

Andrew J Haire

REGULATORY PRINCIPLES

USTTI; (online), 28Jan21

Agenda

- What matters; our raison d'être
- Role of the telecom's regulator
- How do others see us (Perception)
- Various models of regulators
- What tools do we have
- What issues are really important

What is our *raison d'être*?

- Consider always the five stakeholders
- Accept only what really matters
- Regulate to Outcomes
- Factor Political Realities

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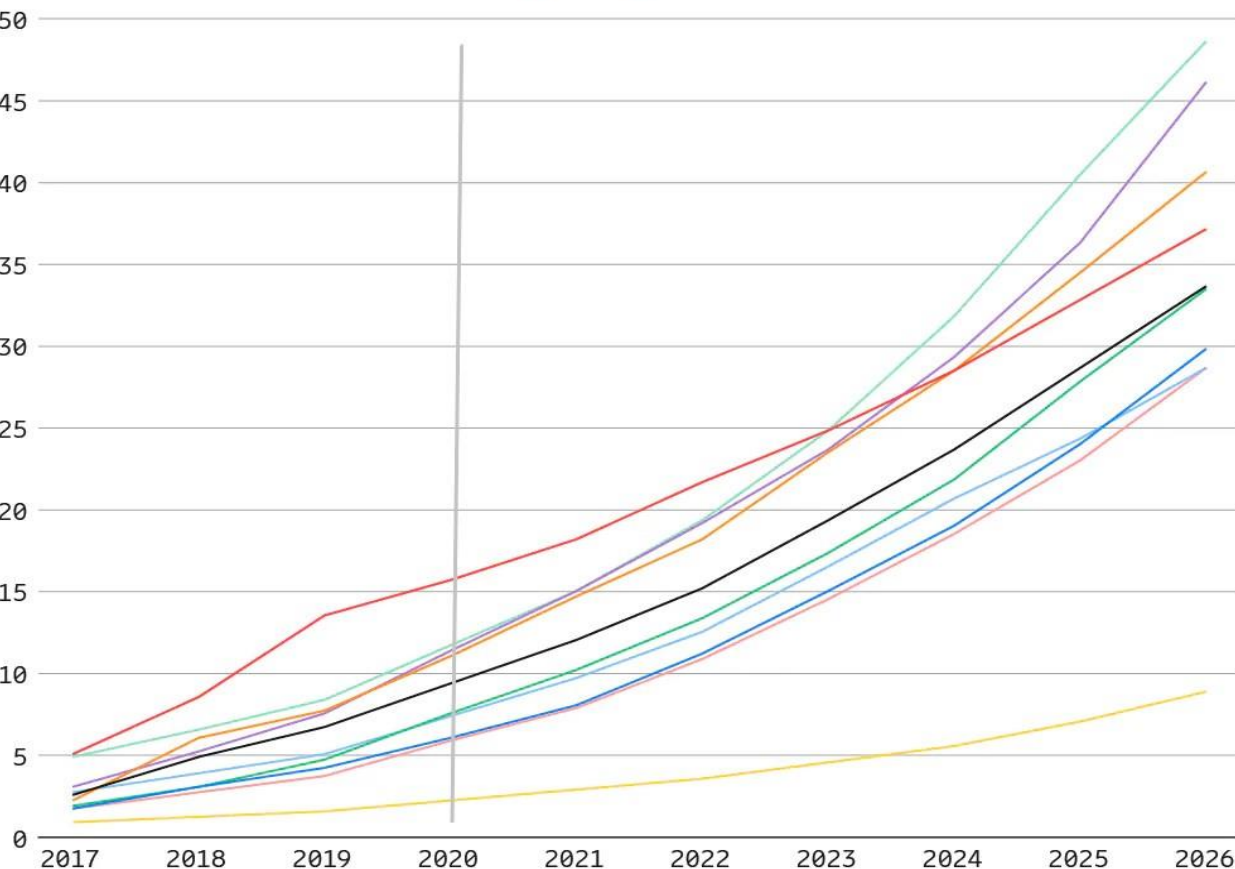
