



Universal Service Obligation (USO) in Thailand

National Telecommunications Commission (NTC)

Agenda ...

- About the NTC
- USO Legal Framework
- USO Principle & Objectives
- Approach & Methodology
- Argument of Current Policy & Methodology
- Current Situation & Expected Outcome



Example picture of USO target



About the NTC

- An independent government agency
- In charge of regulating telecommunication business
- Directed by seven Commissioners appointed by the Senate for 6-year term

Laws & Regulations



Telecommunications Business Act 2001, Section 17

The Commission shall have the duty to administer the universal service obligation for basic telecommunications service and shall have the power to prescribe that the licensee shall provide the following telecommunications services:

- 1) telecommunications services in rural areas, or low rate of return areas, or any area where there is no or insufficient service providers or where there is insufficient supply of service to meet the user demand;
- 2) telecommunications services for educational institutions, religious institutions, medical institutions and other social assistance agencies;
- 3) certain nature or types of public telecommunications services for low-income person as prescribed by the Commission;
- 4) services facilitated by utilizing public telecommunications services for disabled, children, senior citizen and underprivileged people

Laws & Regulations (continued)



Telecommunications Business Act 2001, Section 18

In the case where the licensee is unable to provide the telecommunications services as prescribed by the Commission under Section 17, or in the case where it deems appropriate for the licensee to take part in the universal service obligation for basic telecommunications services, the Commission shall have the power to prescribe that such licensee shall allocate certain portion of his or her income from the supply of telecommunications service to the Telecommunications Development for Public Benefit Fund



Laws & Regulations (continued)

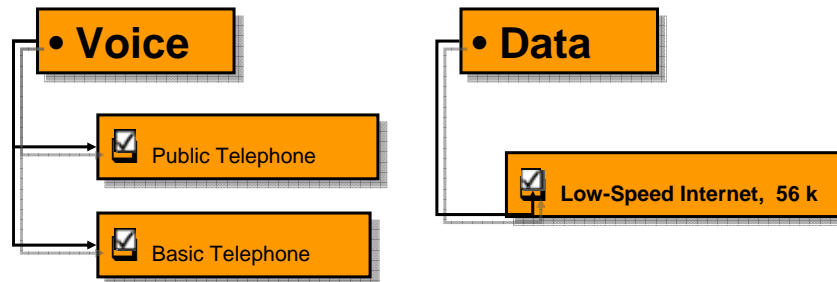
ACT ON THE ORGANISATIONS TO ASSIGN RADIO-FREQUENCY SPECTRUM AND TO REGULATE THE SOUND BROADCASTING, TELEVISION BROADCASTING AND TELECOMMUNICATION SERVICES, ACT 2000

Section 56: There **shall be a fund established** within the Office of the NTC called the “Telecommunications Development for Public Benefit Fund” with the **objectives** to be a revolving fund for **supporting** the overall operations of **telecommunications service for public benefit, the research and development in telecommunications, and human resource development in telecommunications.....**

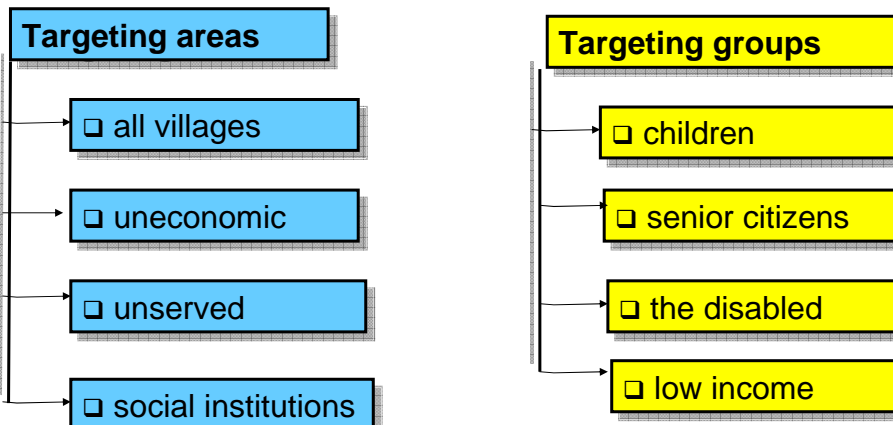
The Principle

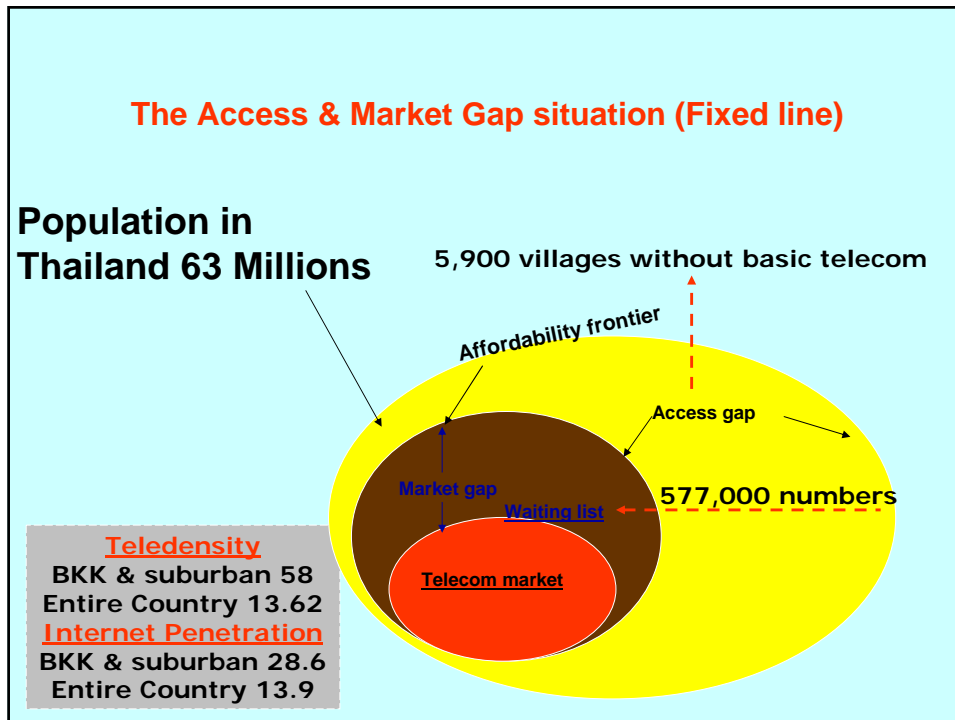
“refers to availability, non-discriminatory access and wide-spread affordability of telephone service. The level of universal service is statistically measured as the percentage of households with a telephone.”

