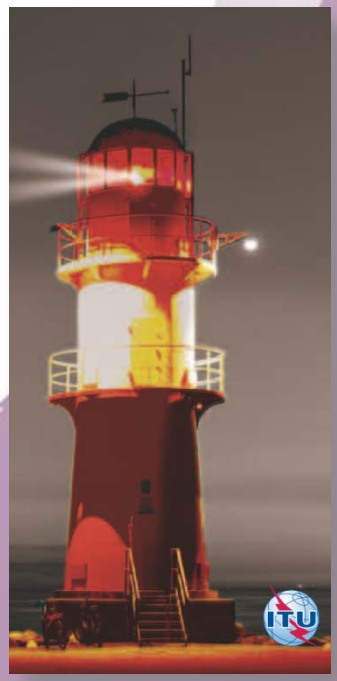
LATINOAMERICAN TELECOM REGULATORS FORUM

REGULATOR´S ASSOCIATIONS MEETING

THE FUTURE OF REGULATORS

Colombo, Sri Lanka, Oct. 2012

Gustavo Peña Quiñones,
General Secretary



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- REGULATING THE ICT WORLD – THE CHALLENGES

1. ROLE OF REGULATION: Background, Minimal intervention, Transition from Ex ante to Ex Post.
2. REGULATORS UNDER SCRUTINITY, What should be the Regulator and what their mandate.
3. FUTURE OF REGULATION.

1.- ROLE OF REGULATION
Background, Minimal regulation

- ✓ It is a government function that paves a better approach to the Information Society.
- ✓ A good regulatory work facilitates attract private sector investment, to improve existing conditions reduces the access gap and market gap.
- ✓ It is a balance between private sector and govermment offering legal security, better chance of economic management and development through the application of ICT and technological knowledge .
- ✓ The Government, Private sector and Society are playing a crucial role in the development of the information society.

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Regulatel

Regulation in the 80s

- ✓ Starting decade...
- First attemp to take out the sector from stagnament.
- It was issued – the ITU´s International Telecommunications Regulations - ITR
- It begin opening processe to competition and privatization of public monopolies.

Regulation in the 90s

- ✓ Decade of changes...

- Telecommunications were reformed. Competition begins, companies were privatized and specialized technical regulation agencies was created.

- The INTERNET was introduced, packet communications (network) and its usage without restrictions opens in the WEB.

