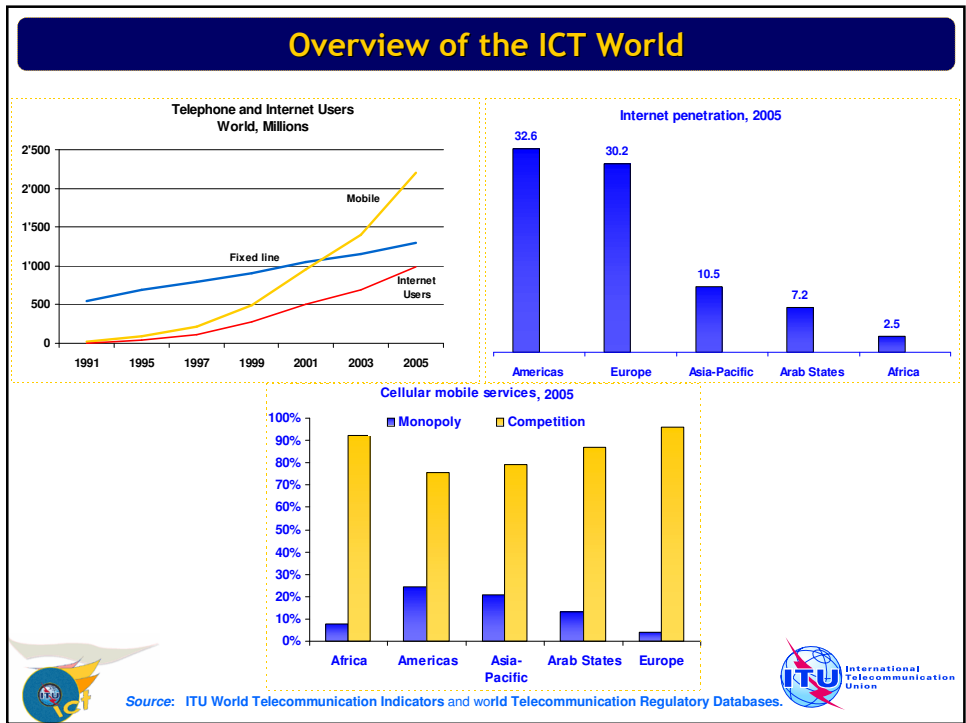
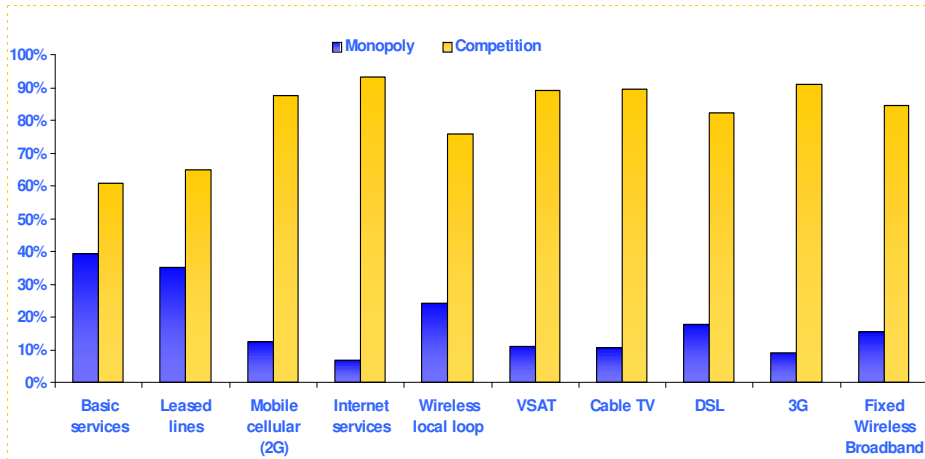


QoS and Consumer Protection Regulatory Trends

Nancy Sundberg
 Telecommunication Regulatory Specialist
 Regulatory Reform Unit - BDT



Level of Competition in Selected Services and Networks, 2005

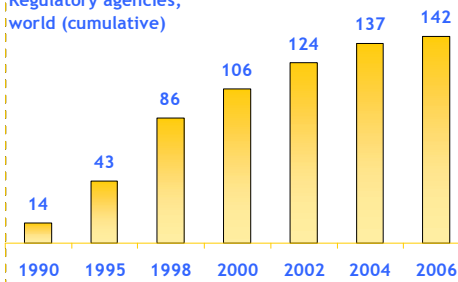


Source: ITU World Telecommunication Regulatory Database.

