

**CASE STUDY: THE EU'S NEW REGULATORY FRAMEWORK AS A
MODEL FOR CONVERGENCE**

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Until recently, the information and communication market was dominated by statutory monopolies, with most telephone services being provided over the basic access network. The introduction of new and advanced technologies coupled with the liberalization of markets and the introduction of competition has created new requirements for entering and operating in the information and communication market. Addressing these needs constitutes the licensing process.

As their respective markets evolve to a more competitive framework, with exclusivity of incumbents ending and competitive frameworks being revised in Morocco, Jordan, Senegal, Mauritania, Kenya and Tanzania, most countries in the region are reviewing their licensing and regulatory regime to accommodate new entrants, accommodate convergence, and promote the availability of modern communications to their populations.

Licenses provide countries with a useful tool to ensure regulatory certainty for investors and to help a country keep up to date with technology developments and demands. License requirements and their associated costs vary worldwide, but a significant trend has emerged with countries around the world adopting state-of-the-art policy approaches. This trend is gearing towards a more simplistic, publicly available regime that is attractive and accessible for operators and foreign companies.

The European Union has made great progress in the move of the telecommunications sector from monopoly to competition. Its New Regulatory Framework, as adopted in 2002¹, is seen by many as an example of reform of the telecommunications regulatory framework, not only to accommodate the new market situation, but also to accommodate the real issues which convergence of technologies have created for telecommunications regulators around the world. The principles underlying the new regulatory framework are:

- 1 - to create a coherent regulatory framework which applies to all transmission infrastructures, irrespective of the types of services carried over them (the so-called 'horizontal' approach)
- 2 - to take account of the links between transmission and content regulation
- 3 - to leave the regulation of content broadcast over electronic communications networks (e.g. radio and television programs) outside the scope of the new Regulatory Framework

The model has influenced the telecommunications regulatory landscape around the world. Through organizations, groups, programs and initiatives such as CEPT, ERG, IRG or the EEA, or through EU assistance programs such as @lis, PHARE, TACIS, or MEDA, as well as through cooperation with other regional organizations such as

¹ See: http://europa.eu.int/information_society/topics/ecommm/all_about/todays_framework/overview/index_en.htm

CITEL, Regulate1, the GCC, TRASA or UEMOA, other countries are bringing their legal and regulatory framework closer to the EU model. This may not, however, be the most appropriate solution for all countries and regions and it is important that they are aware of this.

This presentation will discuss the EU's new regulatory framework as one example of how to accommodate convergence and will also discuss issues countries need to consider when looking at such a model.