



**Objective: Support the emergence of new network infrastructure vendors**

\$	Establish tax incentives that stimulate private sector investment, such as the deductibility of research and development expenditures. This de-risks companies' initial investment, incentivizing more companies to enter the market, particularly smaller organizations.
\$	Provide direct funding for research and development, such as through direct funding of research or launching industry competitions (see U.K. example).
	Convene multi-stakeholder partnerships, such as between the private sector and specialist research institutions.
	Publicly signal the government's support for the adoption of Open RAN.

**Objective: Catalyze investment in technical capabilities**


	Convene stakeholders to identify any technical challenges associated with Open RAN.
\$	Provide direct government funding for research and development projects that address the issues identified.
	Support the convening of multi-stakeholder partnerships, such as those between academia and industry.

**CASE STUDY | FISCAL: STIMULATE SUPPLY | UNITED KINGDOM**




On April 6, the United Kingdom launched *5G Create*, an open competition within its 5G Testbeds and Trials Programme. The competition makes available £30 million of government funding for developing 5G technical capabilities and new use cases. Among the cross-cutting challenges that they hope to address are:

- Developing innovative virtualized and open RAN architectures; and
- Exploring ways of diversifying the UK Telecoms supply chain.

**Objective: Support vendors’ integration into global marketplace for Open RAN solutions**

	Establish mechanisms for new vendors to connect with operators internationally. (e.g. trade missions or forums).
\$	Identify opportunities for vendors and operators to leverage existing aid and development financing to promote Open RAN internationally.

**Objective: Support operators as they develop an approach to managing a multi-layer network architecture**

	Provide funding for workforce development programs that ensure operators have the human resource to manage networks in-house.
\$	Provide direct funding for operator pilots and testbeds.
	Support the identification of best-in-class network integrators, where operators wish to outsource this function.
	Establish or support mechanisms for convening operators and vendors to share best practices around integration.

**Objective: Reduce operators’ initial cost of transitioning to an Open RAN architecture**

\$	Provide incentives for the procurement of open, interoperable equipment by public mobile network operators and enterprise network operators while taking into consideration the potential impact on competition between network operators in the market given the technical realities of transition to Open RAN (see Japan example).
\$	Direct government agencies that administer funding (e.g. aid) and financing (e.g. development financing) mechanisms to utilize Open RAN procurement opportunities where feasible.

**CASE STUDY | FISCAL: STIMULATE DEMAND | JAPAN**

In May, the Japanese Diet passed the *Act on Promotion of Development, Supply, and Deployment of Specified Advanced Information and Communication Technology Utilization System*. The Act provides financial incentives for companies that develop, supply or deploy 5G equipment that meets certification criteria in terms of: security safety and trustworthiness; stability of supply; and openness.




The Government of Japan cites the need for equipment to be interoperable, based on open architecture, and utilize international standards to be certified. MNOs and private network owners are eligible for tax benefits, which include the following:

- Tax deductions of 15% or special depreciation of 30%
- Fixed property tax exemption of 50% for 3 years





**Objective: Accelerate demand for Open RAN solutions**

<b>\$</b>	Identify immediate government procurement needs that could be met through the deployment of Open RAN solutions.
<b>\$</b>	Where feasible, engage with likeminded governments to identify opportunities for bulk procurement.
<b>\$</b>	Direct government agencies that administer funding (e.g. aid) and financing (e.g. development financing) mechanisms to support Open RAN procurement opportunities where feasible.
<b>\$</b>	Provide incentives for the procurement of open, interoperable equipment by MNOs and enterprise network operators while taking into consideration the potential impact on competition between network operators in the market given the technical realities of transition to Open RAN (see Japan example).
<b>\$</b>	Incentivize open or virtualized RAN adoption in the telecoms sector.

**Objective: Establish the right approach to oversight of multi-vendor network architecture**




	Continue to take a risk-based approach to the management of network security and stability risks.
	Establish mechanisms for engagement with operators, enabling regulators to better understand the construction of networks; giving operators the ability to highlight challenges and share information regarding how security is incorporated into network deployments.
	Encourage international security cooperation and the implementation of best practices for risk mitigation, such as those outlined in the Prague Proposals.

**Objective: Ensure that existing regulations do not unintentionally act as a barrier to Open RAN adoption**



	Engage with network operators and vendors to identify regulatory barriers to 5G and Open RAN deployments.
	Review existing regulations and, where feasible, adapt them to ensure a level playing field for Open RAN architectures, while maintaining the principle of technology neutrality and the ability of network operators to choose the technology solutions that meet their needs.
	Coordinate with international allies on the development and adoption of voluntary, flexible security principles, such as the Prague Proposals.
	Free up necessary spectrum bands for 5G and coordinate with international allies on the harmonization of spectrum bands.

*Note that many of these provisions apply equally to Open RAN and traditional RAN architectures.*

**Objective: Support network operators in deploying Open RAN architectures that meet KPIs in more challenging environments (high density areas, non-standalone, etc.)**

	Establish or provide funding for pilots and test beds.
	Establish public-private partnerships with industry and academia, focused on addressing specific technical challenges.
	Create information sharing mechanisms with allies, through which information about research and technical breakthroughs can be shared, to avoid the duplication of activities.

**Objective: Engage with international allies, given the international nature of the telecoms infrastructure marketplace, to share experiences regarding how to promote supplier diversity in the RAN**

	Convene government-to-government meetings and multi-stakeholder discussions.
	Create information sharing mechanisms with allies, through which information about research and technical breakthroughs can be shared, to avoid the duplication of activities.