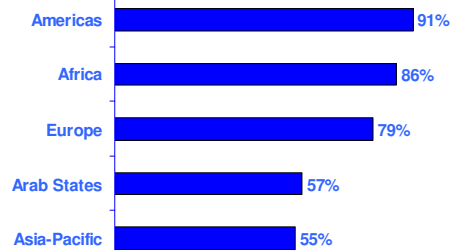


ICT Regulators Worldwide

Regulatory agencies, world (cumulative)

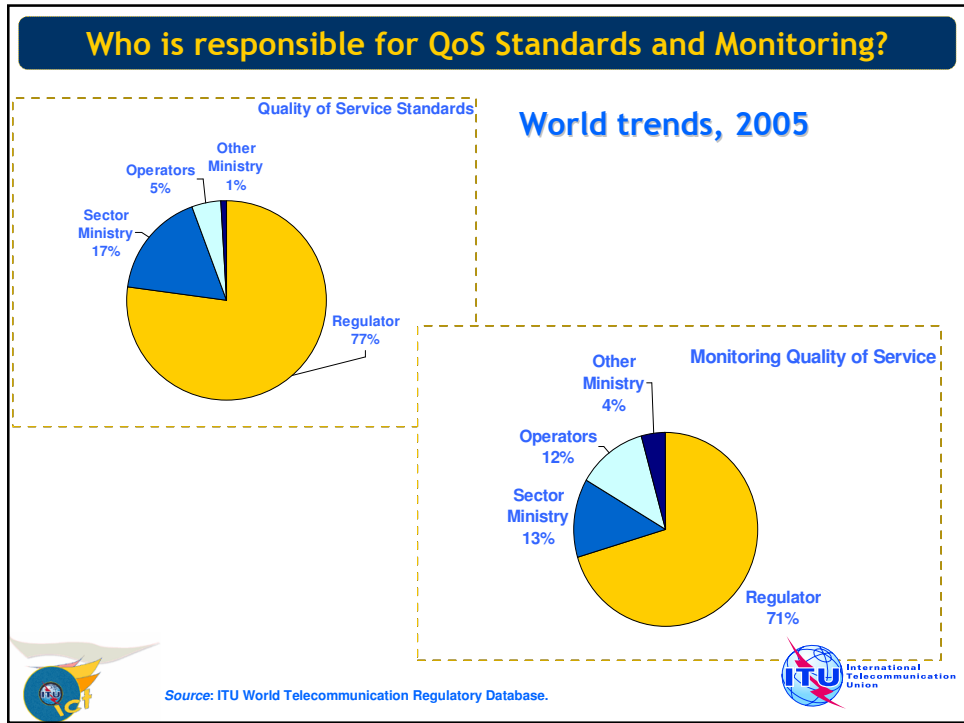


Percentage of regulators in each region



Source: ITU World Telecommunication Regulatory Database.





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The ICT Regulation Toolkit is a live resource for policy-makers, regulators, the telecom industry, and consumers. It provides a global overview of how telecom policy is best implemented with practical materials highlighting experience and results. Here are the sections that make up the Toolkit:

Module 1: Regulating the telecommunications sector -- overview
 Telecommunications growth and innovation, Telecommunications and economic development, rationale for regulation, Principles for effective regulation, Key success factors and risk of failure, Institutional responsibilities (expected by July 30, 2006).

Module 2: Competition and Price Regulation
 Fair competition, Interconnection and access, Prices, Benchmark price regulation, Data requirements, Effective price regulation (expected by July 30, 2006).

Module 3: Authorization of Telecommunications Services
 Introduction, Authorization approaches, Competitive licensing processes, Authorization practices, Special authorization situations (now available).

