



***Next Generation Networks,
Convergence, and the Public Interest***

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William Drake

Director, Project on the Information
Revolution and Global Governance/PSIO
Graduate Institute for International and
Development Studies
Geneva, Switzerland



Varying Definitions, Common Elements

- IP (Internet Protocol) & packet-based networks
- Separation of transport from applications & services, openness
- Broadband
- Converged/integrated networks capable of supporting multiple services, applications
- Quality of service enabled
- Ubiquity, mobility
- Distributed intelligence



Drivers: Who

- In general, a supplier-driven phenomenon
- Users generally focused on convergence within the extant Internet, unaware of & not demanding NGNs
- Whether NGN will be heartily embraced will depend on how it's done & voice/exit options
- A cautionary tale? Early ISDN vision of 1970s-1980s
 - Within ITU and PTT/telco circles, envisioned as comprehensive integrative platform for voice/data
 - Outside those circles, ISDN often viewed as a response by threatened monopolies to the growth of private leased circuits, networks; => derided and rejected by corporate users as “Innovations that Subscribers Don't Need”



Drivers: Why

- Internet already the site of convergence but networks operators not capturing benefits to desired degree
- Squeeze on profitability of traditional service markets, competition from VOIP et al, costs of broadband upgrades, etc.
- Allure of triple (broadband Internet access, television, telephone) or quadruple (with wireless) play strategies > offering transmission to competitors
- For manufacturers, manna from heaven
- Big media content providers etc. could try to use IPR & contracts etc. to drive content from free Internet platforms toward commercial alternatives



Substantive Public Interest Considerations

- Consolidation and market power
- Interconnection, settlements, charging
- Interoperability & open standards, proprietary platforms & walled gardens Universal service/ access & new digital divides
- Other public service obligations re: number portability, emergency services, disabilities, security, lawful intercept, privacy and consumer protection broadcasting, etc.
- Freedom of speech & access to information
- Intellectual property restrictions
- Net neutrality & quality of service
- Impact on the Internet more generally

Book end points of particular concern...



Consolidation and Market Power, 1

- In principle, separation of transport and service layers could enhance competitive entry, nondiscriminatory multiprovider
- In practice, incentives not only for bundling & integration, but also establishment of bottlenecks and control points, cross-subsidization of market positions, etc.
- Costs could limit competitive entry
- Horizontal consolidation across formerly distinct markets, vertical consolidation across layers possible; prior episodes of supplier-driven convergence may be telling, e.g. US Telecom Act



Consolidation and Market Power, 2

Two linked articles of faith for many telecom wonks
(Early 1990s déjà vu all over again):

1. Given digital abundance, extant regulatory policies based on sectoral separations and specificities are antiquated & must go so convergent markets can blossom
2. Any problems that arise can be dealt with more efficiently by competition policy & courts than by ex ante regulation
 - Assessing market power and cost orientation of bundled services could be difficult
 - Content concerns re: informational diversity, e.g. walled gardens; TV issues--public & community, advertising, childrens', must carry



Impact on the Internet as we Know It

- The Elephant in the Room: conflict, coexistence, or convergence? Netheads vs bellheads, round 2: which model will prevail? Many ambiguities in the discussions to date regarding effects on:
 - Internet architecture, access, interconnection, best effort delivery, net neutrality, edge innovation and provision of new services/applications, usage/empowerment, etc.
 - Beyond the IETF, many Internet policy mavens seem unaware of NGN developments, very different dialogues
 - Ex: 8 March 2006 OECD Workshop on *The Future of the Internet*; ITU presentation the only mention



Issues also Affect ICT Global Governance

Intergovernmental regimes and transnational private sector or multistakeholder arrangements, e.g.

- Naming, numbering, ENUM, etc
- Technical standardization
- Telecommunications and spectrum regimes
- Network and information security, cybercrime
- GATS, GATT, TRIPs, other trade agreements
- Intellectual property
- E-commerce, contracting, authentication, jurisdiction/choice of law, etc
- Privacy and consumer protection
- Content regulations, rules on cross-border flows, efforts to promote cultural and linguistic diversity



Procedural Public Interest Considerations

Outside industry and narrow policy circles, awareness of and engagement on NGN issues seems quite limited in/among, inter alia:

- Scholarly journals and conferences on ICT, Internet
- Civil society/public interest group debates, campaigns
- Internet governance institutions and debates
- Elected officials charged with oversight

Reasons may include:

- Inchoate, fluid state of development, which varies across sectors and countries
- Issue complexity, informational barriers to entry



Another Cause: Inadequate Transparency

- Formal vs. informal barriers to knowledge acquisition vary across policy contexts
- Intra-industry discussions rather opaque to outsiders
- National-level: FCC IP-enabled services proceedings, EU discussions etc. technically open but can be difficult for non-insiders to follow
- International-level: ITU, ETSI, other forums much information limited to club members



Need for Transparency & Inclusive Dialogue at all Levels

- National governments should actively promote public awareness and invite citizen inputs
- ITU & other international bodies should provide free & open access to information on NGN work, e.g. standards, contributions & reports
- Initiate dialogue with concerned stakeholders in the Internet environment, including diverse business constituencies & civil society organizations
- Interested parties should anticipate and address up front potential concerns



Conclusion

- “First, do no harm” to the Internet people have come to know and value, e.g. the “right to tinker” at the edges
- Supplier solutions to suppliers’ problems will not be inspiring to users if they are perceived as being at expense of their current capabilities
- Think of empowered citizens, not just consumers
- Transparency & inclusive dialogue on the full range of policy issues in everyone’s interest