

The regulation of NGAN: the work done and the way ahead

Discussion

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Designing a future proof regulatory framework requires a clear vision of the medium term evolution of our industry



Lack of this vision has led Europe to miss an opportunity to meet its real challenges

A vision focussed on customer needs

- Customers and users are concerned with services and contents to meet their needs, not about technologies or business models, but...
- ...new infrastructures for broadband (NGAN'S) are often associated with a specific kind of broadband services, eg.: fixed services to the home to provide HDTV based upon current coding techniques

A vision focussed on tomorrow's, not yesterday's issues

- The Internet is becoming increasingly mobile...
- ...but we are still discussing the problems of a fixed only broadband market

Customer needs are evolving differently than assumed

Mobility is of growing value to users

Wireless connection to networks is becoming the rule

Mobility applications appear and increasingly appeal customers

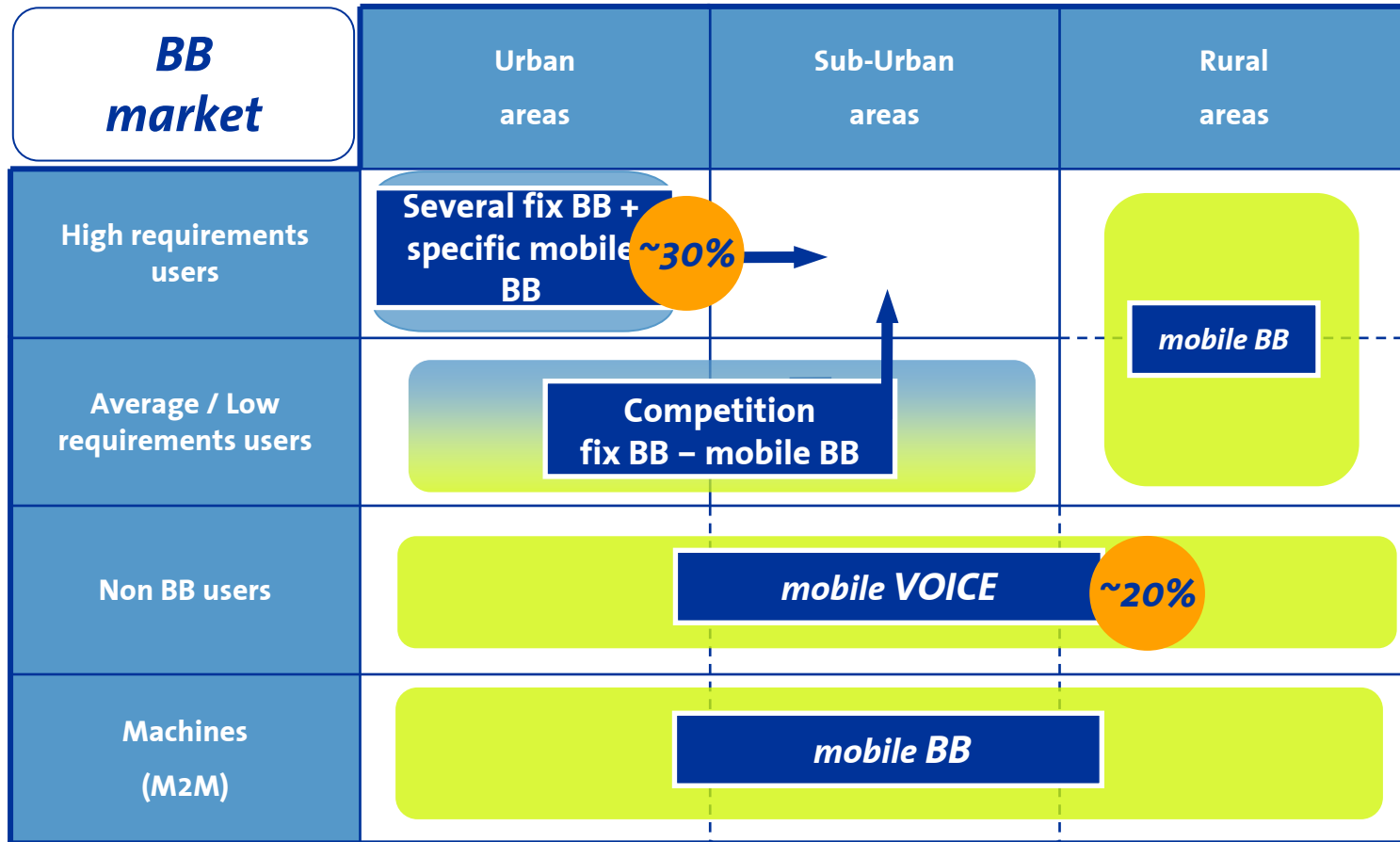
Mobile platforms only way to access unique applications
• location-based, machine to machine, etc.

