The current trend of convergence of services

- The convergence of existing services and applications is supported by technological advances and is induced by customer expectations.
- Some technologies are paving the way for convergence between mobile, fixed and digital content services.
- Sustained by the convergence of the radio access networks.
Convergence of Services at France Telecom - Programme NeXt

Consumers give access to a new world of services

“...customers and everyday life...”

A strategy for services and innovation

21-24 nov 2005
FRANCE TELECOM DELENDA Lamia
NeXt Steps..

How integrated operators see current issues on radio regulation relating to Convergence?

- Spectrum management encompassing integrated players strategy to favour innovation and Growth
- Discussions have to lead to regulatory changes when administrative rules on spectrum are not adapted
- Changes have to be interpreted in regulatory terms

Convergent services

Some challenges in current spectrum management framework ..

- Mobile TV: is it a mobile service or is it broadcasting?
- Nomadic Wimax: is it a mobile or fixed service?
- PAMR 450 MHz: can it be used to implement mobile cell network?
**Favouring a step by step approach**

- Discriminatory situation that may negatively impact competition must be addressed. The overall context has to be scrutinized and the evolution has to be as smooth as possible.
- Adapt the rights of use spectrum and the associated obligations to avoid unfair competition issues.
- Consider the interference problems.
- The aim must remain the avoidance of unnecessary regulatory obstacles to the development of the electronic communication services.

**Example of regulatory challenge with a French case**

**PAMR 450 MHz in France: a convergence issue?**

- PAMR services used to be delivered at 450MHz in TETRA technology.
- The PAMR operator asked to change technology to use CDMA PAMR technology. This would have de facto given birth to the suppression of barriers between PAMR and PMR network functionalities.
- Proposal was made to align spectrum fees with those of public mobile operator (PAMR).

**NRA Decisions**: the spectrum was given back to NRA that will put it soon in the market on an open and non-discriminatory basis.
Convergence and coexistence of technologies

Services convergence:
- on technological advances
- on aggregation of technologies

Regulations and Convergence

- What Rules to drive innovation? Equitable access and fair competition rules and actions to foster investments not to stop them
- What Rules to foster Growth and Economic advantages? A clear regime to handle Legacy aspects
Convergence main risks are related to administrative follow-up

- The increase of discriminatory cases if regulations are not equitable in terms of consistency on fees or on access to spectrum
- Risks that Regulations may not consider the necessary identification of extra spectrum to give access to spectrum to innovative applications for convergent radio systems
- The existing distinction between spectrum for commercial and non-commercial services has no longer relevancy. It could put a brake on the development of services based on technological convergence.
- The commercial nature of an application should be the only criterion that counts.

What kind of regulatory answers as for major players?

- Take care of Integrated players expectations: benefits but not only…!
- Adopt a pragmatic approach by adapting in a timely manner the technological advances as well as business constraints
- A dynamic and pragmatic solution should be proposed to handle regulatory limitations and constraints
Regulators' questions and goals

Convergence between Fixed and Mobile services will raise the question of:

- Promotion of efficient use of spectrum
- Application of sharing principles
- Establish equitable conditions to operate on competitive market
- Definition of Licensing conditions in an appropriate, transparent and fair manner
- Further challenges
  - How should integrated operators conciliate otherwise new strategies of convergence if the playing field is a segmented market?
  - How shall be integrated the substitution between bands on a same market? (alternatives bands, other technologies)
  - How licensing policies will be embracing that convergence issue?
  - A generic license would have a relevant meaning, likely to comfort integrated players flexible usage but what about spectrum fragmentation and Interference issues?

How to improve then spectrum management rules?

- “Good” spectrum management remains a policy goal:
  “Regulators shall ensure the effective management of radio frequencies for electronic communication services”

- So that authorization (general or individual) can be restrictive:
  - to ensure effective and efficient use of frequencies
  - to define technical and operational conditions necessary for the avoidance of harmful interference
  - to comply with obligations under relevant international agreements relating to the use of frequencies.
What message France Telecom may deliver?

Suggestions

- To identify further the different regulatory regimes linked to the existing bands allocated to radio access networks (for Mobile services, broadcasting, RLAN….)
- To set new horizons to consider with equitable regulatory considerations commercial and "non commercial" spectrum
- Answer to technical and technological innovation in a timely manner
- Satisfy market demand and avoid discriminatory cases
- favour new uses
- Reducing access delay to spectrum
Success Key Factor: Harmonization and a relative stability!

- Harmonization based approach
- Clear policy on committed investments; and Confidence for Industry

What is the global aim?

- To define conditions and rules promoting business models for mass market applications, likely to develop innovation, generate growth perspective and Customer satisfaction!
- Avoid the risk driven by precarious businesses as investments are underpinning Growth,
- Promote clean usage and avoid spectrum fragmentation
- In order to maintain a competitive environment and promote innovative solutions and enhanced technologies likely to provide Successful Stories....!
Thank you for your attention