Regulatel

Latin American Telecom Regulators Forum

<u>SUSTAINABILITY:</u>
A challenge for ICT Regulator Association's

September 2011

CONTENTS

REGULATEL is an organization
based on existing national regulators' infrastructure:

it congregates **20 of the telecommunications regulatory agencies in Latin America**

and **3 in Europe** as observer members.

MISSION

To increase cooperation and coordination of efforts between regulators and organizations promoting the development of telecommunications in Latin America.

VISION

To consolidate REGULATEL as a permanent forum of exchange of information and experience among regulatory agencies in Latin America Telecom, in order to promote the development of telecommunications and ICT in the region.

OBJECTIVES

1. To facilitate the exchange of information on the regulatory management framework, services and telecommunications markets among members of the Forum.

2. To promote harmonization of telecommunications regulation in order to contribute to regional integration.

3. To identify and defend regional interests in search of common positions on international forums.

Experience and Information Exchange

✓ Training programs conducted by the Forum began in 2003 after funding from the European Commission.

✓ There have been organized around 30 training and 6 remote programs using different facilities and support from the Forum and other various organizations.

✓ It is worth to mention the Universal Workshop organized as a result of working with the World Bank where attended by over 150 representatives from industry, Regulators and policy makers.

✓ These programs had the help and collaboration of the CMT, AECI, ITU, the World Bank, the Inter-American Development Bank and BEREC

✓ It has been done the internship program with CMT, in which participated 18 staff from the regulators of Panama, Peru, Dominican Republic, Honduras, Bolivia, Ecuador and Brazil.

Meetings and Encounters

- ✓ 9 encounters of contact points
- ✓ 14 summits of regulators and operators AHCIET – REGULATEL
- ✓ 13 summits of regulators and operators
- ✓ 14 summits of European and Latin American regulators BEREC - REGULATEL

Publications

www.regulatel.org

Trainings officials

- ✓ 3 programs of officials practices or exchange of officials between CMT and REGULATEL. In this program 18 officials participated coming from Regulators of Latin America. They were transferred from their homelands and jobs to work to different departments of the Telecommunications Market Commission-CMT, in Barcelona, Spain. The 2012 program is in the process of candidates selection.

- ✓ Several international seminars where nearly a thousand officials from the regulators in the region were trained, with the support of BEREC, I/ERG, ANACOM, ANATEL, SIT, CRC, CMT y AECI.

Agreements, Contracts and MOUs

- ✓ With the European Commission:

    2002 to 2007 @lis 1 (2003)

    2009 to 2012 @lis 2 (2008)

