

**Convergence, Regulation and Net Governance: Impact at
the National and International Levels
Monday November 7, 2:30pm-5:00pm – D01**

Thank you Mr. Chairman,

Good afternoon, ladies and gentlemen. First of all, I would like to thank the organizers of the Global Forum for inviting me to join you here today for this important debate.

The topic of this session focuses on convergence and its great impact on regulation. In fact, it is hard to imagine anything else having such a deep impact on regulation since its introduction.

Convergence raises fundamental questions on the process. Just imagine, for instance, a simple telephone conversation that starts from a landline and connects through a VoIP connection to a cellular telephone on the other end. Is it a landline connection? An internet connection? Or a mobile phone connection? Which set of guidelines should be applied to regulate it? What happens when the same operation is done the other way round? And what about all the other possible combinations one can imagine?

More complex questions emerge with more complex operations. When someone uses a fixed internet connection or a cellular telephone to receive radio or television programs, who should regulate this operation? Should it be the regulator

of the telecommunications, the media, or the entertainment industry? Upon reflection, should it be regulated at all, and why?

There are two alternative approaches to address these issues: The first one is to establish extensive sets of regulations addressing every possible combination of telecom connections, and then negotiating agreements to govern the areas of overlap between different regulators. These regulations and agreements would then have to be re-negotiated and updated on a quarterly basis, or at least twice a year to cover new technological breakthroughs.

It is easy to see, that the volume and intricacy of these regulations would make them nightmarishly large and unmanageable. Their implementation would be such a lugubrious process that it would become a serious handicap obstructing the versatility needed by operators.

The alternative approach follows the rule “the one who regulates best, is the one who regulates least.” In Jordan, for instance, where we have followed this approach, the new integrated regulatory regime consists of two types of license: The first one, the class license, allows the operator to use any technology (subject to certain vital security considerations) to introduce any service. The second type of license, an individual license, is different from the class license by the fact that the operator needs to use the frequency spectrum extensively, a process that requires management.

Our experience is that this approach provides an adequate balance between giving operators the freedom, and hence the flexibility needed to develop their products and services in order to stay competitive. In practical terms, staying competitive means providing the customer with the latest products and services at affordable prices. This in turn means that the regulatory process works to the benefit of the customer, which is the main objective of the regulator.

Another question concerns the regulation of content. Should the content that comes across modern telecommunications channels be subject to regulation? One extreme of the spectrum takes an absolute stand on freedom of expression, and argues that no regulation should take place. The opposite extreme takes a stand on the equally cogent principles of security and morality, and argues that everything should be monitored and regulated.

Our role as decision makers is to define the happy medium that provides an adequate balance between the two extremes. However, this question is too complex for any of us to come up with an easy answer that adequately fits all situations, because aspects of local culture and sensitivity come into play. It would be safer to say that every country should have the right to address this question corresponding to what best fits its specific situation and context.

Finally, there is another issue which is not unique to the ICT industry. Economies of scale and the temptation of controlling the market share has frequently led to mergers between

companies, which results in a quasi-return to a monopoly or duopoly situation. Monopolies, as we have seen in many countries, have a negative effect on the market, most fundamentally on access to the internet. Anti monopoly regulations should be introduced to control merger activities in order to maintain competition and prevent the emergence of monopolies.

These are the main ideas I feel we should focus on in this session. Thank you for your attention.

Proposed questions from the Chairman

Q1- Ms. Nijem, it is known that you are one of the strongest candidates for the position of the Secretary-General of the ITU at the next election for that post in 2006. What are the main policies that you would like to advocate if elected?

Q2- What specific initiatives would you seek to promote to achieve these objectives?