
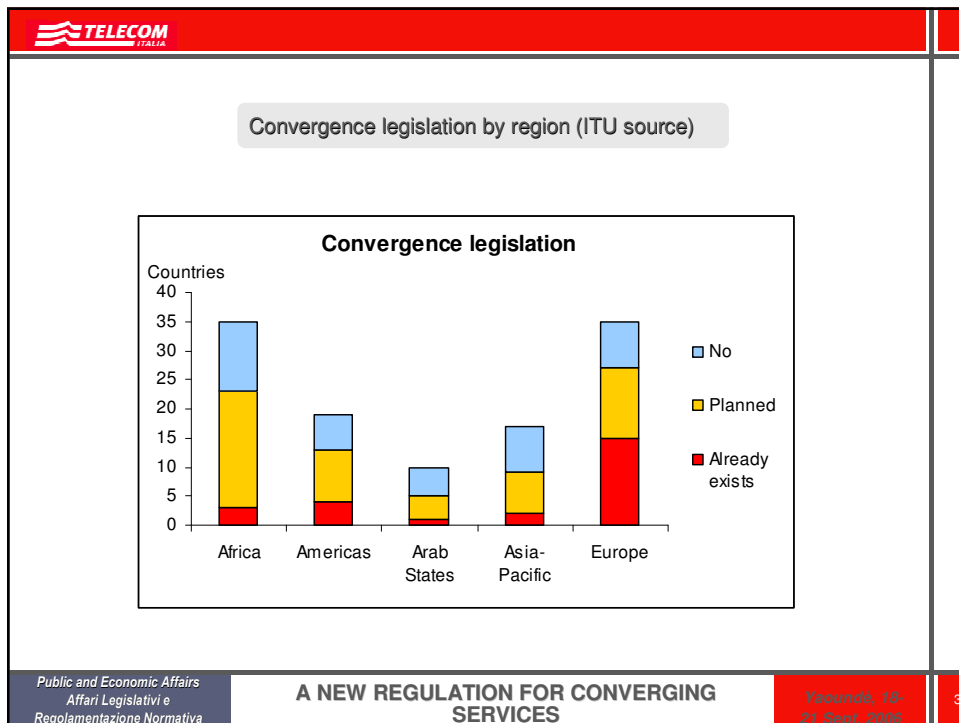
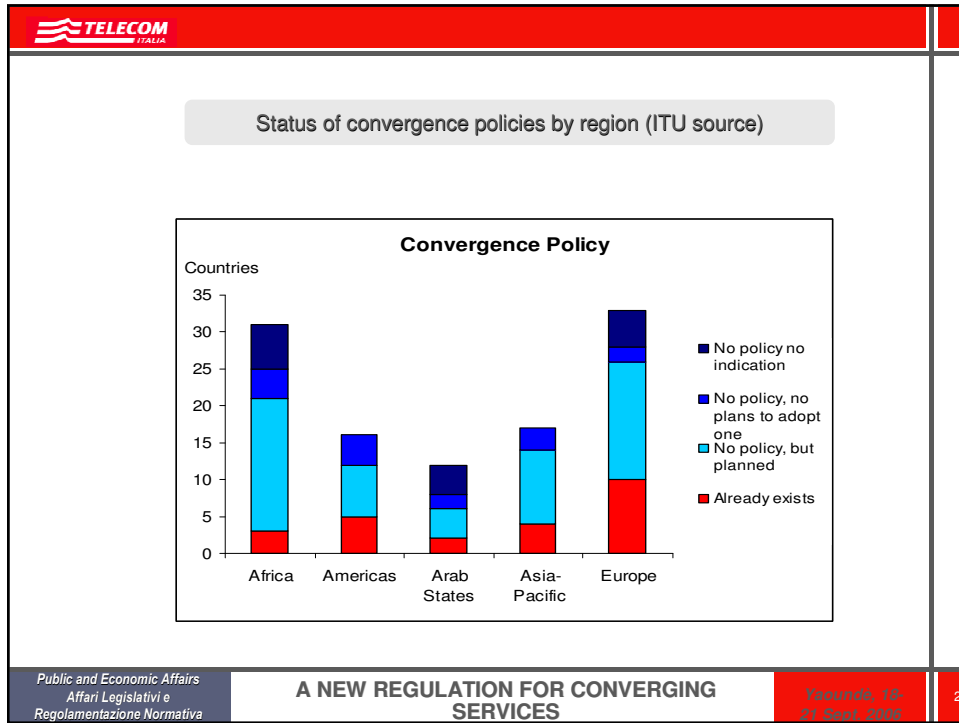




A NEW REGULATION FOR CONVERGING SERVICES	
	
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THE NEW REGULATORY TREND		
<ul style="list-style-type: none">▣ A plurality of initiatives for the privatization of incumbent State-owned operators and for implementing liberalization.▣ Already liberalized markets are moving towards a technologically neutral light regulatory model.▣ Gradual passage from <i>ex ante</i> regulatory obligations to <i>ex post</i> application of competition law.▣ Safeguard of new entrants' viability through a "two layers" model with regulated wholesale services and "free" retail services.		
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KEY ELEMENTS OF CONVERGENCE			
<ul style="list-style-type: none">▣ Mobile services overtook fixed ones both in users and revenues.▣ Fixed services further development is led by broadband access.▣ The strategy for success is based on network synergies and optimizations and enlargement and improvement of the number and quality of services.▣ The final target is: only one network for all electronic communications services.			
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NEW MARKET STRATEGIES			
<ul style="list-style-type: none">▣ Mobile operators offer “fixed like” solutions: for calls originated in a specific cell, customers pay prices equivalent to those of the fixed network.▣ ISPs and new entrants offer a number of competitive VOIP solutions.▣ In many countries “Virtual mobile operators” are temporarily blocked by regulatory restrictions, but in the near future they may repeat the positive experience of CS and CPS based fixed operators .▣ One of the incumbents’ reaction is to move towards “triple play”: an integrated offer of voice, broadband and broadcasting/content services.			
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REGULATORY CHALLENGES 1/2			