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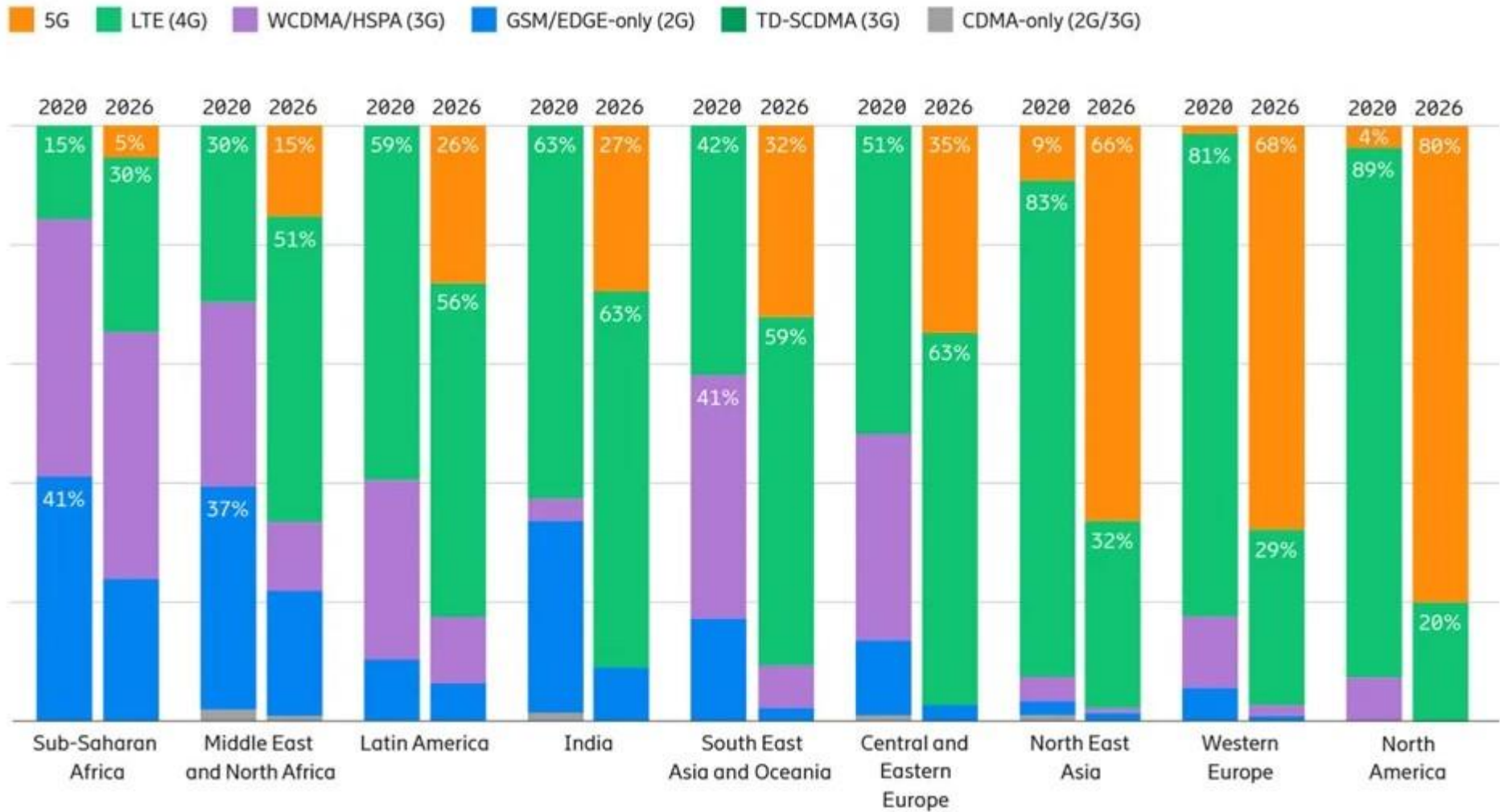
What is our *raison d'être*?

Mobile Data Traffic, by Region



Regions	2020	2026	CAGR 2020–2026
North America	11.8	49	27%
Western Europe	11.3	46	26%
North East Asia	11.1	41	24%
India	15.7	37	15%
Global average	9.4	34	24%
South East Asia and Oceania	7.6	33	28%
Middle East and North Africa	6.0	30	30%
Central and Eastern Europe	7.3	29	26%
Latin America	5.8	29	30%
Sub-Saharan Africa	2.2	8.9	26%

What is our *raison d'être*?