Module 4: Universal Service
 Principles and basic concepts, Market shortfalls and development gaps, Roles of the government and the private sector, Scope of support beyond the market, Principles of cost-effective support, Funding sources and mechanisms (expected by September 15, 2006).

Module 5: Radio Spectrum management:
 Technical introduction, Scope of spectrum use and issues, International administrative framework, National institutional arrangements, Allocating frequency bands among uses and technologies, users, Pricing Monitoring and enforcing, Current trends (expected by July 30, 2006).

Module 6: Legal and Institutional Framework
 Laws and regulations, International treaties and agreements, WTO, National legislation and regulations; Institutional arrangements for telecommunications regulation; Regulatory processes, Relationships with judiciary and competition authorities; Governance, Realistic design options, Human resources and capacity building (now available).

Module 7: New technologies and impact on regulation
 New technologies and applications, Convergence, Internet's impact on networks, business models, market structures, and regulation; Broadband, the way forward (expected by September 15, 2006).

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7.1.7 Quality of Service – Regulatory Roles and Responsibilities

Often, a regulator's responsibility is to establish quality of service (QoS) guidelines or parameters, as well as the methods and procedures for monitoring operators' performance against these established parameters. The fundamental objective in establishing QoS targets and reporting is to ensure that the general public (i.e., the consumer) is served and, at the same time, that the operator is not impeded from carrying out day-to-day operating routines as a result of excessive reporting requirements. The level of regulatory intervention with respect to QoS is often dependent on the degree of competitiveness that is present in the market. Generally, the regulator takes a more hands-off approach with respect to QoS monitoring and reporting requirements if a market is highly competitive. Nonetheless, the reporting and the report analysis process should not be too onerous for either the operator or the regulator irrespective of market conditions. In addition, it also should be developed in consultation between the operators and the regulator to establish realistic benchmarks and make the process manageable and useful in identifying areas where the consumer is receiving inadequate service levels.

Although different approaches have been adopted in various jurisdictions, the regulatory goal should be to ensure: (i) the delivery of acceptable service for the telecommunications user; and (ii) that consumers are aware of the variations in performance from various service providers/operators thereby allowing them to make an educated choice regarding their preferred service provider. QoS indicators are one of the most effective regulatory tools in this regard.

Ultimately, consumer should reap the benefits from the enforcement of QoS regulations. In certain instances, for example, operators opt to run the risk of incurring a penalty as opposed to investing to improve the QoS. In such cases, the imposition of monetary fines does not result in any direct benefit to consumers. On the other hand, consumers may benefit directly when the penalty for violating QoS standards is, for example, to provide consumers with services free of charge, to give the consumer retroactive rebates as compensation for the poor QoS, or to move them up to the top of a waiting list for the provision of services.

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 - 7.1.6 Interconnection

QoS indicators measured by ITU

WORLD TELECOMMUNICATION/ICT INDICATORS

3. Waiting list


	Waiting list for telephone lines			Total demand (000s) 2004	Satisfied demand (000s) 2004	Waiting time (years) 2004
	Capacity used (000s)		CAGR (%)			
	1999	2004	1999-04			
59 Albania	98.5	98.5	-	353.3	72.1	2.9
60 Algeria	640.0	727.0	6.6	3'015.0	75.9	5.3
61 Angola	21.1	...	...	...	...	...
62 Armenia	71.0	60.8	-3.8	643.2	90.6	3.6
63 Azerbaijan	88.4	-	-	1'025.4	100.0	-

4. Local telephone network

	Main telephone lines				Faults per 100 main lines per year 2004
	Capacity used (%)	Automatic (%)	Digital (%)	Residential (%)	
	2004	2004	2004	2004	
113 Antigua & Barbuda	...	100.0	100.0	...	...
114 Argentina	...	100.0	100.0	82.8	...
115 Barbados	...	100.0	100.0	68.7	...
116 Belize	89.6	100.0	100.0	57.3	41.1
117 Botswana	55.7	100.0	100.0	60.0	...

