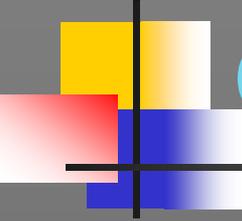


Status of Telecommunication law revision

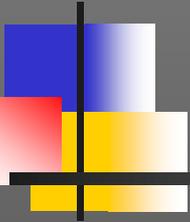


Mo Le
Deputy Director General,
Dept. of Telecommunications,
MIC



Content

- Reasons for the revision
- Structure & timeline for Telecommunication Act
- Key issues
- Conclusion

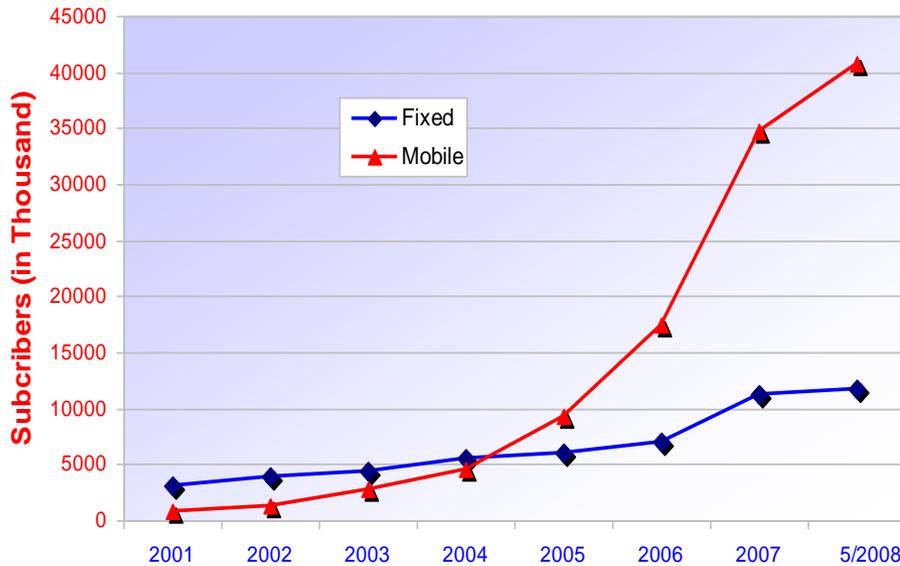


Part I: Reasons for the revision

I.1 Need a better development

- Fast increase in Telecom subscribers
- still lower than many countries in Asia

Telephone Subscribers Development (Fixed & Mobile)



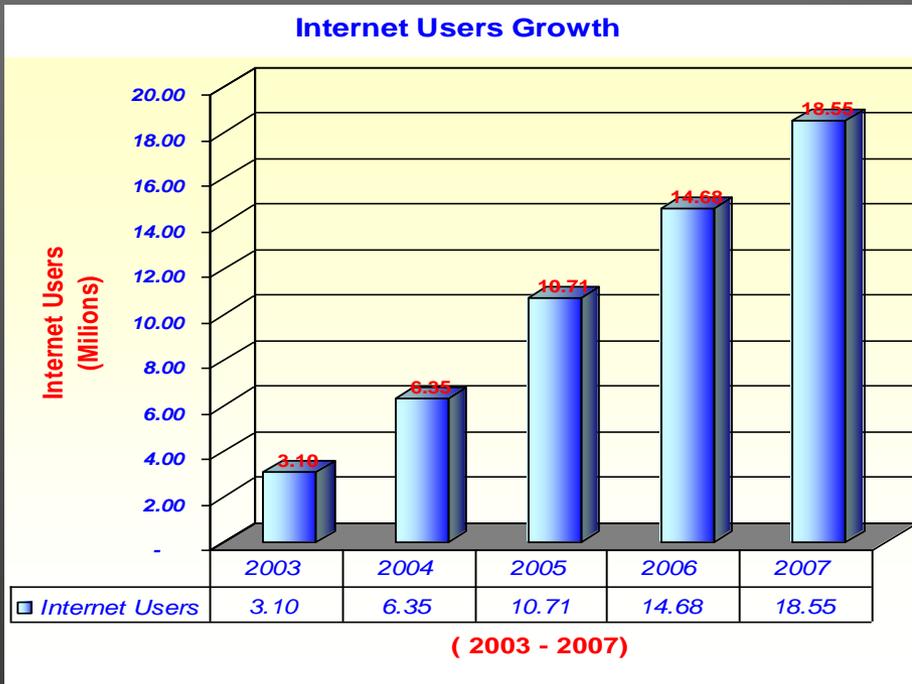
(Sep.08: 70m, 82% population)

