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Internet Workshop

Berlin, Germany

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Approach

- Developing countries in the debate about internet traffic exchange at international organizations such as APEC, ITU and OECD.



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State of the Debate

- APEC
 - ICAIS
- ITU
 - Voice over IP
- OECD
 - Broadband market
- REGULATEL
 - Traffic patterns



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APEC

Cancún Declaration / Telmin 4, May 2000

Internet Charging Arrangements (ICAIS) between providers of network services should be commercially negotiated and, among other issues, reflect:

- a) The contribution of each network to the communication.
- b) The use by each party of the interconnected network resources; and
- c) The end to end costs of international transport link capacity.



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ITU

- IP-based networks represent a new opportunity and are an important part of the emerging new markets environment in terms of the volume of traffic carried and level of investment committed.
- IP-based networks hold the promise of providing multimedia telecommunications.
- From an economic perspective, the use of IP-based networks promises to reduce prices to consumers.



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ITU

- From a regulatory perspective, IP-Telephony is forcing a reassessment of existing telecommunications regulation.
- IP Telephony poses a dilemma for developing countries: on the one hand it offers cheaper prices and lower costs, but it may also undermine the pricing structure of the incumbent public telecommunication operators.



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OECD

TISP

- Internet Traffic Exchange: Development and Policy (1998).
- Interconnection and the Internet: Competition and Regulation at Local Access and Backbone Levels (1999).
- The Development of Broadband Access in OECD Countries (2001).



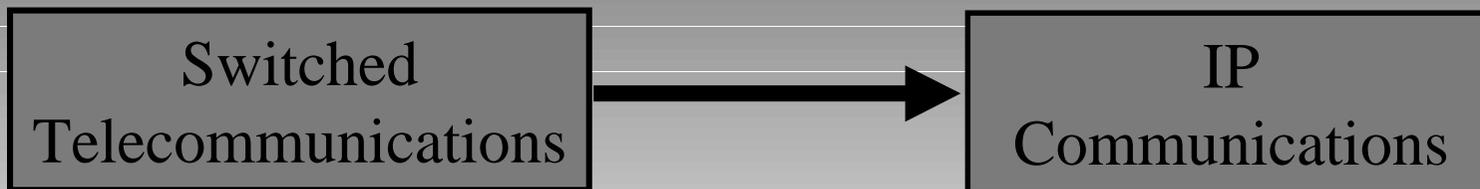
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REGULATEL

- Survey and Research of the Internet arrangements and the development of Internet connectivity in and across Latin America. A Report to Regulatel-AHCIET.



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- What are the changes o patterns on the traffic routing?
- What are the effects on the value chain?
- What are the probable changes in the cross-border trade balance of payments?



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Argument

<ul style="list-style-type: none">▪ Developed Infrastructure▪ Positive Balance of Payments	<ul style="list-style-type: none">▪ Developed Infrastructure▪ Negative Balance of Payments
<ul style="list-style-type: none">▪ Low Infrastructure▪ Positive Balance of Payments	<ul style="list-style-type: none">▪ Low Infrastructure▪ Negative Balance of Payments



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Conclusions

- As in any other market, IP communications should be provided in an open and competitive environment.
- To develop an effective competitive environment, regulators should look out to level the playing field in areas such as:
 - Provision of transparent and up to date information on the supply and demand of the market and;
 - The actual charging arrangements.



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Conclusions

- Pro-competitive regulation should be put in place where there is market failure or public interests are not well served.
- To achieve this goals, more dialogue between players, regulators, international organizations should be promoted to share ideas and facilitate understanding.