



**NARUC**

*Serving the consumer interest  
by seeking to improve the  
quality and effectiveness  
of public utility regulation  
in America.*

# *Forward looking regulation in emerging markets*

Presentation to  
International Telecommunication Union

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## ***NARUC - a vehicle for United States and international coordination and support***



# Who We Are

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- The National Association of Regulatory Utility Commissioners (NARUC) is a national association composed of:
  - Multi-sector regulatory commissions in the 50 states, District of Columbia and U S territories.
  - 23 national regulatory commissions from around the world.



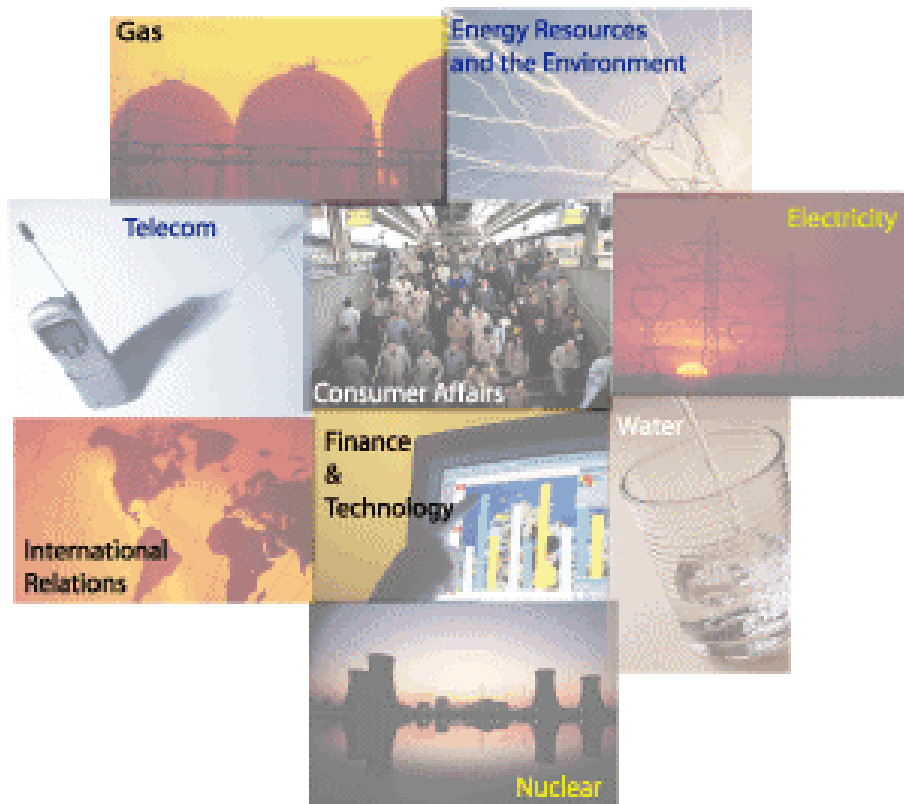
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# What We Do

## Regulation of Utilities

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- Research
- Training
- Policy development
- Advise on Regulatory Legislation and Policy
- On-Line Communication
- International Committee
- Sector committees
- New Commissioners' tutorial



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# ***Joint service regulatory bodies***



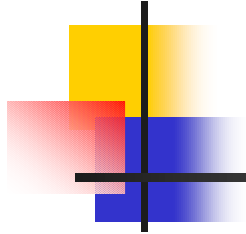
# *Joint service regulatory bodies*

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- Might combine some or all of telecoms (wireline, wireless, broadcast, cable), electric, natural gas, water, even transportation
- Economies of scale and scope
  - Eliminates duplication
  - Same skills - e.g., legal, accounting, economics, consumer protection.

# *Joint service regulatory bodies -*

*continued*



- Dynamic efficiencies - learning from experience in another industry
- Recognize common evolution toward competition
- Recognizes convergence among industries



# *Evolution of joint services regulation - external*

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- Merging bodies
  - Challenges: May be conflicting statutory roles or conflicting organizational cultures
- Adding new functions to existing bodies
  - Challenges: Above, or may lack appropriate tools for new function





# *Evolution of joint services regulation - external*

*- continued*

- Creating new bodies
  - Challenges: May lose experience or legal precedent. May be disruptive. Or, change may be less than meets the eye (“old wine in new bottles”)



# *Evolution of joint services regulation - internal by sector*

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- Combine functions in one entity, but retain separate offices for each sector, e.g., telecoms and electricity
  - Common agency head, different staff
  - Allows specialization
  - Reduces efficiencies
  - Reduces shared learning



# *Evolution of joint services regulation - internal by function*

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- Recognizes industry convergence, common trajectory toward competition
- Organize by:
  - Economics - market analysis
  - Consumer protection and education
  - Accounting and auditing
  - Engineering
  - Complaints and enforcement
- May change as markets, technology, policy evolve



# *Decision tree for designing a new structure*

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- What values underlie the work?
- What needs to be done (objectives)?
- How should it be done, most consistently with the underlying values?
- Who should do what needs to be done?
- Feedback - How will we know when we do not need to do something anymore, do less of it, or do it differently?