

Dealing with convergence
Tension among objectives

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Tension among objectives



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- **At the core of the regulatory challenge :**
 - **Balancing the tensions and conflicts among the many goals of the regulatory framework(s).**

 - **Notably, the challenge is to simultaneously:**
 - **stimulate deployment (or at least not to hinder deployment) of competitive services**
 - **Foster innovation**
 - **without distorting the evolution of the market**
 - **while paying due regard to social needs (Universal service, Public broadcasting).**

 - **Emerging services:**
 - **How to reconcile the possible need for *ex ante* remedies with the need to avoid inappropriate imposition of remedies**

Some introductory questions



- **What kind of regulatory trade off?:**
 - **Lighther rules for upstart services: the "nascent technology" concept i.e apply forbearance**
 - **Or an opportunity to roll back regulation, voice telephony becoming more and more competitive: after mobile, VOIP;**
- **Who will lead ? Two models in competition to structure the new on line multimedia markets**
 - **a model coming from the computer industry: the Microsoft model**
 - **a mixed model based on consumer electronics and telecommunication operators: the Telco model**
- **Based on two different dynamics of innovation and two ways to build the market: will regulators promote one over the other?**

The VoIP paradox



- **A decisive test for existing frameworks in any case**
- **Telecom regulation has to evolve from "how to introduce competition in TC sector" to "how to regulate competition in winner-take-all markets such as on line multimedia markets"**
- **The VoIP paradox:**
 - **An opportunity to foster intermodal competition i.e competition between infrastructures**
 - **That runs the risk to foster free riding on existing infrastructures**
 - **If commoditisation of transmission services takes precedence on the differentiation/ personalisation (one-to-one) of services**
 - **Exampe: the dumb pipe or layered model approach**