Regulation from 2000 to 2010

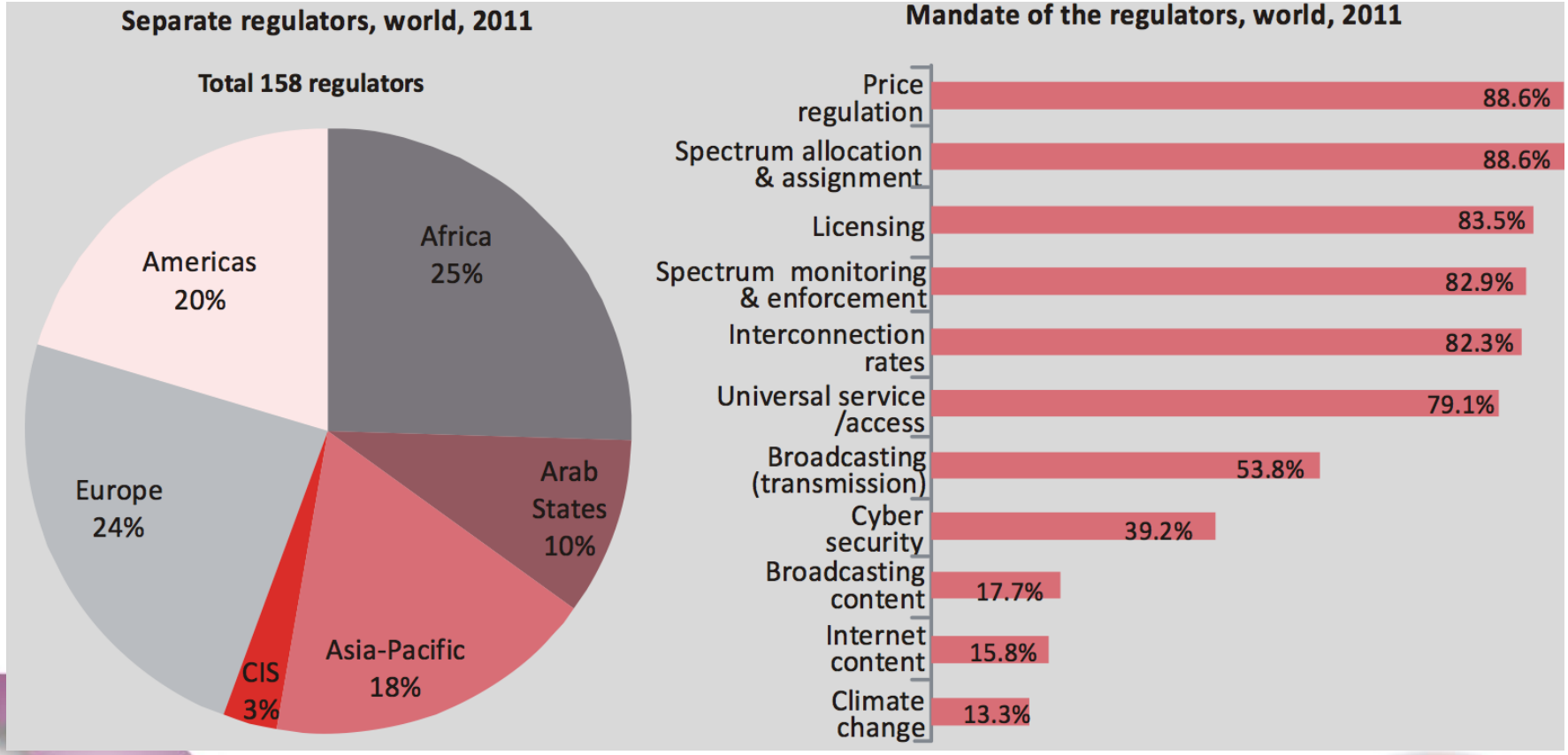
✓ Decade of consolidation...

- Process of privatization and competition strengthens. Ex ante regulation guides market development, removing uncertainty and political risk.
- Consolidation of the concept of Universal Service as an alternative to expand service coverage.
- Regulatory agencies in the world increased from 12 to 96.
- Regulation in the 90s regulates fixed monopolies of networks and services. From 1998 operators with more than 25% of market share and incumbents were regulated. Mobile services regulation begins.
- Begins convergence of services, networks, regulators, etc.
- Mobile services in competition arises as a solution to universal service needs, that was not achieved with fixed services.
- Communications using packet switching tends to be use for all services, data becomes the future of communications.

Regulation at 2012

- Competition in the telecommunications/ICT still encouraged.
- Globally, the provision of mobile broadband services and cellular phone continuous to maintain high competitivity in 92% of markets.
- At the end of 2011, ITU estimated that cell phone mobile service had 6,000 million subscribers, which represents a worldwide penetration rate of 86.7% and a penetration rate of 78.8% in developing countries
- The broadband affordability is an obstacle to ease its access and usage for users in developing countries. In some regions the access cost is almost three times the avergare per capita income.
  - Source: www.itu.int/ITU-D/ict/ipb/index.html

