**ITU/NBTC Seminar on Telecommunications Regulatory Best Practices: Towards the Digital Economy Thailand**

Tuesday 24 March 2015, NBTC Auditorium, Bangkok, Thailand

## Session 4

# Global practices of organizational structure

Roles of regulatory authority and the government

# Outline

- “Take Home Messages”
- Background ICT
- Latin American experience
- Convergence
- ICT Policy Issues (Access/Content/Training)
- Responsibilities of regulators
- Guidelines for Regulation

# Take Home Messages

- Information, Communication and Technology (ICT) are crucial for social and economic grow; inclusion and social cohesion; education for the change towards the Information society  and globalization.

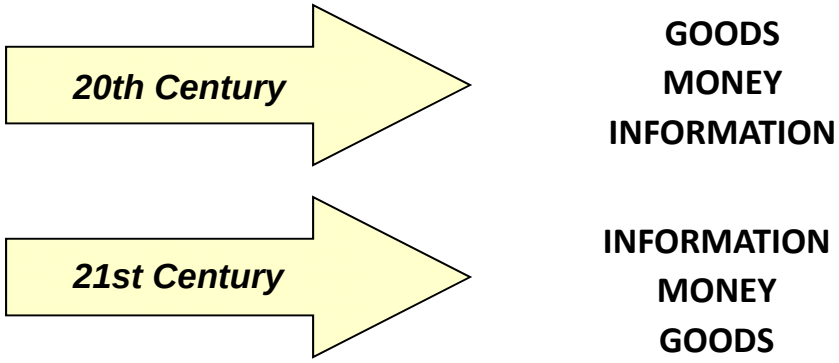
- States and Governments should recognize the importance of regulators for these expected changes and create independent pro-positive organizations and support their work in developing the ICT sector.

- Each country needs to develop their own solutions tailored to their specific structures and organizations.

# Take Home Messages-2

- Regulators should become the biggest promoters of reforms, and engage with policy makers on reforms that promote economic growth, innovation, social inclusion and education.
- Regulations should be amended to extend from the regulation of services to more general or integrated regulation (voice, data and video) to provide ICT services, with a focus on competition.
- The concept of *minimal regulation* should be prioritized
- Ex Post-Regulation is an option that needs consideration
- Regulators must be flexible and dynamic to adapt to changing circumstances and be prepared to intervene in the different markets in the ICT industry if required.

# Global *Information* Society

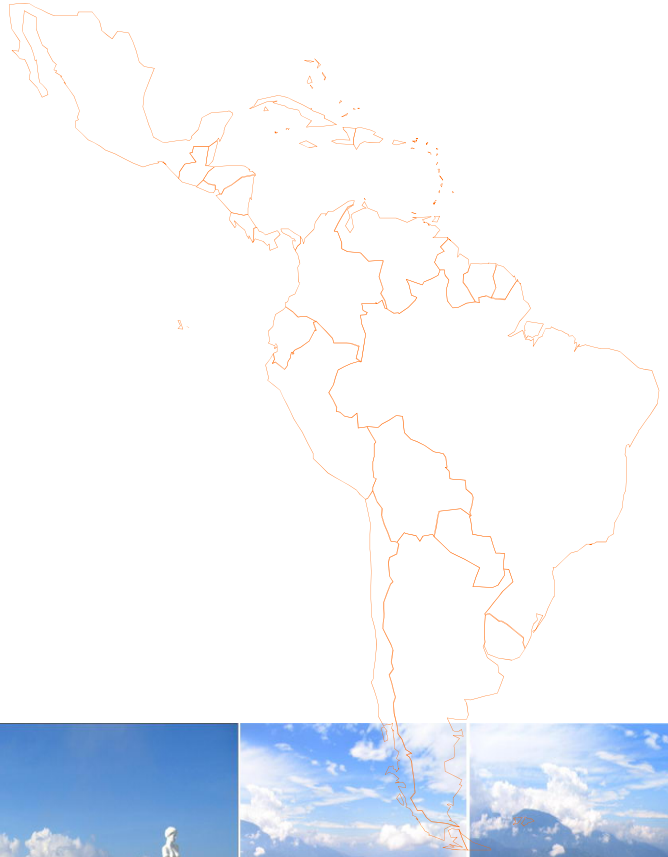



- It is the application of technology that allows the extension of the information of the telecommunications services to all the sectors of society
- New concepts and opportunities are new ways to develop business activities
- New telecommunications technology and easy access to information eliminates geographical barriers

