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IP telephony

global regulatory issues

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INTUG contents

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INTUG ubiquitous network society

- policy model from Japan and Korea
- used to drive economic growth
- multiple:
 - operators
 - network infrastructures
(fixed and mobile, wired and wireless)
- ubiquitous:
 - connectivity
 - services

Any device, Any place, Any network

INTUG European Union

- 1998 “full competition” legislation
- annual implementation reports by EC
- the 1999 review
- 2003 directives:
 - pro-competitive and technology neutral
 - national implementations (some delayed)
 - authorisations not licences
- economic regulation is based on power in a defined market
(e.g., mobile call origination in Ireland)
- ten new member states from May 2004
- also Switzerland and Norway
- further review to begin in 2006

INTUG numbering

- consultations by CEPT/ECC
- what is the service?
 - nomadic
 - origination and termination without access
- Article 49 of EC Treaty forbids regulatory barriers to cross-border provision of services
- WTO commitments would apply to non-European operators

INTUG Voice over IP

- arcane definitions in Universal Service Directive have created problems over:
 - number portability
 - access to emergency services
 - entries in national directories
- study by Analysys
- public consultations
- CEPT/ECC consultations on numbering issues
- European Regulators Group (ERG) common position favourable to VoIP, with national variations
- some risk of legal issues being tied up in courts for years

INTUG VoIP in Africa

VoIP is an important technology that has the potential to transform telephony in Africa. Entry of IP telephony service providers whether legal or illegal in domestic markets has facilitated the acceleration of pace of market liberalisation and the introduction of competition in the long-distance and international service markets.

The general approach evidenced in Africa of prohibition is at best, short sighted, and at worst, a serious threat to innovation, eventual competition and overall consumer welfare.

Tracy Cohen and Russell Southwood
CTO report, funded by UK DfID

INTUG Africa

- Kenya:
 - consultation closed on 28 February 2005
 - commission dismissed 8 March 2005
- Nigeria:
 - regulate services, allowing operator choice of technology
 - international access to be liberalised, with operators required not to discriminate on interconnection and transit
 - type approval of equipment
- South Africa:
 - infrastructure limited to Telkom, SNO (Tata) and MNOs
 - Ministerial direction made VoIP legal from 1 Feb 2005
 - effects already being felt, but lots of loose ends

INTUG challenges to security

- emergency services:
 - access to
 - provision of location information
- personal/corporate security:
 - denial of service attacks
 - viruses, worms, trojans and other malware
 - SPIT - SPam over Internet Telephony
- law enforcement authorities:
 - provision for wire tapping across the whole scope of IP
 - data preservation or retention

INTUG challenges for policy makers

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- declining cost of basic telephony
- increasing range and richness of services and applications
- blurring of traditional distinctions:
 - e.g. how is VoIP different from CPS?
- change undermines:
 - mechanisms to fund universal service
 - the regulatory regime
 - the established operators
 - fixed opinions



INTUG challenges for regulators

- definition:
 - one service or many?
 - how to distinguish types?
- assignment of telephone numbers:
 - geographic and/or non-geographic
 - “nomadic”
 - secondary numbers (another city, ex-pats, etc.)
- quality of service:
 - defining
 - measuring
 - publishing and enforcing
- anti-competitive effects of bundling
- access for the disabled to VoIP

INTUG the level playing field

- an *el dorado* of telecommunications
- the only constant is technological change
- many new and challenging business models
- market players are supposed to be much better at coping with change than bureaucrats and policy-makers
- incumbents use regulation, regulatory processes and appeals to disadvantage market challengers
- regulation should focus on the (ab)use of market power

INTUG but level for whom?

- users:
 - national market
 - global market
 - consumers
 - business users
- content providers
- new entrants
- operators with licences and concessions
- incumbent operator with its historical advantages

INTUG conclusions

- VoIP and IP Telephony offer real benefits:
 - for users/consumers
 - for established operators
 - for policy makers
- need to encourage:
 - investment
 - market entry
- policy aims should be:
 - competitive market structures
 - incentives to provide better and cheaper services
 - keeping options open for future policies
- need to avoid regulatory arbitrage and gamesmanship

INTUG thank you

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