

**CONSULTATION DOCUMENT**

**Recommendation of the Eastern Caribbean Telecommunications Authority  
("ECTEL")**

**To the National Telecommunications Regulatory Commission to consult  
on**

**Universal Service Fund**

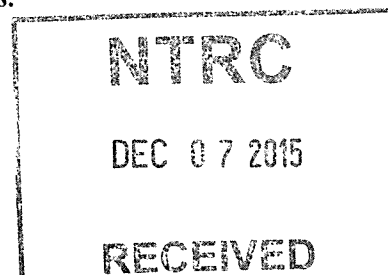
**Consultation Document  
/NO.**

**December 4, 2015**

1. The National Telecommunications Regulatory Commission is in receipt of a submission from ECTEL containing ECTEL's recommendation for *Proposed changes to the Universal Service Fund in the ECTEL Member States*.
2. A copy of the Draft Recommendation is attached to this Consultative Document.
3. The initial comments period will run from **December 10, 2015 to January 8, 2016**
4. The Comment on Comments period will run from **January 13 to January 28, 2016**.
5. Following the Reply Comments period, ECTEL's Directorate will revise and submit the Final Recommendation to the NTRCs. The Directorate will also make the necessary adjustments to the USF Regulations and Guidelines for adoption in the ECTEL Member States.
6. All responses to this Consultative Document should be written and sent by e-mail to: -  
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**Disclaimer**

*This consultative document does not constitute legal, commercial or technical advice. The consultation is without prejudice to the legal position of ECTEL's duties to provide advice and recommendations to the Ministers with responsibility for telecommunications and the National Telecommunications Regulatory Commissions.*



## **Suggested Guidelines for Responses to Consultations**

In order to promote faster processing of views expressed and to reduce administrative lags in ECTEL's public consultation processes, ECTEL hereby recommends that parties desirous of making contributions to the attached consultation follow the procedures outlined below. ECTEL would therefore be grateful if commenting parties could please observe these guidelines where possible.

- 1) Responses to consultations should be clearly labeled as a response to the particular ECTEL consultation and correctly referenced by title.
- 2) Documents should contain; the Name of Party/Licensee/NTRC commenting, address and telephone, fax number and email contacts of commentary author or corporate officer(s) responsible for document. This information will enable ECTEL to clarify any comments where necessary, or to facilitate follow-up dialog by ECTEL where required.
- 3) Commenting parties should avoid making comments in the form of tracked changes to consultation documents.
- 4) Where possible, comment documents should be submitted in PDF format.
- 5) Where possible, parties should make explicit reference to academic articles, legislative provisions in other jurisdictions, or other sources relied on, and should provide copies of these together with comments. Accurate citations of resources relied on will suffice if copies cannot be provided.
- 6) Where parties are commenting on specific provisions of legal language, alternative language should be proposed where possible. Such language should be appropriately highlighted and double spaced. Parties should avoid proposing alternative language in tracked changes to the consultation document.

ECTEL is grateful to those parties adopting the recommended guidelines for submitting comments.

**Eastern Caribbean Telecommunication Authority**

**Proposed changes to the Universal Service  
Fund in the ECTEL Member States**

**Consultation Paper**

**December 4, 2015**

## **1 Introduction or Background**

In the ECTEL Member States of Commonwealth of Dominica, Grenada, St. Christopher and Nevis, Saint Lucia and St. Vincent and the Grenadines the Universal Service Funds (USF) were established under the Telecommunications Act (the Act) which is supplemented by the Telecommunications (Universal Service Fund) Regulations (USF Regulations) and the Universal Service Guidelines. The USF in every ECTEL Member State is administered by the National Telecommunications Regulatory Commission (NTRC). As part of its responsibility under the Act and USF Regulations, the NTRC collects and disburses monies from the USF and makes decisions with respect to the USF.

The NTRC according to the Act can use the USF to compensate telecommunications providers that provide or promote universal service. Licensed telecommunications service providers make contributions to the USF as determined by USF Contribution Order.

