



3rd Global Symposium for Regulators (Hong Kong, 2002)

Promoting Universal Access to ICTs

Speeches

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Ladies and Gentlemen,

Over the past two days, we have heard many views and have seen many presentations. As result, thereof, I am sure that you have established certain perceptions of your own. What has become apparent is that views and positions will not necessarily be the same, given the diversity in terms of demographic, economic, social, cultural as well as political differences, prevailing, in addition to the varying levels of regulatory reform and development in the communications industry.

Be that as it may, I for one have found that there have been many lessons, good practices and workable solutions that had been raised and discussed that we can learn from. In fact, the similarity and commonality of issues and situations, rather than the differences, had been rather striking - so much so that we would have difficulty in attempting to distinguish between one jurisdiction and another.

Let me now try to summarise some of the more salient points which had been discussed:

- 1.1 It has been highlighted that the private sector would be more concerned with profitability and risk factors, whereupon the regulatory environment ranks as one of the key consideration. The regulators' understanding, or lack of it, of the way business decisions are made due mainly to the lack of expertise and continuity among the regulators' staff, therefore, has become an issue.
- 1.2 Comments from regulators and private sector representatives alike were expressed in this regard and we could see differences in their priorities: operators will maintain that the bottom line counts whereas regulators, whilst acknowledging this to be a fact of a liberalised market place, are nevertheless concerned about the duty to ensure protection of public interest. Another interesting comment was on the need to balance between the incumbent operator and the newcomers, wherein a careful balance is needed since the incumbent is also, usually, the biggest investor who may loose out in the face of new competition. In both cases, it was acknowledged that openness and transparency are essential while feedback from the private sector would also be crucial.
- 1.3 One question then is, whether there is a need to harmonise regulations across a region and amongst regulators? The general answer would probably be 'no' in instances where prevailing differences in terms of pace of development as well as policy and regulatory frameworks may not be conducive. However, it could be a suitable answer where conditions could accept such a solution as a way of advancing coverage, improving quality and access to services and improving the industry as a whole.

We also heard views on the perspectives of the financial sector calling for regulatory reforms to maintain a more sustainable investment environment. Again, the message was that regulators should realize that, in these times of uncertainty and cloudy investment climate, regulators should perhaps be more sympathetic towards the realities of the market place. In this regard, it is worth to take notice that the name of the game may not be transparency as many of the operator companies regard their company's business plans and strategies as being commercial secrets which should not be made available to regulators, let alone the consumer associations and the market place. Therein, lies the need for the regulator to strike another balance – how much transparency is sufficient and, in this respect, may I submit that it all boils down to common sense.

We have also heard a lot of debate on whether mobile will replace fixed telephony. In this respect, although the 'ayes and the nays' have their own logic and reasons in support thereof, we have not really rationalized the timeframe, scope and benchmarks from which one can measure the whole equation of the debate.

Nevertheless, this sets the ground for further work to be done in this arena, especially in view of the fact that, at the back of every regulators' mind, should be one word – CONVERGENCE. With convergence comes the need to re-examine basic issues, such as: technology neutrality, universal service, access regimes, consumer issues and others.

You will agree with me that there were interesting moments from the session on REGULATORY CHALLENGES: FEEDBACK FROM CONSUMERS

- 1.4 Here again the regulator was asked to play the role of a juggler to balance the needs of the operator and consumer. In this respect, it is well worth to visualize that the similarities between the consumers worldwide are astounding: one cannot really differentiate between the countries, be rich or poor, developing or developed. At the end of the day, we are all at various stages of incorporating consumer's needs and rights within the regulatory frameworks. Judging from the results of the feedback survey, it may be the case that regulators have a long way to go before we reach this very important aspect of greater consumer awareness and empowerment.
- 1.5 This brings us to the need for performance indicators to measure, amongst other things, consumer satisfaction and quality of service. Without the establishment of relevant indicators, it would be difficult for regulators to make any significant progress in terms of ensuring consumer satisfaction, other than to handle complaints in the most basic manner.

Ladies and gentlemen,

- 1.6 I wish to refer, at this point, to the many models of universal service that were presented in this symposium.
- 1.7 Issues were raised regarding affordability and sustainability of universal service and the suitability of the telecentre franchise method as an option.
- 1.8 Nevertheless, there is still the need to pursue the search for a workable solution, bearing in mind that "no one size fits all" and that universal service is still on a development mode.