# *Competition* as the scenario

New concepts are applied:

- Effective and efficient costs and tariffs
- It is not possible to charge customers rates high above costs
- Telecom users are now considered clients
- High Quality is a big issue
- Telecommunications becomes a way of doing business



# LATIN AMERICA

- **AREA: More than 21 millions Km²**
- **Population: 569 million**
  - **Density: 27 People per Km²**
  - **GDP: US$ 2,877 billon**
- **GDP *per capita:* US$ 4,940**
- **Mainly 2 languages: Spanish and Portuguese**

## LATIN AMERICAN REGULATORS

| | Country | Organization | Type | Collective direction | Creation | Employs | Population 10to6 | Area Km2x10to3 |
|---|---|---|---|---|---|---|---|---|
| 1 | Argentina | CNC | COMMISION | No | 1996 | 900 | 40 | 3.761,3 |
| 2 | Bolivia | (SITTEL)ATT | MINISTERY | No | 1994/2007 | 77 | 10 | 1.098,6 |
| 3 | Brasil | ANATEL | AGENCY | Yes | 1997 | 1262 | 190 | 8.511,9 |
| 4 | Chile | SUBTEL | MINISTERY | No | 1977 | 225 | 20 | 756,3 |
| 5 | Colombia | CRC | COMMISION | Yes | 1994 | 70 | 48 | 1.138,9 |
| 6 | Costa Rica | SUTEL | SUPERINTENDENCE | Yes | 1928/2011 | 140 | 4 | 51,1 |
| 7 | Cuba | MIC | MINISTERY | No | 2000 | 252 | 11 | 110,9 |
| 8 | Ecuador | CONATEL | COMMISION | Yes | 1995 | 209 | 15 | 272,0 |
| 9 | El Salvador | SIGET | SUPERINTENDENCE | No | 1996 | 61 | 8 | 20,9 |
| 10 | Guatemala | SIT | SUPERINTENDENCE | Yes | 1996 | 90 | 15 | 108,9 |
| 11 | Honduras | CONATEL | COMMISION | Yes | 1995 | 72 | 8 | 112,5 |
| 12 | México | CFT/IFC | INSTITUTE | Yes | 1996/2013 | 476 | 108 | 1.953,5 |
| 13 | Nicaragua | TERCEL | INSTITUTE | No | 1982 | 114 | 7 | 130,1 |
| 14 | Panamá | ASEP | AGENCY | Yes | 1996 | WI | 4 | 78,2 |
| 15 | Paraguay | CONATEL | COMMISION | Yes | 1995 | WI | 8 | 406,7 |
| 16 | Perú | OSIPTEL | OFFICE | Yes | 1991 | 141 | 30 | 1.285,2 |
| 17 | Rep. Dominicana | INDOTEL | INSTITUTE | Yes | 1998 | 272 | 11 | 48,7 |
| 18 | Uruguay | URSEC | UNITED | Yes | 2001 | 99 | 4 | 176,0 |
| 19 | Venezuela | CONATEL | COMMISION | Yes | 1991 | 459 | 28 | 916,4 |
| | | | | | | | 569 | 20.938,1 |

