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**14<sup>th</sup> Global Symposium for Regulators**  
Capitalizing on the potential of the digital world

## Why Competition Matters and How to Foster it in the Dynamic ICT Sector

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The views expressed in this presentation are those of the author and do not necessarily reflect the opinions of the ITU or its Membership.

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## Why Does Competition Matter?

- Puts pressure on incumbent operators
- Disrupts complacency
- Results in lower prices, increased services
- Improves consumer choice
- Allows for more innovation resulting in new business models, new players, and new services
- Today, competition is creating an unprecedented level of choice for consumers amongst fixed and mobile network operators and "over the top" (OTT) services.

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## What's Happening?

**Competition** (in a blue oval) has arrows pointing to:

- Intra-platform competition**  
*(e.g., Incumbent v. new entrant (unbundling of local loop))*
- Inter-platform competition**  
*(e.g., Telco v. cable)*
- Competition from OTTs**  
*(e.g., Telco v. apps provider)*
- Shifting of roles - competition from non-traditional players**  
*(e.g., MNOs providing m-banking services, evolution of new players (retailers, banks, etc.) becoming MVNOs)*
- Players in emerging markets are becoming global competitors**  
*(e.g., Bharti, Telmex, Viettel, and Ooredoo)*

Evolution

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## Vertical Integration, Consolidation, Expansion

Company	Content	Devices	Apps/Services	Network	Software

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## Changing Competitive Landscape

- Presenting lawmakers and ICT regulators with a new set of challenges.
- They must address traditional competition issues, but often with new twists.
- Introduction of apps has unleashed a variety of innovative applications and services and new business models that challenge old revenue streams and legacy regulatory regimes.
- Regulators must find ways to adapt their rules to ensure fair competition, drive investment and innovation and protect consumers.



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## Regulatory Responses

- Licensing
  - Facilitating licensing processes, de-licensing, license-exempt, and issuing MVNO licenses (e.g., licenses in China, Kenya)
- Access obligations
  - Modifications in wireline network access (e.g., Canada, Brazil)
  - Wholesale, open access models (e.g., Australia, Brazil, Oman, Kenya, Mexico)
- Network and spectrum sharing
  - Viewed favorably as promoting competition and facilitating entry generally (e.g., Jordan, Kenya, Israel, India)
  - Some concern regarding collusion with active sharing although that is changing (e.g., spectrum sharing in Sweden)
  - Mandated national roaming and infrastructure sharing to assist new entrants (e.g., Chile, Colombia, France, Jordan – often challenged by incumbents) or imposed via merger conditions (e.g., Portugal/Optimus/ZON transaction)

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## Regulatory Responses (cont'd)

- Horizontal and vertical integration
  - As large network operators vertically integrate with large content providers, concerns about the potential for anti-competitive behaviors are raised (e.g., pending Comcast and Time Warner merger in U.S.).
- Net neutrality (consumer/competition issue)
  - General principles of net neutrality
  - Regulations or proposed regulations (e.g., Brazil, Canada, Chile, EU, U.S.)
  - Tiered data plans, prioritization, sponsored data plans – good/bad?
  - Is regulation needed or is this addressable through quality of service regulations for data traffic?

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## Regulatory Responses (cont'd)



- Internet interconnection
  - Competition concerns are being raised by content providers (CPs) and content distribution networks (CDNs) that peering and transit arrangements are no longer reasonable.
  - Is regulatory action necessary to foster competition? Would greater transparency/reporting requirements be a sufficient mechanism to address concerns (e.g., ARCEP – France)?



- Mechanisms to protect consumer choice
  - Contractual obligations (preventing customer lock-in)
  - Number portability (ease of switching providers)
  - Interoperability (e.g., cloud computing, mobile banking)

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## Conclusions

- Increasingly complex ICT regulatory environment
- To address these changes, policymakers and regulators are engaged in various efforts to ensure that competition and innovation can continue to flourish
- As markets and technologies continue to evolve, policymakers and regulators should monitor developments and carefully consider what the regulatory tools will be necessary to harness the benefits of competition for meeting their social and economic goals.



Thank You!