## **2 Purpose of the Consultation**

The NTRC is desirous of revising the provisions relating to the USF. Therefore, this consultation paper seeks to solicit comments on the proposed changes to the USF in the ECTEL Member States. This paper highlights the regulatory issues relating to the USF, taking into account best regulatory practices for USF and proposes approaches that may be implemented.

### **ACTION REQUIRED BY COMMENTATORS**

**Commentators are asked to indicate via “YES” or “NO” replies, whether they agree with each of ECTEL’s recommendations listed in the following sections, and to provide reasons for their views on each recommendation.**

### 3 Main Recommendations

The key eighteen recommendations made by ECTEL are as follows:

- (i) *ECTEL recommends that the definition or scope of universal service is redefined to include the provision of access devices to users, and the provision of ancillary services (security, training), infrastructure equipment (a/c, generator, electricity, UPS) that is relevant to the USF project.*
- (ii) *ECTEL recommends a change of philosophy and mandate of Universal Service to include promotion and adoption of service.*
- (iii) *ECTEL recommends that the scope of the USF is to ensure that all citizens and public institutions are afforded opportunity to provide and receive information knowledge and services via ICTs that will improve efficiency, productivity and safety of our economies via publicly tendered projects.*
- (iv) *ECTEL recommends a name change to Universal Service and Access Fund in accordance with the proposed increase in scope.*
- (v) *ECTEL recommends the following definition of under-served –*  
  
*“under-served” means any area –*
  - (a) *where the penetration rate for broadband subscribers in [ECTEL Member State] is below the national penetration rate;*
  - (b) *with a population density of eighty persons per square kilometer or less, and where public cellular services are not available.*
- (vi) *ECTEL recommends the use of licensing or regulatory provisions to encourage uptake of broadband services.*

- (vii) *ECTEL recommends that audited financial statements are submitted by providers or contributors to the Fund.*
- (viii) *ECTEL recommends the imposition of a penalty for non-contribution to the USF.*
- (ix) *ECTEL recommends the establishment of a reserve fund for contingencies and if agreed the making of rules for use of the reserve fund.*
- (x) *ECTEL recommends the establishment of regional USF to cover cross-border activities.*
- (xi) *ECTEL recommends that the administrative budget could be used for market surveys, studies or consultancies in support of USF projects.*
- (xii) *ECTEL recommends a change in the maximum proportion of the USF that can be used for fund administration from 10% to 15% of USF contributions to allow for the additional activities to be funded by the administrative budget.*
- (xiii) *ECTEL recommends the use of the USF for the provision of grant funds for ICT entrepreneurial start-ups. Total grant funds not to exceed 10 per cent of annual USF project budget.*
- (xiv) *ECTEL recommends funding of content projects and educational projects (development of course content, etc).*
- (xv) *ECTEL recommends that the process for determining the scope and nature of projects that may be eligible for USF support in any given financial year be included in the USF Regulations rather than in Guidelines.*
- (xvi) *ECTEL recommends changing bidding eligibility to -*
  - (a) *include in the definition a person as opposed to limiting to telecoms service provider;*

- (b) *identify components of project that would be open to persons who were not telecoms service providers;*
- (c) *divide project into lots – telecoms service providers could bid on all lots and non-providers would be restricted to bid only on some lots.*
- (xvii) *ECTEL recommends a change in the USF contribution to allow for the funding of additional USF eligible projects and to provide an incentive for increased USF implementation rates.*
- (xviii) *ECTEL recommends an amendment to the USF Contribution Order. ECTEL proposes a minimum contribution of 1% for telecom service providers with a mechanism to increase annual contributions by providers to up to 2% over a four-year period based on the utilization of the funds for eligible USF projects.*

## **4 Issues for Consultation**

### **Chapter 1: Universal Service Issues**

- 1.1 Universal service is described in the USF Regulations as the inclusion of the provision of –
- (a) public voice telephony;
  - (b) internet access;
  - (c) telecommunications service to schools, hospitals and similar institutions, and the physically challenged; or
  - (d) other service by which people access efficient, affordable and modern telecommunications.