| | FUNTIONS OF LATIN AMERICAN REGULATORS | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Country | Organization | Independence | Broadcasting | Policies | Licencies | Spectrum | Comp. Promotion | Comp supervition | Regulation | Tecnical plans | Supervition | International | User Protection |
| 1 | Argentina | CNC | Yes | Yes | Not | Not | Yes | Not | Yes | Not | Not | Yes | Yes | Not |
| 2 | Bolivia | (SITTEL)ATT | Not | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | Brasil | ANATEL | Yes | Yes | Not | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4 | Chile | SUBTEL | Not | Yes | Yes | Yes | Yes | Yes | Not | Yes | Yes | Yes | Yes | Yes |
| 5 | Colombia | CRC | Yes | Not | Not | Not | Not | Yes | Not | Yes | Yes | Not | Not | Not |
| 6 | Costa Rica | SUTEL | Yes | Not | Not | Not | Not | Not | Yes | Yes | Not | Yes | Not | Yes |
| 7 | Cuba | MIC | Not | Yes | Yes | Yes | Yes | Not | Not | Yes | Yes | Yes | Yes | Yes |
| 8 | Ecuador | CONATEL | Yes | Not | Not | Yes | Yes | Yes | Yes | Yes | Not | Yes | Yes | Yes |
| 9 | El Salvador | SIGET | Yes | Not | Not | Yes | Yes | Not | Yes | Yes | Yes | Yes | Yes | Yes |
| 10 | Guatemala | SIT | Yes | Not | Not | Yes | Yes | Not | Not | Yes | Yes | Yes | Yes | Not |
| 11 | Honduras | CONATEL | Not | Yes | Not | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 12 | México | CFT/IFC | Yes | Yes | Not | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes |
| 13 | Nicaragua | TELCOR | Yes | Yes | Not | Yes | Yes | Yes | Not | Yes | Yes | Yes | Yes | Yes |
| 14 | Panamá | ASEP | Yes | Not | Not | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 15 | Paraguay | CONATEL | Yes | Not | Not | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Not | Yes |
| 16 | Perú | OSIPTEL | Yes | Yes | Not | Not | Not | Yes | Yes | Yes | Not | Yes | Not | Yes |
| 17 | Rep. Dominicar | INDOTEL | Not | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 18 | Uruguay | URSEC | Yes | Yes | Not | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 19 | Venezuela | CONATEL | Yes | Yes | Not | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

# Office of Communication – OFCOM (UK)

## Regulatory Structure

- Public Enterprise Agency, with legal status
- Financial and budgetary autonomy, expenditure ceiling provided for a period of four years by HM Treasury;
- Financing by fees imposed on operators plus the public subsidy;
- Organization can holder of assets;
- Internal administrative autonomy;
- Collegial structure at different levels; Board of eight members, committees, commissions or groups the number varies

# Office of Communication - OFCOM

**Responsibilities**

- Jurisdiction over public and private media throughout the UK, regardless of the transmission platform used;
- Skills in telecommunications and audio visual;
- Competition on the market and content;