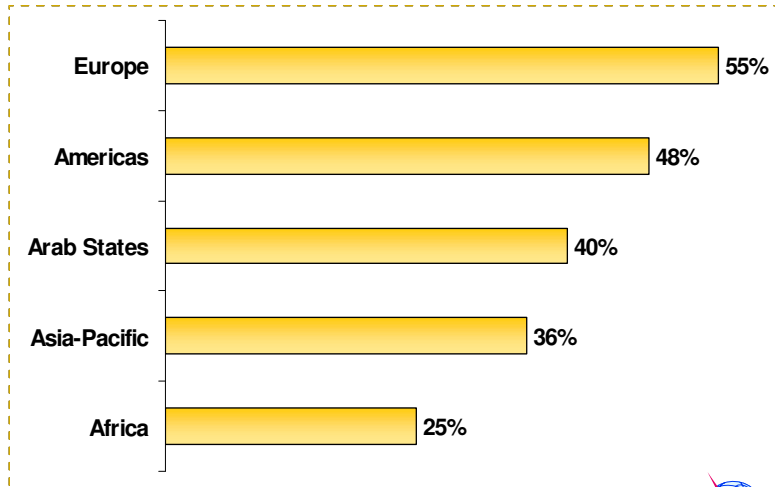
Indicators	Unit	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
QUALITY OF SERVICE											
141 % teleph. faults cleared by next day	%	30	30	38	58	61	...	...	40	...	...
143 Faults per 100 main lines per year	%	...	59.6	51.8	59.5	71.0	70.2	65.0	57.2	...	...

Source: ITU World Telecommunication Indicators and Yearbook of Statistics.

 International Telecommunication Union

Telecommunication Consumer Protection Regulation/Legislation

Percentage of countries with such regulation/legislation in place in each region, 2005



Source: ITU World Telecommunication Regulatory Database.



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 - ▶ 7.3 Accountability of Regulators and Consumer Protection
 - ▶ 7.3.1 Accountability of Regulators
 - ▶ 7.3.2 Accountability for Consumers

7.3.2 Accountability for Consumers

Regulatory accountability also involves regulators having appropriate procedures to channel consumer inquiries or claims, to educate consumers regarding their rights, and to protect consumers in case of market failures. In a majority of countries, regulators assume responsibility for handling consumer complaints.¹ The particular mechanisms developed and instituted for consumer protection in each country may differ and require tailoring to the needs of the country depending on the country's particular legal and institutional systems and culture. For instance, certain mechanisms, such as ombudsmen, tend to work best in countries with a long history of consumer activism.²

Mechanisms for consumer protection

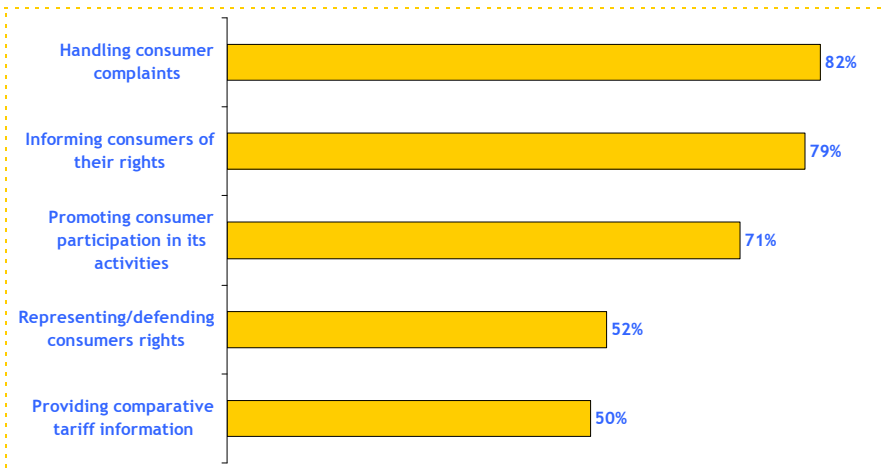
Telecommunications regulators have implemented different methods to make themselves accessible to the public and to facilitate the handling of consumer complaints. Some countries have administrative offices outside the regulator, while others have utilized internal offices of consumer affairs. As telecommunications markets become more competitive, regulators continue to take a proactive role to protect consumer rights through consumer protection legislation, licence conditions, consumer education and information, and encouragement of industry self-regulation through industry codes. For example, many regulators have published consumer information fact sheets, guides and brochures on their websites. Most telecommunications legislation and related regulations contain provisions on quality of service standards, telecommunications fraud, number portability, carrier selection, and universal service. In many countries, consumers have more than one avenue to file complaints with the regulator so the regulator is better able to handle consumer concerns in a competitive market. Usually, consumers can file complaints in several ways: (i) in writing, (ii) by e-mail, (iii) by telephone, (iv) by fax, or (v) in person at the regulator's offices, in consumer centers/call centers or in a Consumer Parliament (e.g., Nigeria). The procedures for filing complaints with the regulator are generally simple in order to facilitate their submission, and are published on the regulator's website, in official publications and available at the regulator's offices.