There are, indeed, many challenges that regulators have to face in going forward and this symposium has provided us with a lot of information within the short time span of the past two days. Hopefully, we can put our time here to good use by transforming such information into knowledge-giving outputs which would become reference points for invaluable ideas and action plans, not only in our own countries but also as a platform for a common search of regulatory harmonization.

As a matter of fact, I believe that the output of this Symposium would be invaluable to the preparatory work of the World Summit on the Information Society. As such, I would like to propose that the Chairperson's Report on this Third Symposium be submitted as input to the preparation of the draft Action Plan to be considered by the next Precon for WSIS in February 2003. This would, among others, ensure that there will be mention of the key role that regulatory bodies could play, if strongly supported by the international community, to prepare and enforce regulations, provide guidelines, develop models and financing mechanisms while recognizing both the role and expectations of the private sector as well as the social dimension of services and applications provided through communications services providers.

On that note, ladies and gentlemen, I would like to thank the ITU, our host OFTA and other organizations involved in making this event, that is, the Third Global Symposium for Regulators, possible. In particular, I wish to thank the support staff, interpreters, consultants, presenters and panelists who have so graciously given us their time and support. My special thanks to the participants who have responded so positively to my request for interactive participation throughout the symposium.

Thank you.

GLOBAL SYMPOSIUM FOR REGULATORS (GSR)
Regulating For End Users
Keynote Address

Hamadoun I. Touré
Director Telecommunication Development Bureau
International Telecommunication Union

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Distinguished Guests, Secretary-General Yoshio Utsumi, Deputy Secretary-General Roberto Blois, Standardization Bureau Director Houlin Zhao, our gracious host, Anthony S. K. Wong, Director-General of Telecommunications, Hong Kong Special Administrative Region, the People's Republic of China, Distinguished Chairmen, Directors General and Presidents of the Regulatory Authorities, Ladies and Gentlemen,

It is my greatest pleasure to welcome you to the third annual Global Symposium for Regulators. As I look out at this distinguished audience, I am delighted to welcome back many of you who have joined us at the first two global gatherings of regulators in 2000 and 2001. We are very happy to have you with us again this year. I am equally pleased to welcome many new faces to the Global Symposium for Regulators. I am especially pleased that this year to see that more women regulators are joining us from countries such as Botswana, Malaysia, the Philippines and the United States.

There are now 119 countries that have established a national regulatory authority. Many of them are present here today. I also wish to extend my heartfelt thanks to the Office of the Telecommunications Authority (OFTA) and Anthony Wong in particular for his Herculean efforts in hosting this year's GSR.

These first two GSRs enabled regulators and policy makers from all four corners of the globe to launch a global dialogue. This dialogue has given rise to many practical recommendations enabling national regulatory authorities to work together to find best practice solutions to the regulatory challenges they face, including a website for regulators to exchange views and experiences, the Global Regulators Exchange, or G-REX. G-REX is a tool that more and more regulators are using every day to learn about the regulatory practices employed by their counterparts around the world.

Indeed the focus of our regulatory reform work is on providing more practical tools for effective regulation. This also reflects decisions taken at the World Telecommunication Development Conference (WTDC) 2002 held in Istanbul, Turkey this March, included in the Regulatory Reform Programme of the Istanbul Action Plan.

The Istanbul Action Plan Regulatory Reform Programme calls upon BDT to:

- Conduct case studies of different approaches undertaken in the reform process;
- Prepare model policy, legal and regulatory instruments;
- Provide training for regulators;
- Organize symposia and seminars such as the Global Symposium for Regulators and
- Further develop G-REX

Following decisions taken at the Plenipotentiary Conference in Marrakech, implementation of the Istanbul Action Plan has grown more challenging. It is no secret that ITU has fewer resources to implement an expanded mandate.

How then to achieve implementation of the Istanbul Action Plan? Increasing the involvement of key partners in our work marks one major strategy. Greater focus on regional activities, such as the African Telecommunication Regulators Network and our work on regional harmonization in Central America is another key strategy.

I am very proud to announce that some of the work in the Istanbul Action Plan has already gotten underway, and will be highlighted in this third annual Global Symposium for Regulators, including this year's case studies, models and developments on G-REX.

