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GSR17 BEST PRACTICE GUIDELINES ON POLICY AND REGULATORY INCENTIVE FOR AFFORDABLE ACCESS TO DIGITAL SERVICES

Regulating the ever-changing ICT sector requires skills, foresight and innovation. Developing and using best practices is the best way to fast-track our efforts to adapt to change and embrace new technologies to foster development and business.

"The rich promise of the transformative digital economy is within our reach. The world needs to move towards an open, collaborative, incentive-based regulatory approach and the leadership of ICT regulators is crucial in this endeavour. This leadership will help navigate through the profound technology change of today and deliver on its rich promise tomorrow, with life-changing benefits for many millions. I am sure that this year's GSR Best Practice Guidelines will provide useful guidance in forging regulatory frameworks for the ICT sector as the basis for the digital economy today and for the future."



*Organized on the initiative of
Mr Brahima Sanou,
Director,
Telecommunication
Development Bureau
(BDT), ITU*

"The deliberations that have informed these GSR Best Practice Guidelines represent the collective wisdom of decades of global ICT regulatory experience, applied to the paradigm facing regulators as the world adapts to the next generation of technologies and approaches total connectivity. The cooperative and collaborative approach to regulation envisaged in these guidelines recognizes that policy maker, regulator and industry must work together to deliver on the promise of tomorrow's technology's dividend. URCA is proud to be coordinating the consultative process this year and we are confident that the guidelines will represent an invaluable tool for regulators designing the ICT regulatory frameworks to meet our countries' needs."



*Coordinated by
Mr. Stephen Breaux,
Chief Executive Officer,
URCA, Bahamas*



GSR17 BEST PRACTICE GUIDELINES ON POLICY AND REGULATORY INCENTIVES FOR AFFORDABLE ACCESS TO DIGITAL SERVICES

The rich potential of the transformative digital economy is within our reach. The digital world offers a host of opportunities in various sectors such as agriculture, health, education, financial services, artificial intelligence and public governance. Digital services can enable economic growth and social development across the board.

Regulation has a pivotal role to play to help today's fast-evolving markets thrive while shaping future markets for digital services that are innovative, balanced and inclusive. More inclusive, incentive-based and collaboration-driven regulation will not only benefit consumers and businesses, but will help fast-track a digital future for the billions who remain unconnected.

We, the regulators participating in the 2017 Global Symposium for Regulators, recognize that there is no single, comprehensive blueprint for best practice, but agree that country experiences can be enlightening and guide us towards regulatory excellence. In the increasingly complex and dynamic digital ecosystem, it is important to agree on common principles and put forward clear and simple rules.

We have, therefore, identified and endorsed these regulatory best practice guidelines for affordable digital services for all.

i. Strengthening the regulatory foundation for affordable access to digital services

Recognizing the transformative power of the following regulatory instruments for reducing the cost of ICT infrastructure deployment and the adoption of end-user services, we reiterate their relevance and call for strengthening and further streamlining rules and practices with regards to:

- ◆ Adopting and leveraging national digital policies, strategies and plans which seek to ensure that broadband and IP technologies are available to as wide a community of users as possible
- ◆ Adopting a flexible, transparent approach to promoting robust competition in the provision of network access and end-user digital services
- ◆ Designing flexible, incentive-based and market-oriented policy and regulatory frameworks with regard to allocation and assignment of spectrum, in particular for broadband services
- ◆ Promoting cross-border fiber networks as well as the build-out of pervasive national backbone networks complemented by terrestrial wireless and satellite infrastructure where necessary
- ◆ Synchronizing domestic network demand with international capacity deployment
- ◆ Encouraging the deployment of Internet exchange points as well as content distribution networks at the national, regional and international level
- ◆ Removing barriers to market entry at all levels and adopting incentives for open access and infrastructure sharing at the international and regional levels, with a view to reducing the cost of connectivity to submarine cables, regional fiber backbone and satellite infrastructure
- ◆ Adopting innovative licensing regimes and incentivizing new business models for covering remote and rural areas that more effectively integrate the use of terrestrial, satellite, and submarine telecommunication infrastructure.
- ◆ Fostering multi-infrastructure mapping and deployment, including working with local government to lift restrictions on infrastructure deployment
- ◆ Monitoring and, if necessary, setting mobile and fixed interconnection rates, including through sound regulatory accounting
- ◆ Requiring dominant incumbent providers to provide wholesale, unbiased access to its network for the purposes of interconnection and infrastructure sharing
- ◆ Enabling number portability over fixed and mobile networks
- ◆ Considering the efficiency of licensing and spectrum fees
- ◆ Using holistic universal access and service strategies and financing mechanisms for both network expansion, connectivity for public institutions and the community as well as demand-stimulation measures, such as end-user subsidies.
- ◆ Promoting the development of innovative new technologies that enhance rural and remote coverage at lower cost