- ✓ MOU with World Bank: Universalization Study
- ✓ Agreement ATN/OC-11901-RG "Roaming" Project Regional Public Goods BID
- ✓ Contract with the ECLAC, permanent contact is maintained
- ✓ Contract REGULATEL-UIT and it is expected to link our organization to the ITU as a Sector member
- ✓ Work with AHCIET is performed without an agreement
- ✓ There also have been finalized others agreements with other organizations
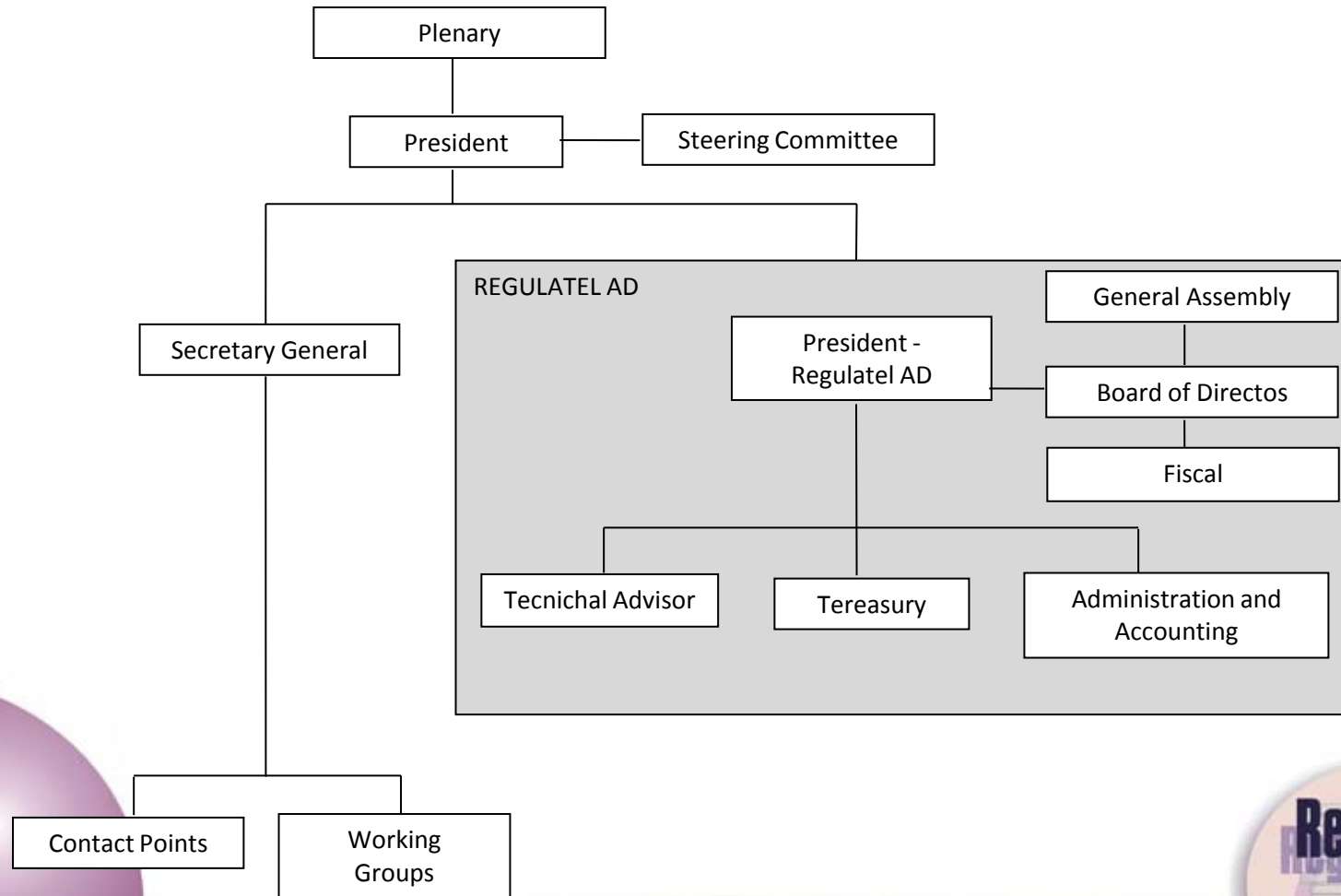
Regulatory organizations in other regions

- ✓ A close relationship with BEREC, and I/ERG is maintained especially with European regulators that are part of Regulatel
- ✓ A relationship with regional regulatory organizations is maintained especially in the ITU meetings

How has REGULATEL solved this requirements?

```
                    ┌─────────────┐
                    │   Plenary   │
                    └──────┬──────┘
                           │
                    ┌──────┴──────┐         ┌──────────────────┐
                    │  President  ├─────────┤ Steering Committee│
                    └──────┬──────┘         └──────────────────┘
```

- Plenary
- President
- Steering Committee
- Secretary General
- REGULATEL AD
  - President - Regulatel AD
  - General Assembly
  - Board of Directos
  - Fiscal
  - Tecnichal Advisor
  - Tereasury
  - Administration and Accounting
- Contact Points
- Working Groups

Plenary: It is the organ of resolution of the Forum. It is constituted by representatives of all the members.

President: It is chosen by the Plenary between the presidents of the regulators entities members of Regulatel. The duration of its mandate is extended until the next Plenary meeting. He is responsible for the forum and the organization of the annual meeting of the Forum.

Steering Committee: It assures the government of the organization. It is formed by six representatives of equal number of elected members with the following approach: one for the regulator that has the presidency, another for the regulator that had it in the previous period, another for the regulator that will have it in the following period. The three remaining members are chosen by the Plenary.

General Secretary: General Secretary is chosen by the Plenary for a four year period. He is responsible for the administration of the organization, supported by the Steering Committee, the contact points and the regulators in general. _The Regulator's Association - REGULATEL AD_ as an instrumental Forum no profit organization, base in San Jose, Costa Rica. To maintain the unity between the Forum and the Association it was decided that the secretary general of the FORUM will be also the president of the Association REGULATEL AD.

Contact Points: One for each member, they are responsible for the coordination, pursuit and execution of the actions relative to the Forum, and the work of diffusion of the information of REGULATEL to the interior of the entity, and of this to REGULATEL, with the purpose of facilitating the exchange of information.