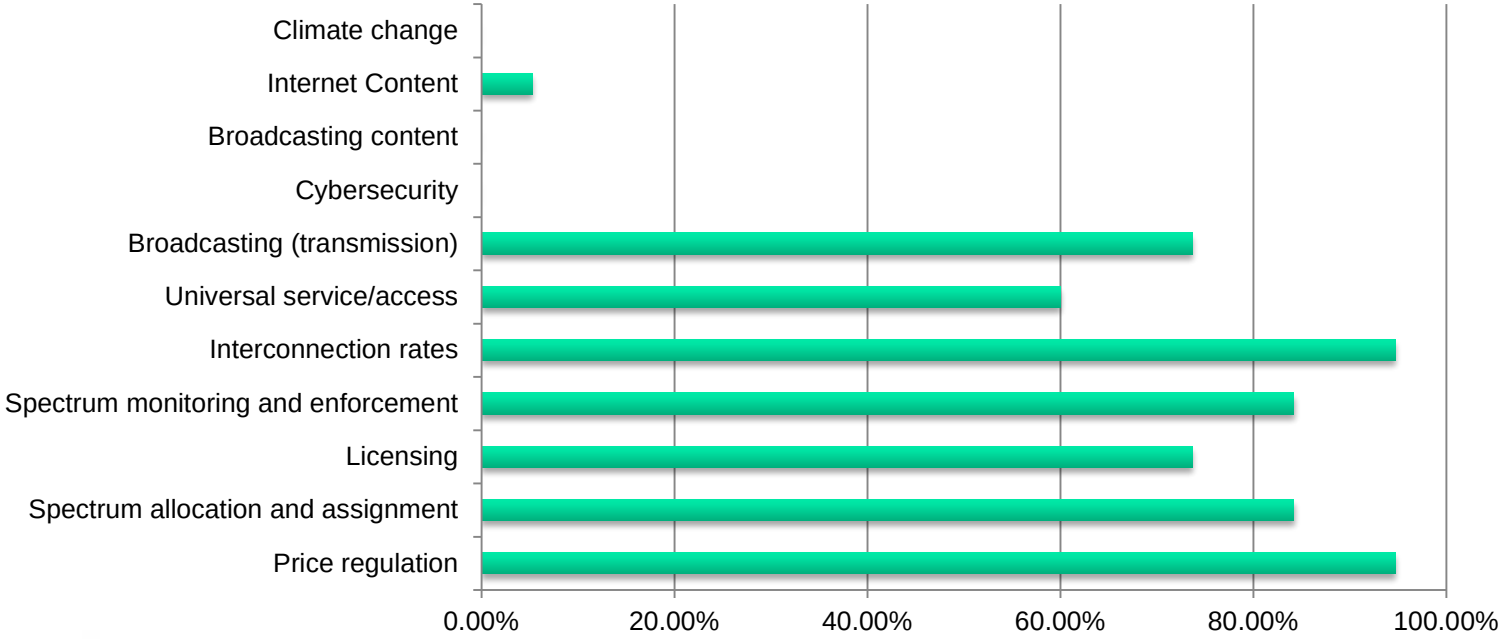
Mandate of Regulators, worldwide 2011



✷Fuente: www.itu.int/ITU-D/ict/ipb/index.html

Regulators Mandate – REGULATEL

MANDATE OF REGULATORS WITHIN REGULATEL 2006

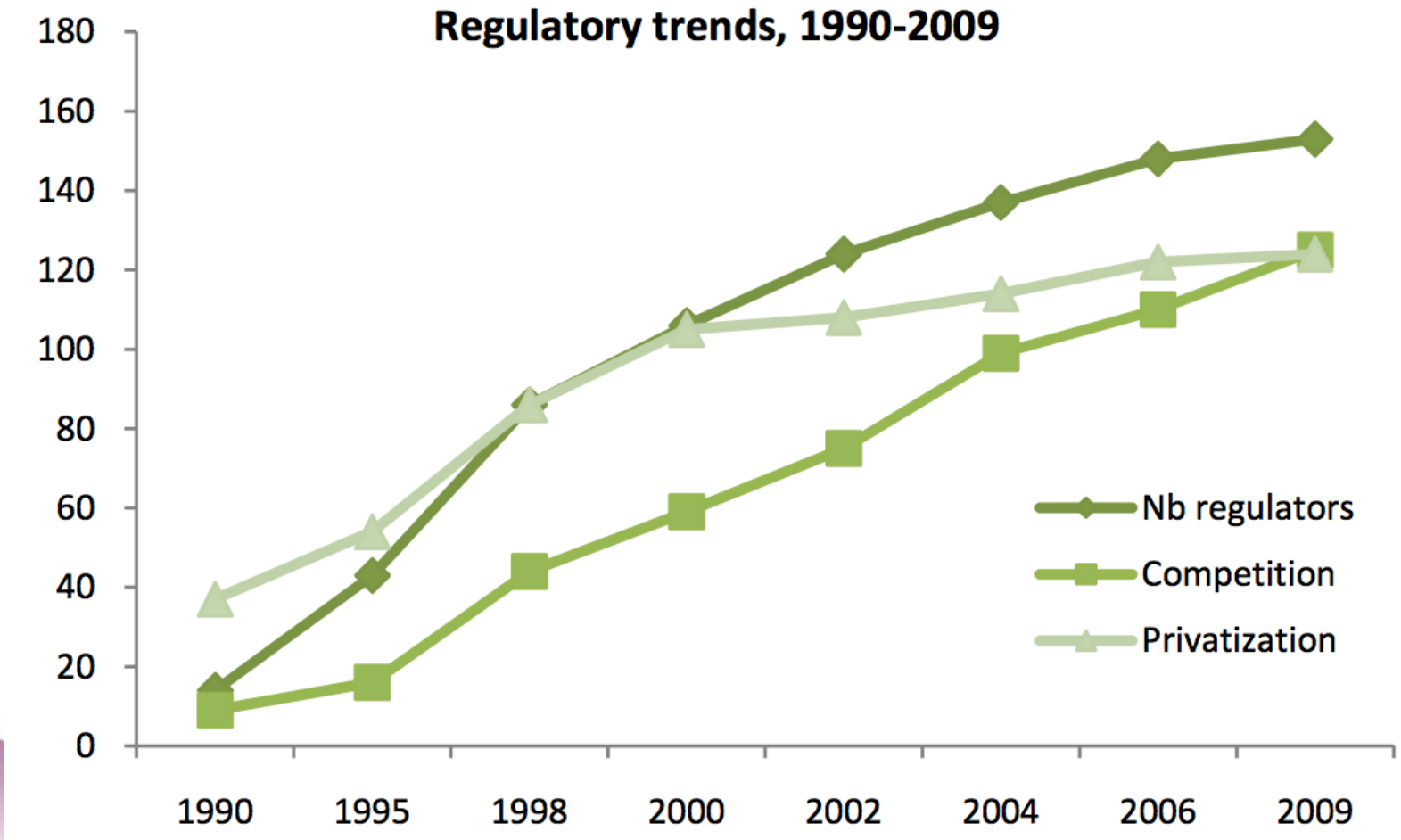


THE MANDATE OF ATRIBUTES OF REGULATORY AUTHORITIES WITHIN REGULATEL SHOWS SIMILAR BEHAVIOUR TO THE REST OF THE WORLD

2. REGULATORS UNDER SCRUTINITY

What should be the Regulator and what its mandate

Regulators



Source: Trends in Regulatory Reform 2009 ITU

- Easy Access to Information
- Incredible improvement in Communication
- Technological Development

PRODUCES

- Innovation and globalization

WITHIN A SECTOR WITH

- Market Competition
- "Value Chain" changes
- Need for regulation

- The ¨regulation¨ is completing its cycle,
- Now it is necessary to define markets, *ex ante* and *ex post* actions.
- Independence and autonomy of regulators tend to be diminished.
- Convergence Challenges generate constant changes in market composition.
- And specialized concepts less accessible to the public opinion.
- Some regulators have failed to deal with the conflict of interests between large companies.
- It is criticize the powers (discretional) of Regulators.

