

Fixed-Mobile Convergence

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“Fixed-mobile convergence”

- Blurring boundary between fixed and mobile services

What leads to it?

- Access networks (e.g. based on Broadband Wireless Access (BWA) technology) can connect fixed and moving customers
- In Next Generation Network architecture, core network can be connected to different types of access networks, some connecting fixed, and some connecting moving customers

Opportunities

- Users can be expected to be stationary at some times and moving at other times
- Designing services around actual communications needs of users
- New and innovative services will emerge
- Participation by fixed and mobile operators to provide services that satisfy all communications needs of customers

Challenges

- “Over competition”?
- Initially, BWA may be complementary to existing technologies
 - Relatively low level of revenue generated from BWA spectrum auction
 - Countries with high 3G and broadband penetration also embarking on BWA
 - Potential BWA investors cautious about investment
 - Uncertainties about BWA development

Role of regulator

- Not for the regulator to decide whether there should be fixed-mobile convergence and the pace
- Regulator to set up the environment so that market forces will guide the direction, extent and pace of fixed-mobile convergence

Unified carrier licence

- To remove obstacle to fixed-mobile convergence
- No immediate impact on market structure
- Offers the flexibility of licensing both fixed and mobile services under one licence

Licensing criteria

- Existing licensing criteria for mobile carrier licences and fixed carrier licences continue to be applied
 - Mobile carrier licence – subject to right of access to necessary spectrum
 - Fixed carrier licence – subject to genuine plan to invest in and roll out infrastructure to provide a public service

Access right to buildings

- Granted to operators to install lines and equipment in common parts of buildings to serve residents and occupiers of the buildings only
- Therefore unified carrier licensee deploying BWA hub to serve a district around a building cannot use section 14 right to gain access to the hub site

Road opening right

- Subject to same considerations as for existing fixed carriers
- Need of operator to open up roads
- Space availability for underground ducts
- Inconvenience to pedestrians/traffic disruption
- Sharing of ducts along same route to be considered

Harmonising licence conditions

- Harmonisation possible for some conditions such as accounting practices, tariffs, billing and metering, etc.
- Harmonisation not possible from day one for other conditions
- Consultation required to examine impact on consumers, operators and market

Numbering plan

- Fixed numbers and mobile numbers from separate numbering blocks
- Prefixes contain important information for interconnection charging and number portability
- Unified carrier licensees to comply with numbering plan issued by TA
- Changes subject to consultation with Telecom Numbering Advisory Committee

Interconnection charging

- Symmetrical arrangement between two fixed networks
- Asymmetrical arrangement between a fixed network and a mobile network
- Change increases costs to fixed network and reduces costs to mobile network
- Net benefits to consumers and users to be studied by OFTA before consulting industry

Number portability

- Fixed number portability (FNP)
- Mobile number portability (MNP)
- No fixed/mobile number portability at present
- Initially FNP and MNP to continue
- Cost-benefit to be studied by OFTA before consulting industry on whether to implement fixed/mobile number portability

Directory services

- Unified directory service provided by fixed carriers to their customers using a unified directory database comprising information on all fixed line customers
- No such obligation for mobile carriers, unless directed by the TA
- Mobile numbers may be “personal data”
- Any change subject to public consultation

Regulation evolution

- Regulatory system is expected to evolve over a licence period
- Access to technologies with demand should not be unnecessarily delayed
- Uncertainties apply to all operators in market, not just BWA investors
- Impact of evolution to be minimised by full and open consultation with the industry

Conclusions

- Introduction of unified carrier licence is but an administrative exercise to facilitate fixed-mobile convergence
- No immediate and fundamental change to existing regulation
- Evolution in future subject to open and full consultation
- Views expressed here are just preliminary

Thank you !