Essentially the USF Regulations recognizes as universal service telephones, internet access and telecommunications service

provided to educational and health care facilities to persons with physical disabilities. It also covers additional services through which citizens has access to efficient, reasonably priced and new telecommunications.

- 1.2 The International Telecommunications Union (ITU) has defined universal service to denote that all homes or persons in a country have the chance for receiving telephone service. The three central issues applicable to universal service are availability, accessibility and affordability. The requirement for availability is that the service is obtainable in an entire geographic area and particularly in occupied parts of a country through unrestricted, community, common or personal devices. Accessibility requires that all residents are capable of using the service, despite location, sex, disability or additional characteristics. In relation to affordability the service has to be reasonably priced for all citizens as it relates to incomes, general cost levels that sequentially rely on prices, profits and other features, such as value arrangement and packaging, payment schemes and credit management.
- 1.3 In addition, ITU has recommended that the focus should shift from universal service to universal access because universal service today is not a single concept but a multiple theory consisting of national exposure, unbiased access and extensive affordability. Consideration of universal access would mean that every person in an area can get access to electronic communications services, although not necessarily in their homes.
- 1.4 An efficient and successful USF is achieved through a legal and regulatory framework that is technology neutral in that it should include elements of the new information communication technologies. Especially since new services are being offered, such as data and internet oriented services that no longer concentrates primarily on voice services.
  - (i) *ECTEL recommends that the definition or scope of universal service is redefined to include the provision of access devices to users, and the provision of ancillary services (security, training), infrastructure equipment (a/c, generator, electricity, UPS) that is relevant to the USF project.*



- (ii) *ECTEL recommends a change of philosophy and mandate of Universal Service to include promotion and adoption of service.*
- (iii) *ECTEL recommends that the scope of the USF is to ensure that all citizens and public institutions are afforded opportunity to provide and receive information knowledge and services via ICTs that will improve efficiency, productivity and safety of our economies via publicly tendered projects.*

## **Chapter 2: Universal Service Fund Issues**

2.1 An extension in the scope of universal service to cover universal access would have the effect of extending the purpose of the USF. No longer would the USF focus entirely on universal service. As such, there would be a need to change the name of the USF to include universal access.

2.2 The Telecommunications Act of each ECTEL Member State establishes the USF. It provides a pecuniary incentive for telecommunications providers to offer universal service. One of the purposes of the Fund according to the USF Regulations is to –

“encourage efficient access to and use of telecommunication networks and services throughout [ECTEL Member State], with special focus on rural, under-served and maritime areas, with a goal to help promote social, educational and economic development”.

However, the USF Regulations does not define the word under-served.

2.3 The necessity for defining under-served was emphasized by a panel of experts who informed the United States Congressional Committee in 2009 relating to the Broadband Technology Opportunities Program at the time. In response, it was suggested that under-served should take into account areas with low available broadband speed as well as availability to the rich, poor, rural or urban areas, disabled, small business, senior citizen and high school student.

2.4 In an effort to receive public opinion on the definition of under-served, the United States National Telecommunications and Information Administration (NITA) held a public session. The views presented to the Congressional Committee where echoed with an additional observation that under-served should not only be about geography but is also about access to the technology and the service. In reply, the Iowa Telecommunications Association stated that under-served should be defined as an area lacking access to broadband at or above a downstream transmission speed threshold and an upstream transmission speed threshold. The Association further suggested that the definition should be driven by future services and applications.

2.5 The task of defining under-served was also attempted in Malaysia where a leading telecommunication company, Digi, employed the definition created by the Suruhanjaya Komikasi dan Multimedia Malaysia as follows:

“Underserved area means any area –

- (a) where the penetration rate for broadband subscribers in Malaysia is below the national broadband penetration rate or where broadband access is insufficient;
- (b) where a population density of 80 persons per square kilometer or less, and where public cellular services are not sufficiently available.”

2.6 Another issue which arises is the persons who contribute to the USF. Under the USF Regulations, telecommunication providers are mandated to contribute to the USF. However, the move to expand the aims of the Fund to deal with the facilitation and coordination of ICTs will increase the players in the ICT financing space. As such, infrastructure will consist of wholesale transmission and broadband networks.

