



INTERNEWS

RITI dot-Gov

24th October 2003

Report on setting up the pilot project telecentres

List of content

Page

- | | |
|----|---|
| 2 | Summery |
| 2. | Background to the pilot project |
| 3 | Finding the communes to host the centres |
| 4 | Discussions with the Communes |
| 4 | Discussion with the telecom operators |
| 5 | Discussions with equipment manufacturers |
| 6 | Equipment needed in the centres |
| 6 | Further work |
| 7 | Concluding remarks |
| 8 | Annex 1
Statistics on the usage of the centres |
| 9 | Annex 2
Layout of a telecentre |
| 10 | Annex 3
List of equipment in the centres |

Summery

The Law on Universal Services and Users Rights Regarding the Telecommunications Networks and Services requests ANRC to designate one or more universal service providers, in order to ensure the right of access to the universal service on the entire territory of Romania. The designation procedure must ensure that the provision of the services within the scope of the universal service is performed in a cost-efficient manner.

RITI dot-Gov considers that a possibility could be to request the US provider to set up telecentres as a way of providing access to the universal services in areas where an increase of individual subscriptions are not an economically viable option.

In order to explore if this would be a constructive option for Romania, RITI dot-Gov proposed to the Minister of Communication and IT that RITI dot-Gov should set up a pilot project consisting of a few centres.

Having received the acceptance to the idea, RITI dot-Gov have convinced four operators to participate in the pilot project through substantial investments and three out of the four centres are now in operation.

The experience from the telecentre pilot project could be used to determine a standard configuration of a centre.

A separate document will shortly be produced by RITI dot-Gov in which the legal and financial possibilities to finance the setting up of the telecentres in a full scale implementation will be examined. In that context potential constraints through the EU legislation will also be examined.

Although already present experience from the setting up of the centres clearly indicates that the centres can well serve the universal service purpose, at least in rural areas, some additional considerations will be presented in that document.

One important issue where some experience from the present centres is necessary would be to check the affordability of services provided over the different technical solutions.

Background to the pilot project

The Law on Universal Services and Users Rights Regarding the Telecommunications Networks and Services was formally adopted in July 2003. The law provides “all end users on the Romanian territory” a right to access to basic telecommunications services at affordable prices. The basic service is understood to including efficient access to the Internet.

Due to historically low level of investments in telecommunications infrastructure in Romania, the need for improved access is considerable, especially in the rural areas.

In a few other countries, where external funding for the provision of universal services have been necessary, the telecom industry, i.e. the operators have been requested to contribute through a universal service fund.

In Romania the existing financial resources must primarily be focused on commercially viable projects that will generate economical growth. The growth thus created will then provide the platform for further socially motivated investments.

It is however important that cost-efficient solutions are found already at an initial stage to provide improvements in access to basic telecom services also for the least developed areas of Romania. With the intention of exploring if telecentres could be such an option, RITI dot-Gov proposed to the Minister of Communication and IT that RITI dot-Gov would set up a pilot project of a few telecentres providing basic services, including voice, fax and internet access. There would also be messaging services for incoming calls.

In a letter dated 6th June 2003, the Minister accepted the proposal.

15th October three out of four such centres were already in operation.

Finding the communes to host the centres

After having discussed in detail the project with USAID, RITI dot-Gov visited Frecatei in Braila County, Balasesti in Galati County and a number of communes in Vaslui County. We found the first two mentioned communes suitable for the pilot project. Frecatei had only one single telephone line in the entire commune through a manual switch and used by the Mayors office.

In Vaslui County the communes Iana and Rebricea were identified as the most suitable to host a pilot project telecentre, although all communes visited were in desperate need of such a centre. Due to resource issues we had to limit the number of centres at this stage.

A brief description of the communes can be found on the RITI dot-Gov webpage, www.riti-internews.ro together with some other background documents.

All are rural communes in a very poor area. With very few exceptions people make their living from very small scale farming. There are only a few small businesses in the communes, primarily a few shops and bars.

The penetration rate of telephone connections is extremely low. With the exception of Balasesti very few private households have a telephone. But also in Balasesti there is a significant waiting list for new fixed line subscriptions.

The communes, with the exception of Frecatei, have a couple of public payphones, however not in every village.

The mobile coverage is non-existing or works primarily out-doors on some specific locations.

