



# Convergence and Telecommunications Regulations in Barbados

Utility Regulation in Barbados: A case for the harmonization of  
approaches to regulation

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# New Telecommunications Service Providers; How do we regulate?

Changing business model of telecommunications providers;

Entry of other providers:

- *Cable operators*
- *ISP Providers*
- *Electricity*
- Current legislation more suited to the vertically integrated voice provider;
- Restricted market access based on the type of license

# Convergence of Communications Media

- A global paradigm shift that is under way.
- Telecommunications services now include voice, data, ADSL and television content.
- Voice content is now only a small portion of the converged services.

# Emerging Regulatory Model

- Regulation is focused on the industry; as opposed to the vertically integrated company;
- Focused more on ensuring fair competition in the market place;
- Emphasis is on facilitating access to more providers;
- Facilitation of increased service categories and reduction in licenses.

# Emerging Model - Malaysian Licensing Framework

| Licensing category                   | General description  |
|--------------------------------------|--|
| Network facility provider            | Owners of facilities; and associated infra-structure e.g cables, telecommunications lines and exchanges.       |
| Network service provider             | Provides the basic connectivity and bandwidth to support a variety of applications.                            |
| Application service provider         | Provides particular functions such as voice services, data services, content-based services, and e-commerce.   |
| Content application service provider | Includes traditional broadcast services and newer services such as online publishing and information services. |

# Europe

The Electronic Communications Regulatory framework (ECRF) Provides basis for member countries in the EU to harmonize their telecommunications laws.

National regulatory Authorities are to:

- promote competition in the provision of electronic communications networks and services;
- contribute to the development of the internal market;
- promote the interest of EU citizens;
- take all reasonable and proportionate measures to achieve these aims; and
- take into account the desirability of making regulations technologically neutral.

# Europe Cont'd

The ECRF has five directives:

- The Framework Directive;
- The Authorization Directive;
- The Access Directive;
- Universal Service Directive;
- The Privacy and Electronic Communications Directive.

# United States

- The Telecommunication Regulatory System is managed at the Federal and State levels.
- The Federal Communications Commission regulates interstate telecommunications and wireless Communications;
- State utility commissions regulate intra-state land line service and cable.

# Challenges in US system

- The ability of broadcast communication entities entering the market to offer triple and quadruple play services;
- States have differing regulatory frameworks which may cause uncertainty in the market place and impedes investment in converged services;

# Issues with the US system

- Classification of new services and business models within existing jurisdictional frameworks leads to uncertainty;
- Disparate regulatory schemes for similar services distorts competition by indirectly subsidizing less regulated market players;
- Local regulation of national networks generates negative externalities; and
- Local barriers to entry insulate incumbent providers from competition.

# Convergence Effect On The Caribbean and HIPCAR'S Role

A Project started by the ITU in response to a request from CARICOM Governments;

HIPCAR looks at the regulation of converged networks;

Harmonization of ICT Policies, Legislation and Regulatory Procedure;

- Catalyst to spur growth in the CARICOM region;
- Provide a platform for knowledge based industries;
- Provide significant value added to traditional industries

# Caribbean Countries

Some Caribbean countries have modernized their telecommunications framework.

- Disadvantage is no reference to common framework;
- Could create issues similar to the United States due to non-harmonization of Telecommunications laws.
- May reduce incentives for foreign and local investment in the industry

# Countries With Convergence Legislation

- Cayman Islands; Information and Communications Technology Authority ICTA;
- Trinidad & Tobago; Telecommunication Authority of Trinidad & Tobago, TATT;
- Bahamas; Utility Regulation and Competition Authority URCA
- East Caribbean Telecommunications Authority regulates the telecommunications sector in six countries ECTEL



# **Regulation of the Barbados Telecommunications Market**

## **Fair Trading Commission**

- The sector is regulated by the Fair Trading Commission and the Telecommunications Unit of Ministry of Finance; FTC responsibility;
- Reference interconnection offers and interconnection;
- Domestic and International leased circuits;
- Price Cap Regulation of Domestic and International rates;
- Standards of Service for domestic business and residential customers.



# **Regulation of the Barbados Telecommunications Market Telecommunications Unit**

- Policy formulation;
- Licensing;
- Spectrum Management;
- Universal Service and Numbering

# Barbados

- Reform of the telecommunications sector started in 1997;
- Telecommunications Act was instituted in 2002;
- Authorities did not address the impact of convergence in the new Telecommunications legislation;

# Suggested Policy Options

## Option 1

A new regulator for the converged environment with responsibilities for all telecommunications services, radio and television broadcasting.

## Option 2

Extend the Authority of the FTC to regulate the telecommunications industry.

# Advantages from Option 1

Create new regulator for the converged sector

## Advantages

- All regulation for sector brought under the auspices of one regulator;
- Provides for independence and reduces government's involvement in the regulation of the sector.

# Advantages from Option 2

- The FTC is already an independent regulator with experience in managing the sector;
- It can take advantage of symmetry with its Fair Competition and Consumer Protection Divisions.
- A well trained and highly motivated staff who are already familiar with many issues within the Telecommunications sector.

# Suggested Adjustments to the Regulatory Framework

- Regulation should move towards managing the telecommunications industry rather than regulating incumbent providers;
- Regulatory framework based on the HIPCAR model legislation, particularly as it relates to interconnection;
- Reform to the Standards of Service regime to take into account converged services;
- Ensure that regulation of the incumbent provider is still maintained, due to the size of the market;
- Increase the role of Fair Competition Division to deal with matters relating to market access to new providers



**THANK YOU**