

## **GSR-23 Best Practice Guidelines Consultation**

### **Kacific Broadband Satellites Ltd response to “Regulatory and economic incentives for an inclusive sustainable digital future”**

Kacific appreciates the opportunity to participate in the GSR-23 consultation process and share our recommendations as a responsible and reliable ITU-D sector member focused and dedicated to bridging the digital divide. Developing regulatory and economic incentives is paramount in creating an inclusive and sustainable digital future, and Kacific, as a broadband satellite operator with an established presence in developing markets across 25 regions in Asia and the Pacific, is proud to be a part of global efforts led by ITU to connect the billions who remain out of reach of connectivity. The need to connect the unconnected becomes pressing, especially as ITU data indicates that only 43% of the rural population in small island developing states (SIDS) utilise the internet<sup>1</sup>.

Kacific firmly believes that satellite is an important technology to bring last-mile connectivity in a timely, affordable, and rapid manner. When rural communities are connected to the internet, there is more opportunity for the digital economy such as rural banking, e-Commerce and market expansion, remote working, and making the country overall a smart city for its citizens. Digital connectivity is a catalyst for growth, inclusion, and prosperity. In South East Asia alone, successful implementation of the digital agenda is estimated to add US\$1 trillion to GDP over 10 years.

### **Defining regulatory and economic incentives to stimulate the deployment of digital infrastructure, especially in rural and isolated areas**

Kacific believes that a regulatory environment which fosters an inclusive digital future should be progressive, focused, and driven. High regulatory and government fees hinder higher investments into rural areas, therefore making it difficult for the population in these areas to access affordable internet connectivity. High fees discourage investment in new network infrastructure and limit the growth of digital services and innovation.

Closer public-private cooperation, and a stronger focus on government projects and legislation to ensure no one (and nowhere) is left unconnected, equitable access to service is ensured, and that device ownership is unprejudiced, is also critical. USOFs, or Universal Service Obligation Funds, where there are subsidies, partnerships, and schemes for private operators to connect areas which are not profitable, is a great example of public-private cooperation and must continue to be emphasised.

As part of USOF, mandating a minimum level of service for broadband internet to be provided in every village can be considered – a community broadband access point (similar to the public phone booth deployed in villages in the past). Kacific has connected over 350 medical facilities, schools, and community halls in Southeast Asia and the Pacific, with affordable, reliable, robust community with broadband speeds of 70Mbps and more, with vouchers costing no more than USD\$3 per GB.

Beyond providing a digital lifeline, USOFs would allow unconnected areas to build digital skills and boost demand for more digital services, that would in turn drive commercial players to invest in additional digital infrastructure like mobile access or other connectivity. Local governments could also

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<sup>1</sup> ITU, Measuring digital development: Facts and Figures 2022. [https://www.itu.int/hub/publication/d-ind-ict\\_mdd-2022/](https://www.itu.int/hub/publication/d-ind-ict_mdd-2022/)



extend a measure of subsidy in exchange for providing free services to a segment of the population, say all students under 15 years of age, working together with private operators.

### **Identifying the right incentives required to ensure the introduction of emerging ICT technologies and business models**

Broadband connectivity is a key component in ICT development, adoption and use. It accelerates the contribution of ICTs to economic growth, innovation, and efficiency. While services is an important part of the value chain, hardware equipment and devices are also required to access such services. For satellite internet, Kacific believes that lowering barriers to importing equipment, coupled with incentives which lower the cost for infrastructure and devices for connectivity, would play a big role in encouraging the rollout and use of satellite internet and ICT.

Regulatory review and reform can create the appropriate business environments required for the uptake of emerging ICT technologies. The implementation of policies which promote effective competition (such as landing rights and local requirements), the rollout of affordable quality broadband networks, the liberalisation of network infrastructure and network services and applications, investment in new technological infrastructure and applications, and public financial assistance for underserved groups to complement private investment, can underpin the competitiveness and growth of businesses providing connectivity.

For instance, in certain jurisdictions, rather than imposing a flat fee that applies to all users regardless of their usage, newer tariff models can be explored such as a tiered (and reasonable) fee structure that reflects the usage and capacity of each VSAT site and ensure equitable access to connectivity. This will make the use of VSAT services by lower value users more affordable, while users such as businesses and corporations will pay fees proportional to their usage.

### **Looking Ahead**

Advancements in satellite technology will continue to alter the connectivity landscape moving forward. Kacific's small VSAT terminals with antennas as small as 0.75m or 1.2m can now be used to feed an entire office/residence, and provide near fibre-like speeds of up to 100Mbps. Such technologies can only be properly exploited and harnessed if the regulatory environment allows for it. Kacific will continue to work with regulatory authorities and partners to explore policies and regulations which will benefit all stakeholders in the connectivity value chain.

Kacific will continue to work hand-in-hand with both partners and competitors to continue developing a connectivity ecosystem which will benefit all. Kacific once again thanks the ITU for the opportunity to participate in the GSR-23 consultation process and looks forward to engaging further with stakeholders during the event.