

Discussion of Technical Guidelines and Policy Recommendation

Mr. Arif Wismadi:

I believe more ideas will come up in this session. Anything that should be rephrased or elaborated?

Ok, I will open the floor. Anyone who would like to have other ideas for other policies? Maybe I should give each country a chance to contribute its idea?

Ok, could you please Cambodia, give input or comments?

Cambodia:

Ok. We are from Cambodia will just comment because we are still in the process of forming, formulating the policy, and we still have some challenges also in order to overcome the challenges because we are not in .. the tie up with the internal proceeding and also as the professor has mentioned that we have the problem of the maintaining the USO fund, and that we still...because of according to the constitution that all the revenue has to go to the Ministry of Finance so that we ..

But anyway we try to do some.. to have an independent fund so that we could devote that fund for the USO development. I think so. Thank you.

DPR:

Is there any specific policy that you would like us to highlight to suit the needs because you are at the moment of developing a policy, right?

Is there any specific policy you would like us to contribute.. a formulation of policy applied in your country. In this state, we are very much interested, because policy would ... with the term policy.. It's a very wide range... you could talk in the presentation I mentioned.. that if you talked about policy, you could talk about the policy making aspects, or you can talk about the various aspects in the policy, like, collection, storage, determining player/provider, ask policy on the monitoring and evaluation, technology choice, ownership,.. So it covers a very wide range of aspects.

And if you look at the.. er.. not just aspects but also the process.

We think it is very important that we understand what is your concern. So that your concerns can be put in the report first and maybe later we can identify the solution to the similar problems in other countries. So if you could be more specific on this policy and we would be able to identify them and try to respond to that in our report.

Mr. Arif Wismadi:

Ok, maybe you can respond later, because Prof. Sunyoto wants to add some discussion..

Prof. Sunyoto:

Thank you very much.

Well it is not easy actually to give suggestion especially because the implementation of the telecommunication project is not flying is not going in a vacuum space. It is influenced by many factors. so what I'm thinking is that maybe the implementation of the project would be clear is we have first legal aspects of the implementation of the project or the regulation that is able to put in the fix position especially if they have a sort of conflict of interest among the central government, the provincial government, district or city government, and also people of the local level.

Secondly, what we need, I think is the institution that is able to play roles in conducting the telecommunication project. so, who's supposed to be ... who's supposed to be responsible for the implementation, for example, and we also need... the thirdly, the human resources that is able to run the implementation of the project.

I think we cannot just give the implementation...give the local people to run the implementation. We also need funding to that is able to keep the sustainable project development. And the last, is monitoring and evaluation system in what we the implementation of the project should be evaluated.

I don't know how you put the principles that I have discussed but we have to give people in situation in condition that have security, certainty and safety. And that will base the community development.

Otherwise, they will find difficulty to do or to get the benefit of community development. Thank you

Mr. Arif Wismadi:

Pak Nyoto, could you please elaborate the scheme. Because you developed the scheme, perhaps you could give input.

Prof. Sunyoto:

It is actually in Indonesian context. so, the input should be clear what is the specification, the quality and the quantity.

Secondly, they have to have the context especially for regional autonomy because based on the regulation, the local government at the moment has an opportunity, has an authority to regulate almost all of things that implemented on the local level. Secondly, it is the supporting institution. So, maybe private sectors at the central level, regional level, and then local level are encourage to do participation at the implementation of the project.

NGO, also, I think. Like I mentioned in the morning, we may endorsed local government.. er.. no.. local organization for educating woman in IT, for example. then, we have to also consider the demand based on the social class, religion, ethnicity, ideology, based on the income class: upper, middle and lower class and also other social group feelings, that may growing up at the local level.

Especially in Indonesia, when we do have the reformation, everything can be criticized, everything can be put in new way, they constructed in their own interests, so this is the case that I assume that the implementation of the project is not able to do well.

Mr. Arif Wismadi:

Ok, I would like to summarize what the professor mentioned about the whole thing.

Actually, if we deal with USO the proposal is maybe we have to move from this part to this part. let me say it clearly... we found that in Malaysia, you are not focusing in providing the infrastructure, but also move from organizing regulatory performance to development performance. so, it is not the matter about conforming the regulation, but also is moving to providing service or developing performance, but I think in Thailand also, the eligible cost for USO maybe be not independent I mean only in the sector of infrastructure development, because you said HR development and community development, soon will be eligible for USO fund.