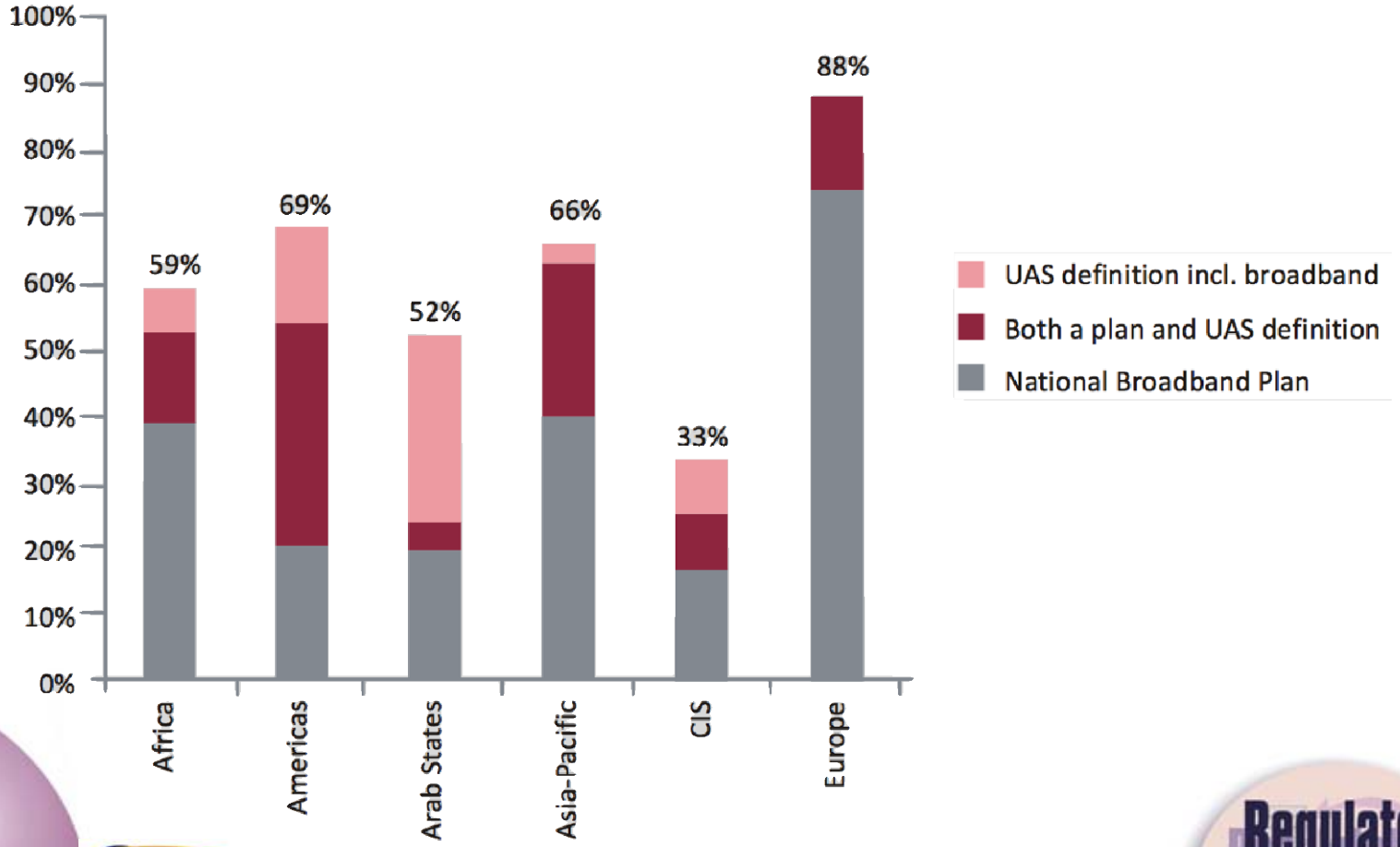
- ICTs
  - GREAT OPPORTUNITY
- Communication
- Information Society or
  - KNOWLEDGE
  - BUT IT SHOULD BE:
    - Clear policies from
      - Country states, Regional, and Global
      - Government
    - Good Regulation

