

*Joint Luncheon Meeting, Hong Kong Telecommunications
Users Group and IT Management Club*

Managing Changes in the Converged Environment

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Changes ahead

- The telecommunications industry has never stayed static in the past
- Changes that lie ahead may prove to be even more significant
- New technologies emerging
- Progressive replacement of circuit-switched networks by IP-based next generation networks

Changes ahead (2)

- Capability to carry voice, data, video and multi-media in one network
- Moving of intelligence to network edges
- Separation of service provision from network operation
- Entry of non-affiliated service providers into the market

Changes ahead (3)

- Horizontal layered architecture for next generation network
- Open interface between adjacent layers
- Multiple access networks based on different wireline and wireless technologies
- Ability for users to move seamlessly from one network to another – therefore convergence of fixed and mobile services

Operators have to change

- Traditional sources of revenue may be challenged by IP services
- Operators have to transform themselves into broader-based ICT operators to exploit the potential of the convergent environment and avoid being marginalised in the changing market

Operators have to change (2)

- The changes will bring along challenges – the need to face new competition
- The changes will bring along opportunities – the opportunities of new services and revenue which cannot be realised using the conventional circuit-switched technologies

Regulation has to change also

- Regulation will be to facilitate the changes, not to retard them
- Regulation must not hinder the entry of new technologies into the market
- Regulation must provide a conducive environment for infrastructure investment
- Regulation must at the same time uphold long-term benefits of users

Managing changes

- Changes will bring uncertainties and risks
- However, it is unrealistic to expect regulation to remain static during a licence period
- Regulatory risks minimised by
 - Proper industry consultation before change
 - Transparency, predictability and consistency in regulation

Regulatory reviews

- BWA review
- Unified carrier licence review
- Fixed/mobile interconnection charge review
- Fixed/mobile number portability review
- Spectrum policy review
- Regulatory institutional review

Regulation to cope with changes

- Organise regulation in horizontal layers
- Maintain technological neutrality
- Withdraw regulation where bottleneck disappears
- Watch out for new bottlenecks
- Interconnection and network openness
- Unified regulator
- Harmonise regulation for fixed and mobile services

Thank you

Questions and Answers

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