2.7 This new regime will require additional requirements in relation to the collection of the USF contributions. In Trinidad and Tobago the following general guidelines exist for the collection of USF contributions:

- (a) Service providers are required to submit an audited financial statement within six months after the end of their financial year;

- (b) Within twenty-eight days of receipt of the audited financial statement an invoice is issued to the service provider setting out the amount of the contribution to be paid to the USF;
  - (c) Service providers should be required to make the necessary contribution within twenty-eight days upon submission of the invoice.
- 2.8 For a USF to work effectively legal requirements must be in place to allow easy adjustments of contributions and to reprimand telecommunication providers who fail to pay such contribution. This can be further achieved by periodical review of the USF Regulations. The Telecommunications Act and the USF Regulations have no such provision.
- 2.9 It has been recognized that different methods of accomplishing universal service objectives can be more useful than USFs. One option which has increased availability of telecommunications services is the imposition of licence conditions on telecommunication providers.
- 2.10 The establishment of new funds separate from the existing USF, or private/public partnerships also achieves the aims of universal service. This may take the form of a reserve fund or a regional fund.
- 2.11 A reserve fund is basically a contingency fund in which money is saved to provide for unanticipated debts which are outside the range of the normal working budget. The setting up of a reserve fund requires definition of the terms of use for the reserve money placed into the fund.
- 2.12 At the 4<sup>th</sup> Global Symposium for Regulations in 2003, it was stated that if there is political support at the highest level which acknowledges the need for ICTs as an instrument of advancement, universal service could be strengthened. The setting up of a regional Fund would make it easier to focus on cross border issues in the ECTEL Member States. However, the tasks, objectives and the organization of the Fund have to be developed under a regional structure under the Treaty establishing the Eastern Caribbean Telecommunications Authority.
- (iv) *ECTEL recommends a change name to Universal Service and Access Fund in accordance with the proposed increase in scope.*

- (v) *ECTEL recommends the following definition of under-served –*
- “under-served” means any area –*
- (a) *where the penetration rate for broadband subscribers in [ECTEL Member State] is below the national broadband penetration rate;*
  - (b) *with a population density of eighty persons per square kilometer or less, and where public cellular services are not available.”*
- (vi) *ECTEL recommends the use of licensing or regulatory provisions to encourage uptake of broadband services.*
- (vii) *ECTEL recommends that audited financial statements are submitted by providers or contributors to the Fund to the USF.*
- (viii) *ECTEL recommends the imposition of a penalty for non-contribution to the USF.*
- (ix) *ECTEL recommends the establishment of a reserve fund for contingencies and if agreed the making of rules for use of the reserve fund.*
- (x) *ECTEL recommends the establishment of regional USF to cover cross-border activities.*

### **Chapter 3: Accounting Requirements Issues**

- 3.1 The NTRCs of ECTEL Member States is mandated to prepare and keep separate budgets for Fund Projects and Operations through accounting allocations under the USF Regulations of ECTEL Member States.
- 3.2 The USF Regulations of ECTEL Member States also provide for the operating budget of the USF to be used for operating the fund and the administrative expenses to be charged to the Fund but not in excess of 10% of the annual budget of the USF.

3.3 According to the USF Regulations the Fund Project Budget must be allocated to Fund Projects that have been selected and approved for in financing under the Regulations.

- (xi) *ECTEL recommends that the administrative budget could be used for market surveys, studies or consultancies in support of USF projects.*
- (xii) *ECTEL recommends a change in the maximum proportion of the USF that can be used for fund administration from 10% to 15% of USF contributions to allow for the additional activities to be funded by the administrative budget.*
- (xiii) *ECTEL recommends the use of the USF for the provision of grant funds for ICT entrepreneurial start-ups. Total grant funds not to exceed 10 per cent of annual USF project budget.*

#### **Chapter 4: Fund Projects Issues**

4.1 The definition of fund projects is stipulated in the USF Regulations. Therefore, the NTRC must establish the criteria in accordance with Guidelines for determining the scope and nature of projects that may be eligible for USF support in any given financial year. The NTRC is also empowered under the USF Regulations to determine using clear and transparent procedures, including public consultation, which proposed projects will receive financial support from the Fund in any given financial year.

