

AKHET Consulting
today's tomorrow...

SAMENA Regulatory Summit 2013

Kuwait:

Regulation 4.0 – Toward a Healthy Sustainable Regulatory Environment for All Stakeholders

PANEL SESSION 2:

Efficient implementation of Policy and Regulatory Frameworks

Stewart White
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Panel Moderator

A brief general overview of the “4 generations” of regulation (with acknowledgements to Bob Horton & Alan Horne GSR 2013):

Regulation 1.0:

- Regulatory oversight of monopoly – publicly or privately owned/managed utilities
- “Ministry Model”

Regulation 2.0:

- Regulatory oversight to open network infrastructure on non-discriminatory conditions
- Introduction of competition notably in mobile
- Moves towards privatization in developed countries and some developing countries
- Separation of regulator from Ministry and moves to independence

Regulation 3.0:

- Increasing competition in fixed and mobile
- Full fledged privatisation in developed and moves in developing countries
- Infrastructure competition
- Increased regulatory oversight of service competition and application of competition law principles
- Evaluation of alternative uses of spectrum, re-use, re-farming, liberalization
 - Renewed scrutiny of efficiency of spectrum usage
- Convergence and consumer protection
- Some converged regulators

HOWEVER, growing need for 'regulatory clarity' and efficient policy making...

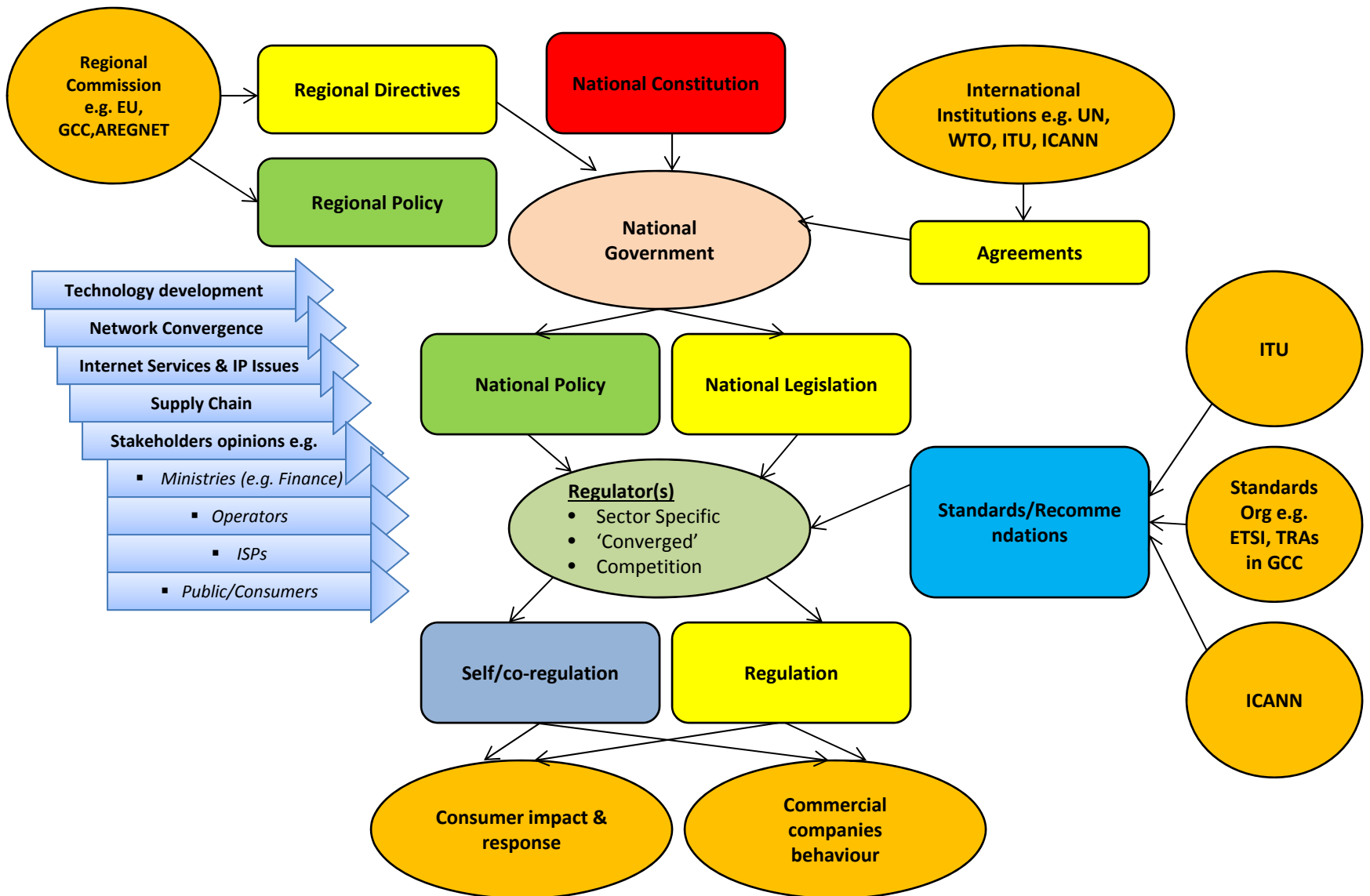
Regulation 4.0:

