



GSR09 – Best Practice Guidelines on innovative regulatory approaches in a converged world to strengthen the foundation of a global Information Society¹

The technological and market changes that have taken place recently in the sector with the convergence of networks, advent of IP technologies and broadband developments, have blurred the boundaries between the once-separate telecom, Internet, broadcasting and electronic media worlds, bringing new players as well as driving new opportunities and challenges. Today, convergence of markets, applications, services and users' terminals looks inevitable, being both convenient for consumers and promising for market players in creating new opportunities and revenue streams.

Meeting the expectations of all information and communication technology (ICT) stakeholders by creating an environment conducive to investment is critical to stimulating growth of converged markets. This also calls for further regulatory reforms, which may require innovative and forward-looking regulatory action. Yet, countries around the world may follow different paths of development and use different strategies to promote convergence based on the state of development and nature of their markets.

We, the regulators participating in the 2009 Global Symposium for Regulators, have identified, and put forward the following best practice guidelines for innovative regulatory approaches in a converged world to strengthen the foundation of a global Information Society.

I. Promoting convergence to further develop ICT and broadcasting markets

- 1.** We recognize that convergence is a technology and market-driven process.
- 2.** We recognize that convergence is most likely to thrive in an environment which allows competition between broadband networks and infrastructure and service providers.
- 3.** Nevertheless, we note that regulators need to be particularly attentive to the challenges stemming from convergence, in order to pave the way for the establishment of a regulatory environment that is transparent, is conducive to investment and growth, fosters fair and greater competition as well as innovation, stimulates the deployment of infrastructure, promotes the development of new services, is security conscious, and protects and benefits consumers.
- 4.** We believe that, in doing so, policy-makers and regulators need to:

¹ The Best Practice Guidelines were developed based on input received from: Armenia, Bahrain, Brazil, Chile, Dominican Republic, Equatorial Guinea, India, Jordan, Lithuania, Peru, Poland, Portugal, Saudi Arabia, Spain, Switzerland, Thailand, Togo, Tunisia, Turkey, United Kingdom.

- a. Establish appropriate policy goals and refrain from imposing regulatory restrictions except when strictly necessary to promote competition and consumer protection, and that are proportionate to the established policy goals.
 - b. Adopt a technology-neutral approach, including in frequency spectrum allocations and assignments, to facilitate the use of all transport mechanisms, whether wireline or wireless, and to promote the utilization of new and emerging technologies.
 - c. Promote innovation and research and development.
5. Regulators need to adopt appropriate regulation on interconnection and access, including pricing, taking into account the relevant technological market developments including the roll-out of Next Generation Networks in the core (NGN) and in the access layer (NGA).
6. We note that NGNs and IP-based services may offer the opportunity for operators to take advantage of market convergence and create new revenue streams while expanding access to ICT services at lower costs to consumers.
7. We recognize that regulators should take an active part in setting international standards relating to convergence in order, for example, to ensure an optimum level of quality of service and increased interoperability between different networks, applications, services and devices, in a constantly changing technological and market environment, whilst taking utmost account of the primary role that the industry has in developing effective standards.
8. We note that voice services, no matter which technology they use, should benefit from a flexible numbering plan and simple assignment and reservation procedures both at national and international levels. A coordinated approach to numbering plan development will foster effective market entry for new players, flexible and effective number portability and fixed-mobile convergence.
9. Regulators may consider developing adequate provisions both in the fixed and the mobile Internet access services to ensure technology neutrality and effective management of Internet traffic.
10. We recognize the importance of promoting universal access to broadband services, notably by developing a broadband policy and a targeted universal access strategy and by cooperating with governments and international organizations. These strategies need to be aligned with policies of other sectors and programmes (such as e-governance, e-education, e-government, e-health, e-commerce), as appropriate.
11. With the growing dependence of government, businesses and society on converged ICT services we recognize the importance of working with other agencies to ensure the resilience of networks and services and that contingency plans are in place to safeguard critical national infrastructures, as well as during times of national emergencies.
12. We recognize that regulators need to pay particular attention to all environmental issues and where required issue guidelines on the use of ICTs to support meeting environmental commitment.

II. Building effective regulatory institutions

1. We recognize the importance of regulatory authorities being able to carry out their mandate efficiently, while ensuring consistency and transparency of regulation, equal treatment of market players and accountability of regulatory decisions.

