

Asia Universal Service Fund : A Proposal

by

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Global Information Society

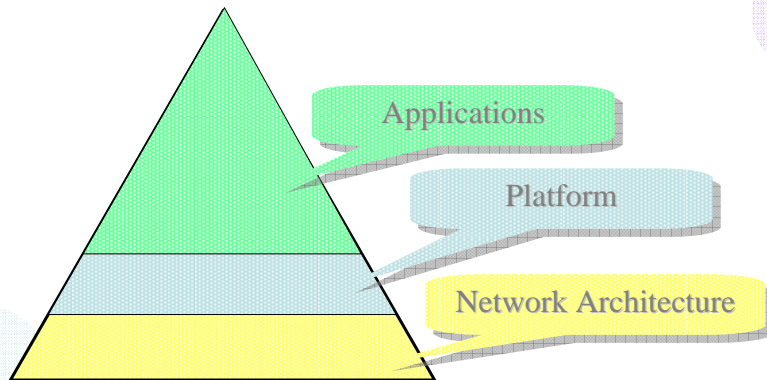
■ Technology

- From ICT revolution to ubiquitous computing
- Transmission speed from megabits, gigabits to googabits per second

■ A great migration toward the digital continent

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Network Social Infrastructure



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Architecture

Accessibility

- Choice of technology
- ✓ wired
- ✓ wireless
- ✓ keitai (mobile)
- Investment

Affordability

- Government subsidy
- Regulated tariff
- Facility-based competition
- Universal service fund

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Platform

Accessibility

- Development
- Standards
- Security, privacy, decency
- Harmonization of tax, settlement, regulation, intellectual property

Affordability

- Nexus technology
- Nexus institution
- “Lock-in” effect avoided

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Applications

Accessibility

- Computer literacy
- Deregulation
- Cultural impediments
- Cyber society convention

Affordability

- Competitive industry
- Fair-use copyright

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Increasing Accessibility

- Evolving notion of universal service
 - Physical connectivity
 - Active participation
- Digital empowerment
 - Transfer of property rights: a revolution
 - Economic, political and social inclusion

Increasing Accessibility

- Competition and viable infrastructure development: a trade-off?
 - Facility-based competition
 - Auctioning frequency band
 - Old public utility dilemma

Increasing Accessibility

- Global universal service fund needed
 - Expand the basic concept of universal service fund in US and Japan
 - Affordable accessibility
 - Platform standards
 - Information literacy

Affordability

- Choice of infrastructure
 - Wired technology
 - Wireless infrastructure
- Pricing strategy
 - Internet subsidy
 - Strategic introduction price, or predatory pricing

Affordability

- Government subsidy and WTO principle
 - Cost incentive, subsidy on investment and R&D
 - Flying geese or leap-frog
 - Infants that grow too fast

- Affordability for whom ?
 - 20% of population; a rule of thumb
 - Make room for those who refuse to ride on

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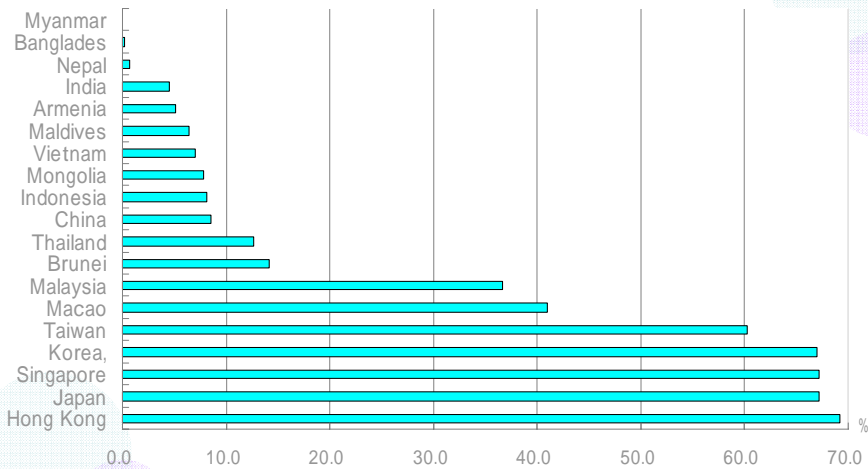
Internet Penetration in Asia

Region	Population	Internet Users	Penetration %
Total for Asia	3,667,774,066	364,270,713	9.9
Rest of the World	2,831,922,994	653,786,676	23.1
World Total	6,499,697,060	1,018,057,389	15.7

“Asia Internet Usage and Population Statistics in 2005”
<http://www.internetworldstats.com> December 2005

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Asian Countries and Regions



Universal Service Fund: US Version

- To provide access to telecommunications services to all Americans at reasonable rates:
 - Rural or high cost areas
 - Low-income consumers
 - Rural health care facilities
 - Schools and libraries

Universal Service Fund: U.S. Version

- Managed by Universal Service Administrative Company
- Contributions collected from 2,500 service providers at 9.2% of long distance revenues.
- High cost support is received by companies and passed over to consumers.
- Low income support must be applied by customers.

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Universal Service Fund: Japanese Version

- Ministerial ordinance was promulgated in June 2004.
- Universal service carrier, NTT-West and NTT-East, are eligible for disbursement.
- Access carriers are billed for contributions.
- Covers only the local access and local telephone services in high cost areas.
- Will be administered by Telecom Carriers Association.

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Asia Universal Service Fund : A Proposal

- Towards digital empowerment of Asia.
- Promote ICT deployment in high cost area and low income area.
- Treaty for basic ICT cooperation.

Asia Universal Service Fund : A Proposal

- Service providers and telecom carriers are billed.
- Build accessible and affordable internet connection.
- Cross border subsidies and dues.
- Administered by “Asia Universal Service Administrative Corporation”.

For more discussion, please see

Toshihiko Hayashi,

“Fostering globally accessible and affordable
ICTs”,

International Telecommunication Union, 2003.

Downloadable from the web site

<http://www.itu.int/osg/spu/visions/papers/accesspaper.pdf>

Thank you.