Indeed the GSR 2002 programme is largely driven by the recommendations made by participants in last year's GSR. As the Secretary General noted, participants in last year's GSR requested BDT to commission three case studies providing feedback to regulators from the three major stakeholders: the private sector, investors and consumers. We asked three leading experts with close ties to the respective stakeholders to conduct research and report their findings and conclusions. The case studies are being published as their reports to the GSR. We will kick off the GSR after the coffee break with an examination of the feedback report from the private sector. This afternoon's session focuses on feedback from investors and consumers. Many of the ideas contained in these reports reinforce the themes we have explored in the last two GSRs. Some of the ideas are

new and provocative. We may not reach consensus on all ideas we will discuss, but our minds will have been opened and a more comprehensive dialogue launched.

Last year, you also requested that we develop model regulatory instruments. Because so many countries informed us they were considering creating a universal access fund, or were already in the process of doing so, the first models focus on the practical steps of creating, managing and operating universal access funds and their use both to deploy basic and advanced communications services. These models were prepared jointly with one of our trusted partners, the Commonwealth Telecommunications Organisation, which I wish to thank for its support. We plan to continue to work with CTO to develop additional models next year. These models will be included in the 2003 edition of Trends in Telecommunication Reform

Support for regional initiatives is another common theme in tomorrow's agenda. The day will begin with reports both from the Asia-Pacific Telecommunity (APT) Forum on Telecommunication Policy and Regulation and REGULATEL, the organization of national regulatory authorities in Latin America. Both APT and REGULATEL will share their views on consumer protection and quality of service in the era of convergence. The discussion of the joint ITU-CTO Universal Service models will include a report on universal access from the Telecommunications Regulators Association of Southern Africa (TRASA), which hosted a workshop on the Universal Access models earlier this year.

We will then learn about an in-depth study conducted by the BDT this year in Central America to support the Plan Puebla Panamá Telecommunications Project of regional harmonization as well as the creation of the Western African Telecommunications Regulators Association (WATRA) and the African Telecommunication Regulators Network.

The penultimate session will explore initiatives to further develop G-REX, including hosting virtual conferences on G-REX. We have prepared a demonstration virtual conference to show you on Sunday. This is a first for ITU. Not only is it the first ITU virtual conference, one of the participants is the first ITU Visiting Regulator, Jorge Kunigami, the former Chairman of Peru's OSIPTEL. This year we launched the Visiting Regulators Programme to invite senior level regulatory officials to help us implement our regulatory reform programme. Mr. Jorge Kunigami was kind enough to join us in Geneva this summer to support our work. Even though he could not be with us here today, I wish to thank him for his kind and generous support of our work, and hope that other senior officials will follow his lead. Our last session will take your recommendations on topics to cover in our case studies and models next year.

I would also like to extend a challenge to everyone in the room, from the private sector, investors, consumers, academia and regulators to participate more actively in our work. BDT needs partners to enhance its range of regulatory products and services. We are encouraged by the number of partners that have already come forward this year:

- CTO, both for its support of our regulatory models and our HRD activities
- The European Commission, funding new activities including regulatory training in West Africa
- Cable & Wireless Virtual Academy underwriting key HRD activities
- Regulatory authorities like OFTA, hosting major events like the GSR and ITU Telecom Asia 2002 as well as taking an active role in G-REX

All of you have been key to our successes this year. We look forward to continuing these partnerships and forging new partnerships with many of you in the room today.

The first GSR marked a watershed for ITU. It was the first time a global meeting of national regulatory authorities had ever been held. Last year's event built on this initial success. This year's GSR introduces further innovations. This is a paperless meeting. We are not distributing paper copies of any documents, we are posting all documents on our TREG website <http://www.itu.int/ITU-D/treg/>

Don't worry if you have not yet succeeded in downloading these documents. They will remain on TREG for the foreseeable future. While we strongly encourage everyone to read them, we also wish to move toward a meeting focused on dialogue. Spontaneous and serious dialogue fosters new ideas. New ideas spark solutions to the many challenges we face. .

Ladies and gentlemen, distinguished guests, I don't want to take any more of your valuable time. We have very important issues to discuss. I would now like to turn the remainder of this meeting over to you, the regulators and policy makers, the private sector, investors and consumers so we can continue to learn from you and respond to your urgent needs.

Thank you very much.