3. FUTURE OF REGULATION:

Importance and need of Regulator, Risks, relations with government and private sector

- **Clear Policies and Rules from Countries as States that moves at the pace of innovation, technological Renovation, Globalization, Information and knowledge**
- **Clear Institutional Structure defining responsibilities at an independent regulator from operator companies and from Government**
- **in line with above clear rules from Government that tend to facilitate competitiveness through the economy, fostering Competition in markets and changes in the value chain tending to offer everyone access to the Internet**

Policies to promote the understanding and promotion of Broadband



Regulation for the Future

– **The decade from 2010 to 2020 will be the decade INTERNET FOR EVERYTHING**.

Concepts such as final services ceases to be relevant, may disappear in few years. The convergence of services and its substitution are drivers that determine the need to regulate a specific segment.

From Internet for everyone it goes to Internet for EVERYTHING – All uncertain...

No one knows the implications of an Internet so open and available to all. Elements such as social networks, cyber security become important and start to be consider as a part to regulate. Opportunities such as phone banking, climate change, personal services and other location services will be developed.

Applications that are being developed now, we can not even imagine what changes will bring to society. Only possible to developed in an open environment, such as of Internet itself.

Traffic patterns are changing, similarly operator revenues are changing continuously, the data traffic generated by iPhones and Android phones will represent more than 50% of traffic in the mobile broadband networks.

We are in the era of broadband services, mobile access will be the main player. The need of fiber optics with capillarity to offer nSTM1 ending in LTE base stations and ulterior will become a prerequisite.

Future Regulation

- **Independent Technical and Professional Regulation star to be questioned.**

Intervention is considered inconvenient for ICT which are provided with all kind of support, only *ex post* solutions are considered.

The operational and functional independence of regulators is no longer a paradigm, many Regulators Authorities need government authorization to attend their commitments and activities.

The financial resources of regulators become part of the national budget, the independence of regulators is becoming increasingly uncertain.

Key elements for regulation 2010 - 2020 (1)

Regulators should be prepare for the challenges of new Regulation.

- New networks are necessary with sufficient and multiple offers in order to create competition.
- Full regional interconnection, networks which foster regional integration and balance between regions.
- Interconnection between IP operators more equitable that “peering” .
- Network security, cyber security and transactions security to enable the development of cloud computing, banking through mobile media. Possibly there will be a need to relate the owner to the mobile terminal equipment through biometric means.
- The development of national broadband networks is important to governments, concept of Universal Broadband service is being implemented.
- National broadband networks should be able to be used for the base stations of mobile networks of new generation as LTE.
- The challenge for regulators of emerging countries is to create sufficient networks to allow the deployment of these services in all networks especially mobile.