We recall and reconfirm the importance of such measures and incentives, as iterated in the GSR best practice guidelines from previous years.

ii. Further adapting and scoping incentives for delivering digital services

Building on the foundation of such widely-recognized practices, we furthermore call for recalibrating current regulatory paradigms for the digital markets of the future keeping in mind that the affordability of digital services depends on multiple factors related to their infrastructure, cost, resale and provision.

Governments and regulators should do more to address the affordability and use of digital services by promoting policies and regulatory measures to:

- ◆ Providing regulatory and policy incentives for investment in high-speed and high-capacity broadband networks
- ◆ Incentivizing competition among ICT and other sector players, which brings opportunities for innovation and price reduction in digital services
- ◆ Encourage co-investment and the co-location and shared use of infrastructure, where appropriate, including through active infrastructure sharing and national roaming arrangements and sharing with other public utilities that lead to cost reductions and reduce consumer prices
- ◆ Encourage the resale of mobile services by licensees, including MVNOs
- ◆ Promote cross-border regional mobile roaming agreements
- ◆ Encourage the conclusion of agreements establishing minimum technical conditions between licensees operating public telecommunication/ICT networks and on the determination of the interconnection tariffs based on a mutually-agreed calculation methodology
- ◆ Apply proportionate and transparent tariff regulation, preferably at the wholesale level, in markets where competition fails to produce satisfactory results in terms of affordability of digital services
- ◆ Avoid exclusive arrangements on pricing of end-user services, fostering fair and non-discriminatory tariff setting
- ◆ Facilitating the market entry and operation of online service providers
- ◆ Monitor and apply proportionate enforcement measures against any anti-competitive behavior in markets for digital services
- ◆ Promote fiscal, para-fiscal and related incentives to encourage operators to lower tariffs, including the elimination of customs duties on telecommunication/ICT equipment for infrastructure providers as well as on end-user terminals and devices
- ◆ Create an enabling environment for Cloud service providers by developing a set of policies that promote network security and data privacy protocols, thus enabling Cloud as a main delivery mechanism for digital services by all kinds of market players and SMEs in particular
- ◆ Where the use of government-owned datacenters is required, develop strategies to consolidate those as well as datacenter investment, hence reducing government spending while improving Cloud resource management amongst government agencies
- ◆ Define a public procurement policy for government agencies to adopt and use digital services as well as the underlying technological platforms, such as Cloud and mobile broadband

- ◆ Explore new policy formulas to address affordable access to digital services for the various target groups and communities and implement strategies for universal access irrespective of the demographics and location of users
- ◆ Adapt enforcement rules and regulations and ensure appropriate consumer redress mechanisms for digital services
- ◆ Promote the creation and wide availability of consumer-facing tools to enable consumers to find the most suitable service offers for them, plan for the cost of their usage of data services, check and report the quality of service and experience and find out about redress mechanisms or access a catalogue of type-approved devices.

iii. Next-generation incentives for affordable digital services

We believe it's important that today's fast-evolving markets – rich in innovative digital technologies, products and services – continue to thrive and grow.

We further reiterate that an open, collaborative approach to regulation can go a long way towards addressing affordability of digital services. Regulators from all sectors where digital services have become available need to cooperate proactively, in particular:

- ◆ Outreaching to fellow regulators from other sectors to put in place concrete mechanisms for formal or informal cooperation
 - ◆ Promoting the development of cross-cutting services such as e-commerce, e-finance and e-governance
 - ◆ Cooperating with academia in studying and anticipating regulatory challenges and designing policies to leverage on the rise of new technologies in the digital economy and society
 - ◆ Putting in place innovative, out-of-the-box measures to stimulate the adoption of services and the creation of locally-relevant apps and content, and to preserve local heritage.
 - ◆ Promoting digital skills for all, which are essential for the wide adoption and efficient use of digital services and apps.
 - ◆ Advocating widely for the benefits of new technologies in the digital economy and society
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