

## On the Road to 3<sup>rd</sup> Generation Regulation

### Abstract.

Regulation is considered to be the most influential factor, next to technology, in shaping the telecommunication market today. Regulations attempt to achieve multiplicity of government policy objectives, taking place in a highly dynamic environment of telecom technologies and services that are evolving to satisfy ever increasing customer needs at a pace faster than the legislations in place. Telecommunication has experienced two generations of regulation. The 1<sup>st</sup> Generation took the form of regulating the incumbent PSTN monopoly operator. The 2<sup>nd</sup> Generation regulation focused on breaking up the monopoly of the PSTN incumbent operator. The attitude of 2<sup>nd</sup> Gen regulation was thought to continue declining as the market becomes more liberalized, competitive, and matured with balanced forces of demand and supply. This turned to be untrue due to the dramatic technological and architectural evolution of Next Generation and Broadband Access Networks with associated infrastructures, services and business models. Such paradigm change from the PSTN model placed major regulatory challenges which led to the need of what we may denote as 3<sup>rd</sup> Generation regulation.

In this presentation we describe the telecom regulatory environments in terms of objectives, principles and attitudes. We examine the merits of the 2<sup>nd</sup> Gen regulations which still dominate almost all parts of the world today. We then highlight the regulatory challenges associated with NGN and Broadband networks that call for 3<sup>rd</sup> generation regulation. We present an overview of a worldwide regulatory approaches and trends considered by most developed countries in dealing with NGN and Broadband networks. The scene indicates that, as NGN and Broadband markets are not yet mature, 3<sup>rd</sup> Gen regulation should evolve softly and carefully.

On the road to 3<sup>rd</sup> Gen regulation, this presentation sheds some lights and takes some steps. 3<sup>rd</sup> Gen regulation will have to have a balanced regulatory attitude to all players based on sound lawful principles, and with regulations aiming to encourage cooperation in addition to competition. Specifically, we stress on the necessity for 3<sup>rd</sup> Gen regulations to evolve and align with new technologies. The means for “fair” observability and controllability of NGN and Broadband are needed to facilitate new applications and commercial agreements, as well as the built-up of secure network based on sound economic models. 3<sup>rd</sup> Gen regulation should become be more of a facilitator for NGN and Broadband developments than a barrier to investment in new such networks.