2. We stress the importance for regulatory authorities to be empowered with suitable tools to ensure enforcement of the various laws, by-laws, regulations and procedures.
3. We recognize that the creation of a converged regulator in charge of ICTs and broadcasting could be an effective step towards enabling market integration in a converged environment. Should this not be feasible, closer coordination and collaboration between the sector-specific regulatory authorities in charge of telecom, broadcasting and electronic media, as well as authorities in charge of competition is essential.
4. We recognize that a converged regulator will require skilled human resources and adequate financial resources in order to perform its extended mandate successfully.
5. We stress the importance of integrating into the mandate of the converged regulator strategic and policy activities to build the information society and to play an inter-sectoral coordinating role.
6. We recognize the importance of close collaboration with other concerned agencies to ensure that appropriate measures and tools are put in place to safeguard Intellectual Property Rights (IPR), Internet safety covering such issues as the protection of the children online and fraudulent activities.
7. We note the importance of further observing and examining the evolution of regulatory institutions to reach efficient regulation for the development of domestic markets and consumer welfare and share best practices....
8. We recognize the importance of international cooperation between national and regional regulatory authorities in building a harmonized and coordinated approach to oversee the evolution of the converged markets.

III. Using regulatory tools to stimulate investment in a converged world

We recognize that, in order to stimulate investment to grow converged markets, regulators need to further:

1. Build an adaptive regulatory framework by adopting a technology neutral approach, administratively simplified and flexible licensing regime providing for easy market entry of new players, such as through general authorizations and multiservice/unified licences.
2. Encourage the roll-out of broadband infrastructure (especially in remote and underserved areas) by providing suitable incentive schemes such as tax incentives, lower regulatory or spectrum fees and by facilitating access to rights of way.
3. Foster competition in converged services over wireless networks through efficient and integrated spectrum management, using market based tools such as auctioning to assign spectrum more efficiently while recognizing that spectrum is a public good.
4. Shift regulatory attention from retail to wholesale markets, i.e., by ensuring that alternative operators have access to dominant players' infrastructure (through passive sharing such as duct sharing, local loop unbundling, local sub-loop unbundling, bitstream access, network and facility sharing, etc.) to offer competitive converged services, therefore avoiding unnecessary duplication of infrastructure and reducing costs.

5. Apply effective, proportionate and non-discriminatory regulatory measures to enable the development of convergent bundled services while promoting competition among market players, and offering a level playing field for small niche players.
6. Raise awareness of the benefits and risks of technological progress for the market and consumers and consider regulatory measures to address issues such as personal and data protection, consumer rights, protection of minors and vulnerable segments of the society and protection of end-users.
7. Involve all stakeholders in policy setting, improve transparency, conduct public consultations and consider other collaboration mechanisms to further dialogue with industry, consumers and other stakeholders, employing self-regulatory measures to the widest extent feasible.
8. Conduct periodic regulatory and market review that may include regulatory impact assessment, making the outcomes widely available and using them to refocus national policies and strategies.

IV. Stimulating growth in innovative services, applications and devices towards connecting the unconnected and for the benefit of consumers

1. We believe that Governments and regulators have a key role to play in stimulating demand for ICT services and applications, in the framework of broader strategic goals, such as connecting public institutions (especially public administrations, schools, libraries and hospitals), businesses and residential users with broadband, promoting economic development, digital inclusion, social cohesion and equality of opportunity.
2. We recognize the key role regulators and other relevant agencies play in overcoming connectivity challenges, increasing ICT literacy and awareness of security issues, fostering the development of content in local languages (including on regulators' websites), promoting the availability of low-cost multifunctional devices, encouraging innovative public private partnerships (PPPs) and using universal access/universal service mechanisms to connect underserved areas more quickly while involving all stakeholders.
3. We, suggest that governments may consider using public funds to finance infrastructure roll-out in areas where private sector investment is insufficient.
4. We recognize that the deployment of NGN and NGA and the more rational use of resources, such as sharing of common infrastructure and scarce resources may stimulate the development of new services and applications available to users, lower prices to consumers and is also likely to have a leveraging effect on other sectors and the entire economy.
5. We recognize that increasing competition and the move towards convergence raise the importance of consumer protection and consumer education with respect to both the opportunities and challenges that Internet connectivity brings.