So actually it will be going to this way. for maybe more organizing dealing with regulation, law, whatsoever, and then so the money also only put in infrastructure and service. Now, there is a trend or policy trend, that is moved to more intersectoral and then also considering performance of development, not only fit to the regulation.

So now, we found that it's not only fit to the current regulation, therefore somehow, in many places like Indonesia, we have to wait for like 2 or 3 years to develop or to amend the regulation.

Therefore, the focus is servicing, but the regulation will follow, not vice versa. Focus on conforming regulation, and then so I think is happen in Ina, because even the law change, and maybe in Malaysia, the amendment also under preparation, also in Thailand, it also moved from sectoral to intersectoral. just an additional discussion on the policy.

Ok, so now goes to Malaysia, or maybe some additional information from Indonesia. I think .. ok, Malaysia, please..

Malaysia:

I think what you are referred to just now is the dual role of Malaysian regulatory in terms of first our regulatory role in line with our developmental policy to develop the industry.. so that's where we have such kind of migration from areas where we are asked to do things, to new activities which are consequential to the evolution of the industry service. Because the telecommunication industry is very fast very progressive.

Well, now that the issue come up from this policy issues does not look into some key performance objective that needs to be established prior to the amending the policy itself. one example be the evolution of the cellular telephony to understand why it has overtaken the trend of fixed services and where by the end-users were very much incline to take up the cellular and to leave behind the cellular services. so now, what I'm saying is that the development of the policy would have to be driven by the evolution of the technology it self but of course being the regulator, most of the time, it's hard to keep the technology neutral so now, a part from those issues that you have shared will think there is a need for certain objectives, a KPA for instance, on the target penetration that you accept to achieve within say 3 years prior to your amendment.

So likewise for Malaysia, we have set a goal that by 2008 we have reached a goal, for broadband 75% penetration across household, so that constitute driving factor itself to amend law.

And likewise for the fixed telephony, we kind of observe that the trend is declining, so we have to probably promote for more for wireless broadband instead of wired broadband. And the last thing is the cellular itself. That the cellular penetration should be focused to the area where the rural community it self is being deprived from the service.

Let's say, in the area that there is very low population, pocket population in itself, while comprised probably of several hundreds people, not having cellular telephony. So how do you go there, so how do you actually institute policy framework that would drive the service providers to the pocket area. So, the regulation will have to be living regulation. It has to follow the trend, but in the same time, we have to benchmark the trend along some penetration rate, so that has to be clear.

I mean I can ask around the countries what your expectation over the years because you have been doing the USO over the years is that any measures achieved to add here in the benchmark. Is it stated in the policy regulation? If not, then, well, we can continue doing the USO, but until when?

That is the question.

I mean, we have been trying to integrate the benchmark on the broadband penetration as well as on cellular penetration rate for the time being, we have been focusing on this two. So, over 3 years to come, there will be some benchmark of performance that we can cross-refer or call back to.

So, it's the case where the result are not forthcoming or the results does not reflect the requirement of reaching the objectives on penetration, then we have to amend, maybe drastically, the regulation. so, it has to be dynamic in a certain sense.

Mr. Arif Wismadi:

Pak Danang, do you want to comment?

DPR:

No I think, it's good suggestion.

It could be good if we have such a suggestion to put on our reports.

Mr. Arif Wismadi:

Ok, please, Myanmar.

Myanmar:

I'd like to express my.. my country have only one operator, Myanmar pos and telecommunication is the only operator.

Myanmar pos and telecommunication gives services for the telecommunication, communication, postel, and telegraph also. so, regulator and operator is also under the one ministry. our ministry is the ministry of telecommunication, pos and telegraph. so, our country have no problem to do the rural telecommunication services. so, in this case, I have no more suggestion for this condition,.. according to you, the discussion suggestion I will follow up also.

Thank you.

Mr. Arif Wismadi:

Thank you, so we go next. Ok, please now, Philippines, would you please.

DPR:

Before, I'd like to have clarification to Myanmar...

You're having this one operator only. But to relate to the earlier comment from Malaysia that we have to relate with the nature of the business and the compliance to the target for the USO implementation.

Do you also have a target set for Myanmar? How the business would relate to the target achievement of USO implementation.

Mr. Arif Wismadi:

Ok, please Philippines.

Philippines:

Based on the Philippines experience, I have mentioned yesterday about USO initiatives you have. So we have the existing law, the executive order no 109 that was issued by the president and the republic act 7925 which was telecommunication act of the Philippines which was enacted by the congress.