Note: Technologies with less than 1 percent of subscriptions are not shown in the graph.



What is our raison d'être?

JAN
2020

USE OF MOBILE APPS BY CATEGORY

PERCENTAGE OF INTERNET USERS AGED 16 TO 64 WHO REPORT USING EACH TYPE OF MOBILE APP EACH MONTH

CHAT APPS
(MESSENGERS)



89%

SOCIAL
NETWORKING APPS



89%

ENTERTAINMENT
OR VIDEO APPS



65%

GAMES
(ANY TYPE)



47%

SHOPPING
APPS



66%

MUSIC
APPS



52%

MAP
APPS



65%

BANKING
APPS



35%

DATING
APPS



11%

HEALTH AND
FITNESS APPS



26%

SOURCE: GLOBALWEBINDEX (Q3 2019). FIGURES REPRESENT THE FINDINGS OF A BROAD SURVEY OF INTERNET USERS AGED 16 TO 64. SEE [GLOBALWEBINDEX.COM](https://www.globalwebindex.com) FOR MORE DETAILS.
SOURCE: WeAreSocial.com (Jan2021)



What is our *raison d'être*?

- Co
- Ac
- Re
- Fa



Raison d'être (cont...)

Those that can impact, and those that will be impacted.



Influence	Impacted by
Demand	Offerings
Functionality	Balance Sheet
Market Risk	National Priorities
Speed, Capability	Avail of Capital
Trade Portfolio	Global economy

Raison d'être (cont...)

	What is desirable <u>outcome</u>	But at what price
<i>Competition</i>	Choice	Diminished future investments
<i>Investment</i>	Stability Brings Jobs	Uncertain returns Risks to attain
<i>Innovation</i>	Leadership Exploit new ideas Encourage efficiency	False starts, waste
<i>Economic Well Being</i>	Connectivity; Safety; Security	Does Growth bring Social Risks
<i>National Priorities</i>	Public Safety Public Good National Security	Congestion Innovation

So what matters...

What is *(might be)* our Role?

- Perception means more than Rule
- Variants of what our role might be
 - Telecoms sector vibrancy
 - Broadcasting sector vibrancy
 - Competition - fairness
 - Sectoral Developer or promoter
 - Foreign Trade; foreign relations (regional, global)
 - Intl affairs; awareness

Can be one... Can be all...

Regulatory Principles

- **Reliance on Market Forces**
 - Primary reliance on private negotiations & industry self-regulation subject to minimum requirements
- **Promotion of Competition**
 - Include measures to foster competition in markets previously protected from competition by special rights
- **Proportionate Regulation**
 - Ex ante regulatory intervention in markets not yet competitive
- **Technological Neutrality**
 - Regulatory requirements based on sound economic principles and be technology neutral

Regulatory Principles (cont..)

- **Elimination or Modification of Unnecessary Provisions of the Code**
 - Reflect development of competition
 - Review of Code every 3 years, public consultation
 - Licensees may petition to eliminate or modify any provision of Code
- **Open and Reasoned Decision Making**
 - Apply provisions of Code in transparent manner
- **Avoidance of Unnecessary Delay**
 - Regulator strives to make decisions within timeframes specified & as quickly as reasonably possible

Regulatory Principles (cont..)