Working Groups: Structured from 2002, they are in charge of executing the tasks assigned regarding projects and researches by Plenary

Working Groups 2011

1.- Roaming

2.- Regional Indicators

3.- Broad Band

4.- Regulatory Polices

Roaming

Action plan based on the study carried out by IIRSA to propose regulatory regimes to improve the International Roaming service in the region. The IADB consider REGULATEL as the appropriate entity to carry out this work and financed the project "Implementation of an agreement of South American Roaming ", including the extension of this work to the Central American region.

Consulting Studies in execution:

Study Case on Border Roaming Perú – Brazil

Feasibility technical, economic and financial regional IMS platform communication strategies Study

Improvement of information to the user

Study in contracting process:

Extension of the Roaming IIRSA Study to Central America Dominic Republic and Mexico.

Regulators in Roaming Project

1. URSEC, Uruguay
2. OSIPTEL, Peru
3. ANATEL, Brazil
4. CRC, Colombia
5. COFETEL, Mexico
6. CNC, Argentina
7. ATT, Bolivia
8. SIGET, El Salvador.
9. CONATEL, Honduras.
10. SIT, Guatemala.
11. SUTEL Costa Rica.
12. INDOTEL, Dominic Republic
13. ASEP, Panama

Sistema de
Indicadores
Regionales de
Telecomunicaciones

- ✓ Under the leadership of the Federal Telecommunications Commission of Mexico developed the SIRTEL 2010 report
- ✓ Organized six workshops, which have been revised up to date information that dwells in the database on the server of the CFT.
- ✓ During the workshops, the foundations were laid to form a system of 7 modules which included indicators of supply and demand, in order to be used for the various work of the Forum of REGULATEL and the regulators of the Member States:

Traffic	Infrastructure
structure of the industry	social and economic
public access to Internet	rates
quality of service	

Broad Band

- ✓ During the 6th Plenary of 2003, welcomed the idea of a study of the State of broadband in the field of REGULATEL.

- ✓ The CNC in Argentina, in coordination with other 6 regulators prepared the report which was presented in 2004 in Cusco, Peru during the VII plenary REGULATEL, with data from 13 of the 19 member countries.

- ✓ A report of the overall picture of the situation of broadband in Latin America, as well as the possible paths that can follow in its temporal evolution was made in 2005.

- ✓ During the 13th Plenary agreed to reactivate this working group and prepare a new report on the situation of the issue of broadband in the region.

- ✓ Report will be presented this at the next meeting of working groups, it will discuss and analyse and present this report to the fourteenth plenary meeting

Regulatory Policies

- ✓ **"Benchmarking": determinants of the performance of the industry**
  - Comparative information for the best performances of the region and its foundations for defining instruments on which to make more detailed technical studies.

- ✓ **"Serie": Regulatory Practice**
  - Technical reports of comparative regulation, always existing information and information for harmonization, multinational plans, etc.

- ✓ **"Case Study": Competitive Market and Regulation**
  - Information on previous studies and methodologies applied to determine that a market is competitive.
  - Information about the tools used to maintain the dynamism in the markets defined as competitive.

Conclusions

…all positive results back listed have been achieved thanks to REGULATEL functional structure, and has enjoyed the support of the regulators...

And the financing of the European Commission, the World Bank and the Inter-American Development Bank….

CONTENTS

It will depend on the ability to generate the minimum resources required to ensure the required actions of the Organization:

1. **Best functional organizational structure shall establish:**

   - **Review the Foro-Asociación structure and establish its functionality according to the principles and structure of the regulators that form part of REGULATEL proposing alternatives**

   - **Find the solution to generate on a permanent basis the financial resources and staff to maintain and improve the workings of the Organization**

2. **Propose and carry out the reforms to the Act of Constitution of the Forum to define the most convenient structure.**

3. **Seek the approval of all regulators in the reforms proposed.**

From the regulatory bodies is required:

1. **Keep and if it is the case increase:**

   • **participation in our Organization**

   • **When consider relevant to implementing the recommendations arising from the studies and work**

2. **When rules allow support the Forum with economic and labour resources**

Associations need economic security

To carry out activities any association needed resources:

1.   **human**

2.   **finance**

3.   **and security of the generation of these resources**

Regulatel

How reach it?

Alternatives:

1. **Actual Structure (Forum-Association)**

2. **Structure with human resource of the regulators (greater involvement of regulators) (only forum)**

3. **Strengthening the current structure with greater human resource of the regulators (previous mix)(Forum-Association)**

4. **Economic finance or economic contribution of the regulators(Forum)**

5. **Search for support of the beneficiaries of the actions of the Forum (regulators, operators and industry) (Forum-Association)**

Como alcanzarlo?