Telephone Subscribers penetration in the world

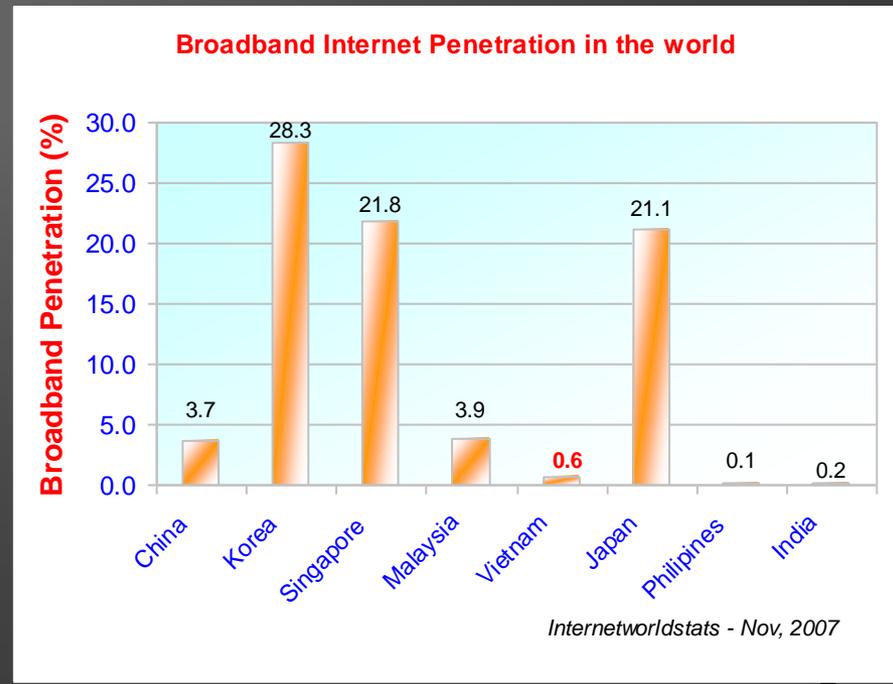


Continued

- Fast increase in Internet users



- broadband penetration is low

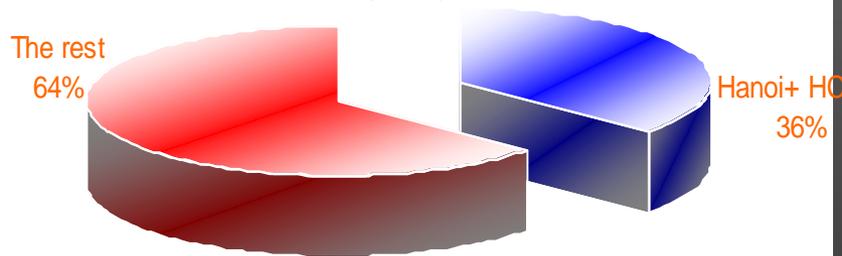


Sep.08: 1.8m, 2.1%

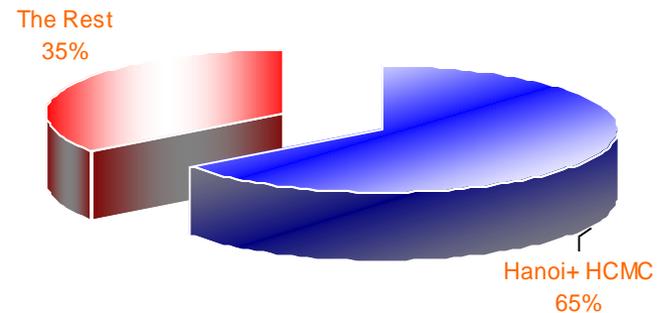
Continued

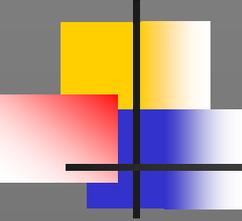
- Big digital difference between cities and rural areas

Telephone Subscribers by Provincial Distribution (2007)



Broadband Internet Subscribers by Provincial Distribution (2007)

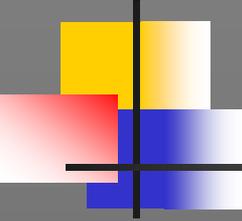




I.2 Need

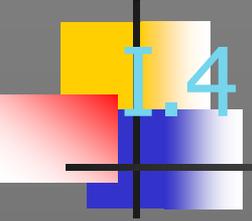
a better competition environment

- Telecom market
 - Majorities are >51% or fully State Own
 - Only them have rights to
 - establish network infrastructure
 - provide basic services
 - 10 FBO: International (10), local PSTN (9); 2G Mobile (5 GSM, 2 CDMA)
 - Less space for resale and Access SPs without infrastructure
 - 11/30 licensed ASP could provide services



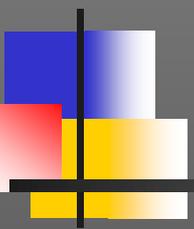
I.3 Need compliance with general laws and WTO agreement

- Telecommunication law (Ordinance on Post & Telecommunications)
 - Issued in 2002
 - Before many revised/new general laws
 - Business Act, Investment Act, Competition Act, Trade Act, etc.
- WTO, Dec.2005
 - Independent policy maker and regulator
 - Transparent and unbiased environment

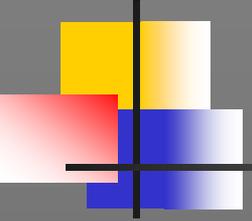


I.4 Need to address new market features

- Technology and service convergence between
 - Telecommunication, Internet and broadcasting
 - Fixed and mobile
- Changes in ownership
- etc.