Definition of basic telecom services



Scope of USO services



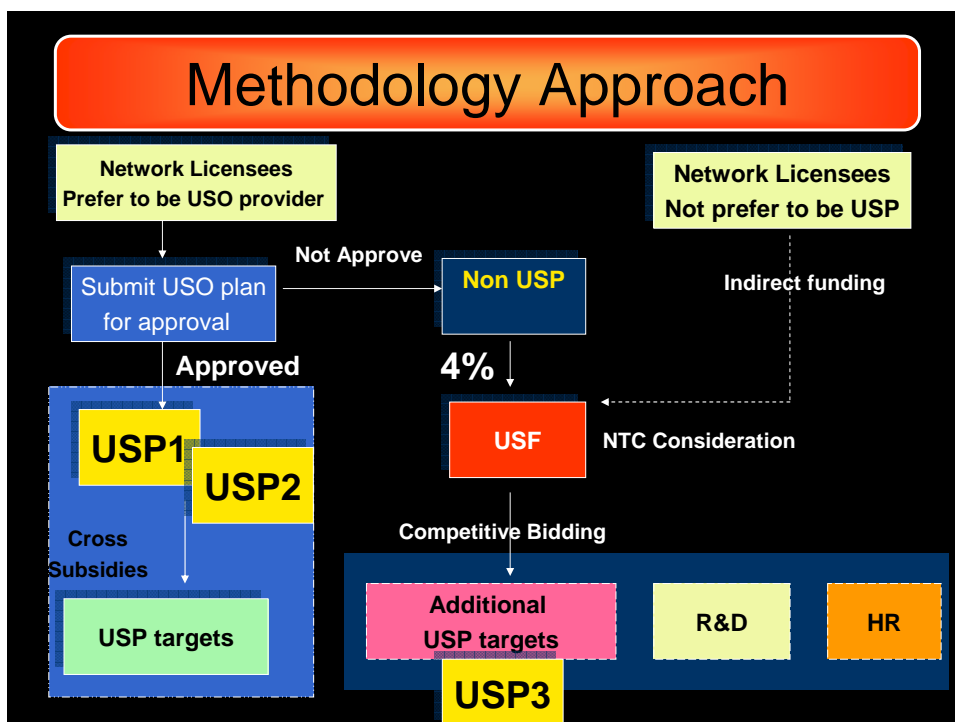


Implementation policy

- A licensee must provide at least 2 public telephones per village, totally, not over 6,000 villages for target areas within 30 months counting from the date of license issuance.
- A licensee must provide at least one of fixed wire or wireless telephone and public telephone within 24 months counting from the date of license issuance to educational institute, religious place, infirmary and the agencies which provide helps to societies
- Provide a free 30-minute phone card per person every month for disables, low income people and seniors who have registered with Ministry of Social Development and Human Security for 30 months counting from the date of license issuance.
- Provide at least 1 public telephone within 100 meters in radius for low income communities that submit a petition. The community must be 100 households or over. A universal service provider must preserve spare phone numbers with a maximum of 2,600 numbers.
- Provide public telephone and other necessary services for disables as required by act of disability B.C. 2544.

Approach & methodology

- Stipulating by law, all networking licensees obligated to provide the service
- Designated USO providers have to be responsible for all costs incurred from their investments
- Non-designated licensees have to contribute 4% of its revenue to universal service fund (USF)



Argument of Current Policy & Methodology

- Compare to the rate of 4% contribution might be too high for Telecom operators
- By adopting 2 options, the burden to provide USO should be equivalent but it is almost impossible to make it equally.
- Incumbent ,as state own enterprise in monopoly regime, requests huge amount of subsidy from USF due with inefficiency operation and lacking of accounting transparency (Existing USO project)

Current Situation & expected outcome

- Universal Service Obligations (USO) is one of the major tasks of the National Telecommunications Commission (NTC) as indicated in the Acts. Since August 2nd , 2005, the NTC has issued a Notification on the Criteria, Procedure and Conditions for Universal Service of Basic Telecommunications and Social Services, which states that all licensees (presently TOT and CAT Telecom) must have an obligation for universal service of Telecommunications.
- By the year 2009, as pursuing the intention of the notification's implementation plan, each village of 6,000 targeted villages in rural areas will have at least 2 public telephones and each targeted health center of 4,000 will have at least one fixed telephone and one public telephone.

