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| **Abstract:** | WTSA-16 Document 38 contains draft new Recommendation ITU-T D.53 for Approval at WTSA-16. The content of this Document is identical to COM3‑R18. |

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Draft Recommendation ITU-T D.53

International aspects of universal service

Summary

Recommendation ITU-T D.53 on International Aspects of Universal Service, while recognizing the sovereign right of Member States to define and regulate their universal service/access policies, proposes general outlines to guide governments and regulators in their tasks and management functions regarding universal service funds in a globalized digital environment.

Keywords

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Introduction

Member States have taken historically and even today, different approaches to universal service as seen in the "Study on the funding of universal service and universal digital integration," published by the ITU in 2013. The success of the different states in managing their universal service projects has relied mainly, amongst other things, on the ability of regulation and universal service policy to adapt to changing conditions and market technology.

In that sense, those regulatory frameworks that are flexible enough to adapt to rapid technological and market developments have allowed governments and regulators to conduct effective universal service projects, for example, including broadband as not only a target of universal service, but as the main control variable given the undeniable role of broadband as a catalyst for economic growth in nation states.

As broadband is a factor that depends not only on internal conditions of each state, but rather is of a highly international nature, it should be understood that currently, the success of universal service policies that are key to broadband development, are heavily influenced by these external conditions that are uncontrollable for each state.

Draft Recommendation ITU-T D.53

International aspects of universal service

# 1 Scope

This Recommendation proposes general principles to guide Member States, relevant government agencies and regulators in their tasks and management functions regarding universal service funds in the context of global integration, where the objectives of universal service policies depend not only on internal factors, but are also influenced and conditioned by uncontrollable external conditions.

# 2 References

The following ITU-T Recommendations and other references contain provisions which, through reference in this text, constitute provisions of this Recommendation. At the time of publication, the editions indicated were valid. All Recommendations and other references are subject to revision; users of the Recommendation are therefore encouraged to investigate the possibility of applying the most recent edition of the Recommendations and other references listed below. A list of the currently valid ITU-T Recommendations is regularly published. The reference to a document within this Recommendation does not give it, as a stand-alone document, the status of a Recommendation.

[ITU-T D.50] Recommandation ITU-T D.50 (2011), *International Internet Connection*.

# 3 Principles of Universal Service

## 3.1 Concept of Universal Service

It has broadly been recognized that universal service has three main tenets:

**Availability:** the level of service should be identical for all users anywhere and at any time.

**Affordability:** the price of the service should not be prohibitively high so as to have a negative impact on access.

**Accessibility:** subscribers should be treated equally in terms of service, price, quality of service, wherever and whenever they access the service.

While universal service is defined as an instrument and key objective to broadband, then, given the international nature of this factor, both the availability and affordability of this service nationwide will be highly correlated to the price of international connectivity to the Internet, whereby States must include in the analysis, the intrinsic characteristic of the broadband so to internalize within universal service projects, all the external forces that condition its success nationwide.

## 3.2 Identification of external forces that determine the success of Universal Service projects

Member States and regulators should pay special attention to the following points when designing, adapting or revising policies, regulations or projects of universal service/access:

− The level of competition in the market for the provision of international Internet capacity, both locally and regionally.

− The evolution of prices and taxation issues for international transit, of prices of the IRU contracts, or other types of contracts for the provision of international Internet capacity.

− The ability to establish and facilitate peering contracts between national operators, regional operators and operators worldwide of international internet capacity.

## 3.3 How Universal Service projects can help address capacity constraints associated with international Internet connectivity

Administrations and regulators of Member States should reduce the impact of economic and contractual conditions of the IIC on the level of achievement of the policies and projects of universal service by using universal service funds to promote and support the following initiatives:

− Creation and/or strengthening of national or regional IXPs.

− Creation and/or strengthening of data centers, both national and regional.

# 4 Universal Service in a global context

Where legislation permits, in order to reduce the nationwide effects of IIC costs in a region or group of States, administrations and regulators of these Member States may initiate and carry out bilateral or multilateral agreements to invest the funds of universal service in projects of common infrastructure, as a basis for international internet connectivity.

# 5 Guidelines for increasing the effectiveness of, and compliance with, Universal Service policies

 It is recommended that Member states consider the following measures:

− Encourage national and international providers to finance universal service, under conditions of transparency, and non-discrimination.

− Promote, where possible, public private partnerships for the development of universal services projects.

− Reduce the costs of International Internet Connectivity (IIC).

− Where possible, work towards the reduction of custom duties for telecommunications equipment.

− Encourage investment in services in rural areas, notably to public health and educational institutions, even when return on investment is not immediately visible.

− Increase availability of new technologies, with a particular view for the development of Broadband networks and technologies and next generation cellular mobile networks.

− Ensure conditions that sustain investments, despite the speed with which modern telecommunications networks and systems are becoming obsolete.

− Comply with international regulations such as Recommendation ITU-T D.50, which promote the application of payment mechanisms between countries that take account of the costs borne by developing countries for Internet access.

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