Portable devices with enhanced data capabilities proliferate

**Smart phones
Video game
Controllers
Net books**

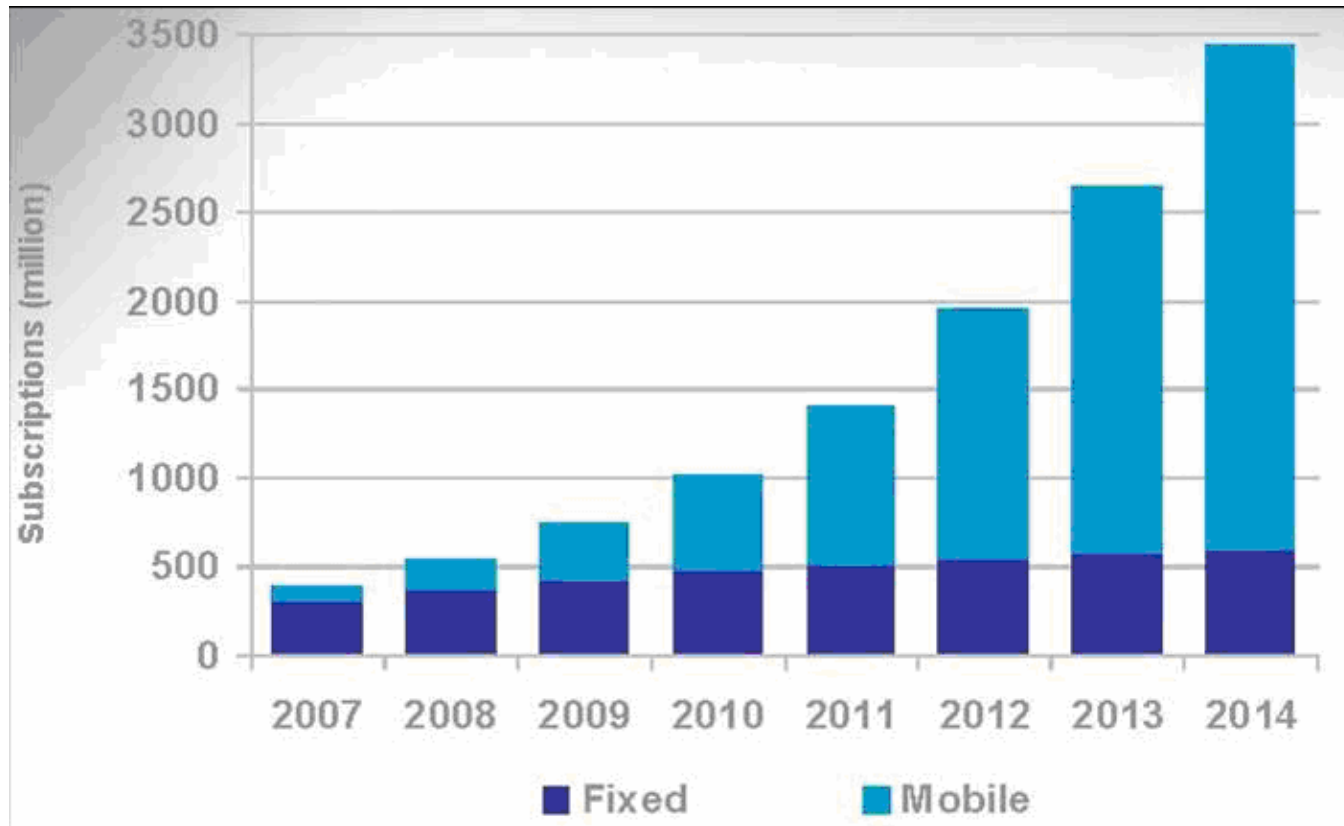
**Mobile
broadband
is the fastest
growing
service**

Mobile broadband will dramatically change market structure and competitive intensity



Mobile BB is moving to set the default BB in the future

According to Ericsson, most broadband users worldwide will be mobile...



Source: Ericsson

...therefore, mobile platforms will attract most innovation efforts

Sensors and sensitivity

Jun 4th 2009

From *The Economist* print edition

Data collection: Mobile phones provide new ways to gather information, both manually and automatically,, over wide areas

Automotive technology

The connected car

Jun 4th 2009

From *The Economist* print edition

Cars are becoming more connected, both to remote systems for navigation and information, and to each other

Illustration by Allan



Infrastructure deployment and competition will also be driven by mobile Internet

Infrastructures will develop with mobile Internet demand as the primary input

Customers number & variety will hugely increase

- From households to people: 3x
- From people to machines: n x

Richer network competitive environment allowing for greater service differentiation

- By combining the different possibilities of fixed and mobile technologies

Network trends & dynamics

- Multiplatform networks (fixed + mobile)
- Multi network environment
 - cable companies
 - mobile operators
 - traditional fixed operators
 - alternative operators deploying own facilities
- Targeted deployment of networks optimised for specific segments
 - matching targeted segmentation of offers and customer demand

How should this influence the regulatory environment?

Higher intermodal competition than predicted

- Reduction of ex ante regulation to limited cases
- Review of scope of markets 4 & 5
- More room for business agreements among market players
 - Co – investment
 - Network sharing
 - Commercial wholesale services

Rising spectrum needs

- Balancing performance and competition
 - Width of radio bands and spread between high and low frequency drive performance
 - Number of players drives competition
- Swift digital dividend band entry into service
- Not repeating past mistakes in frequency allocation procedures

Broadband extension

- Technology neutral
- Private initiative Led & Limited and non intrusive public intervention

Conclusions

- Europe needs to update its vision of the communications industry
- Mobile Internet is driving dramatic change in the broadband market
- We are heading towards an environment where several multi-service platforms will compete
- European regulation should be reviewed in the light of this vision
 - Market definition and analysis
 - Spectrum policy
 - Service extension

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