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| Canada and the United States of America | |
| Views on the COMPREHENSIVE Review of the International Telecommunication Regulations | |

**Introduction**

Canada and the United States are pleased to participate in the review of the International Telecommunication Regulations (ITRs) by the Expert Group on the International Telecommunication Regulations (EG-ITRs). Pursuant to the Terms of Reference of the EG-ITRs,[[1]](#footnote-1) we present our views on the issues that are essential to the comprehensive provision-by-provision review of the ITRs: (1) applicability of the 2012 ITRs in fostering development and the provision of international telecommunication/ICT services and networks and, (2) flexibility of, or lack thereof, the provisions of the ITRs to accommodate new trends in telecommunications/ICT and emerging issues in international telecommunications/ICT environment.

**Discussions**

**“Applicability of the 2012 ITRs in fostering development and the provision of international telecommunication/ICT services and networks”:** Canada and the United States continue to believe that the ITRs are no longer applicable or relevant to most international communications traffic. The ITRs were essential to the provision and operation of international telecommunication services in the monopoly era. However, this monopolistic environment has disappeared in most countries, along with the rationale for a treaty addressing its potential effects on international telecommunications services.

In the last three decades, the telecommunication/ICT landscape has experienced fundamental changes. The primary focus of the ITRs, fixed line telephone service and international voice traffic, has given way to mobile cellular subscription and usages. For instance, between 2010 and 2016 fixed line telephone subscribers and international voice traffic declined by 4.4 and 3.6 percent, respectively. At the same time, mobile telephone subscription and domestic mobile traffic increased by 4.8 and 3 percent, respectively.[[2]](#footnote-2). With 7.4 billion worldwide subscriptions, mobile has far surpassed the world population and fixed line subscriptions. The robust growth in mobile communications, together with a competitive market environment, has encouraged new usages, applications and innovations facilitating the emergence of application and digital economies. According to a recent report, 5G mobile technology is expected to add $2.2 trillion to global economy over next fifteen years.[[3]](#footnote-3)

According to ITU, the continuing transformation of the telecommunication/ICT sector will lead to the full integration of the ICT sector in the digital economy, diluting the identity of telecommunication/ICT as a distinct sector of the economy.[[4]](#footnote-4) It is not clear what role, if any, a sector-specific legal instrument like the ITRs can and should play to address present and future problems.

**” Flexibility, or lack thereof, of the ITRs provisions”:** This line of inquiry highlights one of the fundamental problems with the use of a treaty instrument to attempt to regulate a competitive and dynamic marketplace. Treaty provisions relating to telecommunications must be flexible enough to withstand constant changes in the market. Treaty provisions designed to address specific aspects of the market will continually face obsolescence.

This fundamental tension can be seen in many provisions of the 2012 ITRs. For example, Article 8 and Appendix 1 on charging and accounting include several detailed provisions that govern the establishment of accounting rates between Member States, but the vast majority of traffic is no longer exchanged under such an accounting rate regime. As a result, Article 8 and Appendix 1 are largely irrelevant to the current international telecommunications environment. Trying to apply the accounting rate provisions or even to revise them to apply to current market-based arrangements would impede the flow of international telecommunication traffic and deter market and technological innovations that improve services and lower prices for consumers.

**Summary**

Given the dynamic, competitive nature of the communications market, and the fact that the telecommunications/ICT sector is increasingly being integrated into the broader digital economy, it is unclear how an inflexible treaty instrument such as the ITRs can play a positive role in promoting future growth and prosperity in the international telecommunication marketplace.

1. *See* Council Resolution 1379 (Revised 2019), Doc. C19/139 (20 June 2019), ANNEX 1. [↑](#footnote-ref-1)
2. The Little Data Book on Information and Communication Technology, World Bank and ITU, 2018. According to Telegeography, in 2015 international voice traffic volume declined for the first time since the Great Depression. See, <https://blog.telegeography.com/voice-traffics-slump-continued-in-a-big-way-last-year>. [↑](#footnote-ref-2)
3. GSMA, The Mobile Economy 2019 available at <https://www.gsmaintelligence.com/research/?file=b9a6e6202ee1d5f787cfebb95d3639c5&download> [↑](#footnote-ref-3)
4. ITU, Measuring the Information Society Report 2018, Vol 1 page 91. [↑](#footnote-ref-4)