

## **Approaches to regulation of the telecommunication sector in a converged world**

The most relevant trend in today's telecommunication market is probably the convergence of essentially different networks and services into a single whole in which users have the whole range of services at their disposal. Network convergence is inevitable, being both convenient for subscribers and profitable for telecommunication market players. As such, it contributes to ongoing business development.

For the telecommunication operator, it means simpler network construction, obviation of the need for several different networks for different services and more efficient use of capital assets, all of which helps to reduce tariffs and broaden the range of services on offer to users, while gradually dissolving the boundary between fixed and mobile telecommunication services. Convergence processes enable fixed and mobile operators not only to optimize the functioning of the cellular infrastructure, but also, by combining the advantages of the various types of network, to provide their customers with service packages previously not accessible to the mass market.

The list of converged network services is already clearly identifiable. It covers, as standard features, conventional telephony, including intelligent network services, videotelephony, data transfer, access to information resources, e-learning and audio and video programme reception, as well as, on request, telemedicine, commercial and banking operations from the user terminal, and much more besides. Convergence provides the user with the full range of telecommunication services from a single terminal connected to a single network, all of this within the framework of just one agreement with an operator for the whole set of telecommunication services, with the resulting savings this produces by comparison with the separate use of a number of heterogeneous services.

However, the removal of barriers between markets requires that the regulatory body establish a corresponding legal, normative and technical basis and that it review the mechanisms for the regulation of specific markets; in other words, there needs to be a second reform phase in the regulatory sphere.

In this regard, it is necessary to identify the essential legal, organizational and economic tasks associated with convergence, first and foremost among which, in our view, are the following:

- development of unified rules for the provision of telecommunication services;
- migration to a system of integrated licensing for the multimedia and telecommunication sectors;

- migration to a system of integrated spectrum management for the multimedia and telecommunication sector;
- resolution of interworking issues between operators of existing networks and those of converged networks;
- development of norms and principles in the area of tariff policy;
- market research, having regard to the specific features of the domestic market;
- development of qualitative indicators for multi-profile telecommunication services;
- increasing public awareness of converged network services;
- creation of favourable conditions, specifically by reforming taxation and customs control policy, to encourage investment in the converged ICT services sector.

The Republic of Armenia's Public Services Regulatory Commission considers that regulatory bodies have a major role to play in addressing all of these issues and that this calls for close cooperation between the regulatory bodies of different sectors and coordinated actions with telecommunication operators. Looking to the future, this can only result in the establishment of a single domestic regulatory body, which will have to be endowed with the necessary resources and authority to perform its regulatory functions in a converged environment.

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