

## **Q. 10/1 Regulatory impacts of the phenomenon of convergence within the telecommunications, broadcasting, information technology and content sectors**

### **1 Statement of the problem**

The telecommunications, broadcasting, information technology and content sectors are undergoing increasing convergence, as evidenced by the Internet, among other examples, which raises a number of important policy and regulatory issues. The issue of convergence is of great interest to both developed and developing countries.

- Until now, these sectors have come under different regulatory regimes. The challenge now is how to regulate hitherto separate industries and sectors because increasing convergence makes it increasingly difficult to determine under what regime convergent industries should be regulated, if at all, and if so, how best to do so.
- Global, interconnected, vertically and/or horizontally integrated industries as manifestations of a high degree of convergence call into question whether any single nation state in developed and developing countries can adequately regulate the new players.
- While competition may exist between convergent industry players in the most advanced industrialised countries, the mega-corporations (vertically and/or horizontally integrated) and international alliances may completely overwhelm industries and network capacity - even as it can be acknowledged that the convergent industries offer services which create many new opportunities for even those in the less developed countries, who have not previously had access to such a rich array of information, information-processing and communications capabilities.
- The right to communicate issue leads to the right to access to network and applications using networks. A good example is the issue of the Internet.
- Liability.
- Copyright and intellectual property rights.
- Questions of treatment in situations where some industries are regulated (e.g., telecoms) while others have been subject to little or no regulatory oversight (the Internet), yet both provide effectively the same or functionally similar services.
- Interconnection and payments by one service provider or infrastructure provider to another.
- Network capacity.
- Regulatory jurisdiction - e.g., where a service is supplied from one country but provided in another.
- Fraud and security.
- The blurring of the distinction between content, service provision and infrastructure.
- Etc.

It is important to emphasize that while convergence may create many regulatory conundrums, from the user's point of view, convergence yields hitherto undreamed-of opportunities and instant access to a wealth of information, entertainment and communication at relatively low and declining cost. While convergence may be awkward for policy makers and regulators, the benefits to users are legion.

### **2 Question**

Examine the issues associated with convergence to determine what actions countries may take to optimise their regulatory regimes in order to deal adequately with these issues.

### **3 Expected output**

A report with recommendations.

#### **4 Timing of the expected output**

First interim report in two years. Final report for the last Study Group 1 meeting before the next WTDC.

#### **5 Proposers and sponsors**

Study Group 1. The Rapporteur's Group should comprise, in the first instance, a core group of representatives from the Study Group who are willing and able to devote some serious time in reviewing existing studies, the trade press, etc., and to extract from such material the key points where regulatory impacts or consequences are evident. Preparation and distribution of the interim report may stimulate and/or warrant additional inputs to or representation in the Rapporteur's Group.

#### **6 Sources of input required in carrying out the study**

- KPMG studies commissioned by the European Commission.
- The EC's forthcoming Green Paper on Convergence.
- Inputs from Sector members.
- Web and trade press searches.
- Studies prepared for other organizations, e.g., 1996 ITU Regulatory Colloquium on Convergence, the EC Study on Convergence (1996), Current studies by WIPO on the economics of property rights, the forthcoming Survey of the CTU member states, UNESCO, etc.

#### **7 Target audience**

##### **a) Types of target audience**

	Developed countries	Developing Countries	LDCs
Telecom policy makers	*	*	*
Telecom regulators	*	*	*
Sector members	*	*	*

##### **b) Who will use the output?**

The ITU and telecom policy makers and regulators around the world.

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

Dissemination of the two reports (interim and final) to ITU-D members and sector members. Administrations may wish to consider whether the results of the study are such that some optimization of their regulatory regimes would be appropriate.

#### **8 Proposed method for handling this Question**

- |   |     |
|---|-----|
| 1 Within a Study Group                      | [✓] |
| – Question (over a multi-year study period) | [ ] |
| – Focus Group (12 months duration maximum)  | [ ] |
| 2 Within a regular BDT activity             |     |
| – Programmes                                | [ ] |
| – Projects                                  | [ ] |

- Expert consultants [ ]
- 3 In other ways - describe (e.g., regional, within other organizations, jointly with other organizations, etc.) [✓]

A study on the phenomenon of convergence should be tightly focused on key issues, especially in regard to the interim report. A review of existing reports and studies should form the basis for identifying the key regulatory impacts and subsequent consideration by Study Group 1 of what recommendations it might wish to make to ITU-D members. While participation in the study of this Question should be open to any member, it may be useful to see if the study could be supported by university researchers and/or regional organizations such as APT, CITELE, the European Commission, etc. In particular, it would be useful to see if experts from the US FCC, NTIA and European Commission would be willing to participate in the Rapporteur's Group. It would be useful to have the draft report-in-progress available on the ITU-D's Web site so that anyone on the World Wide Web could provide comments and/or inputs to the study.

## **9 Coordination requirements of the Study**

None.

## **10 Other relevant information**

None.