



ABOUT US

The Alliance for Affordable Internet brings together prominent players from the private sector, public sector, and civil society to provide a unified voice and coordinated focus in addressing the shared goal of open, affordable access to the Internet in the developing world. Our ultimate goal is to bring the next two billion users online (with a particular focus on low-income countries) and raise Internet penetration rates to at least 40% across all countries. We hope to achieve this by dramatically increasing both mobile and fixed-line Internet access affordability, with a focus on the UN Broadband Commission Broadband Target of entry-level broadband services priced at less than 5% of average monthly income. While numerous other factors limit Internet adoption (including last-mile coverage, literacy, relevant local content, availability of electricity, IT literacy, etc.), the Alliance is specifically focused on affordability as a centralized issue that can most benefit from a coordinated effort.

The Alliance will publish recommendations on policy and regulatory best practices; produce country ratings, undertake research, and develop case studies to bolster the evidence base; and encourage systemic change through deep country engagements along with a range of incentives. Our regulatory best practice recommendations reflect what we believe are the most effective approaches to achieve affordability by encouraging competition and lowering cost structures. However, we are supportive of other approaches, which are successful in achieving the same affordability targets.

GUIDING PRINCIPLES

- Internet freedom and the fundamental rights of expression, assembly, and association online must be protected
- Access to the Internet is a significant enabler of economic growth and human development
- Open and competitive markets are the most effective way to drive reduced delivery costs, affordable consumer pricing, and new innovations

POLICY AND REGULATORY BEST PRACTICE RECOMMENDATIONS

1. Liberalized market with an open, competitive environment¹
 - a. Nurture healthy market competition
 - Streamlined licensing process with no legal barriers to market entry
 - Ensure a competitive market structure, with limited or no national government ownership of end user service providers
 - Available access at reasonable market rates to international gateway or cable
 - Transparent disclosure of pricing and service options to end users
 - Permit pre-paid and tiered pricing models



- b. Regulator established as an effective and independent expert agency²
 - Structural independence from other governmental entities and telecom providers
 - Sufficient and predictable funding stream
 - Creates regulatory certainty with clear, transparent regulations
 - Authority, jurisdiction, accountability and capacity to enforce regulations
 - Effective regulation of anti-competitive behavior when necessary³
 - Advocate for consumer interests including both immediate service and sustainability
 - c. Promote evidence-based policymaking and regulatory processes that include meaningful public participation
2. Policies and practices to encourage lower cost structure for industry
- a. Streamlined processes for infrastructure deployment and sharing⁴
 - Efficient and effective access to public rights of way and tower zoning⁵
 - Coordinated with other infrastructure projects (fiber or duct laid during road works)
 - Facilitate sharing of backbone, ducting, right of way, and cell tower passive infrastructure
 - Target public infrastructure investment to market failures, through consultation with market players and other stakeholders. Ensure that subsidized infrastructure is competitively and transparently procured and offers access or capacity to all market players in a non-discriminatory way, so as to achieve end user affordability.
 - b. Effective spectrum management⁶
 - Ensure sufficient broadband-capable spectrum is made available and used efficiently
 - Open, transparent, and fair allocation and licensing mechanism
 - Harmonization of spectrum to global standards
 - Technology and service neutral licensing allowing flexible use
 - c. Enable innovative usage through unlicensed spectrum and opportunistic reuse within rules that avoid harmful interference (e.g. harmful interference with spectrum assigned to mobile operators). Established local and/or regional internet exchange point (IXP)⁷
 - Transparent and fair rules for participation
 - Support for local data caching



- d. No luxury taxation or excessive customs/tariffs on telecom goods and services required for internet access^{8,9}
- Including handsets, set-top boxes, data/voice service, and infrastructure equipment
 - Tax rate at comparable level to basic goods and services rather than luxury goods
- e. Effective Universal Service Fund Administration (if one exists)¹⁰
- Non-discrimination (fair collection and distribution of funds, including non-carriers)
 - Transparent and consultative processes, incorporating stakeholder inputs and priorities
 - Clear target goals and monitoring of effectiveness and impact of USF programmes and projects
 - Prioritize one-time infrastructure and other expenditures to enable access
 - Target any ongoing subsidies to individuals rather than providers
- f. Reasonable effort to systematize data collection of key indicators to measure effectiveness
- Pricing, speed, adoption rates, spectrum utilization, peering
 - Encourage participation in the ITU Partnership on Measuring ICT for Development¹¹
 - Collection and disaggregation (such as by gender) of usage statistics to identify gaps and opportunities¹²

FOOTNOTES

¹ Telecommunications Regulatory Handbook 10th Anniversary Edition, 2011 (World Bank, infoDev, ITU) – Chapter 2

² Telecommunications Regulatory Handbook 10th Anniversary Edition, 2011 (World Bank, infoDev, ITU) – Chapter 1.4

³ Potentially in conjunction with the national body responsible for anti-trust regulation or competition policy, as appropriate.

⁴ Next Generation Connectivity: A review of broadband Internet transitions and policy from around the world, 2010 (Berkman Center) – Chapter 1.3 and 4

⁵ A Concrete Build-out Plan to Bring High-Speed Fiber Connections to Every Community, 2009 (New America Foundation)

⁶ Telecommunications Regulatory Handbook 10th Anniversary Edition, 2011 (World Bank, infoDev, ITU) – Chapter 4

⁷ Assessment of the impact of Internet Exchange Points – empirical study of Kenya and Nigeria, 2012 (Analysys Mason, Internet Society)

⁸ Global Mobile Tax Review 2011, 2011 (Deloitte, GSMA)

⁹ Mobile telephony and taxation in Kenya, 2011 (Deloitte, GSMA)

¹⁰ Telecommunications Regulatory Handbook 10th Anniversary Edition, 2011 (World Bank, infoDev, ITU) – Chapter 6.4

¹¹ <http://www.itu.int/ITU-D/ict/partnership/index.html>

¹² Policy Recommendations to Address the Mobile Phone Gender Gap, 2011 (GSMA mWomen Programme)