4.3 The provisions in the USF Regulations as it relates to fund project is not transparent. The provisions depend on the making of guidelines by the NTRC. In order to make the USF more efficient it is important that the projects eligible for USF support be specified in the USF Regulations.

- (xiv) *ECTEL recommends funding of content projects and educational projects (development of course content, etc).*

- (xv) *ECTEL recommends that the process for determining the scope and nature of projects that may be eligible for USF support in any given financial year be included in the USF Regulations rather than in Guidelines.*

## **Chapter 5: Procurement Issues**

5.1 According to the USF Regulations only a telecommunications provider is eligible to bid for any Fund Project. However, globally, the state owned entities, new entrants and non-licensed companies are eligible bidders. Including persons other than provides to bid will allow for a more competitive bidding process and will also allow for the proper execution of projects where current providers do not have the capacity or necessary skilled personnel to execute all components of a project.

(xvi) *ECTEL recommends changing bidding eligibility to -*

- (d) *include in the definition a person as opposed to limiting to telecoms service provider;*
- (e) *identify components of project that would be open to persons who were not telecoms service providers;*
- (f) *divide project into lots – telecoms service providers could bid on all lots and non-providers would be restricted to bid only on some lots.*

## **Chapter 6: USF Contribution**

6.1 For the USF to be effective and successful, it should at least have the following basic elements and characteristics:

- Allow use of funds for targeted ancillary/complementary ICT related activities understanding that the government's digital agenda should be a priority;

- Clearly specified and measurable objectives including coverage and service delivery targets;
- And importantly, the ability to adjust contributions to match the funding required to meet assessed needs.

6.2 It is therefore being proposed that the USF contribution rate be increased from 1% to 2% of gross revenue on a tiered basis. The proposed increase will be implemented in a manner to ensure the efficient use of the USF, and to provide additional funding to the USF where the current contribution level is insufficient to meet the needs of the USF. A brief review of USFs in ECTEL Member States and a table from the GSMA USF Final Report 2003 indicating the contribution rate in Africa, Asia Pacific and Latin America in Annex 1 and Annex 2, respectively, present more details on the reasons for increasing the contribution.

6.3 The proposed contribution to the USF is as follows:

- All eligible licensed telecoms operators will be required to contribute a minimum of 1% of annual revenue to the USF
- If in any year the USF implementation rate is greater than or equal to 85% in the next year the USF may increase the contribution rate by 25 basis points up to a maximum contribution rate of 2%.
- The USF must publish the calculation of its implementation rate providing the justification on a proposed increase in the annual contribution rate.
- If the contribution rate is at 2% and the implementation rate is greater than or equal to 85% a public consultation review of the USF contributions in the ECTEL Member States must be undertaken.

6.4 This proposal is expected to reward USFs that make effective use of funds, to provide eligible telecoms and ICT and related services, and act as an incentive for other USFs to speed up their implementation. A detailed example of how the implementation rate that could trigger an increase in the USF contribution rate is to be determined in presented in Annex 1.

*(xvii) ECTEL recommends a change in the USF contribution to allow for the funding of additional USF eligible projects and to provide an incentive for increased USF implementation rates.*

*(xviii) ECTEL recommends an amendment to the USF Contribution Order. ECTEL proposes a minimum contribution of 1% for telecom service providers with a mechanism to increase annual contributions by providers to up to 2% over a four-year period based on the utilization of the funds for eligible USF projects.*

## **Chapter 7: Review of Universal Service Regulations**

7.1 It is proposed that the Universal Service Regulations include a clause indicating that the Regulations should be reviewed at least ever 5 years and sooner if there is a significant change in the market.

### **Request for Comments**

ECTEL invites comments from interested parties on any aspect of the proposals in this Consultation Paper.