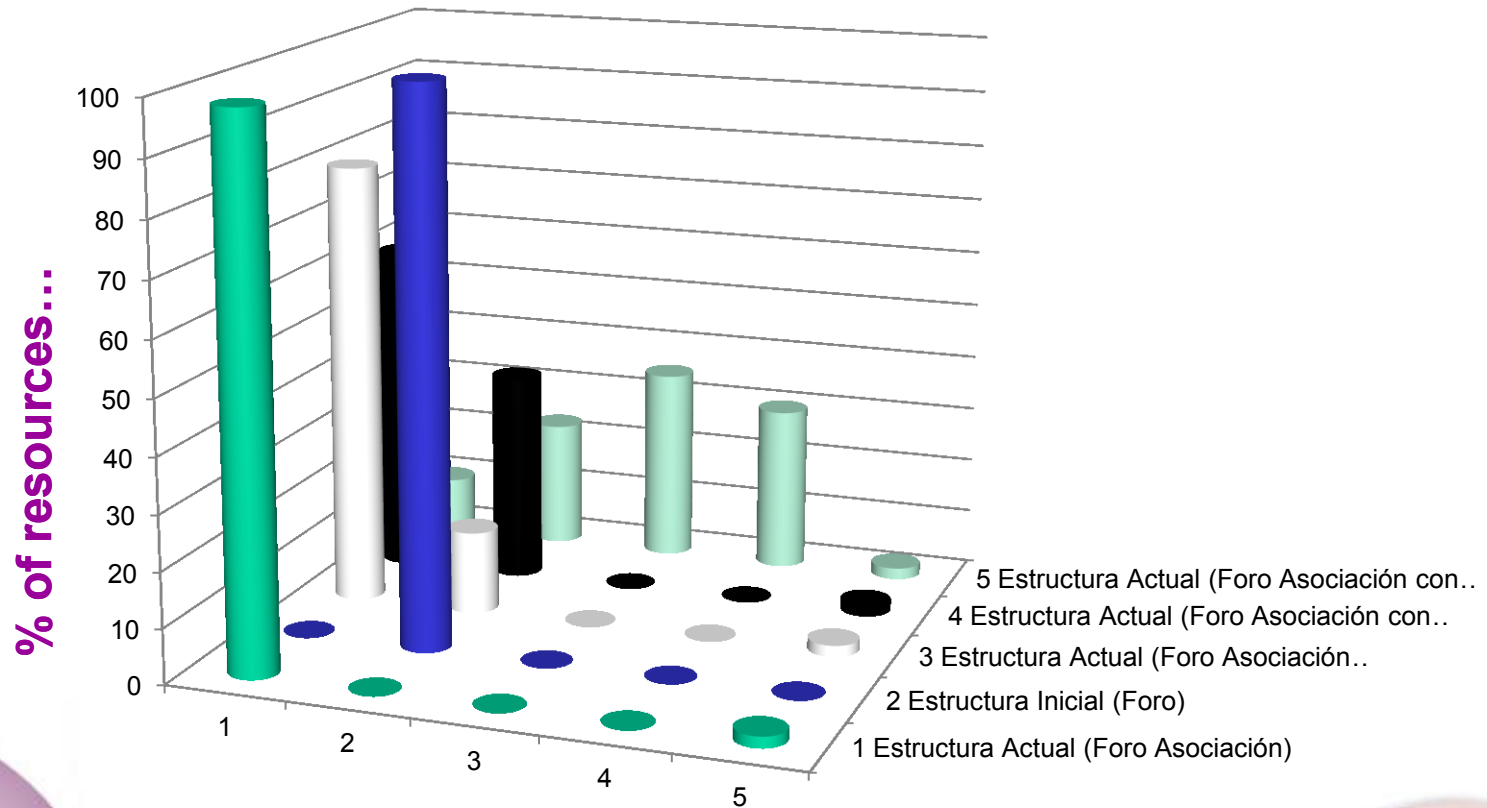| CONTINUIDAD	ESTABILIDAD ECONOMICA	ESTABILIDAD ORGANIZACIONAL	ESTRUCTURA	RECURSO ECONOMICO		RECURSO HUMANO	
✓		✓	A	Asociación DE Reguladores AD / BID, CE		Foro	Estructura actual (Foro-Asociación)
			B	Reguladores		Reguladores	Estructura con recurso humano de los reguladores (solo Foro y mayor compromiso de los Reguladores)
✓	✓	✓	A+B = C	Asociación de Reguladores AD / BID, CE / Reguladores		Foro / Reguladores	Fortalecer la estructura actual con mayor recurso humano de los reguladores
			D	Reguladores		Foro	Financiación económica o aporte económico de los reguladores
			E	Beneficiarios		Foro	Buscar apoyo económico de los beneficiados del accionar del FORO (Reguladores, Operadores e Industria) (Foro-Asociación)

Who gets benefits from the Associations Gestion?