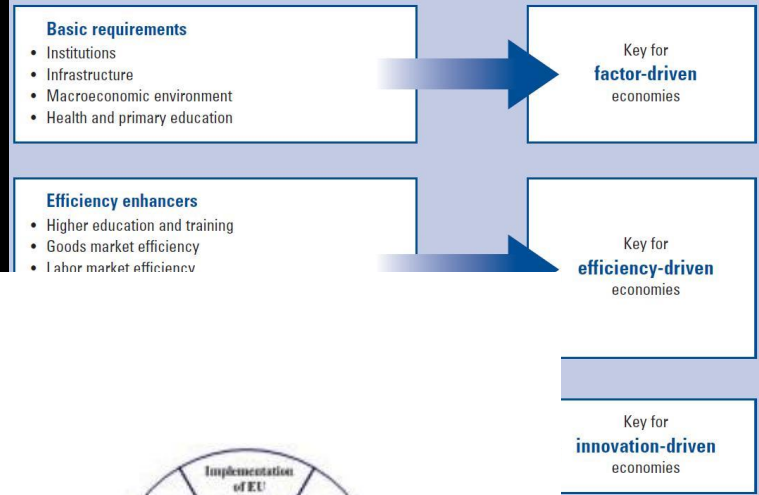
- **Non-discrimination**
 - Decisions & directions absent a preference
 - Similarly situated Licensees treated on equivalent basis
- **Opportunity for Review**
 - Licensees affected by Regulator's decision have opportunity to ask Regulator to reconsider

Giving us a Grade

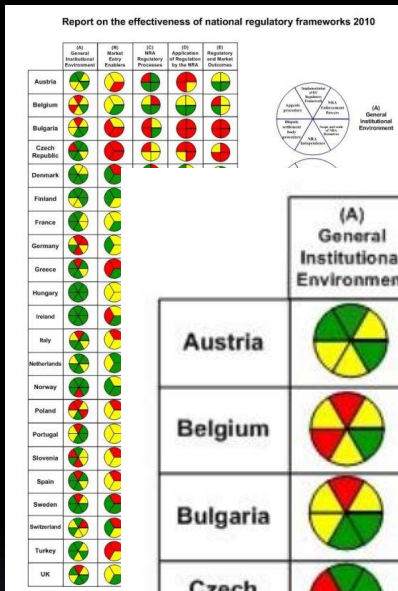
- Why is it done; what are the motivations?
- How is the evaluation carried out?
 - Direct stakeholder involvement
 - Publicly available or functional data
 - Effectiveness of legislation
 - Observation: Evaluation quantum left to judgement
 - Observation: Facts Tend to grow stale; May not represent present thinking; Interpretation then is dated.

Our Grade (Evaluation Metrics)

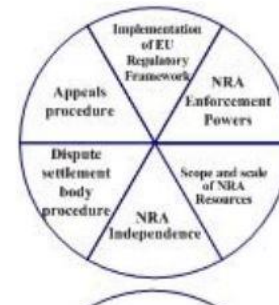
WEF Competition Indicators



ECTA Regulatory Scorecard



	(A) General Institutional Environment	(B) Market Entry Enablers	(C) NRA Regulatory Processes	(D) Application of Regulation by the NRA	(E) Regulatory and Market Outcomes
Austria					
Belgium					
Bulgaria					
Czech Republic					



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Effectiveness

	Weight
IT infrastructure	0.20
Human capital	0.20
Legal environment	0.10
R&D environment	0.25
Support for IT industry development	0.15