<ul style="list-style-type: none">▣ The current regulatory frameworks must be adapted to the fast technical evolution.▣ The new regulatory model must be implemented in a timely and efficient manner, learning from the mistakes of the past.▣ In some countries, one of the first steps has been the creation of a “convergent” National Regulatory Authority, with power on both electronic communications and broadcasting .▣ There is a strong need for a better cooperation between NRAs and competition Authorities .			
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REGULATORY CHALLENGES 2/2			
<ul style="list-style-type: none">▣ In countries with limited privatization of the State owned Operators, a high level of transparency must be granted, in order to attract competitors and national and foreign investors.▣ Market development and synergies as well as competition can be stimulated or hampered by the degree of effectiveness of licensing and/or authorization procedures. Critical areas include: cost of license/authorization, timeframe, ex ante obligations and regulatory constraints.▣ Regulation should be cost effective; so, the costs of regulation should not exceed the expected economic results and benefits to the competitive market. It is recommended to begin to study and establish mechanisms for the analysis and evaluation of the economic impact of regulation.			
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AN EXAMPLE: TELECOM ITALIA'S STRATEGY		
<ul style="list-style-type: none">▣ Merger between TI Wireline and TI Mobile: improvement of the financial background, development of an integrated network, study of first commercial offers integrating fixed and mobile services.▣ Creation of a broadband platform (based on xDSL) supporting a variety of different service levels: from prepaid 640 Kbit/s ADSL to 20 Mbit/s IPTV.▣ Regulatory safeguards: when appropriate, retail offers are always anticipated by the relevant wholesale offers; maximum transparency level in advertising, pricing and consumers policy.		
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