

Critical Issues Facing Telecommunications and Media Regulatory Agencies

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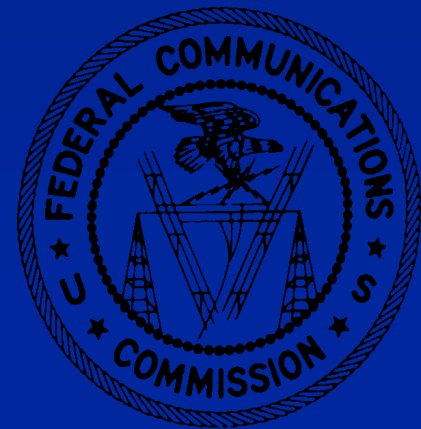
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Common Issues But Possibly Different Policy Approaches

- Spectrum management in the face of increasing demand for wireless/mobile services
- Universal Service Reform
- Convergence
 - ◆ The “IP Transition”
 - ◆ Media Regulation in an world of converged services



Some Important Related Issues Are Beyond the Authority of Telecom/Media Regulators

- Intellectual Property Rights
- Digital Literacy



Spectrum Management

- Increased demand for wireless/mobile services
- Technical change, spectrum re-use (via smaller cell sites) is not the whole answer
- License new spectrum
- Reallocate spectrum currently in use from lower to higher valued uses
 - ◆ “Incentive Auction” planned in the US
- Reclaim (or share) spectrum currently assigned for government use
- Unlicensed spectrum [e.g., “white space”, can also play a role]



Universal Service Reform

- Transition from support of wireline voice service to broadband (wireline and/or wireless?)
- Contribution (how to raise the funds and from what services?)
- Distribution (how to distribute funds most efficiently to accomplish US goals at lowest cost—reverse auction?)
- Universal Service and media—is Free-to-Air broadcasting a kind of “universal service” for media?



Convergence

- Formerly separate platforms now provide substitute services
 - ◆ Initially, in US, cable operators began providing voice services (circuit-switched) and telephone companies began providing video service
- The “IP Transition” (packet switching as opposed to circuit switching) is happening both with respect to voice services (the “PSTN”) and video services (e.g., Internet download and streaming)



The Public Switched Telephone Network (PSTN)

- Transitioning from circuit switched to packet switched--VOIP
- FCC has Technology Transitions Task Force
 - ◆ Planning to conduct various trials
 - ◆ VOIP Interconnection
 - ◆ 911 Emergency Calls on IP-Based Services
 - ◆ Wireline to wireless transition



Trends in Media Content Delivery

■ More choice

- ◆ Cable/satellite television
- ◆ Digital terrestrial television

■ Time shifting

- ◆ Videocassette recorder
- ◆ Digital video recorder
- ◆ Downloaded content
- ◆ Streaming content

■ Place shifting

- ◆ Sling box (converting services available at home to IP)
- ◆ Video streaming/download [Copyright considerations are key]
 - ☞ From content provider website
 - ☞ Via pay television platform as an add-on to subscription service ["TV Anywhere"]



Media Regulation in A World of Broadband and Convergence

- Goals of Media Regulation
 - ◆ In US—competition, diversity, localism
 - ◆ Implicit assumption of universal availability of radio, television
- Media ownership regulation justified based in part on the assumption that the “relevant market” is a set of local video and audio outlets
- Pay television (e.g., cable or satellite) may challenge this assumption, particularly where in countries where penetration is very high



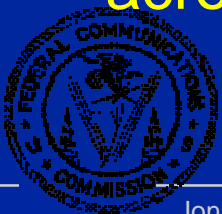
Impact of Broadband (1)

- Access to non-local outlets (even more than cable and satellite television have facilitated)
- Increased local content?? Or just a new platform for traditional media content??
- How widespread does broadband adoption have to be before regulators can/should consider it a true substitute for traditional media platforms?
 - ◆ Is digital literacy a relevant consideration for this question?
 - ◆ Impact on cross-media ownership regulation?



Impact of Broadband (2)

- At some point, will widespread broadband adoption render traditional media regulation—structural and content—irrelevant or even counterproductive?
 - ◆ Prevents traditional media from responding to new?
 - ◆ Burdens traditional media with costly obligations that new media don't have?
 - ◆ Reduced consumption of traditional media may blunt impact of content regulation
 - ◆ Nature of new media likely make it impossible to apply traditional media regulation (even if an authority wanted to do so)
- Governments with content goals (e.g., domestic content) may consider subsidy for production and distribution across multiple platforms rather than mandate production on some platforms.



Sources of Information About the FCC

www.fcc.gov [FCC website]

<http://www.gpo.gov/fdsys/pkg/USCODE-2009-title47/html/USCODE-2009-title47-chap5.htm>
[link to the Communications Act of 1934]

<http://www.gpo.gov/fdsys/pkg/CFR-2010-title47-vol1/content-detail.html> [link to Title 47 of the Code of Federal Regulations]



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THANK YOU