# Office of Communication - OFCOM

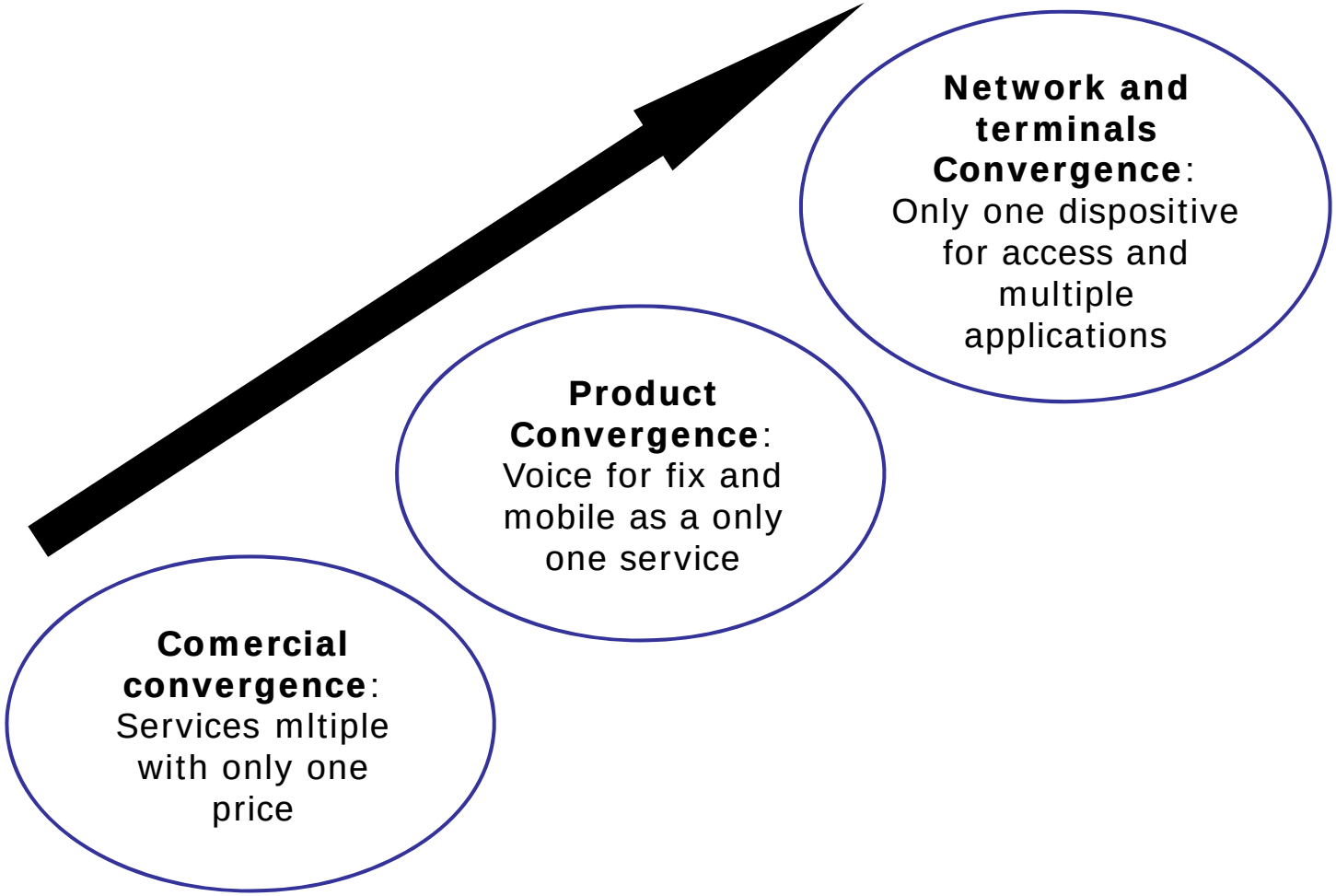
## Regulatory Powers

- Inspector Powers and requests for information;
- Powers to impose penalties and sanctions applied directly;
- Maintains advisory reports and political power activity;
- Presents annual activity reports to Parliament; accounting is audited by the National Audit Office;
- The actions of the OFCOM are liable to appeal to the Judicial Courts.

## Service staff

- At contract 800 employs and three officers assigned to other institutions

# Convergence: A transition process



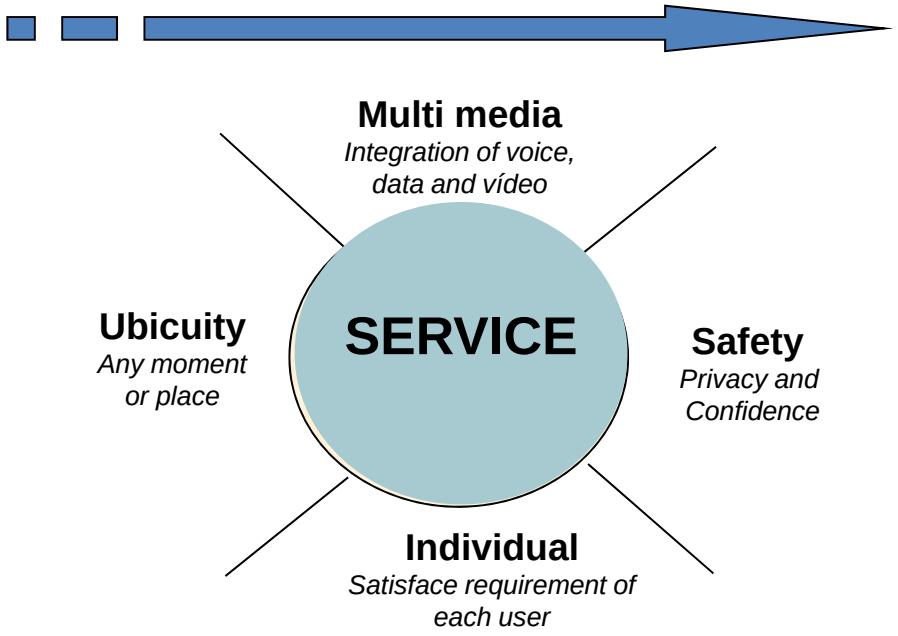

Fuente: White Paper IDC y Fixed Mobile Convergence Alliance

# Convergence concept

**Integration of networks and services that makes possible** access to a variety of communications, information and training services with a constant quality, independent of the terminal or network used

