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*Advances in regulatory costing and  
pricing strategies – practices in the  
Americas region: the U.S. Perspective*

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# Overview: Costing and Pricing

1. Since 2009, the BDT and other experts have studied best practices and case studies for cost modeling and pricing for telecommunication services. This work was expanded in 2021, when ITU-D Q4/1 released a paper entitled: “Guidelines on Cost Modeling.” However, this guidance is primarily aimed at developing countries.
2. We in the United States government stay up-to-date on discussions on the price of basic services like telecommunications.
3. We want to ensure a cost-based approach that allows private sector operators to run sustainable businesses--while maintaining consumer adoption--at fair prices.
4. We continue to pursue inclusive consumer protection and connectivity policies--especially among the underserved.



# Background: The U.S. Perspective

1. To better understand the United States's policy and regulatory approach, it is helpful to keep one thing in mind: good policy can come from anywhere!
2. Part of this is attributed to the structure of our government. Yes, we have an executive, legislative, and judicial branch at the federal level—but we also have state, municipal, and tribal governments that can be just as influential in setting policy.
3. At times, authority has been explicitly given to state, municipal, and tribal governments—for a reason!
4. The Federal Communications Commission (FCC) acts as the federal-level regulator for telecommunications—but each state also operates a public utility commission (or PUC) to regulate utilities (like gas and electric and telecommunications). PUCs can be formed by direct elections, appointments by state governors (executive), or appointments by legislatures.



# Background: The U.S. Perspective

1. Once formed, PUCs then formulate state-level regulations that suit that state's particular needs. PUCs are also key actors in implementing FCC's federal guidance at the state-level. Transparency laws also help to ensure that PUC consultations with stakeholders are open, fair, and accountable.
2. PUCs are not the only stakeholder involved in this process:
  - a. Dynamic, market-driven competition—be it at the state/local or national level—is critical to providing access to telecommunication services.
  - b. Emphasizing the importance of state/local, municipal and tribal authorities: states' Attorneys General and consumer protection authorities act as an extra “check.” This ensures that the market and companies are fulfilling their necessary roles.
3. It is important to note here that the FCC does not regulate interstate services or set prices at the national level. Since 2000 we have encouraged providers to compete on service and price—while using USF funding to fill any gaps.



# What are we advancing?

1. Although our approach to costing & pricing is uniquely decentralized, lifting up local voices allows for a few things:
  - a. Targeted to state and local needs
  - b. Greater efficiency in addressing these needs
  - c. The formulation of state and local policies allow for experimentation—at times informing the decisions the federal government takes

## Considerations for the Americas Region

1. Consider formal and informal mechanisms to lift up local voices.
2. This would, in turn, "build in" key aspects of digital inclusion.
3. Keep pricing in mind as service offerings—particularly for 5G & 6G—expand

