International Telecommunication Union Workshop on Promoting Broadband 9-11 April, 2003

Efficient Broadband Markets

Mark Naftel
Attorney at Law
3502 Ruland Place
Nashville, TN 37215, USA
Telephone: (+1) 615 385 0128
mark@naftellaw.com
http://www.naftellaw.com

What is Necessary for Broadband to Succeed?

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- Consumer demand
- Availability of service

- Real competition
 - Or at least the threat of competition
 - Lessons from Korea, Canada, Denmark, Belgium, USA
- Separation (divestiture) of telephony and cable TV network operations
- Incentives for broadband deployment
 - Or at least remove disincentives
- Support for appropriate loop length and technical innovations



Efficient Markets Require...

- Appropriate incumbent regulation
 - WTO Telecoms Treaty Regulatory Reference
 Paper requires regulation of major suppliers
- Competitor access to the last mile
 - And therefore access to end-users
- Availability of high speed transport
 - Leased line (private line) provision



Broadband Paths

- CATV
 - Cable modem service
- DSL
 - Telephony copper loops
- Fibre to the end-user

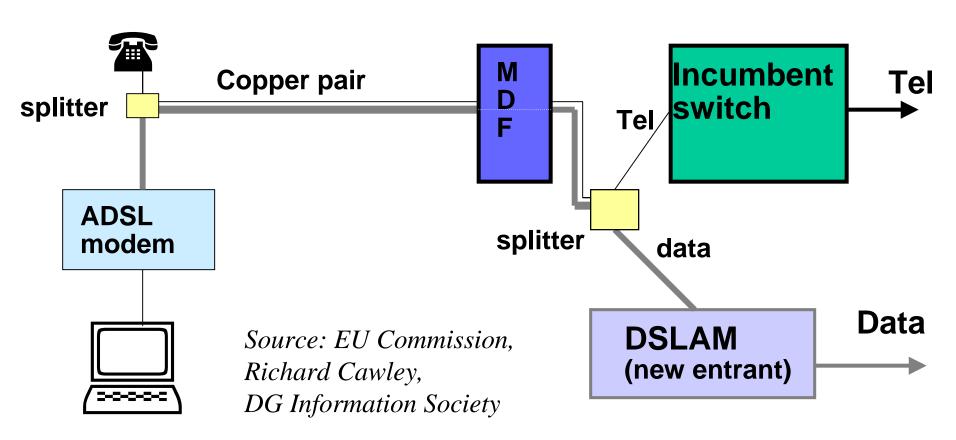


Broadband Paths (2)

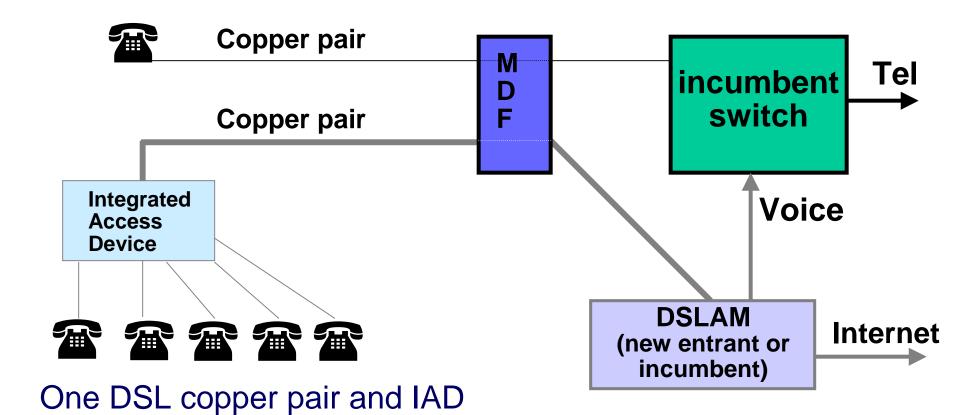
- Wireless
 - 3G mobile telephony
 - Satellite
 - Wi-Fi
 - IEEE 802.11b
- Other means
 - Electric power lines