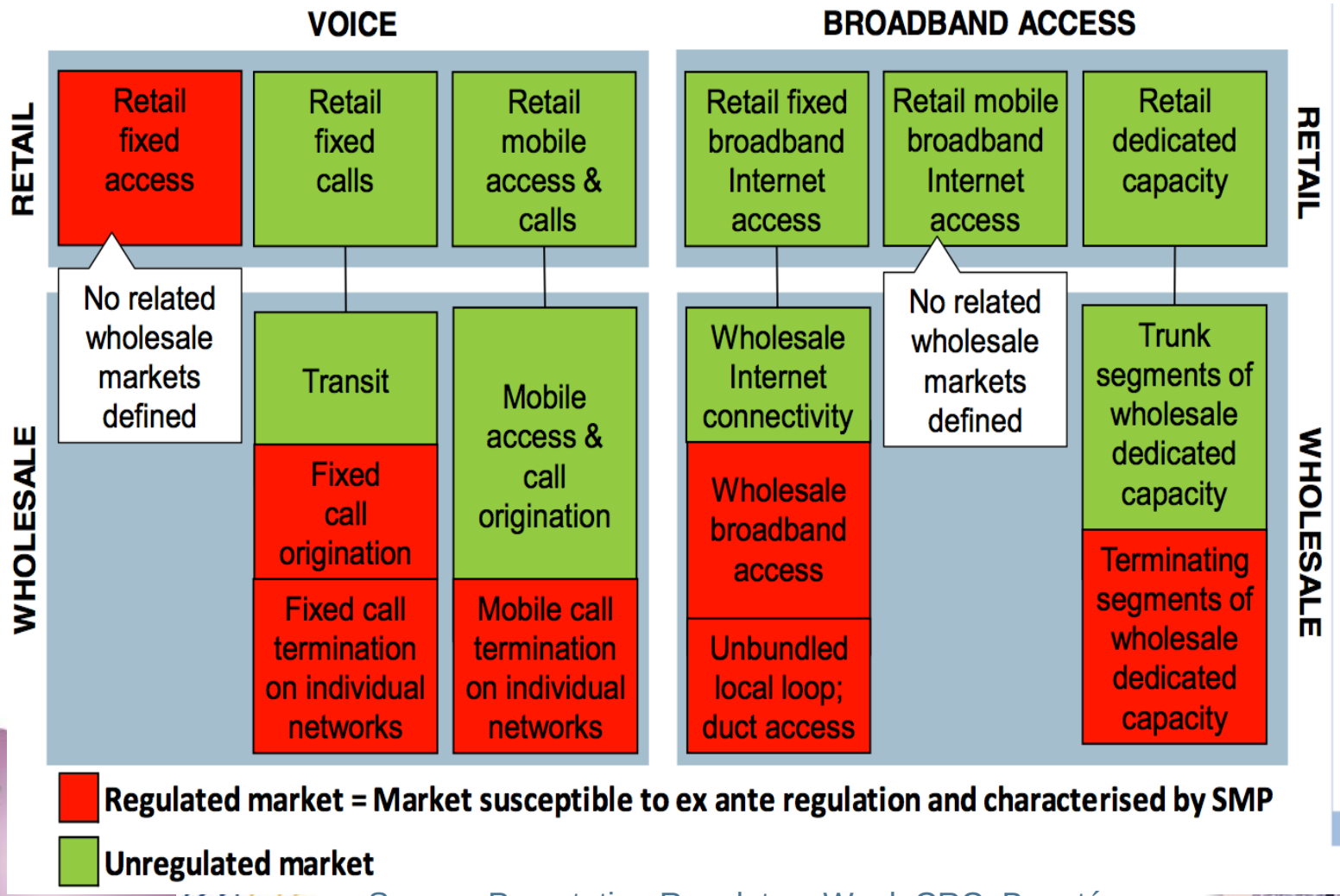
Key elements for regulation 2010 – 2020 (2)

- Develop capacity for ex post regulation,
- Maintain conditions in order that ICT investments can continue.
- Develop capacity to decide whether is necessary to intervene, and evaluate security and environment.
- Regulators in developing countries should use the synergy of PPP for the development of networks and universal service.
- The development funds of universal service should be employed efficiently in expanding the access to broadband.

