

## **Question 10-2/1 – Regulation for licensing and authorization of converging services**

### **1 Statement of the situation**

During the third ITU-D study period (2002-2006), the Project Group on Question 10-1/1 ("Impact of the convergence of telecommunication, broadcasting and information technologies") has completed its assigned objectives and the Report has been finalized.

However in 2005 the Project Group experienced limited active participation and received only a few contributions: this was probably due to the fact that Question 10-1/1 has a very wide and general wording and there is a need of focusing the work of the Group on a more limited and better defined area.

Members of SG 1 have expressed interest in continuing the work on convergence related issues. The proposal is then to concentrate the activity of the Group on an analysis of regulatory models to help to deal with the impact of convergence in ICT markets. In particular, the appropriateness of establishing regulatory entities with the competence and scope to be able to deal with the complexities associated with converged ICT services.

### **2 Question for study**

During the last few years many countries, both developed and developing countries, have implemented new legislation which takes into account technical and market trends towards converging services. These measures are mainly based on the principle of technological neutrality and seek, *inter alia*, to foster market development and liberalization for the benefit of customers.

However, the combination of convergence and increased competition in markets brings a new set of complex challenges for policy makers and regulators. In order to be able to regulate in markets, it is necessary to have an understanding of the whole market and dynamics of competition within it. It follows that policy makers and regulators need to be positioned so as to have access to all the information necessary and the powers necessary to regulate efficiently and fairly. This is very important when it comes to the development and imposition of authorization and licensing models.

In the new regulatory frameworks a very important element is the licensing and/or authorization procedure, which may have a significant influence on competition and on the behaviour of regulators, investors, historical operators and new entrants.

Market development and synergies as well as competition can be stimulated or hampered by the degree of effectiveness of regulators' licensing and/or authorization procedures. Some critical areas include: cost of license/authorization, time-frame, ex ante obligations and regulatory constraints.

### **3 Expected output**

- Overview of different legislative frameworks, with a major focus on licensing and/or authorization procedures with a view to identify the main regulatory trends of the examined models concerned by convergent services.
- Evaluation of the experiences of both telecom and competition regulators, in particular with regard to changes in the authorization and licensing regimes.
- Preparation of guidelines and/or recommendations for those countries which are planning to introduce new legislation aimed at supporting the development of converging services.

## **4 Timing**

After two years, a draft report addressing the first two issues covered in § 3 above should be submitted to SG 1 for approval.

The draft final report and proposals for draft guidelines and/or recommendations must be submitted to SG 1 within a maximum period of four years.

The mandate of the group ends after four years at the latest.

## **5 Proposers**

Contributions from Member States and Sector Members are crucial for the completion of this study. The start up will be insured by a questionnaire which will be prepared by the Project Group and sent by BDT to Member States and Sector Members.

## **6 Sources of input**

The ensuing work of the Project Group will be based on the analysis of the answers to the questionnaire and on information obtained through interviews, informal contacts, reports and surveys.

Cooperation with other ITU study groups is envisaged.

## **7 Target audience**

The output will be mainly addressed to regulators and decision makers in developing countries, who might find in the guidelines/recommendations useful reference information to develop original and efficient regulatory models.

<b>Target audience</b>	<b>Developed countries</b>	<b>Developing countries</b>	<b>Least developed countries (LDCs)</b>
Telecom policy-makers	Yes	Yes	Yes
Telecom regulators	Yes	Yes	Yes
Broadcasting regulators	Yes	Yes	Yes
Broadcasting operators	Yes	Yes	Yes
Manufacturers	Yes	Yes	Yes
Service providers	Yes	Yes	Yes

### **a) Target audience**

Users of the output are expected to be among operators and regulators worldwide.

### **b) Proposed methods for the implementation of the results**

The output of the study would be distributed as the output results of the ITU-D study groups. Given the importance of the issue, BDT could also conduct regional seminars and meetings to disseminate the results of the study on the Question. The results should be published by ITU for wider distribution.

## **8 Proposed methods of handling the Question**

It is proposed that this Question be handled within the regular Study Group 1 activity.

## **9        Coordination**

The ITU-D Rapporteur's Group dealing with this Question should coordinate closely with relevant institutions, international organizations, regulators' groups, competition regulators, etc.

## **10      Other relevant information**

As may become apparent within the life of this Question.

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