Dominican Republic

## Affordability Report Highlights 2018

Dominican Republic has a long way to go to ensure affordable internet access for all its citizens. Though the government and the regulator have introduced much needed reforms, further efforts to reduce the price of broadband for all – especially for the significant number of citizens living under the poverty line – are needed.

65%

ONLINE POPULATION

(ITU, 2017)

41%

MOBILE BROADBAND PENETRATION

(A4AI/GSMA, 2018)

1.4%
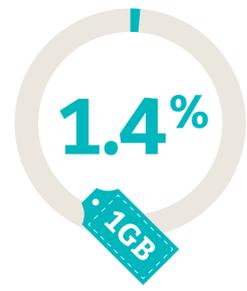
COST OF 1GB OF MOBILE PREPAID INTERNET

(AS % OF GNI/CAPITA)

(A4AI, 2018)

1GB of mobile data remains unaffordable for **60%** of the national population

Dominican Republic's Performance on the 2018 Affordability Drivers Index

Dominican Republic ranks 10th (out of 61 countries surveyed) on the 2018 Affordability Drivers Index (ADI). This is three places higher compared to what the country earned in the revised 2017 Affordability Drivers Index, indicating some positive steps in broadband policy, such as infrastructure sharing.

ADI RANK	COUNTRY	ACCESS	INFRASTRUCTURE	ADI SCORE (OUT OF 100)
10	Dominican Republic	71.35	54.1	66.44

1. Regulatory Environment
Score: 5.75 / 10

Although Indotel does not issue technologically-neutral licenses, licensing is not seen as a bureaucratic hurdle by operators. Indotel adopts a multistakeholder approach to decision making with consumers and private sector representatives sitting on the regulatory board. However public consultations and inputs can be irregular and not always followed through, for example, some recent spectrum assignments have been cancelled after accusations of political interference.

2. Broadband Strategy
Score: 7 / 10

Although the DR does not have a broadband strategy it is taking steps to increase broadband expansion. Without the adoption and full implementation of the 2016-2020 Dominican Digital Agenda, the country's broadband strategy remains limited in scope. The Republica Digital program, currently being implemented, has a component dedicated to broadband network expansion but does not carry country wide clear, time-bound targets on access and affordability. The regulator - INDOTEL - is responsible for the implementation of the Digital Agenda Access Pillar and has used its Development Fund to support selected projects to expand affordable access.

3. Universal & Public Access
Score: 6.67 / 10

The Dominican USAF is in operation and the 2017-2018 projects included a network of public wifi access points. Recently approved projects for 2019-2020 include extension of fiber connectivity in the southwest of the country and new projects to connect 50 rural communities. While these initial steps are positive, more action is hoped for in the near future.

DOMINICAN REPUBLIC AVERAGE (■) V. LATIN AMERICA AND THE CARIBBEAN AVERAGE (■)
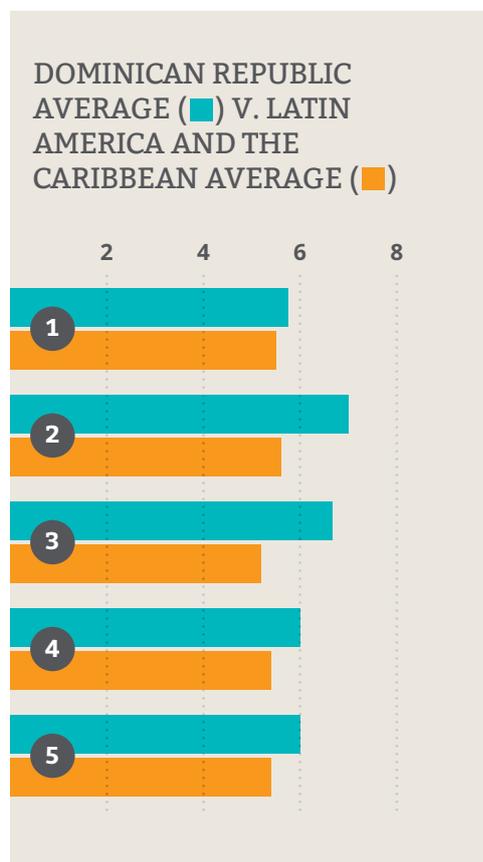
4. Infrastructure Sharing
Score: 6 / 10

There has been some political progress on tower zoning and rights of way, but this needs further details to ensure effective implementation. Indotel adopted a new regulation on infrastructure sharing, paving the way for sharing. The regulation was stalled in tribunals as telecom companies fought its implementation for a year. Recent regulator resolution means implementation could happen in Q3/Q4 of 2019. However the regulation would need to be updated taking cognisance of emerging trends in the industry. The national A4AI coalition proposed recommendations which are worth revisiting.

5. Spectrum Management
Score: 6 / 10

Spectrum policy in the country is limited, with no publicly available spectrum plan. Further, failed attempts to plan for allocating the 700 MHz bands and a cancellation of the 2018 AWS spectrum auction have impeded progress. The ITU is currently providing assistance with the development of a revised spectrum plan and policy in the country.

Recommendations for Improving Internet Affordability & Access in Dominican Republic

1. **Develop a national broadband plan** that agrees on clear, time-bound targets, mainstreams gender and identifies financing mechanisms.

2. **Review the Institutional framework for ICTs, the broadband plan, governance for the Digital Agenda and adopt a broadband law.** Ensure more independence for the regulator and the USF, and separate the ICT policymaking function from market regulation role.

3. **Develop a spectrum policy and mid-term plan** for operators to expand affordable services in remote areas and for community networks.

4. **Review the sector fiscal policy** (as proposed by the A4AI coalition) by dismantling the luxury tax on telecommunication and setting fiscal incentives for infrastructure investment in remote areas and infrastructure sharing among operators, as well as the provision of affordable access services and devices in low-income areas, and for community-owned networks. Guarantee full USF funding from the CDT tax, subsidize demand of low income families, and explore new fiscal models that broaden the tax base to include all locally generated revenues from online services.

5. **Expand infrastructure sharing measures** (adding to recently approved regulation) to include more incentives for the operators to share infrastructure e.g. installation of shared antennas on roofs of public buildings. Also, encourage a dig-once policy for all public works; have a telecom infrastructure database & incentives for major operators to connect to an IXP and CDNs.

6. **Strengthen the social inclusion** perspective in USF projects and Republica Digital programs, establishing specific targets, budgets and indicators for the rural, poor, women and other socially disadvantaged groups.