects;
   - Developing implementation strategies for each relevant collaborated regulatory initiative, specific to each regulator or country;
   - Setting measurable targets and deadlines for each pilot initiative.

---

[1] The concept of experimentation between the private sector and the public sector (i.e., regulators) was introduced by the current CRO Chairman during the 5th Private Sector Chief Regulatory Officers (CRO) Meeting. See here the full Report on the 5th CRO Meeting.

Participants' Discussion & Suggestions

During the discussions in response to the presentation by the Chairman and the items in the draft agenda, several issues were noted by the participants:

- The Chairman's ongoing efforts and call for more active proposal of a diverse portfolio of collaborative proposals aiming for "quick wins" to achieve collaborative results so that the true potential of such collective contribution and engagement within the CRO be fully demonstrated and tapped.
- The need to further mainstream issues and themes of converged regulation for an inclusive and connected society, and means to facilitate it within the work of the CRO was also discussed.
- As indicated by CRO previous meetings, proposals can be in the form of pilot projects and tools where CRO and its members may work with BDT to assist regulators to address specific needs of countries. For example, there could be cases of direct assistance to countries where ITU could call upon the collaboration of CRO and/or its members, as CRO has been identified as a platform to enhance knowledge exchange amongst industry and with regulators.
- Examples of such assistance and collaboration were discussed such as Universal Service and challenges faced by some countries on producing desired outcomes. It was recognized that there are several ways to achieve Universal Service, including through licensing and frequency procedures, other regulatory tools, as well as other financing mechanisms such as Universal Service Funds (USF). In this context, the meeting discussed a proposal to introduce Universal Service Obligation (USO) on 700 MHz auction winners as a means to accelerate broadband deployment and adoption in high cost areas within developing countries, considering there are some merits of using a USO program compared to a USF program. The proposition was presented as being revenue-neutral to the bidder and would reduce the total auction proceeds deposited in the treasury.
- The debate focused on realities of license and frequency granted in developing countries: the proposal based on rhetorical economics considerations was objected by considerations, such as the objective of regulators and different ministries to maximize financial income for the State Treasury. The reality of obligations for operators in licenses was also highlighted: Member States have the flexibility to choose the obligations that are most appropriate, based on their specific needs and existing national coverage. In all licenses, operators do have coverage (population and geographic) obligations, associated with penalties if the level of obligations is not fulfilled. And last, but not least, contribution to USF was discussed as they are intended to serve universal service purposes. Regardless of its implementation strategies or given difficulties in reaching consensus, it was noted that USF remains an important area of discussion, although participants recognised that there are challenges with USF in many countries. The CRO explored the potential benefits of carrying on a review of all available literature on USF, including scholarly papers as well as industry best practices.
- Likewise, CRO considered that the dialogue on lack of spectrum or the cost of spectrum should consider a shift in mindsets, whereby different models can be discussed and explored, rendering spectrum itself as a resource that can be shared or accessed without incurring exorbitant costs.

- As conclusion of the discussion, it was agreed that this proposal of USO in auctions would not lead to regulatory proposal by the CRO.
- In addition, some principles to elaborate CRO initiatives were further defined. Proposals brought forth within the CRO must meet certain key conditions: they must be defendable and meet consensus among CRO participants. They must also indicate how these would be mutually benefit for the relevant stakeholders.
- The goal of adopting an output-oriented approach is to showcase private sector's capabilities and willingness to be openly engaged with the public sector. The ITU has demonstrated its support to the CRO. However, the CRO has to take the lead on putting forward smart and sustainable initiatives for collaboration with BDT Director.
- A list of at least ten (10) different initiatives for collaboration should be created for the regulators willing to work with the CRO under BDT Director's leadership. The CRO's suggestions to regulators on pilot initiatives should be sufficiently attractive and implementable, to help not only the CRO look strong but also to help regulators build their own image as progressive entities.

ICT Regulatory Outlook Report and Academia-Industry Partnerships

The BDT updated the CRO Meeting on the ICT Regulatory Outlook Report, a new report to be launched by BDT providing comprehensive quantitative data and evolutionary trends in policy and regulatory frameworks collected in ICT Regulatory Tracker[2] in addition to a selection of insights from renowned experts from Government, Industry, Civil Society and Academia. In addition, she provided highlighted the potential for the industry to explore further engagement with ITU Academia members by means of joint studies and partnerships on ICT for Sustainable Development Goals.

TDAG Vice-Chair Remarks

Mr. Dominique Würges, Vice Chair of the Telecommunication Development Advisory Group (TDAG) in charge of Private Sector updated CRO participants on the TDAG by providing the following details:

- TDAG recognized the critical role played by the private sector in ICTs, and expressed its appreciation for BDT's work in encouraging the involvement and participation of the private sector in ITU-D initiatives, projects and activities at regional as well as at global level.
- TDAG also noted actions as well as products and services developed by the BDT to encourage partnerships and to enhance resource mobilization.
- TDAG highlighted the importance of telecommunications/ICTs for global development and underlined the role of the private sector in leading this effort, making collaboration with BDT's even more important. TDAG commended the work of BDT and underlined that further engagement with the private sector could only benefit both parties.

---

[2] The regulatory tracker covers over 150 countries for a period of 11 years, permitting assessments of the evolution of regulatory trends within the same country, regions or worldwide. It is based on self-reported data gathered yearly via ITU's World Telecommunication Regulatory Survey and on compiled information via internal research.

- The private sector is also encouraged to share information, experience and expertise with study groups. Dialogue with private sector is to be strengthened for better understanding and addressing of expectations, needs and areas of mutual benefits.

He thanked BDT for its continuous work on innovation jointly with the private sector in ITU-D and Member States.

Closing remarks by the CRO Chairman

The Chairman informed the participants that the output of the discussion of the CRO Meeting would be communicated at the closure of GSR-16. Mr. Ba requested participants to share suggestions on the themes for GSR-17.

Mr. Ba remarked that the meeting was a successful continuation of previous meetings, and has been in line with the spirit of the discussion and with one of the key messages communicated by ITU: the private sector must represent itself more. It is the best way forward for the private sector to achieve inclusion. The number of registrations for participation in the CRO evidenced private sector stakeholder's willingness to work together.

Mr. Ba once again drew attention to submitting plausible proposals with solid action plans for pilot projects for regulators through the ITU BDT Director, emphasizing on the need to ensure internal legitimacy, acceptability and consensus of each proposal amongst CRO participants.

The Chairman thanked all participants for their contributions to the discussion, and looked forward to follow-up on issues discussed, including suggestions on the collaborated pilot projects with the regulators as well as suggestions for themes for GSR-17.

_____