



## **ITAP and Internet Society Hold Conference on International Telecommunications Regulations**

The Internet Society, IT Association of the Philippines, government, and industry to discuss the impact of Internet regulations on local businesses

[Manila, Philippines, September 18, 2012] —The Internet Society (ISOC) and the Infocomm Technology Association of the Philippines (ITAP) have organized a conference to discuss the potential changes to the International Telecommunications Regulations (ITRs) and how it can impact users and businesses, particularly small and medium enterprises (SMEs) employing Internet-based systems in the Philippines.

The conference will be attended by government representatives and industry experts across multiple sectors in the Philippines. “The regulations may hold profound and potentially hazardous implications for the future of the Internet and all its users. One of the significant implications to SMEs is the increase of Internet access cost, as some of the proposals may require a system wherein users will pay more for traffic, similar to international telephone access that involves high rates,” said Dondi Mapa, ITAP president.

Currently, traffic over the Internet provides everyone with a level playing field as it flows through unregulated commercial agreements. This provides a small Philippine business and a venture capitalist based in California equal access to the global marketplace.

However, according to Rajnesh Singh, Regional Director, Asia-Pacific, Internet Society, some members of ITU are proposing to replace this system with formal telecommunication like interconnection agreements, requiring content owners to pay additional fees to telecommunication providers for delivering content to users.

“This could broaden the digital divide, as some Internet service providers might limit connections to countries with high termination fees, which may include the world’s poorer countries. As well, some content providers may choose to limit access of their content to certain markets only where they have a feasible revenue base,” said Singh. “This will disenfranchise the global Internet user community as, again, it’s likely to be the developing countries who may not have access to such content, and lead to fragmentation of Internet content and services,” he concluded.

This change will affect many businesses in the Philippines. According to the Department of Trade and Industry (DTI), 99.6% of businesses in the country are categorized under micro, small, and medium enterprises (MSMEs). A significant number of these MSMEs may be utilizing the power of the Internet, especially when the [Philippines was cited by conversion optimization company Invesp as the 5th highest growing country in E-commerce](#).

"The Internet has become a 21st-century trading route. Regulating the Internet's openness may take away the innovation, creativity and dynamic growth that has contributed immensely to the global economy, and has helped shape the economies of developing countries such as the Philippines and India," said Mapa. "This may prove to be worrisome since Internet technologies improve productivity and output for SMEs." A McKinsey & Company report cites that SMEs that use Internet technologies grow and export twice as much as those that do not.

Other concerns about the ITRs include the risk of stifling innovation due to tedious regulation and excessive control; increasing costs and restricting access; and threatening economic development, especially in emerging markets.

From December 3 to 14, the International Telecommunications Union (ITU) will convene a treaty conference in Dubai, which among other matters, will discuss whether the Internet should now be brought within the scope of its regulations (ITRs), instead of the open, voluntary, multi-stakeholder model that has served the Internet so well. The 193 member-nations of the ITU will decide and vote on these and other proposals as part of an update to the ITRs which were last reviewed in 1988. Each member gets one vote and a majority can enforce changes.

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### **About Internet Society**

The Internet Society is the trusted independent source for Internet information and thought leadership from around the world. With its principled vision and substantial technological foundation, the Internet Society promotes open dialogue on Internet policy, technology, and future development among users, companies, governments, and other organizations. Working with its members and Chapters around the world, the Internet Society enables the continued evolution and growth of the Internet for everyone. For more information, visit [www.internetsociety.org](http://www.internetsociety.org).

### **About IT Association of the Philippines**

The InfoComm Technology Association of the Philippines (ITAP) is a private, independent and non-profit association formed in 1984 primarily to promote the interest of its members, who are leading product and service providers of Information and Communication Technology. For more information, visit <http://www.itaphil.com>.