**Before**

"service " was associated to a connection or to an equipment




**After**

"service" was associated to a suscriptor from any equipment and in any place, fix or mobile

Source: Telefónica Latinoamérica

# LEGAL AND REGULATORY CHANGES

## Key Trends

- Unification of regulation bodies (voice, media and broadcasting)
- Privatization and market competition
- Licences simplification and multi services licences “multiple Play”
- Rules for user or customer protection
- State and government responsibilities to offer quality access to all the communication services (ICT) to all the population - Universal Access
- Regional integration and globalization, harmonization rules between countries

# COMMUNICATION FUTURE MODEL

**The communication actual model should change to be in accordance to the new reality.**

**What would be the role of Regulator?**

| | |
|---|---|
| **Convergence** | ▪**How can be sure that user could obtain the benefits of the supplied of voice, data and video together or in the same package?** |
| **Inclusion** | ▪**How Regulator could *contribute for the access to all the population at the communication* services** |
| **Competency** | ▪**How Regulator could promote competency, so the market contributes to fill the gap between poor and wealthy ?** |
| **Development** | ▪**How communications sector contributes to the social and economic development of each country?** |

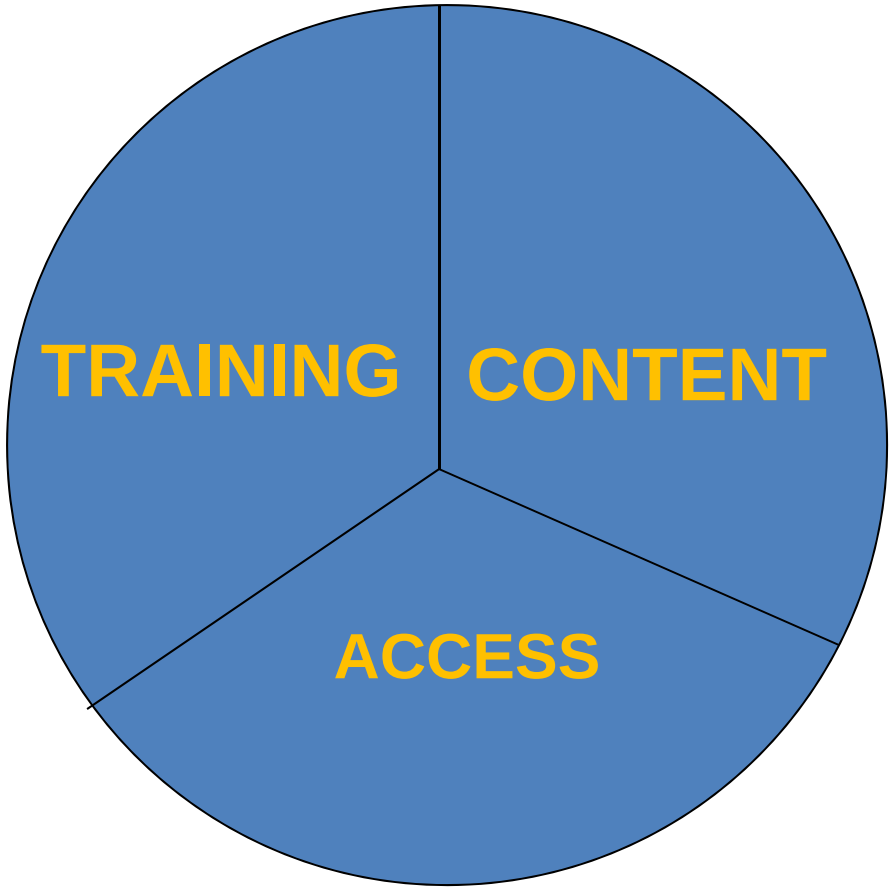
# Policy Objective

Access and use of ICTs offers a tremendous opportunity to increase economic and social development.