Discussions with the Communes

Our prime contact person in the communes has been the Mayor. We requested the Mayor to check the reactions of the citizens to the potential establishment of a telecentre. Would the centre be of interest and used? We also stressed that an important prerequisite for us to establish a centre would be a firm commitment from the commune to support the centre.

The Mayors promptly replied by emphasising the sincere interest of the citizens. Some of the Mayors were also stating that the communication issue was by far the most important issue for the commune and that a centre would be a viable solution to that problem. They also stated in writing their commitments to support the establishment and operation of the centre.

The communes all undertook to set up and furnish the location for the centre and provide that with electricity and heating and to find and pay for the staffing of the centre. We have at a later stage discussed with them if the centres should be able to charge a small additional fee to cover part of the staff cost. We intend to follow up on this.

Formally, the commune will be the subscriber to the services offered by a telecom operator. The commune, via the Mayor will consequently sign a subscription contract with the operator and be responsible for paying the bills. To cover that cost, the centre shall charge each user for the services, in principle directly related to the tariff charged by the operator. The fixed monthly rental charges need to be split among all users.

The commune will also be responsible for all replacement of equipment and should thus generate capital to pay for that.

As this is a pilot project, the centres have also been obliged to create statistics over the usage of the centres, see *Annex 1*. This will be collected and evaluated by RITI dot-Gov on a regular basis during the first year of operation.

Discussion with the telecom operators

All four selected communes lacked the necessary infrastructure for the connection as such. There was no spare capacity for a fixed line connection or any sufficient mobile coverage.

RITI dot-Gov thus discussed with *RomTelecom* and the mobile operators, *Connex*, *Orange* and *Zapp* their possibility and willingness to establish the necessary connection to one centre each on their own expense. *Radiocomunicatii s.a.* was also asked if they could set up a radio link for the connection and provide telecom services over that link. In addition a contact was established with *RarTel*, a company providing satellite links for voice and data via a VSAT terminal at the site and an earth station somewhere in Romania.

Radiocomunicatii replied, after having carefully studied the sites, that they were not able to set up a connection to any of the four communes.

Nothing could at this stage be organised with Zapp as a provider. However, Zapp has clearly announced their interest if other communes, better suited to the present Zapp network, will be discussed.

The other operators declared that they could find technical solutions; Connex providing the link to Frecatei, RomTelecom to Balasesti, RarTel to Iana and Orange to Rebricea.

Furthermore all of them declared that they were prepared to do that under their own financing. They all consider the telecentre idea as a potentially viable solution for the universal service implementation and thus found it relevant for them to participate in the pilot project and gain first hand experience that could later be used for a potential full scale implementation.

It was clearly stated by the companies that their possibility to subsidize the financing of the installation of the connections was entirely restricted to this pilot project as such.

RITI dot-Gov also discussed with the operators the terms and conditions for subscription contracts. We strongly emphasised that the services have to be affordable for the people in these communes and that the centres as such could potentially be subscribers that generate a fair amount of traffic, including incoming calls. The operators should consequently be prepared to offer discounts just as they can do to other big costumers.

Also in this respect the operators responded favourably to our request.

Discussions with equipment manufacturers

Talks have been held with network equipment manufacturers to explore their possibilities and interest to find solutions to the “intra-commune communication”, see *annex 2*. The response has so far been less positive compared to what we got from the telecom operators. One manufacturer came up with a tentative solution for one commune but it turned out that that solution was not relevant for the network chosen by the telecom operator connecting that commune.

The same manufacturer is however now studying other solutions for another commune. The result should be available during first half of November.

RITI dot-Gov will now renew previous contacts with other manufacturers. We considered that priority had to be given to the establishment of the centre as such. When that work was concluded, which it is now, we could revert to the work of finding the solution to the “intra-commune” communication. Knowing the respective operator and its technical solution for the individual commune will also make it by far easier for the manufacturer to assess potential solutions.

We will also seek contacts with a couple of new entrants on the market, focusing on new wireless solutions for the provision of telecom services.

Equipment needed in the centres

In a meeting 28th July between RITI dot-Gov and RITI Access it was agreed that RITI Access would join the pilot project and focus on equipping the centres.

After the two RITI projects jointly had discussed what kind of equipment could be needed in the centres a standard list was produced , see *annex 3*.

