



**Telecommunication
Development Bureau (BDT)**

Ref. BDT/IEE/RME/DM/420

Geneva, 21 March 2014

To:

- ITU Member States
- National Regulatory Authorities
- Operators in the Caribbean

Subject: **Expert Level Training on Effective Price Regulation for Broadband
St Kitts and Nevis, 7-10 July 2014**

Dear Sir/Madam,

Regulation has a key role to play in ensuring that the benefits of broadband communications are available to all citizens. Traditional regulation has involved setting cost-based prices at the wholesale level and leaving market forces to determine retail prices based on these inputs. Wholesale prices, especially for call termination services, have normally been established through the construction of bottom-up long-run incremental cost models developed by the regulator for this specific purpose. However the introduction of next generation networks based on fibre optic cables, 4G mobile and IP transmission, and optimized for data rather than voice traffic means that regulators have to establish new costing and pricing approaches for the broadband era. In this brave new world new cost models are needed, but even more importantly regulators have to make the transition from ex-ante to ex-post market intervention, so that investment and innovation can thrive.

It is with great pleasure that I invite you to participate in the ITU Expert-Level Training Workshop on Effective Price Regulation for Broadband for national regulatory authorities and policy makers. The workshop is being held at the kind invitation of the Ministry of Youth Empowerment, Sports, Information Technology, Telecommunications and Post in St Kitts and Nevis from 7 to 10 July 2014. This workshop will be led by David Rogerson who previously facilitated a highly successful ITU training workshop on Cost Accounting and Cost Modeling in Antigua in October 2013. In this follow-up workshop he will further develop the costing and pricing theme through a mixture of lectures, case studies and role plays to demonstrate the effective approach to regulation in a broadband environment.

The focus of this training is to provide participants with concrete exercises and hands-on practice so that they can develop their own cost models. This training will provide a framework within which to understand the regulatory function, and will develop practical skills in effective price regulation. Topics to be covered include:

1. understanding the effective role of regulation in broadband pricing;
2. knowing how and when to intervene on an ex-ante basis;
3. knowing how and when to intervene on an ex-post basis;
4. provision of a detailed presentation of existing cost models and a look forward in adapting cost models to NGN.

Discussion sessions will also be conducted to promote dialogue and exchange of experiences among participants. There will also be practical exercises including role-play of an interconnection negotiation in a broadband environment. In this first part, teams will be assigned specific roles and will prepare presentations to take into the negotiation.

Please find attached the Provisional Agenda (Annex 1). Please also complete and return as instructed the registration form provided (Annex 2).

Please note that there are no training fees applicable to this course. However, participants should cover their own travel and accommodation expenses and make personal arrangements for their attendance. For further information please contact Ms Sheron Small by telephone: +1 246 431 0343/4; fax: + 1 246 437 7403; or e-mail: sheron.small@itu.int

I look forward to your active participation.

Yours faithfully,

[ORIGINAL SIGNED]

Brahima Sanou
Director

Annexes:

- Provisional Agenda
- Registration Form
- Local Information for Participants