NEXT GENERATION NETWORKS (NGA) REGULATORY POLICY DESIGN

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Creating the right NGA

**Policy**

**Starting with policy priorities**
- What are your infrastructure priorities?
  - Fixed v. mobile, FTTH v. FTTC
- What are your competition priorities?
  - Infrastructure v. service competition

**Understanding incentives**
- Experience shows that a new entrant investing in FTTH can incentivize the development of parallel networks, but only in densely populated areas.
- Rural areas generally require state-backed incentives to invest in NGA

**Learning ... but not copying**
- Transplanting regulatory models rarely works due to a number of factors pertaining to the market and existing infrastructure, market players, and regulators.
- Legacy v. new infrastructure – where is the focus?
Practical issues to consider

1. GEOGRAPHY
   Population density, landscape, roads and other infrastructure. Local administration.

2. THE STATE OF EXISTING INFRASTRUCTURE
   Density, quality, ducting, copper / fibre / mobile.

3. COMMERCIAL INTEREST
   What are the expectations? Infrastructure life span contrasted with the desire for profit in the short-run. Game-theoretical problems. Existing network might not be fully paid off.

4. FINANCING OPTIONS
   Is public co-funding an option and under what conditions? Consider alternative options.

5. COMPARATIVE MODELS
   For historical reasons, regulatory models as such are rarely success stories when it comes to NGA. Look at local models as well!

6. AVOID SIMPLIFICATIONS!
   It is always a complex interplay of investment incentives, competitive pressures, and public intervention.