Firstly, the equipment needs to support the basic services to be offered. That means that, as a minimum, there must be a telephone, a fax and a computer, including a printer.

Secondly, it is important to facilitate for incoming calls. All Mayors emphasised strongly during our talks that most families have relatives living outside the home village, often in another country. For the time being, these relatives have no possibility what so ever to call their families. The public payphones, where those exist, are not suited for incoming calls. The centre will however provide the possibility to receive incoming calls. Since the centre can not be staffed 24 hours per day, there must be an answering machine as well.

Thirdly, it was decided that there should be a PBX in each centre. Each individual call made in the centre should ideally be paid directly by the person making the call. The PBX can be and has been installed with the necessary software for calculating the price, based on the tariffs used by the individual operator.

Furthermore, through the PBX the centre has flexibility for expansion, including the “intra-commune communication” when established.

Further work

Annex 2, Lay-out of a telecentre, highlights the need for a basic communication facility between the centre as such and the other villages in the commune, what is called “intra-commune communication”. At the time of writing this report, that part has not been concluded. However work is ongoing to find cost-efficient solutions for that part. It is expected that at least one commune should have such a communication facility at the latest by the end of this year.

So far we have thought it necessary to limit the intra –commune communication to basic voice service. We fail to see that sufficient resources could be found at this stage to duplicate the centre as such also in the other villages.

We have discussed with the Mayors how to organise from a practical point of view the “hosting” of a telephone in the other villages. Each village has one person representing that village in the commune as such. The Mayors have suggested that these representatives could host the telephone and make that available to all others in the village.

If the call goes only within the commune over the PBX, the calls would not be charged since they do not enter the network of the operator. When entering the network of the operator, the cost of the call would be measured by the PBX.

RITI dot-Gov strongly proposes that also the “intra-commune communication” shall be seriously evaluated and, if possible, incorporated in the structure of a model telecentre solution.

Concluding remarks

Additional support

We noted that basic training was required in computer skill but also on various administrative matters. RITI dot-Gov consequently invited all four Mayors and two staff members from each centre to Bucharest for three days training, the two last days entirely dedicated to the computer training.

The first day focused on administrative matters but included also presentations from the two organisations CAR and CREST. These organisations are operating “telecentres” but centres focusing primarily on various community related services and not telecom services as such, although many of them also provide such services.

A relation between the communes participating in the pilot project and these two organisations is now established with the intention to explore if the RITI telecentres can undertake also tasks dealt with by the other kind of centres.

The financial consequences must be carefully analysed. Some of the community oriented tasks of the CAR and CREST centres are not financially sustainable without subsidies. Before tasks of that character are undertaken the financial consequences must be carefully considered and financing found, when necessary

Benefits of the telecentres

The telecentres provide unprecedented communication facilities for the communes concerned. RITI dot-Gov will discuss with the communes ways and ideas on how to fully utilise the new possibilities. The discussions will focus on finding ideas that can materialise in new commercial activities and improve the financial situation for the inhabitants. The new possibilities for the people to find information via the Internet must be fully utilised, including communicating via e-mails.

Since the centres also have staff to assist the users we foresee a possibility for the citizens to benefit also from various e-Government initiatives.

One of the centres is located in the village school, thereby providing also excellent internet connection for the students, to be used in the education as such. Also for the other communes we are going to discuss in detail how the schools best can benefit from the internet access provided by the telecentre.

