

1.3 Regulatory Outlook

"Recentralization" and Self-Sufficiency

The DGPT and the VNPT, as the central telecom policy and operational authorities, are becoming concerned that the provincial administrations may be taking too much liberty in establishing their own development goals. The national operator, VNPT, is asserting itself as the primary interface between equipment suppliers and the provincial carriers. It is seeking also to curb the amount of influence that private operators are beginning to exert through Business Cooperation Contracts (BCCs).

Build Transfer and Operate (BTO) revenue sharing agreements, while becoming popular in other areas of Vietnamese infrastructure development such as transportation, are likely to be eschewed by the DGPT. While the distinction between the BCC and the BTO may be slight, the primary concern of the regulator/operator is that it remain in ultimate control of the operation and ownership of the facilities in question. As the state agency entrusted with the security as well as the provision of communications services, direct private and/or foreign control over national communications infrastructure does not sit well with the DGPT.

Although not officially acknowledged, a primary potential conflict area lies with the relationship between the VNPT and the Ho Chi Minh City P&T (HCMC P&T). With its growing number of BCCs in the mobile services arena, the HCMC P&T and its partners - among them Singapore Telecom International, ABC Paging, Shinawatra, and Sapura - have been plotting a course of market-driven service development. It has been a bit too hasty in the DGPT's eyes.

The central authorities ideally want to limit the scope and authority of the BCC operations, while the HCMC P&T, enjoying rapid subscriber growth, would naturally like to see an expansion. On the mobile front, the DGPT and the VNPT have both stated that further development in cellular and paging will only be looked at from a national standpoint, with the newly-created service operator Vietnam Mobile Service having responsibility over cellular development.

The Hanoi P&T does not seem to be as autonomous as its counterpart to the south, as it operates in the seat of the central communications authority. Ho Chi Minh City aside, privatization and service liberalization initiatives are being curtailed nationwide by the central