- Challenges to sector specific (*ex ante*) regulation
- Growing use of economic regulation (competition law principles)
 - Applied to licensed and unlicensed operators
- Digital revolution and ubiquity of devices and mobility - “always on”
- Consumer protection PLUS content from many sources over many devices

Shift from infrastructure competition to access competition

- access network a natural monopoly and duplication of infrastructure resulting from facilities based competition inefficient
- funding issues for superfast broadband to incentivise operators to participate and separate
- (Independent) sector specific; some converged and competition regulators
- Greater reliance on co-regulation and self-regulation

Changing Policy and Regulatory Environment...



Based on slide by Alan Horne GSR 2013 Discussion Paper "4th Generation Regulation – a new model for regulation for the digital ecosystem"

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Based on experience in developed and developing markets a 4th generation Regulator is envisaged to exhibit the following characteristics:

- 1. implementing pro-competitive ICT policies which are influenced by international and regional agreements and directives to achieve social and economic objectives;*
- 2. regulating a converged communications environment, either by a single converged regulatory entity or a closely coupled group of regulators, effectively regulating competitive broadband communications services (Telecommunications, internet, radio spectrum, access to land, naming and numbering, TV, Radio and Posts);*
- 3. taking action, within the scope of ICT regulation, to support the protection of public interests such as health, safety, the environment, and social cohesion;*

Based on experience in developed and developing markets a 4th generation Regulator is envisaged to exhibit the following characteristics (continued):

- 4. playing a key coordinating role in consumer protection and building trust of consumers in the content and security of information;*
- 5. having established processes and procedures to work in a collaborative and formal way with a wide range of national, regional and international stakeholders involved with developing and sharing approach to market development and regulation;*
- 6. working with or managing Government led funding and private initiatives to secure universal services for broadband internet connectivity and achieving Digital inclusion fostering Community led initiatives;*
- 7. working in and supporting a sustainable developed highly competitive and largely digital environment being innovative where appropriate...*

So “Efficient implementation of Policy and Regulatory Frameworks” ...

- Clear vision and leadership by policy makers and regulators
 - Appropriate staff and resources
 - Constructive engagement with all stakeholders
 - Regulatory strategy and plans after public consultation
- Promotion of fair competition
 - Universal access to broadband internet
 - Consumer and data protection
 - Innovative spectrum planning
 - Move from *ex ante* to *ex post* regulation
 - Clear separation of government, shareholder, operator and regulator
 - More modern governance
 - Clear enforcement and dispute resolution powers
 - Digital ecosystem
 - VoIP and IP interconnection
 - Encourage investment in converged digital networks and foster business relationships with OTT players
 - Ability to earn fair return on capital invested
- Regional and international co-operation

THANK YOU...

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