

“Broadband Performance” Regulatory Intervention?

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Summary – The Case

- Broadband Measurements Landscape
 - OECD and developed countries
 - Developing countries
- Case Examples
 - US, UK, Singapore and NZ
- When and what?
 - Market failure (or large risk)
 - Broad or targeted
- Observations
- Australia and NBN Co monopoly?
- Conclusions





Broadband Measurements Case

■ OECD

- Australia ONLY country NOT to regulate

Note for Australia:

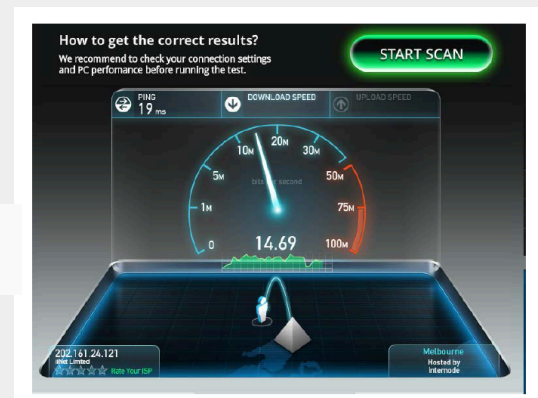
The measurement is aiming to enable improvement of the Australian Government's broadband analysis, and the accuracy of broadband area ratings

- Purpose - 'Consumer' empowerment

■ UK and US

- Separate detailed reports on fixed and mobile broadband
- A statutory requirement and integrated regulator role
- Variability due to access technology
 - Fibre (FTTP), FTTN, Cable, Satellite

Contention(s) is the internal metric!





Case Examples

- US and the FCC - not needed?
 - Yearly measurements
 - Separate reports on fixed and mobile broadband
- UK and OFTCOM - not needed?
 - Going to yearly measurements
 - Separate reports on fixed and mobile broadband
- Sth Africa, Philippines – needed!
 - Comparison of fixed and mobile broadband

What do consumers need to know?



When and what to regulate

- Market Failure and regulatory intervention?
 - ACMA and 'Reconnecting the Customer'
 - Industry denial of TIO assessment in 2009
 - Now celebration of sustained reduced complaints
 - NBN complaints – EXPECTED!
 - ACCC and SMS termination
 - Hmmmmm.....
- Targeted versus broad intervention?
 - Misleading advertising
 - Backhaul access



Observations

- Measurement programmes to date?
 - Complex and open to argument
 - MUST consider mobile broadband
 - Integrated regulatory approach
- Nature of intervention?
 - In developed countries – broad approach not needed
 - Focus on ‘bottleneck’ facilities – needed more!
- Customer empowerment?
 - Hmmmm.....



Australia & NBN Co (fixed) Monopoly

- NBN Co — (Will not mention USO reform!)
 - Current NBN Co SLAs are too broad and opaque
 - Backhaul competition & access STILL an issue
 - Access technology ‘apartheid’ an Australian experiment!
 - VERY different performance
 - VERY different economics
 - YET same pricing?????
- Singapore – not the role model?
 - No ‘rural’ Singapore





Conclusions

- Most countries ARE conducting ‘official’ broadband measurements BUT *developed economies*
 - confirm advertised and ‘actual’ speeds are consistent
 - Other factors important – dependent on ‘access’ technology
 - ALSO measure mobile broadband (challenging!)
- Australia and NBN monopoly
 - Role of the ACMA versus the ACCC?
 - Need for ‘wholesale service quality’ scrutiny



Conclusion!

- Broad regulatory intervention CAN work but need MUST be demonstrated – not in this case!
- Targeted regulatory intervention CAN work
 - Rogue players
 - Bottleneck facilities access
 - Misleading advertising
- Wholesale regulation is challenging! (but necessary)