So, the dilemma the services had mentioned in this is basically the basic telephone service. However, because of the policy on being the technology neutral, when we say the basic telephone service, it is not limited to the fixed line, so, the operators or the

participants in the USO may use other technology in providing the services. So, they may use the wireless local loop or other technology.

They are necessary or economical in providing the service. And then now, since we think that there is a need to review the policy because...since the USO was based on the basic telephone service, we might be tight to this kind of services and during the initial implementation; the area has been assigned to the participants, the previous participants. So, they have been there when the law was promulgated, so they were the first who participated in the USO. So, they were able to get the areas, the Philippines was divided into eleven service areas but the problem is well these companies...well the period of the implementation are already over for the first company.

But what would happen for the new entrance? If we have now granted authorization to 3G, and being cellular is still within the scope.. is still within the scope of the cellular or mobile operator.

They are still required to provide the minimum number of lines. So, where are we going to put them now? so, what we are doing, there an ongoing review on the policy for the USO. so, its not yet over. So, we are still in the process. What even then.. Since we are already going to broad band, are we have been able to issue.. We are as regulator, we are the implementer of the policy, so, the policy, we are given the policy and we formulate the implementing rules and regulation.

But even, with this kind of limitation, NTC has issued the memorandum circular or within the scope of the policy, so we are able to issue implementing guidelines to encourage broadband. This is already outside the event if this is outside the USO, I think it is the trend and one of the priority areas of the government. We have issued the memorandum circulars and we have already assigned frequency...open up frequency for the broadband wireless access. So even if the policy or the law making process would take time, there could be some remedies to do it within the scope of the law or the policy. So that is the experience of the Philippines.

Mr. Arif Wismadi:

Ok. Thank you, so we move to Thailand. Please.

Thailand:

Okay, I will talk about the regulator telecommunication in Thailand in the telecommunication, the national telecommunication commission.

Making a process in USO by set the target areas in two parts. One part is a 3000 villages in Thailand and 4000 health centers in Thailand is answer telephone. and the part of human is low income earner, disable and underprivileged person. and the type we serve are public telephone, fixed line, phone card, and number for organizations. and is the main idea for the USO now, but in the future, the entity may be the opinion for the person from the operator to share ideas for do the USO in the future, I think the technology is will update in the future.

Thank you.

Mr. Arif Wismadi:

Ok, thank you. we are moving to Vietnam. please

Vietnam:

Thank you.

In Vietnam for the support Universal telecom service, Vietnam set up some legal document system to develop universal service. For the telephone service, legal document is an Vietnam national assembly issues the ordinant pos and telematic in

2002. and then Vietnam come issues the government decree 2003 to implementing the ordinance and 2004 prime minister issues to set up the organization for implementing the universal telecom service with name Vietnam public utility telecommunication service fund and other name VTF. VTF has the function to support the implementation of the policy of the provision of universal telecommunication service on through in Vietnam.

Thank you.

Mr. Arif Wismadi:

Then, I think I have to ask Ibu Mima. Maybe you have a preview on something that we have to make a consideration in terms of policy recommendation. Perhaps. Please.

ASEAN Secretariat:

Well, I think I will leave that to the participants who are the experts to this field. Thank you.

DPR:

I think only to conclude because that what we expect from you to contribute in this session, to identify some of the policies area that we need to address in more detail and I believe that I've already taken the suggestion from Cambodia, Malaysia, Myanmar, Philippines, Thailand, and Vietnam and I hope that by the time that we produce our reports this will be covered and I believe..

ASEAN Secretariat:

That one is proposed in Thailand but also there is a discussion whether it is will going to be hosted by the ASEAN Secretariat or not so ...

Mr. Arif Wismadi:

Thank you. And I think some clarification on reports mechanism has already been discussed and we hope that we can work on time to all these steps. perhaps any other material from the Asean representative want to say something maybe..

Prof. Sunyoto:

Just wondering whether there will be newsletter to develop networking among us.

Mr. Arif Wismadi:

I think it is relevant with the previous discussion about the possible website or mailing list that is officially managed by the Asean secretariat, maybe. if there's any plot or it's been already there. yes please

Indonesia:

Maybe ... this is my suggestion, because I know that PUSTRAL has the website for the tau project so maybe beside Asean, we can put also the information in PUSTRAL website for information progress.

Mr. Arif Wismadi:

Thank you. I think we have a website, but I think if we have an official website or at least link added to the Asean Secretariat's, so the door is in the Asean Secretariat.

ASEAN Secretariat:

In the Asean secretariat website, we can upload the press release parts. On Monday I can upload the press release on our website.