Panel G : Regulatory challenges in addressing new and emerging services, technologies and e-commerce

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WTO Symposium on Telecommunications to Commemorate the 10th Anniversary of the Fourth Protocol to the GATS
20-21 February 2008, Geneva, Switzerland
What is convergence?

• The **underlying trend** is firms in IT, telecom, and broadcasting sectors attempting to offer multiple services.

• This trend is **driven** by the ability in IP networks to **separate facilities and services**.

• This trend is **strengthened** by the reducing cost, increasing capacity, and proliferation of:
  – *Computing devices* – smaller multimedia devices
  – *Media channels* – bandwidth hungry services
  – *IP networking* – any service, any facility
  – *Wireless telecom* – mobility, cheaper and quicker deployment

Source: World Bank (CITEL doc. STE-356/07)
Convergence = multiple services together

• The underlying trend is common:
  – Networks converge: Access networks merge (Comcast cable TV with VoIP and Internet, Verizon FiOS TV and Internet)
  – Devices converge: Many services on the same device (iPhone)
  – Services converge: Different services coming together (Skype videoconferencing)
  – Companies converge: Merging or acquiring competencies across sectors (AOL Time Warner, NTL-Virgin Mobile, Telemar and Way TV)

• So in every form of convergence, services that used to be separately offered are now coming together.

Source: World Bank (CITEL doc. STE-356/07)
Regulatory challenges

- For regulators, the fundamental problem arising from convergence is **reconciling old frameworks to new technologies and removing asymmetry.**

  - **Old framework**
  - New technologies

- Specific network-service rules (cable-TV, telephone-voice)
- Telecom and broadcasting were separate, and could have different rules and agencies
- Different obligations and rules for different pairs
- Underlying regulatory philosophy was different

- New challenges
- Who regulates IPTV over phone lines or VoIP over cable? Which rules apply?
- Who follows what rules?
- Force reconciliation or lead to confusion

- The key problem is that old rules were different for different pairs.
- In a converged era, this **asymmetry** causes confusion.

Source: World Bank (CITEL Doc. STE-356/07)
Key regulatory issues

• Among the range of issues that regulators consider when addressing convergence, the most significant (and challenging) are:
  – **Licensing**: Who can do what?
  – **Competition** (especially interconnection): Who can reach subscribers and distribute content?
  – **Spectrum management**: Which bands of spectrum can be used for what service, and under what conditions?
  – **Universal service**: Who pays, for what, and subsidizes whom?
  – A related issue is the **institutional framework**: we are seeing more ‘converged regulators’.

• Other **issues** relate to numbering, market dominance, QoS definitions, content regulation, accessibility, privacy and piracy.

Source: World Bank (CITEL Doc. STE-356/07)
Electronic Commerce (EC): Concepts and Definitions

- What is Electronic Commerce: Various definitions (OECD, WTO, G-7)
  - The production, advertising, sale and distribution of products and services over digital networks (WTO).
  - Closed (proprietary) versus open (Internet) networks: changed dynamics of interaction between buyer(s) seller(s).

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Internet “Readiness”: Infrastructure requirements for EC

– Telecommunications/ Information Technology (level of telephone line, cellular phone, cable TV penetration)
– Personal Computers (with Internet connection)
– Legal and regulatory framework:
  • Payments
  • Digital signatures
  • Intellectual property
  • Technical standards (telecommunications, Internet applications, payment systems, etc)
  • Taxation of electronic transactions
  • Consumer Protection
  • Privacy
ROLE OF CITEL

• **Telecommunications advisory body** of the Organization of American States - OAS

• Brings together representatives of OAS Member States, the private sector and international/regional organizations.

• **Mission:** To foster the development of ICT/telecommunications in Americas.

• **Vision:** To be a responsive, dynamic, and effective specialized advisory body that promotes the ongoing exchange of experiences, information, and knowledge between governments and the private sector and develops reference guidelines to assist Member States in achieving their objectives.

• **Mandates:** Summits of the Americas and OAS General Assembly.
CITEL TOP PRIORITIES

- Connectivity Agenda of the Americas
- Technology watch
- Regional Spectrum Harmonization
- Policy and Regulatory aspects related to Convergence
- Digital TV roll out
- Capacity building
- Development of coordinated regional proposals for global telecommunications fora
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