In some countries, such as Australia, Hong Kong (SAR) and Malaysia, the regulators place significant emphasis on industry self-regulation and on codes that are developed by industry and approved and registered with the regulator, covering issues such as billing, number portability, pricing information, and complaint handling by operators.³ Other regulators have also established consumer advisory committees and forums to provide the regulator with advice on consumer concerns, promote consumer input into policies and regulations and to ensure that the consumers' interests are taken into account during the regulator's decision-making process. In Australia, the regulator is required by legislation to establish a consumer forum.⁴ Australia has also created an independent Telecommunications Industry Ombudsman to investigate complaints about the provision of telephone or Internet services and to help parties settle disputes regarding such services.⁵

Many regulators, particularly in developing and less competitive markets cannot rely on industry self-regulation and must assume a larger role in consumer empowerment and protection. Some regulators, such as Anatel in Brazil and the Nigerian Communications Commission (NCC) have created innovative ways for addressing consumer complaints. (See Box 7-7 below for example of Brazil.) The NCC has established a Consumer Affairs Bureau to serve as the industry watchdog for educating, informing, and protecting consumers. Additionally, the NCC has published a Consumer Bill of Rights recognizing the inalienable rights that every consumer should have, including: (i) the right to be informed; (ii) the right to safety; (iii) the right to choice; and (iv) the right to be heard. The NCC also instituted a Consumer Parliament, which brings all stakeholders, consumers, operators, and the regulator together and provides a live broadcast, public forum where the regulator can educate the public and consumers can ask questions and voice their opinions.⁶

5

What Regulators do for Consumers?

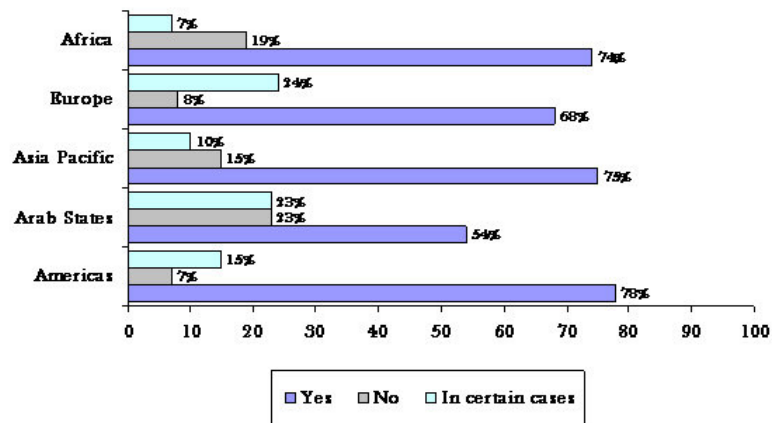


Source: ITU World Telecommunication Regulatory Database.



... and Public Participation?

Percentage of regulators that mandate public consultations



Source: ITU-InfoDev ICT Regulation Toolkit based on ITU World Telecommunication Regulatory Database.

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- West Africa Sub-regional workshop on Regulatory Challenges of VoIP Dakar, Senegal, 4-7 July 2006
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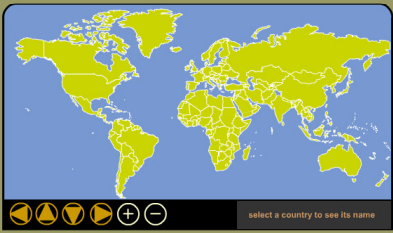
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