Annex 1

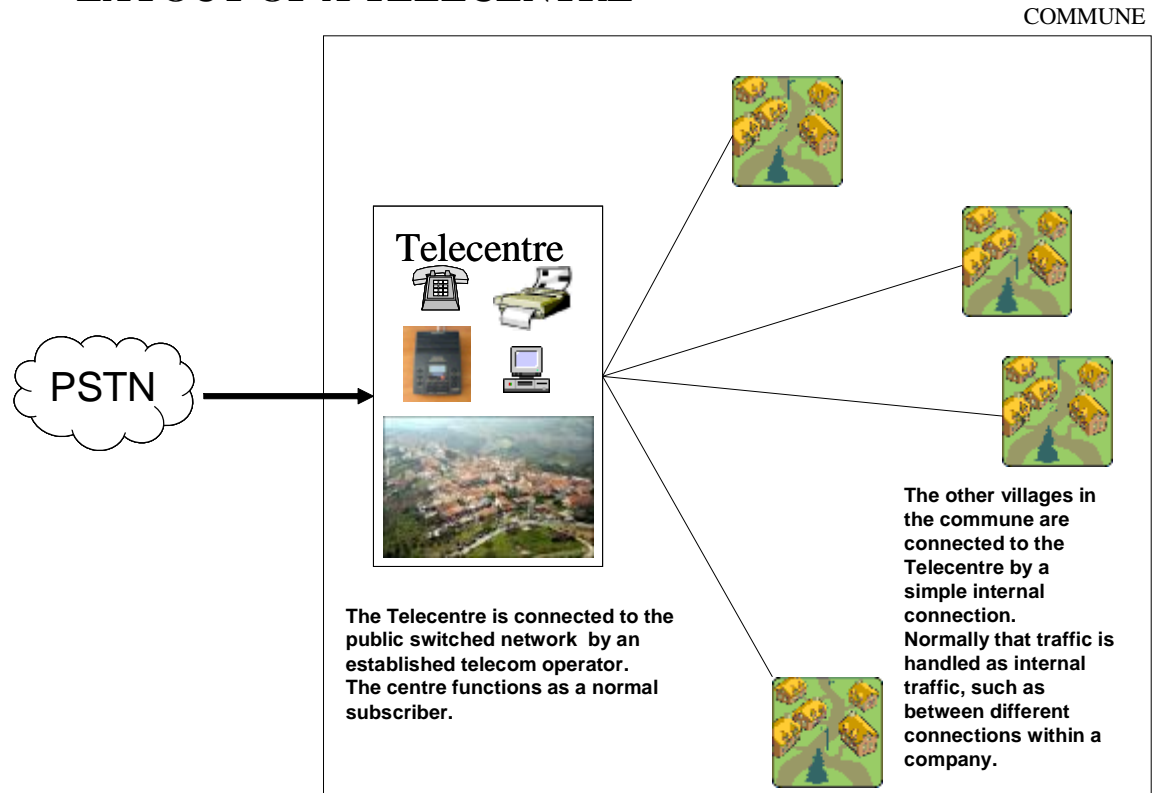
Statistics on the usage of the centres

The daily recording shall include:

- Between which hours the Telecentre was open
- The number of visitors
- The number of calls received
- The number of calls made
- The number of faxes received and sent
- The number of hours when the computers were used
- The number of hours of using the Internet (or the amount of traffic in KB if relevant)
- Other service provided by or required from the center.

Any other additional information related to the operation of the Telecentres

LAYOUT OF A TELECENTRE



Annex3 List of equipment in the centres

This list was made for Iana, a centre which is connected via a VSAT terminal. Some small variations in the list are relevant to adjust to the needs of a specific site.

<i>EQUIPMENT</i>	Equipment specifications	Nr. units per center Iana
Personal Computers w/software	CPU – Modem (56K) Intel Celeron 1.8 GHZ; 256 MB RAM; 80 GB HD; Windows XP Pro Romanian; Floppy/CD/ Drive; 10/100 Ethernet Card; Switchable Power 110/220V CPU; Floppy, Mouse, Keyboard, 17" Monitor, Video Adapter (64 MB RAM); CDRW 48 x.	3
Switches	10-12-Port 10/100	1
Ethernet Cable	CAT 5 RJ-45	6
Multifunctional	hp office jet 7140xi all-in-one (C8388A) printing, scanning, copying, faxing	1
Telephone base units	Able to tone dial, analogical, DTMF (subject to operator's decision), touch key pad	1
Telephone base units	Able to tone dial, analogical, DTMF, touch key pad.	2
PBX for inter communication (6-8 exists, +software)		1
UPS	Smart UPS 230V model 1000W with surge protection.	3
TV	21 Inches	1
VCR		1
Fax machine	With answering machine device	1
Router		1
Extension cords	Conditioned	2
Books		1
SOFTWARE		
Windows XP Pro Romanian		3
Anti Virus		3
Microsoft Office Romanian		3
RURAL TELEPHONY	RaR Tel.	
Internet connection	RaR Tel.	
Operator's equipment requirements		RaR Tel
		PBX