Human Right the Access to Communications

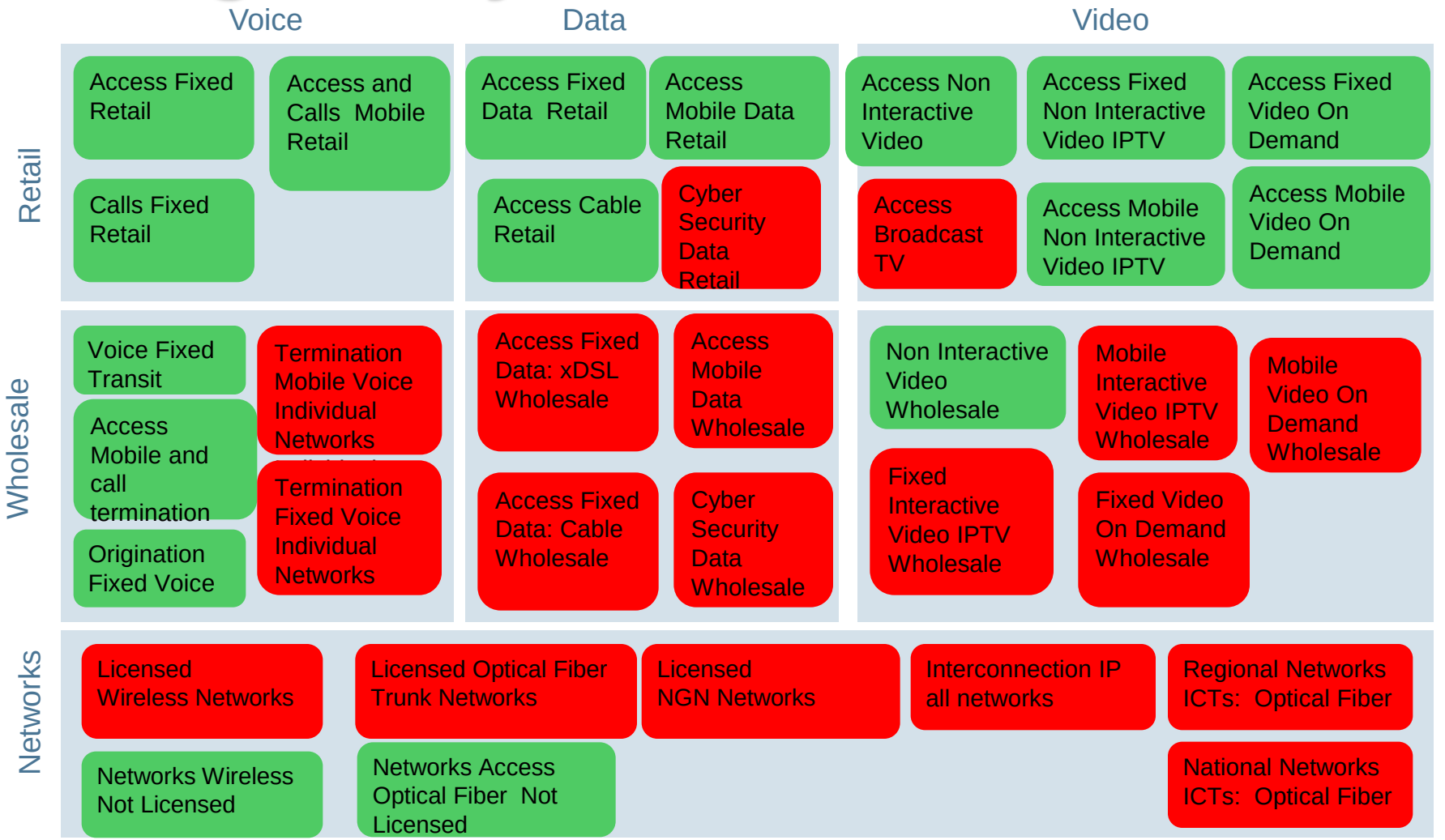
- Rules of International Organizations
- Policies of States and Governments
- Rules of the Regulators

Regulatory framework - 2010



Source: Prsentation Regulatory Week CRC, Bogotá

Regulatory Framework - Future



Regulated Market: market susceptible of ex ante regulation and with SMP player

Not Regulated Market

Source: Prepared by the Author

CO-OPERATION OFFICE
A programme of the European Commission

New Regulation - RCI

CONCEPT

efore 2020.

Best Practices

CONCEPT

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