Therefore, the objective should be:

**“to provide citizens and businesses with the access and the skills to use ICTs at affordable prices, as fast as possible, to be able to compete in the knowledge economy, and to spread the benefits to all society, including the rural, the poor and the disadvantaged”.**

# A GOOD PUBLIC POLICY IN ICT HAS TO DEAL WITH ISSUES IN 3 FUNDAMENTAL AREAS



# Access Issues

- Are there Bottlenecks?
  - i.e Backbones, local loop
- Is there enough competition?
- Is Government funding available for non-profitable areas/population?
- Are scarce resources available (spectrum, numbering, etc.)?
- Are PCs affordable?
- Are there public facilities to access the Internet?
- Are prices affordable?

# Training Issues

- Are teachers trained?
- Do teachers have PCs?
- Are schools connected?
- Do children have access to computers?
- Are children trained?
- Is there adult training programs?
- Is ICT part of the student curricula?
- Is there on-line training offered?
- Is there a language issue?

# Content Issues

- Are intellectual property rights respected?
- Are e-commerce laws/regulations in place?
- Is Government leading by example (e-gov)?
- Are data privacy laws/regs enacted?
- Are there programs to support SME?
- Is there freedom to access content?

# Regulators responsibility on the Social and Economic development of the ICTs

**Required:**

- Multi-sectoral Public Policies
- Alliances: Government, Companies, Academia
- Updated view of global environment
- Identify our strengths and weaknesses
- Achievable development strategies

# Regulators responsibility on the Social and Economic development of the ICTs

## Transparent Government / Accountability

The large potential of ICT to ***deter corruption*** is unquestionable allowing ordinary citizens access to public information, which is a legitimate right

# Regulators responsibility on the Social and Economic development of the ICTs

## Efficient Public Institutions

ICTs can:

- Revolutionize government-citizen information exchange processes,
- improve the quality and speed of services offered,
- reduce the costs of such services.

# “Regulators responsibility on the Social and Economic development of the ICTs”

## Accessible health Services

ICT helps bring distant specialized medical care, improving the coverage of health services in rural areas

Support for disasters and natural disasters

# Regulators responsibility on the Social and Economic development of the ICTs

**Generating more jobs and better pay**

The application of ICT in different sectors such as education, training of specialized technicians, along with a robust telecommunications infrastructure and a favourable political environment, create the conditions for foreign investment and capital raising, increasing employment opportunities and salaries.

# Regulators responsibility on the Social and Economic development of the ICTs

**Participation of citizens in democratic processes of our nations**

ICTs facilitate participation in public debate of social movements, entrepreneurs, policymakers, teachers, students, etc.

# Guidelines for Innovative regulatory approaches

- Adopt a "light-touch" regulatory approach, intervening only when necessary, while ensuring that market forces work without constraints and in favour of innovation;
- Ensure principles of fair, equal and non-discriminatory treatment of all market players for a level playing-field among regulated and unregulated players;
- Streamline procedures to facilitate market entry and stimulate competition and innovation;

*Source: Chapter 1, Trends in Telecommunication Reform 2014 report, based on www.itu.int/ bestpractices*

# Guidelines for Innovative regulatory approaches

- Conduct market analysis to assess the market situation in a converged environment;
- Adopt a regulatory framework that eliminates barriers to new entrants;
- Include competitive provisions that guarantee a healthy relationship between all authorized players in the relevant market (operators, Internet providers, OTT providers, etc.);

*Source: Chapter 1, Trends in Telecommunication Reform 2014 report, based on www.itu.int/ bestpractices*

# Guidelines for Innovative regulatory approaches

- Empower consumers to make informed decisions through the development of online tools to check download speeds, quality-of- service and prices for access and data plans;
- Monitor the use of traffic management techniques to ensure they do not unfairly discriminate between market players;
- Encourage network and facility sharing through “soft” measures (e.g. cross-sector mapping of infrastructure that enables the coordination of civil works).

*Source: Chapter 1, Trends in Telecommunication Reform 2014 report, based on www.itu.int/ bestpractices*

# Guidelines for Innovative regulatory approaches

- Ensure transparency and openness (e.g. by making market data and regulations available).
- Encourage multi-stakeholder consultation on policy and regulatory matters;
- Continue to ensure regulatory predictability and foster co-regulation wherever possible; and
- Work with all stakeholders to reduce or remove practical barriers to broadband deployment.

*Source: Chapter 1, Trends in Telecommunication Reform 2014 report, based on www.itu.int/ bestpractices*

# THANK YOU

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