

A user view of convergence

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INTUG contents

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- Africa, Latin America, North America, Europe, Asia, Korea/Japan
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INTUG what is INTUG?

- members
 - national associations
 - corporations
 - individuals
- activities
 - ITU and WTO
 - OECD
 - APEC TEL, CITELE and EU

INTUG our aims

- real and effective competition
- genuine choice for users
- lower prices
- higher quality
- more innovative services
- constructive co-operation with
 - international bodies
 - governments
 - regulators

INTUG priorities

1. open access to global mobile networks
2. regulatory best practice
3. liberalization
4. leased lines
5. IP telephony
6. digital divide
7. universal access
8. numbering

INTUG convergence

- what drives it?
- what blocks it?
- what diverts it?
- who wins?
- who loses?

INTUG factors

- **technology**, efforts to replicate the Silicon Valley entrepreneur model
- **financial markets**, the perception of where money will be made
- **national policies**, concerning industry and the economy, combined with the regulation telecommunications
- **user demand**, driven by perceptions of the value and return on investment

INTUG discrepancies

- identical services on different networks treated differently
- old technology-specific regulation falling down or being by-passed
- affordable bandwidth for television means voice must be virtually free
- TV licences needed for mobile phones

INTUG regulatory principles

- **open and transparent**, with clearly stated principles and objectives
- **pro-competitive**, favouring market entry and reducing switching costs
- **regularly reviewed**, both nationally and internationally with its peers
- **stable**, providing reasonable certainty to customers and to market players
- **technology neutral**, neither favouring nor disfavouring particular technologies

INTUG user requirements

- interoperability
- portability of names and numbers
- trans-national services
 - global
 - regional
 - language groups
- Virtual Private Networks (VPN)
 - mobility
 - broadband for teleworkers
- cheap consumer services

INTUG Latin America

- many countries still locked in pre-competitive “concession” system
- strong growth of mobile
- looking to USA not Asia for leadership in policy and regulation
- far behind on the route to convergence

INTUG North America

- USA
 - impasse in the US legislature
 - interminable and complex law suits
 - falling behind in broadband
 - no convergence of lobbying groups!
- Canada
 - broadband is doing well outside urban areas

INTUG Africa

- stiff resistance to competition
- strong growth of mobile
- limited Internet access and minimal broadband
- very little convergence
- South Africa converged regulator
 - for reasons of political expediency

INTUG Europe

- Lisbon goals and eEurope action plans
- regular benchmarking reports
- “new” technology neutral legislation being implemented
- some long running market abuses
- few trans-national services
- not a single market, but multiple domestic markets
- painfully slow broadband
- content kept separate from carriage

INTUG west, central and south Asia

- how will we get broadband for the hundreds of millions with only mobile phones?
- limited mobility services are taking growth from full mobility
- Australian and NZ broadband slow and expensive
- convergence legislation
 - interminable consideration in India
 - adopted in Malaysia

INTUG Korea/Japan

- intense rivalry for top IT nation
- millions of “real” broadband lines
- growth of VDSL and FTTH in 2003
- operators pushed for mass markets
- acceptance of the loss of old revenues, struggling for new revenues
- IP telephony as a killer application
- lots of progress, but is it convergence?

INTUG conclusions

- convergence has a lower price
- economic and regulatory drivers favour individual services
- convergence is about losers:
 - operators
 - manufacturers
 - managers
 - shareholders
- arbitrage between different services and technologies

INTUG constraints

- absence of a steady target on which to converge
- lack of revenues/profits
- short term concerns of financial markets
- limits to the competence of operators
- geographical variability

INTUG thank you

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