

## GAP Implementation Plan (GIP)

This concept of subsidizing telecommunications users, rather than suppliers, to stimulate provision of services in developing regions began to interest us five years ago. We have referred to it as GAP, the Global Access Plan (or Project), to help reduce the “Digital Divide.” (Please refer to the background paper, “Telecommunications Development,” before continuing.)

At several conferences we presented papers and/or held panels to explain and promote the concept, but there has been no serious effort to determine its feasibility. We feel this can best be done by testing the concept in a region that needs better telecommunications and where political and economic conditions would encourage such a trial. This will force us to develop the entire system of obtaining and distributing funds, establishing regulatory guidelines and obtaining political sanctions in a real-world situation with a concrete goal. We view this as a catalytic process that will help other organizations develop the services. This is not expected to be a smoothly executed project, but a research and development effort to evaluate and explore the potential of the concept. The economists and regulators will be able to apply their talents to designing operating new systems and organizations, rather than analyzing and critiquing existing ones. We believe that working toward a defined goal will replace the tendency to think it can't be done with finding ways to overcome obstacles and to make it work.

The following tasks represent the major factors to be addressed. Because of the tentative status of this effort at this point, the discussion is brief and covers only highlights.

We need to find a suitable region, whether it is a country or part of one, that would support a pilot project. There need to be indications that improved telecom services would help economic development and that financial assistance to users would increase demand and, ultimately, individual purchasing power would rise to where subsidies would no longer be needed.

Studies (market research) will be needed to assess users' wants and needs, ability to pay, the technology and cost of delivering services and, ultimately, guidelines for specifying nature and level of services. Because one objective is to stimulate local participation, this work needs to be done locally.

Governmental and regulatory cooperation and support are necessary, and a prerequisite to selecting the region.

A regulatory authority is needed to monitor the collection of charges from users, service provided to them and payments to the supplier when appropriate. Another significant task is evaluating entities wanting to supply subsidized services during the application (bidding?) process and during operation. This is critical to the GAP

philosophy, in order to protect private and entrepreneurial businesses and, admittedly, not applicable everywhere.

A banking function is required to collect and handle funds.

And, a source of subsidy funds. This essential component is obtained by a tax on affluent-region telecom users in the GAP proposal. This part might be bypassed in a pilot project to avoid the difficult task of setting up a mechanism for taxing existing users, especially across international borders. Instead, we hope to locate a funding source that would supply subsidies for five to ten years, long enough for the service supplier to amortize the system constructed to provide the services. This will be difficult, but a small-scale project could demonstrate the system without becoming unduly burdensome. This approach is similar to granting blocks of funds for system construction while giving greater assurance for positive results; thus, there should be a way to obtain the necessary funding.

At this point we need to develop and document an orderly approach to initiate a sound exploratory project. A responsible organization or group of individuals must be selected to perform, or to manage, the research. Much information regarding telecommunications, economy, government and all other factors of interest, are available, as well as individuals with first-hand knowledge of internal conditions in countries throughout the world. Also, there are many development projects underway, from regional to national and funded by various means. They would be a good source of information and guidance and it might be feasible to test some aspects of GAP in one of them. Then, if one or more good candidates for a test can be identified, a comprehensive program to promote actual development would be started.

The next task is to select prospective participants and estimate the amount of work required to find suitable locations. This may be the time to seek funding and begin this first phase of the effort. Then planning and funding the successive tasks (listed in the indented paragraphs above) can be done as needed and as information accumulates.

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This is a first attempt to outline a program for action. We invite suggestions and/or corrections with the understanding that we shall be learning as we go. We want to involve as few people and organizations as possible in order to maintain clarity and continuity of effort.

Also, the subsidy concept has two fundamental components:

1. The users, not the suppliers, receive the subsidies,
2. The subsidy must be guaranteed for as long as required to amortize the investment needed to deliver the additional services. *Although taxing other telecommunications users is stressed as a source of funding, it wouldn't be required in a pilot project.*

Thank you for your attention, we appreciate your interest.

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