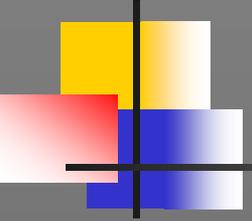


Part II: Structure & timeline for the Telecommunication Act



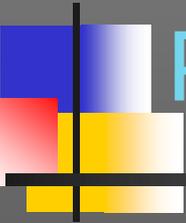
II.1 Structure

- Chapter 1: General regulations
- Chapter 2: Telecommunication business
 - Rights and obligations, essential facilities, ownership, competition, resale
- Chapter 3: Universal services
 - Obligations, USF
- Chapter 4: Telecommunication management
 - License, interconnection, resource, service qualification, tariff
- Chapter 5: Network infrastructure
 - Planning, management, infrastructure sharing



II.2 Timeline

- Jan. 2009: submit to the Government
- May 2009: 1st view of the National Assembly
- Nov. 2009: 2nd view for approval of the National Assembly
- 1st July 2010: validation

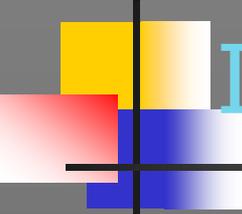


Part III: Key issues

III.1 "Passive" infrastructure

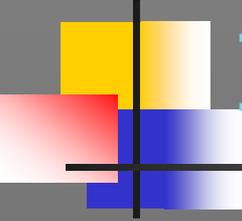
- Buildings: bridges, cable tunnels, etc.
- Current law: encouraged to share
- Problem: three BTS-towers on top of a hill
- Considering (for common infrastructure sharing)
 - obligations
 - cable
 - license





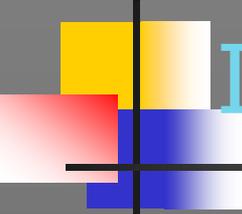
III.2 Market

- Current markets
 - International/ long distant/ local PSTN markets
 - Leased line, VoIP, Mobile market; etc.
- Problems
 - Convergence between mobile & fixed, IP & PSTN, etc.
-> concept of market? uncompetitive market?
- Considering (for a right market mechanism)
 - need principles to define



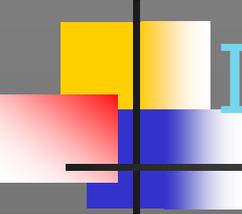
III.3 Ownership and license

- Current law
 - No selling, transferring license, or changing ownership allowed
 - No regulation on cross-ownership
- Problems
 - How to merge?
 - This operator invests in other operators (same service)
- Considering (for a appropriate market mechanism and a true competitive market)
 - Regulations on transferring/changing license, ownership ?
 - Percentage of cross-ownership



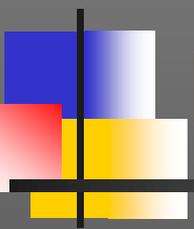
III.4 Frequency licensing

- Current law
 - Granting license based on the availability of frequency
 - Allocation (with fee)
 - No speculation allowed
- Problems
 - No opportunity for new entrance
- Considering (for appropriate management on “valuable & limited resource” and a better market)
 - auction on frequency; how to link with licensing process ?
 - Still not allow speculation

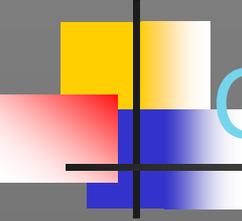


III.5 Others

- Common management on telecommunication and broadcasting infrastructures
- Separate functions of policy maker and regulator within MIC
 - Establishing Bureau of Telecommunications belongs to MIC
- All economic elements could establish network infrastructure
 - Gov. may keep major share in some critical operators (national security)

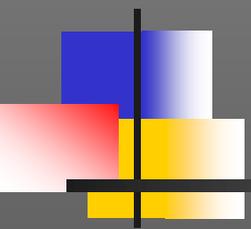


Part IV: Conclusion



Conclusion

- The Telecommunication Act
 - will be submitted to Government by January 2009
 - may be approved by National Assembly by the end 09
 - aims to
 - have a better development, a better competition environment
 - be compliance with WTO and general laws
 - address new market features
- Some critical issues are still considering
 - Provide information if there is any
 - Provide comments on the draft



Thank you !

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