



## Strategies to Establish Quality Regulatory Frameworks

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**João Felipe Mayer Saucedo**

*National Telecommunications Agency - Anatel (Brazil)*

# Summary

- ✓ Overview
- ✓ Approaches for service quality regulation
- ✓ Enforcement strategies
- ✓ Strategies to raise consumer's awareness

# Overview

*After analysing telecommunications market and enforcement environment, regulators may decide to establish a regulatory framework aiming to foster investments in raising service provision quality*

(motivations introduced by ITU-T G.1000 and E.800 Series Supplements 9 and 10)

## ✓ Decision-making process

Does quality of service need specific regulation?

Unilateral or Multi-stakeholder decision?

## ✓ Quality Regulation

Which approaches better fit national realities?

What aspects should be considered, regarding technical and economic issues?

Which are the strategies to empower end-users with useful service quality information?

# Approaches for service quality regulation

- ✓ Markets targeted by quality regulation
- ✓ Relationship with competition
- ✓ Responsive regulation
- ✓ QoS assessment: KRIs, measurement tools and sampling plans
- ✓ Consumer's satisfaction and perceived quality informations

# Service quality regulation better fits retail markets

## Retail

- Severe information asymmetry
- Strong power unbalance

### ✓ Regulatory Action

Transparency (KRI and coverage figures)

Compliance with quality advertised

## Wholesale

- Usually balanced contracts
- More technical knowledge among parts
- SLAs

### ✓ Regulatory Action

Autoregulation

Contract enforcements

# Regulation may impact competition

Imposing quality regulation implies raising costs to service providers:

- ✓ **Compliance**
- ✓ **Data Collection**
- ✓ **Consolidation**
- ✓ **Publication**

Barrier to small operators/  
newcomers?

**Asymmetric regulation should be  
considered**

# Responsive regulation raises enforcement effectiveness

- Regulated service providers are not treated in a uniform way;
- Enforcement strategies based on Service Provider's behaviour and compliance history;
- Companies with good compliance history should be gradually less often inspected;
- Operators which commit repeated and systematic violations should be treated with no leniency when significant violations are encountered.
- The enforcement can escalate to sanctions, like suspension of sales and fines, among other administrative proceedings;

# QoS assessment

**Convergent networks** decrease the number of KRIs to be monitored. Indicators should be agnostic to technology.

**Previous assessment** - before implementing KRI, regulators are recommended to identify the network capacity and status of infrastructure, to determine feasible targets.

**Granularity and accuracy** - Smaller granularity shows QoS closer to the customer. Trade-offs like (i) granularity and operational costs and (ii) smaller granularity and statistical validation.

## Assessment tools and Sampling Plan

Regulators should hear all stakeholders for the definition of QoS assessment (service providers, providers of measuring solutions, etc.)



# Consumer's satisfaction and perceived service quality complemente QoS assessment

## Consumer's satisfaction surveys

Opinion polls help regulators to better understand end users' experience. Questions should be elaborated to cover technical and non-technical aspects of service. Results of different operators should be published to wider audiences.



# Enforcement strategies

- ✓ Dialogue focused on solving problems
- ✓ Monitor more closely regions with less competition
- ✓ Failures to comply with KRI do not trigger sanctions automatically
- ✓ Other enforcement measures should be employed before stronger penalties

## Enforcement strategies depend on the context of the country

(economic aspects, legal certainty, culture, level of competition, consumer awareness, etc).

## Examples of enforcement measures

- Action Plans
- Inform Consumers: make results available, e.g., using rankings
- Monetary Compensation
- Breaking Loyalty Contracts
- Suspension of Sales
- Fines

# Raising consumer's awareness

**EFFECTIVE PUBLICATION** - consumer-friendly reports on QoS, emphasizing differences between operators. General and specialized media can help spreading results, also through social media.

**QoS IN RETAIL CONTRACTS** - Stating the minimum QoS levels in retail contracts empowers consumers and helps regulation to become more effective.

**AWARENESS CAMPAIGNS** - Aiming to improve knowledge on consumer's right among general population (e.g. how to assess QoS, where results can be checked, what to do if targets are not met).

## Reducing Information asymmetries...

Informed decisions

Improving competition

Adjusting expectations

# Thank you!



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[joao.saucedo@anatel.gov.br](mailto:joao.saucedo@anatel.gov.br)



+55 61 2312-  
2699



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