COMMONWEALTH
TELECOMMUNICATIONS
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Contribution to

International Telecommunication Union
Open Consultation of the CWG-Internet
on the
"Public Policy considerations for OTTs"

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Executive Summary

The global communications industry has evolved over the past decades from an era where it was largely a monopoly dominated by single state owned entities providing basic telecommunication services to the citizens, to an era where the industry has become largely liberalized with multiple players offering various forms of communication services. This liberalization has enabled competition in the industry, which in turn has generated significant growth and innovation making it unarguably one of the fastest growing and most innovative industries in the world.

The Commonwealth Telecommunications Organisation (CTO) has prepared this input, which is bulleted below for each question. It is based on contributions from government ministries and regulators, therefore, the responses provided to the questions will be based from a public sector perspective. Based on the contributions received, there is a general view that OTTs provide many opportunities with regards to consumer choice, lower costs and competition. However, there are implications for traditional telecom service providers which are now forced to innovate or consider partnerships in order to stay relevant and make profits. Privacy and the lack of legal frameworks for OTT operations were among the major concerns and considerations for policy. It is felt that OTTs should have a greater focus on security and privacy and that there needs to be partnerships or strengthened cooperation between traditional carriers and OTT providers.

Responses to Questions

1. **What are the opportunities and implications associated with OTT?**
   - Opportunities:
     - OTTs have allowed for increased competition (Price & Service).
     - OTTs have provided services at a reduced cost, with some services being of the same quality as traditional carriers.
     - There has been a reduction in revenue for operations, also leading to a reduction in taxes.
     - Depending on the charging model, an traditional operator can sell more data.
     - OTTs help facilitate the move towards a data environment.
     - OTTs have resulted in an increase in consumer choice.
     - Organizations are given an opportunity to diversify their business, particularly within the virtual environment.
     - OTTs have generally improved communication by creating an open and borderless platform for people to express themselves. This level has improved freedom of expression.
   - Implications
     - OTTs have forced providers to innovate
     - Revenue from corporate and AST taxes.
     - OTTs have resulted in an increase in data traffic.
     - From a regulatory to governance angle, OTTs have created privacy and security concerns.
     - OTTs have forced traditional operators to upgrade the technology used for voice, in order to lower cost, as well as to consider new streams of revenue through TV and multimedia for instance.
     - OTTs have also forced traditional operators to consider partnerships.

2. **What are the policy and regulatory matters associated with OTT?**
   - Considerations for policy and regulatory issues related to OTT include net neutrality; encryption, security, privacy and safety issues as OTTs encourage anonymity of users; and responsibility for quality of service.
   - There is a need to examine how to level the playing field between licensed providers and OTTs who provide same services, e.g. local OTT of a national broadcaster VS Netflix.
   - There is a need to consider the level of maturity within society regarding freedom for expression of opinions. OTTs have made it easier than ever to share ideas and opinions, usually without restrictions.
   - Child Protection and parental controls should be examined as there can be challenges particularly relating to lack of knowledge on technology and controls by parents
   - There is a need to consider the implementation of legal frameworks for licensing OTT operators and for holding authors of content on OTT platforms liable for their offensive content.
   - There is a need to consider contributions by OTTs from licensing, fees, taxes and USF to countries where services are offered, and whether or not OTTs should pay network operators and ISPs.

3. **How do the OTT players and other stakeholders offering app services contribute in aspects related to security, safety and privacy of the consumer?**
   - There is a general view that OTT providers are not focusing enough on the issues of security, safety and privacy as accessibility is more of a priority than security for OTTs. OTT providers are focused primarily on promoting and attracting account holders in order to improve their marketing goals.
   - In order for OTT stakeholders to contribute towards security, there has to be a demand from the consumer.
   - If OTT players are locally domiciled, it is felt that they should be subject to the country's privacy and consumer protection laws. There should also be guidelines on the use of consumer information, and CDRs for security purposes.

4. **What approaches might be considered regarding OTT to help the creation of environment in which all stakeholders are able to prosper and thrive?**
   - Ways to level the playing field with regards to regulatory requirements should be examined, however, consumer protection should be the main focus. There are some views that there should not be any regulation however.
   - OTTs should create mechanisms to ensure that all account holders are properly identified and their particulars, made available. This will improve responsibility among OTT user.
   - There is the view that OTT providers can be considered as carriers, and therefore, they should pay providers.
   - Network Operators/ ISP's and OTT providers should work in partnership if eventually this is the means for voice services agree on QOS, delivery, cost/revenue sharing.
   - OTT players need to collaborate with the local stakeholders so that a conducive environment is granted for prosperity of OTT for all stakeholders. There should be agreement on QoS, delivery, costs and revenue sharing between OTTs and traditional carriers.

5. **How can OTT players and operators best cooperate at local and international level? Are there model partnership agreements that could be developed?"**
   - There is the view that operators should provide the physical infrastructure and let OTT players provide the services.

- Government and operators need to engage in honest discussions on how to improve each other's position in the OTT era.
- There should be a formal approach on how various OTT services should be delivered to customers.
- If net neutrality is to be applied, then defined QOS of standards need to be set
- There should be harmonization of standards for the various OTT services.
- The OTT players should establish level which can interact with the policy or regulations. The operators need to work in a collaborative manner with OTT players for the benefit of consumers.