## **Annex 1**

### **Universal Service Fund (USF) in the ECTEL Member States**

#### **1.0 Introduction**

The underlying concept of Universal Service is to ensure that telecommunications services are accessible to the widest number of persons (and communities) at affordable prices. This concept is underpinned by the three following principles: availability, affordability and accessibility. As an incentive to encourage operators to assist the administrations in achieving their universal service goals, a specific universal service funding mechanism was designed.

USFs are funded in the ECTEL Member States via a contribution mechanism from telecommunications service providers/operators. The operator contributions are in the form of a levy based on a percentage of annual operating revenues (0.25% in first year, 0.5% in second year, and 1% of Gross Revenues from third year throughout the duration of the licence).

The Fund is then used to compensate any telecommunication provider who has been successful in winning a contract to deliver a universal service project. USF projects aim to:

1. Encourage efficient access to and use of telecommunications networks and services, with special focus on rural, under served and maritime areas.
2. Ensure the reasonable availability and affordability of basic and advance telecommunication services to areas that may not be financially viable on market terms as well as to the physically challenged, elderly, and indigent communities.
3. Provide support for the introduction and expansion of telecommunication services to schools, health facilities and other organizations serving public needs.
4. And to promote technological innovation in the telecommunications sector.

## 2.0 Implementation Rate for USF's in the ECTEL Member States

The table 1 below is used for **illustrative purposes** and estimates the implementation rates for the USFs for the 2014 fiscal year.

**Table 1: Implementation rates for fiscal year 2014**

	DOM	GND	SKN	SLU	SVG
(1) Total Funds collected	\$4,109,000	\$8,019,872	\$4,199,577	\$9,143,460	\$7,620,502
(2) Total Funds Disbursed on projects	\$616,000	\$41,300	\$651,111	\$385,432	\$5,835,176
(3) Total Funds Committed on current or new projects	\$1,700,000	\$1,319,465	\$1,585,677	\$2,365,244	\$1,780,710
(4) Total Funds Available for future projects	\$1,793,000	\$6,659,107	\$1,962,789	\$6,392,784	\$4,616
Implementation Rate	56%	17%	53%	30%	100%

Source: ECTEL/NTRCs

### Notes and Definitions

**Total Funds collected** – funds collected by the USF up to fiscal year 2014

**Total Funds Disbursed on projects** – funds paid out to telecommunications providers to execute universal service projects up to fiscal year 2014

**Total Funds Committed on current or new projects** – funds committed for universal service projects with future or recurrent payments and funds for projects where the procurement process is substantively completed but the award or disbursements have not yet been made.

**Note:** In the case of USF St. Vincent and the Grenadines there are a number of projects with recurrent future payments, the USF estimates future commitments for 2015 -2019 of \$7, 122, 838 or approximately \$1,780,710 annually.

**Total Funds Available for future projects** – this is equal to funds collected less funds disbursed and funds committed.

**Implementation rate** = (Total Funds Disbursed on projects + Total Funds Committed on current or new projects) / Total Funds collected

### **3.0 Rational for Increase in USF Contribution**

The table above highlights varied activity and implementation rates in the Member States. Using the criteria proposed, only the USF St. Vincent and the Grenadines would be eligible to request an increase in the USF contribution from telecommunications providers. The USF in St. Vincent and the Grenadines has implemented a number of projects to address the connectivity gaps at the community level, with installation of free wireless internet at numerous public institutions and community centers. However gaps at the household and individual level still exist. According to 2012 Census data, 33 per cent of households in St. Vincent and the Grenadines had an internet connection and 31 per cent of individuals had access to the internet. Two years on, ECTEL's 2014 ICT survey put the household number at 37 per cent and individual access to the internet at 47 per cent; advances attributable in part to the work of the USF. In addition, the majority of the ICT content used in St. Vincent and the Grenadines is imported and as such there may be an urgent need for increase scope of the Fund to target more local content development and ICT training initiatives. The current disbursement plans for the USF St. Vincent and the Grenadines indicates that the implementation of new projects and other aspirations, essential for the development of ICT, would be significantly hampered without an increase in the current rate of contribution to the USF by telecommunications providers. Hence the recommendation from ECTEL that the current contribution Order be amended to be more responsive to the needs of USFs.