1. Regulators directly
2. Telecom Industry & Operators Indirectly (a good regulation improves market and increase business of private sector)
3. Users
4. Internationals organizations (Ej. CE, ITU, ECLAC, etc.) because whereas they facilitate their actions.

…it is interesting to know how are funding and what have done other regional organizations regulators…

How reach it?

% of resources…

- 5 Estructura Actual (Foro Asociación con..
- 4 Estructura Actual (Foro Asociación con..
- 3 Estructura Actual (Foro Asociación..
- 2 Estructura Inicial (Foro)
- 1 Estructura Actual (Foro Asociación)

CONTENTS

I. **BACKGROUND**

II. **FUTURE**

III. **ACTIONS**

El estudio de sostenibilidad muestra las alternativas que se generaron.

Priorities

- ✓ Strategic action plan.

- ✓ Propose and implement a structure for the Forum and formalize the resulting changes.

- ✓ Establish a financing structure to short, medium and long term to ensure the sustainability and independence of the Forum.

- ✓ Identify potential sources of funding for the medium and long term and ways and means to ensure that the Associations can access to them.

- ✓ Propose specific activities to implement the strategic objectives and mandate of the organization.

Strategic plan: actions towards the interior

1. Establish a structure and propose reforms.

   – Detailed functions of the organs of the Associations and establish procedures.

   – Define the reforms to the Act of Constitution and propose relevant reforms.

   – Create internal processes aimed at the production of results.

2. Establish a realistic funding for the Associations structure

Financing structure: What

✓ <u>General Expenses</u> (recurrent) ⇨ Administrative expense ⇨ Overheads and cost for basic operation

✓ <u>No recurrents Expenses</u> ⇨ Projects ⇨ Activities of the Association (Forum)

33

Financing structure: Who

- ✓ Regulators services

- ✓ Publics and private Institutions (Trusts)

- ✓ Organization of sector events in the region

- ✓ Services to other institutions

34

Income for compesation of services to Regulators

- ✓ Periodic fees vs. payment for services
- ✓ Statutory difficulties vs. Budget.

  "Subscription to the portfolio of services of REGULATEL" vs. "Purchase of any of the services of the portfolio".

- ✓ Budgetary problems vs. Member category.
- ✓ Is it really essential that the members of the Forum financially support its operation?.

35

Grants from public and/or private institutions

✓ Direct Financing.

    – Contribution amounts in aid to the upkeep of REGULATEL AD.

    – Trusts.

36

Financing of REGULATEL AD: How Much

Finance source	Modality	%
Services to Regulators	Subscription to the portfolio of services	
	Purchase of some services	
Private or/and Public Institutions	Direct grant	
	Indirect grant	
Organization of sector events	With sector agents and inversors	
	With Academic Institutions	
Servicies to other institutions	"Joint knowledge of the region"	

37

Decisions to be taken by the plenary of the Forum

- ✓ Annual operating budget of REGULATEL AD

- ✓ Revenue from members ⇨ price of the "subscription to the portfolio of services" and "Purchase of specific services" of REGULATEL AD

- ✓ Revenues from public institutions or private ⇨ Factor to estimate fees obtained from the management of projects by REGULATEL AD

- ✓ Other (as a "Reserve Fund" amount...)

38

Specific Case

✓ Three different scenarios to cover an annual budget amounting to $175.070.

✓ Is assumed that of the 23 members of the Forum, 10 subscribing to the full portfolio (type A) and 13 buy services, but not the entire portfolio or pay by services

Escenario	1	2	3
Annual contribution from the Member type (in $)	3.000	6.000	8.000
Annual contribution from the Member type B (in $)	1.000	2.000	3.000

39

Casos Prácticos

Financin Source	Case 1	Case 2	Case 3
Services to regulators	22% ($39.000)	45% ($78.000)	61% ($107.000)
Grants from Private or/and Public Institutions	68% ($120.070)	49% ($85.070)	33% ($58.070)
Organization of sector events	10% ($16.000)	6% ($12.000)	6% ($10.000)
Servicies to other institutions	0%	0%	0%

Regulatel

40

www.regulatel.org
gpq@regulatel.org