
ETNO Expert Contribution to the ITU Secretary General's Report to WTPF on IP Telephony

(Final Report Version)

Technical and operational aspects of IP networks

ETNO would like to congratulate the ITU's Secretary General for his WTPF 2001 Report on IP Telephony which, in its final version, is a well-balanced document, clearly outlining the challenges and opportunities of IP Telephony for industry and governments.

In ETNO's view IP Telephony represents a natural evolution in telecommunications. Increasingly, existing applications are migrating to IP allowing synergies and cost reductions to take place. The Internet is becoming the most efficient way to carry voice traffic because it can ride on the broader base of the overall Internet traffic at shared costs.

ETNO is of the view that the increase of IP Telephony will have a positive impact on the revenue gain of operators and service providers as well as direct and indirect benefits for society as a whole, in particular in developing countries.

ETNO welcomes the work of the ITU in ensuring that both incumbent operators and new entrants have a shared understanding of the requirement for inter-working between public networks and for numbering solutions which support the principle of any-to-any communication over public switched voice networks.

Economic aspects of IP telephony and its impact on member states and sector members

Policies designed to protect incumbents' existing accounting rate revenue are unlikely to succeed given the scope for bypass and would be counter-productive in that they stifle innovation and cost reduction. They should therefore be resisted by the ITU.

By contrast, the ITU should encourage the move from per-minute accounting to more innovative market driven accounting mechanisms for IP telephony.

Policy and regulatory issues for IP telephony

ETNO supports the view in the Secretary General's Report that regulation should be introduced or extended only where necessary in order to deal with market failure. At present IP telephony applications in their various

forms are improving customer choice by opening for new service providers and new services.

As long as IP Telephony is not a substitute to Public Voice Telephony, the ITU should help to promote the development of IP Telephony by encouraging national regulators to refrain from applying PSTN specific regulations to IP Telephony.

Regulators need to be closely in touch with market developments so as to be ready to remove existing regulations applying to PSTN services when they no longer serve their original goals.

IP Telephony should be accepted as a potential means for improved universal service provisions without any particular additional regulation.

Competitive distortions in IP markets should be addressed on a case-by-case basis, and not by sector specific ex-ante regulation.