

Contribution of the Communications Regulatory Authority of the Republic of Lithuania to the 7th Annual Global Symposium for Regulators

1. Principle of general change in attitude (Principle of proportional and purposive regulation). It does not matter, if current process of move towards NGN is considered as an evolutionary path of change, or is a radical communications (or broader – information and communications technologies (ICT)) sector paradigm shift. Both options require our adequate attitude towards regulatory environment shift and changing regulatory strategies. It is important for regulators to perceive that they will not be able to be better experts than market players and will not succeed in shaping future market structures as well as technological choices. Regulators should concentrate in solving real market failures, leaving for the market to drive ICT development trends. Forthcoming regulatory regimes should be less direct, rather more comprehensive, purposive and soft, more enabling and collaborative. They must be realistic, with a clear perception, that the number of information channels is becoming unlimited and territorial jurisdiction of regulators is becoming increasingly less consistent with development of global services. Regulation should be built on the perception that it should be minimum necessary and it should also embody soft regulatory measures like consumer awareness raising, standardization, encouragement of sector self-regulatory measures, public-private partnership. However NGN environment should not defy essential requirements of privacy, network and information security and intellectual property protection.

2. Principle of technological neutrality is an essential universal principle in ICT, taking into account that the broadband access can best meet a combination of the telecommunications and internet environments and is provided using a variety of technological platforms. Regulatory framework should be flexible and future oriented, thus not trying to “wrap” all possible communications technologies into legal acts as well as opening the possibilities for the market to choose the best ways to satisfy consumer needs.

3. Principle of breaking the regulatory barriers. In the fast evolving world of next generation information and communication technologies, characterized by rapid innovation and fast deployment of new ideas, one of the best favors the regulator could do to the market development – not stand in the way of the progress. Therefore the important role of a regulator is in removing unnecessary barriers across the entire ICT sector (including networks, services as well as content), allowing free market entry for promotion of effective competition. In many countries licensing of electronic communications networks and services has faced or is facing at the moment a major reform leading to service and technologically neutral general authorization only regime, but in order to fully benefit from the possible variety of borderless services that could be provided for the benefit of the consumers, licensing of services (including audiovisual ones) should be reformed as well.

4. Principle of radio spectrum liberalization. As present and future consumer will increasingly demand and rely upon ubiquitous anytime anywhere connectivity to the services provided via next generation networks, development and dissemination of wireless technologies will become increasingly more dependent on the most important input to these services – radio spectrum. Radio spectrum is also becoming a hope for development of infrastructure competition in access to the broadband networks with the potential to disrupt dominance of incumbent operators in the local loop markets at least to some extent. In these circumstances the regulatory regime for radio spectrum should encapsulate possibilities for market driven use of these valuable resources, opening it for the platforms and solutions

economically most suited for the satisfaction of user needs, leaving these important decisions as far as possible to the markets.

5. Principle of competition promotion. Effective competition in communications markets has proved to be the best way to promote universal development of the sector and making services accessible to the consumers. Therefore promotion of long-term sustainable competition should remain an important regulatory task. New issues related to competition in ICT markets, such as vertical integration between the transport and content services, should be also taken into account in the regulatory policy frameworks. However, it is important not to strive for the competition for its own sake (or just for the competitors' sake). The goal should be competitive environments that would create equal initial conditions for all the market players, but also reward those most efficient, fast, creative and innovative without aiming for the mere "equality" of all market players.

6. Principle of rewarding creativity and innovation. Innovation and creativity will be the main drivers for the future world of NGNs. Therefore it is important to balance promotion of competition and openness with the needs to create enough incentives for innovation without expropriating the benefit the creative, fast and efficient market players could gain. Protection of intellectual property will also be of the utmost importance in this regard.

7. Principle of promotion of user trust. The most competitive and innovative ICT markets would be of no good without users capacity and willingness to use ICT. Due to the importance and the growing pervasiveness of ICT in almost all areas of our lives, privacy and trust (that includes protection of economic rights, minors, privacy, network and information security as well as protection against cyber-crimes and cyber-terrorism) have become a crucial issue. However, rapid development of ICT and globalisation also lessens regulators possibilities to protect every user directly, therefore **evolution of an educated and selective user** seems the only true way out.

8. Principle of coherent regulation. Combination of the telecommunications and internet environments within NGN cannot be left along with combination of separate more heavy regulation of telecommunications and broadcasting and regulation of internet, often subject to little or no regulation. Integrated national regulatory structures and more effective institutional converged systems of formerly separate regulatory institutions should support faster decision adoption processes, reaction to convergence and technology development challenges, regulatory consistency and legal certainty.

9. Principle of co-regulation. As ICT evolution often seems hardly predictable, it has become necessary to work out a new way to generate rules in this changing environment. In the context of merging and converging ICT world, emerging NGN environment, the employment of co-regulatory approach, which implicates (or represents the merge of) the state regulation, typical for "old telecom and broadcasting worlds", and self-regulation associated with the "new internet world" seems to be wise and probably necessary solution.

10. Principle of internationalization of regulation. With globalization and convergence typical for ICT world we cannot address the situation in a piecemeal and national fragmented fashion. As online services lead to truly global usage patterns and ICT market players expand their business boundaries (a number and magnitude of mergers and acquisitions in the past couple of year is impressive), regulation cannot be geographically isolated. Therefore international consistency of regulatory attitudes is of paramount importance and the task of its promotion should be one of the main tasks of such forums as the Global Symposium for Regulators (GSR).