Gap analyses conducted through surveys in Commonwealth of Dominica, Grenada and Saint Lucia also highlighted gaps in the ICT sector, especially in the area of broadband internet accessibility. Fund administrators will always have the task of determining which and how many projects to give priority to in terms of commitment, cognizant of their obvious constraints. Presently, some Fund administrators are of the opinion that the contributions are inadequate, because the needs in 2015 are far greater and different from the needs during the period 2000 – 2005. Technological changes dictate new conditions and requirements and failure to respond would severely hamper the usefulness of the Funds with regards to serving the needs of the un-served and underserved.

The benefits of broadband are immense and cannot be overstated because of the social and economical benefits it brings to any society. We are mindful that the beneficiaries of USF are persons who live in often remote and difficult to serve areas. Many of these persons are the poor and disadvantaged. A broadband project cannot be just to bring adequate communications to that area, but should also include other basic necessities that are often lacking, together with training and education. One example often cited by the Fund administrators is what good is a Tele-center if it cannot be housed in a suitable building with proper access roads and a reliable power source. To ensure the efficient use of USF, all these factors must be considered in project design. The proposed changes to the USF are aimed at addressing the changing face of ICT in the Member States and to provide flexibility to the USF in funding ICT projects aimed at reducing the digital divide within the ECTEL Member States.

## Annex 2

### Contribution rate for the Universal Service Funds in a number of Countries

Country	Contribution Rate	Year Established
<b>Africa</b>		
Burkina Faso	2% of annual revenue net of interconnection payments	2000
Cote d'Ivoire	2% of gross annual revenues from mobile only	1998
Democratic Republic of Congo	2% of Gross Annual Revenue	2002
Gabon	2% of net revenue per year from fixed and mobile operators	2001
Ghana	1% of their annual revenue less certain taxes	2004
Lesotho	1% of net operating income on annual basis	2009
Madagascar	2% of gross revenue earned	1999
Mauritius	5% of gross revenue generated from the provisions of international roaming service for that month and USD 0.025 on every minute of international calls terminated in that month	2008
Morocco	2% of annual revenue net of interconnection cost	2005
Mozambique	1% of net operating income of the previous year	2006
Niger	After 2003, 4% of annual net revenue from all licensed operators	1999
South Africa	0.2% of annual turnover	
Rwanda	2% of gross revenue net of interconnections	2004
Sudan	2% of total gross revenues	2001
Tanzania	.03% of yearly gross operating revenues from all operators	2009
Togo	2% of annual gross revenues net of interconnection payments	2002
Uganda	1% of gross annual revenues net of interconnection payments	2003
Zimbabwe	2% of Gross Annual revenues	2001
<b>Asia Pacific</b>		
Afghanistan	2.5% of net revenues of all licensed service providers	2003
Bangladesh	1% of audited gross revenues	
India	5% of Adjusted gross revenues of all telecoms service providers	1999
Indonesia	1.25% of gross profit on all	

	telecoms providers	
Malaysia	6% of weighted revenues from designated services	1998
Mongolia	2% of net taxable income	2006
Nepal	2% levy on the revenues of incumbent operator, ISPs & mobile	2006
Pakistan	1.5% levy on all revenues of all operators	2006
Vietnam	3% of fixed line operators revenues, 4% of international telephone service 5% of mobile operator's revenue	2006
<b>Latin America</b>		
Argentina	1% of operators gross revenue	2009
Bolivia	2% of all gross income of operators and industry suppliers	
Brazil	1% of service providers gross revenue	2000
Columbia	5% of gross revenues of national and international long distance and mobile service A percentage of net revenues from fixed telephony, VAS and trunking	2009
Dominican Republic	2% of gross income	1998
Ecuador	1% operator levy on fixed line operator	2001
Nicaragua	2% operator levy	2003
Peru	1% of all telecom and CATV operators gross revenue	1993
Venezuela	1% on all operators revenue	2000

Source: GSMA Universal Service Fund Study, April 2013

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