
VoIP and regulatory questions

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VoIP

Evolution or Revolution?

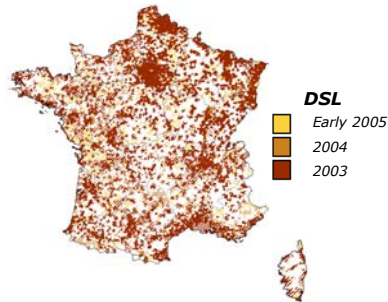
- Evolution
 - Disruptive elements for traditional services and networks
 - Different level and structure of costs
 - New functionalities
 - Bundling of existing services
- Revolution
 - New services
 - Videophone
 - Real technical revolution allowing convergence:
 - Services mixing data, voice and video (and not only services that **bundle** them together)



VoIP

Situation of IP in France

- Explosion of ADSL
 - Almost 6 M subscribers (end 2004)
 - 1 M shared accesses (ULL)
- Actors
 - One first-mover ISP (Free) using unbundling and bitstream "option 5"
 - A reactive incumbent
 - 2 major national alternative networks
 - Various ISPs (followers)
- Offers
 - Double/triple play offers with set-up boxes (~1 M subscribers) including:
 - Telephone over broadband access
 - TV on DSL
 - New services of France Telecom (having reintegrated Wanadoo and Orange):
 - Nomadic telephone and videophone on Internet commercially bundled with Internet subscription
 - Stand-alone videophone (end 2004) on dedicated equipments



- Next step for competitors
 - Total unbundling in 2005



Any need to adapt the regulatory framework?

- General and unchanged goals of the regulatory framework:
 - Consumer protection
 - Development of networks and services
 - Development of competition for the benefit of consumers
 - Technological neutrality and convergence
 - Promotion of innovation
 - Coverage
- Adequacy of the regulatory framework?
 - New services on broadband IP are to 2000s what Internet was to 90s
 - Confusion between networks, services, actors, technologies
 - The legal framework is questioned
 - The goals of regulation remain unchanged
 - Technical evolution should not necessarily alter the content of regulation
 - Definition of new rules for a still undefined revolution should be carefully handled



General regulatory provisions in France

- No discrimination between actors in the new regulatory framework in France
- Rights and obligation for all operators providing ECS
 - Access to interconnection
 - Access to resources (numbers, frequencies)
 - Number portability
 - Access to preselection
 - Inclusion in a comprehensive universal directory
 - Contribution to universal service funds
 - Etc.
- Numbers
 - Geographic numbers for geographic IP offers
 - Nomadic numbers (in 2003) for nomadic IP offers
 - Public consultation on the numbering plan in 2004



Consumer protection

- Specific obligations for telephone services (PATS) or networks (universal service directive) include:
 - Free conveyance of emergency calls
 - Integrity of the networks
 - Conveyance of all European calls (special numbers, etc.)
- Imposing these obligations must not distort the market
 - This problem cannot be examined without looking at the market:
 - Which offer exist (and which actor are providing them)
 - What is the definition of the relevant market
 - Obligations must be imposed with no discrimination on substitutable services
 - A progressive (proportionate) approach on imposing obligations
 - Progressive substitution to traditional telephone services
 - Obligations have gradually been implemented in the past by mobile offers
 - They are being implemented by VoB offers
 - They will be implemented by other voice offers when
 - relevant (when offers reach a significant size and use)
 - technically feasible (and with adapted solutions)



Classification of actors

- No “classes of operator” in the regulatory framework
 - Only obligations for consumer protection are imposed to relevant networks or services
 - “Duck” services should not break the convergence in the regulation
- A service or network is defined
 - By what it does
 - Not by the way the operator defines it
- Equal and fair rules for every similar and substitutable services or networks
 - Although feasibility, delay and way of implementation of obligations may depend on technical characteristics
- Definition of PATS
 - In France: “commercial offering for the public of real-time and direct transfer of voice between fixed or mobile users”
 - The most discriminating features used today to define telephone services might be:
 - The interconnection with the PSTN
 - The use of numbers



Regulation: competition issues

- The incumbent in France has a decisive and leading influence:
 - Orange and Wanadoo have been reintegrated
 - Unique fix/mobile/IP/VoIP/TV convergent offering
 - Set of value-added or bundled services is non-replicable by competitors
- Broadband local loop providers
 - Can offer bundled services
 - Can discourage access to other VoIP services on their networks
- Issues for new entrants to have a chance to start business
 - Ensuring equal and fair access to resources and all regulatory rights for all actors
 - Ensuring no discrimination or other anti-competitive behaviour from traditional actors (IP interconnection, portability, etc.)
 - Ensuring the highest legibility for consumers by keeping a simple framework



European harmonisation or country dependent solutions?

- The question is: "What about PATS+?"
 - For example: videophone or other real new converging services
 - "PATS-" is only a transition in evolution of techniques
- Any solution should not be taken without a global questioning on
 - Consumer protection
 - Consequences on markets and the definition of the relevant markets
 - Competition safeguards
- Harmonized or island solutions?
 - If we try to restrict some rights from the present framework (portability, access to comprehensive directory), national differences will arise
 - Same legislations may anyway result in
 - Different solutions
 - Very different market situations

