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| ARGENTINA RECONVERTS THE PARADIGM OF THE "ENABLING ENVIRONMENT FOR THE DEVELOPMENT OF TELECOMMUNICATIONS/ICTS" THROUGH THE UNIVERSAL SERVICE |
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| **Summary:**This document contains a report by the Argentine Government within the scope of the Telecommunication Development Advisory Group on the national public policy that reconverts the paradigm of the "Enabling Environment for the Development of Telecommunications / ICT" through the Universal Service.**Action required:**TDAG is invited to note this document**References:**N/A |

**Introduction**

Starting December 2015, Argentina is undergoing a paradigm shift regarding the Development of Telecommunications/ICTs aimed to support the growth and development of the country, and to provide equal opportunities to all Argentineans.

The current government focused its agenda on opening up to the international dialogue in order to increase accountability, government transparency, regulatory reforms, and market competition and diversification so as promote investment and public and private partnerships based on an efficient regulation.

Likewise, our foreign policy seeks to foster the reinsertion of Argentina in the world based on values that can transmit the potential of the country.

One of the challenges that the current government has targeted to achieve is to reverse the technological and regulatory backwardness in the Telecommunications/ICTs sector, which was stagnant and affected by the lack of investment and by the inexistence of a coordinated planning, which consolidates the actions and processes necessary to achieve the established development goals.

In this context, the government is focused in developing a strategic vision that meets the needs of the inhabitants of Argentina, such as promoting a widespread use of Telecommunication/ICTs and defining new policies that grant transparency and predictability for investments in the Telecommunications/ICTs field, in order to reduce the "Digital Poverty".

The main goal in this area is to create a digital ecosystem that will allow all Argentineans to access new high-speed and quality broadband services by 2019, no matter where they live within the vast Argentine territory.

This change of paradigm is conducted by the Ministry of Communications, led by Mr Oscar Raúl AGUAD, being the Enforcement Authority for the Telecommunications/ICTs sector and in charge of its administration and management.

The priorities for the development of Telecommunications/ICTs can be summarized in:

* Fostering the development of a modern high-speed fixed and mobile broadband infrastructure;
* Improving the mobile network’s quality;
* Developing a modern regulatory framework that considers both technological convergence (networks, services, etc.) and the new challenges of the digital economy;
* Bridging the digital divide in the country – Eliminating digital poverty;

Argentina aims at the technological convergence, the elimination of physical and geographical barriers and the decentralization of information and data, all included in a balanced model, which promotes the involvement of the national government, the private sector, the civil society, and all stakeholders.

**Argentina reconverts the paradigm of the "Enabling Environment for the Development of Telecommunications/ICTs" through the Universal Service**

This public policy for the Development of Telecommunications/ICTs is governed by Act 27.078 which creates the Universal Service Trust Fund. This fund is formed by the contribution of 1% of the revenues of ICT licensees, being these resources included in the assets of the National State, who will define its use through the Ministry of Communications, acting in its capacity as Enforcement Authority.

The Universal Service Regulations, stated by Resolution ENACOM 2642/2016, establishes that the President of the Board of Directors of ENACOM, through the corresponding areas, shall design the different Programs in order to guarantee all obligations and rights provided for the Service Universal in the corresponding Regulations. The projects submitted under these Programs shall favour widespread broadband internet services in areas with no coverage and/or improve quality of service in underserved areas.

Universal Service funds are implemented through specific programs.

Programs may include, but are not limited to:

a) Service provision to groups of users who, due to their special social needs, or physical, economic, or other characteristics, have limitations to access services, regardless of their geographical location;

b) Connectivity for public institutions;

c) Connectivity in rural areas and areas with unfavourable geographical conditions for the development of ICT services aimed at extending and updating their current networks;

d) Financial support for Cooperatives and Small and Medium Enterprises (SMEs), which provide ICT services aimed at extending and updating their current networks;

e) Connection of Licensees, Cooperatives and Small and Medium Enterprises (SMEs) to the Federal Fiber Optics Network (REFEFO).

It is important to note that due to a low population density and a vast territory, the Argentine Republic presents unique challenges in terms of physical network coverage. In order to reach a population of 1.1 million people living in towns of less than 2,500 inhabitants, it is necessary to reach 2200 locations distributed throughout the 2.8 million km2 of continental surface.

**Connectivity Program**

The purpose of this Program is to promote the implementation of projects aimed at providing wholesale and/or retail services to areas with unsatisfied needs, through the development of transport networks and/or strengthening of existing access networks and/or generating economic conditions aimed at the development of new access networks.

Within the framework of this Program, ENACOM assigned ARSAT SA, which is responsible for the management of the Federal Fiber Optics Network (REFEFO), $ 1,329 million from the Universal Service Fund for the development, and their integration to the network, of 120 distribution nodes that will connect more than 1300 locations with potential impact on 22 million people in order to provide access and/or improve services at prices similar to those in large urban centers.

Also, under this same Program there was a Call for bids seeking for projects, to be funded through Non-Refundable Contributions, aimed at the universalization and improvement of network infrastructure for the provision of fixed broadband internet access services in areas with unmet needs, destined to localities of less than 2500 inhabitants for which they have destined up to $ 350 million.

The projects submitted in the aforementioned contest are aimed at improving current services through technological migration to FTTH networks, extending existing networks to underserved areas of less than 2500 inhabitants and encouraging the arrival of broadband networks to localities of less than 500 inhabitants that are currently not served.

It is important to note that the design of this contest is also focused in achieving technological convergence and favouring competition among providers.

The Program has received more than 170 projects from SMEs and Cooperatives from all over the country that are currently undergoing the assessment phase and the implementation is envisaged for the second half of 2017.

Based on the assessed demand, complementary initiatives of similar characteristics are being designed for small towns.

**Digital Educational Network Program**

This Program, recently established by Resolution 1035/2017, is aimed at developing intranet infrastructure for State-run educational institutions to enable, together with the Ministry of Education and Sports, and Educ.AR, access to, and use of, broadband Internet services that are necessary to boost educational activities in more than 20,000 educational institutions throughout the country at all levels impacting on a population of more than 5.8 million students.

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