Telephony/DSL Shared Access



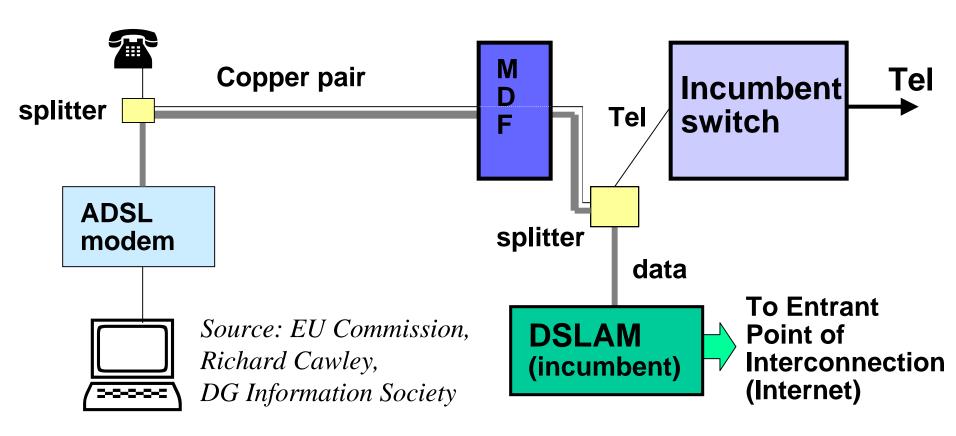
Voice Over DSL (VODSL) Using DSL for Multiple Voice Lines



can support multiple voice lines



Incumbent High Speed Bit Stream Service





Unbundling for VODSL

- Equipment providers claim VODSL can support up to 24 voice lines per DSL line
- Deregulate/divest inside wiring
- Allow resale
- Access to numbering resources



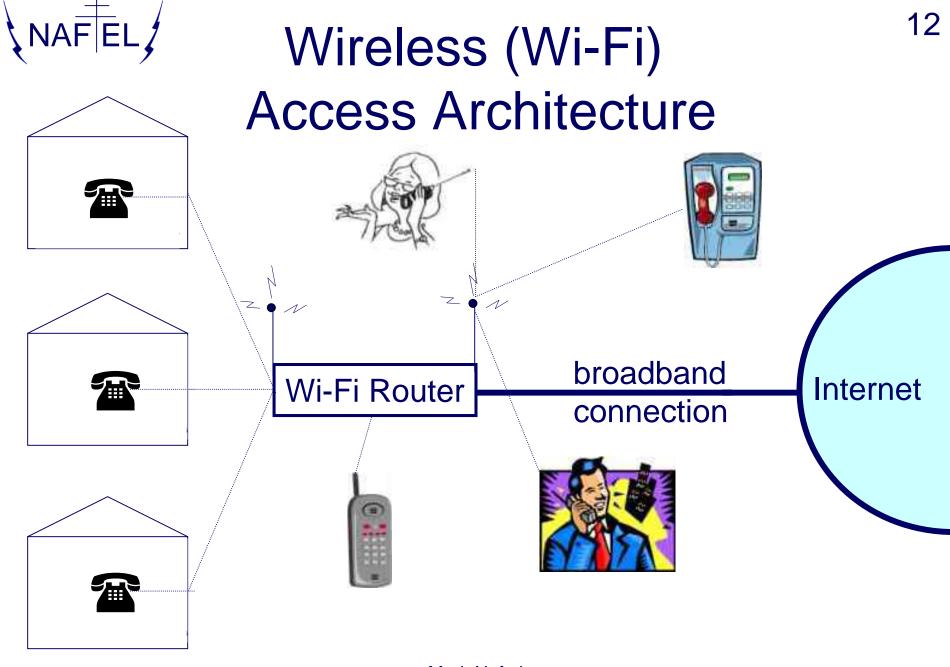
Unbundling for VODSL (2)

- Wholesale rates
 - Loop, co-location and transport prices
 - Avoidance of price squeeze
 - Major supplier non-discrimination required by WTO Telecoms Treaty Regulatory Reference Paper
 - Bit-stream access
- Neighborhood associations or small business as telcos



Universal Service Obligations and Funds

- Use USO/funds or development funds to establish micro-telcos
- Use vouchers or telco-credits to give consumers real choice





Conclusion

- Competitive markets ensured by regulation will lead to speediest and most efficient broadband deployment
- Innovative uses of broadband may assist telecommunications development and deployment

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