Regulation & convergence bundles and content

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Introduction

- Introduction
- Web 2.0
- Ubiquitous networks
- Mobile television
- Fixed television
- Conclusions

Web 2.0

- picking up the pieces after the dot.com crash
- Social Networking Services (SNS):
  - Facebook
  - YouTube
  - LinkedIn.com
- Consumer Generated Media (CGM) and collaboration tools:
  - wikipedia
  - weblogs, video blogs and mobile blogs

Ubiquitous Network Society

- Any device, any network, any place
- A model created in Korea and Japan
- Assumes that operators build and own:
    - fibre broadband access network *and*
    - cellular radio network *and*
    - Wimax/Wibro radio network
- Assumes operators collaborate with:
    - manufacturers
    - service providers

South Korea

- U-Korea master plan
- pushing for more economic growth
- 4U's:
  - Universal
  - Usable
  - Unisonous
  - Upgraded
- IT839

- Multiple networks:
  - W-CDMA/HSDPA
  - Broadband Convergence Network
  - WiBro
  - DMB/Digital TV
  - u-home services
  - Telematics (cars/roads/locations)
  - RFID/USN
  - IT services

Developing and emerging countries

- The *only* extensive networks are:
  - GSM
  - terrestrial analogue television
- The other networks are patchy and/or unaffordable:
  - 3G
  - Fixed Wireless Access (e.g., CDMA and WIMAX)
  - digital television
  - PSTN
  - FTTH
  - cable television
  - satellite television (available but expensive)
- Many devices are still very expensive
- The ubiquitous network model makes little sense in such circumstances
- There is no "digital dividend"

Beyond GSM

- Make 900 MHz band technologically neutral:
  - operators can save costs
  - they decide when to change to UMTS
- Overlay cellular network infrastructure with:
  - WiMAX
  - mobile television
- 3G Long Term Evolution:
  - UMTS, HSDPA, HSUPA, HSPA, HSPA+
  - we know the theoretical limits, but the practical results?
- 4G? 5G? 6G?
  - will anyone finance these?
- GPS
- Micro-payments using stored credit and near-field comms.

Mobile television

- Many choices for standards
  (DVB-H, DMB, MediaFLO,MBMS, CMMB, etc.)
- Multi-cast and unicast
- What is the level of demand?
- Is it a stand-alone service or is it bundled with:
  - GSM/UMTS?
  - conventional television?
- Problems of leveraging existing market power from GSM or TV markets into MobileTV
- Yet bundling content across platforms makes sense for customers (e.g., a cross-platform news service)

YouTube.com

- Well-established on the fixed Internet
  - special channel for HM Queen Elizabeth II
- Users can create or modify content
- More democratic, but also more chaotic
- Now being used on mobile phones:
  - http://m.youtube.com/
  - but *severe* problems with data charges

Fixed television

- Terrestrial is moving to digital
- Satellite television
- Cable television
- Interactive TV:
  - initially with premium rate telephone services
  - also with premium rate SMS
- IP Television
- Video On Demand (VOD)
- User generated content

Business models

- Subscription:
  - works well in developed countries
  - very limited in developing countries
- Free to air:
  - paid by licence fee
  - paid by advertising:
    - who is willing to watch ads?
    - who bypasses the ads?
    - who audits the number of customers?

United States of America

- *à la carte*:
  - cable television has been sold as a fixed menu of dozens or hundreds of channels
  - complaints from consumers who wanted to buy only specific channels
  - FCC has intervened
  - Likely to be in the courts

- multi-dweller buildings:
  - building owners trying to limit access to competing networks
  - FCC intervened to force competition within buildings
  - now being taken to DC Court of Appeals

IP television

- Telcos are becoming competitive in television:
  - but not matching the revenues of established players
  - they need to upgrade their network capacity
- On demand content is increasing
- High value content:
  - concerns about losses from copying
- Requires a review of regulations to ensure:
  - co-existence of multiple business models
  - access to local networks

http://www.oecd.org/dataoecd/11/23/39869088.pdf

English Premier League

- UK only Television broadcasting rights – 2007-2010
- Sky   23 first-choice matches shown at 4.00 pm on Sundays
- Sky   23 second-choice matches shown at 1.30pm on Sundays
- Setanta   23 third-choice matches shown at 8.00 pm on Mondays
- Setanta   8 second-choice matches + 15 fourth-choice matches shown at 5.15pm on Saturdays
- Sky   5 first-choice matches shown + 9 third-choice matches + 9 fourth-choice matches shown at 12.45pm on Saturdays
- Sky   10 first-choice matches + 7 second-choice matches + 6 third-choice matches in midweek and bank holidays, Saturdays (12.45pm) and Sundays (4.00pm)

- Sky paid £1,314 million and Setanta £392 million.

- Approximately **£28 million** to each Premier League football club per year.(THB 1,700 millions)

http://www.footballeconomy.com/

Slingbox

- A device to bridge television and the Internet
- Remote viewing of TV sources available in the home
- Access over the Internet
- Access from a mobile device

http://www.slingmedia.com/

Home server

- Many different views of the digital home
- Many different players want to take control:
  - broadband network operators
  - entertainment companies
  - computer operating systems vendors
  - domestic appliance manufacturers
- Combines:
  - multiple network inputs
  - storage
  - residential network access
  - remote access

Diversity

- A traditional argument for regulation was to ensure a plurality of views

- This is no longer important

- All views can be expressed, if anyone wants to listen to them

- The policy issue now concerns the promotion of content creation:
  - training of individuals
  - venture capital for start-ups
  - access to networks

Indecent, obscene or worse

- Traditional classification systems developed for:
  - radio and television
  - cinema
- People can access material across borders by:
  - satellite
  - Internet
- With Personal Video Recorders (PVRs) time of day is no longer relevant
- Even if we want to exercise control, will it be effective?
- Conflicting approaches:
  - traditional broadcasters are responsible for content, ISP are not
  - with broadcasting certain content is forbidden, on the Internet it is generally "notice and take down"

Conclusions

- We live in very uncertain times
- No business models that (yet) work
- Need to ensure openness
- Need to allow different sorts of bundling
- Need to promote content creation
- Need to have clear, reasonable and enforceable controls

Thank you

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