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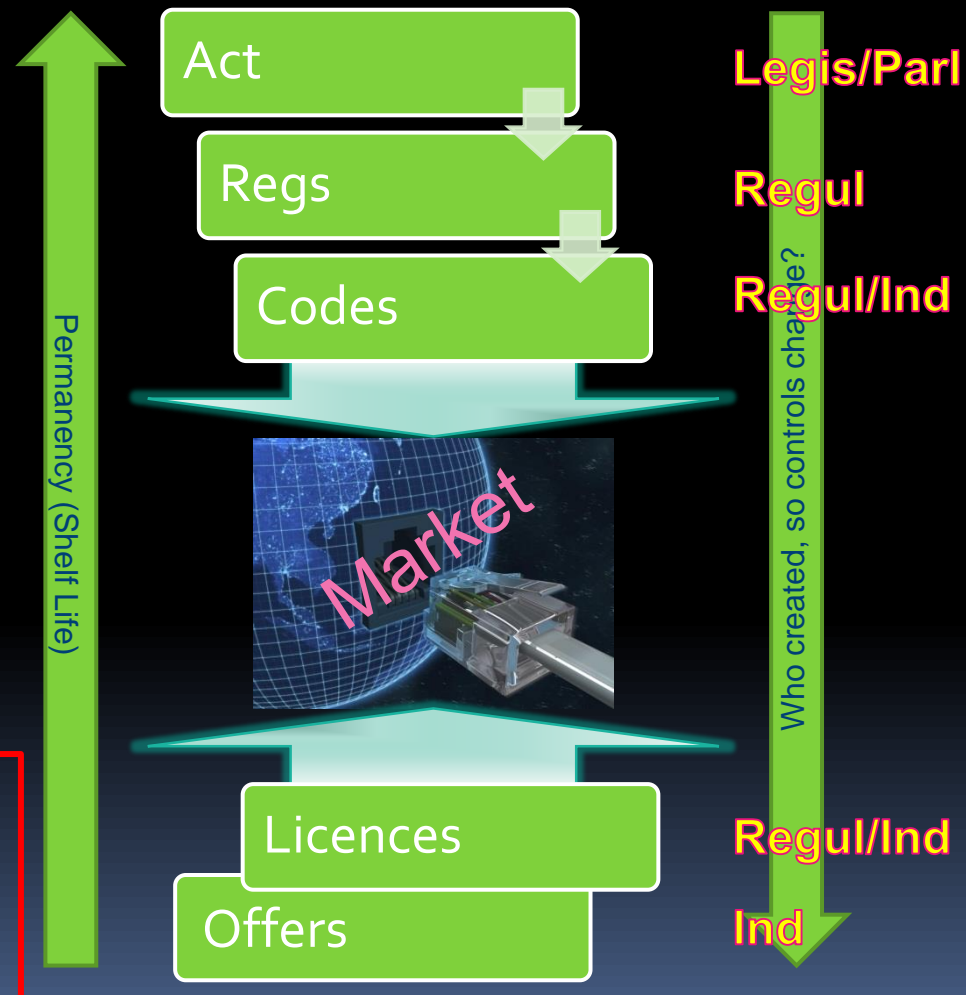
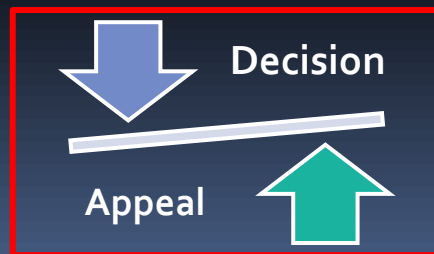
What Does This Add Up To?

Yes, Reputation Does Matter:

- Shows the importance of Market Outcomes; Better Regulators manage to outcomes, and setting an objective follows that.
- Key Pillars of good regulation:
 - Move away from reactive; Also, transition from ex-ante to ex-post to forbearance
 - Timely decisions; Technological neutrality; Independence; Efficiency (1 stop shop, appeals); Transparency; Respect.

How do we frame the framework?

- An Act
- Regulations/Statutes
- Codes of Practice
 - Competition
 - Buildings/Infra
- Agreements or Commitments
- Licenses



Today's policy issues that really matter

- Technology Exploitation (Speed Matters)
- Access
- Spectrum As a Scarce Resource
- The Growing Economic and Political Power of Communication
- Security (Societal and Infrastructure)
- Market Vibrancy (Leverage Innovation)
- Economic Barriers > Dismantle

Industry Dynamics

- Competition
 - The correct balance
 - Stimulate innovation
- Market Liberalization
 - Too many or too few regulations – do they remain relevant
- National Broadband Policies
 - Outcome setting is critical.
- National Spectrum Policy

Industry Dynamics (cont...)

- Interconnection
 - Leveling the playing field – but it is both price and non price terms**Equivalency**
- Access and Egress; Fixed and Mobile Termination
- Spectrum policy
 - Allocation
 - Rights assignments
 - Fairness of use
- Mobile Roaming



Societal Concerns

- Public Safety
- National security (cyber...)
 - ...crime
 - ...security
- Privacy and Data Protection
- Protections – misinformation
- Internet Governance

Within and Beyond

- Collaboration
 - Understand best practices
- Trade
 - Bilateral; multilateral trading arrangements
 - Role that the WTO can play

Wrap

- What matters; our raison d'être
- Role of the telecom's regulator
- How do others see us
- Various models of regulators
- What tools do we have
- Which of today's issues are really important

Thank You

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