



CWG-WCIT12 CONTRIBUTION 109

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Revision of the International Telecommunications Regulations – Proposals for high level principles to be introduced in the ITRs

The International Telecommunications Regulations (ITRs), last revised in 1988, have provided a general framework that has fostered the global development of international telecommunications services over the last decade. It is widely recognized that the dynamic development of international telecommunications services has been based on the liberalization of telecommunications markets, fostering commercial flexibility and sector-led innovation.

The revision of the ITRs should be flexible enough as to further encourage future growth and sustainable development of telecoms markets, services and technological innovation. Therefore, ITRs should continue to be a high level policy framework for international telecommunications services and facilities, respecting the guiding principles that lead to previous success: private sector leadership and commercial agreements.

However, with the rapid evolution of the Internet from being a newly-commercialized resource in 1995 to a network with over two billion users today, it became the critical infrastructure for our economic and social lives. New services enabled by the Internet are changing the economic landscape, and indeed the very nature of the telecoms industry. All telecommunications traffic is migrating to Internet protocol-based communication. This transition from the dedicated phone and data networks to converged IP-based networks raises major regulatory, technical and economic issues.

It is therefore of utmost importance to ensure a sustainable development of the sector, essential for the necessary investments in the global telecommunications infrastructures of tomorrow. Revisions of the ITRs should acknowledge the challenges of the new Internet economy and the principles that fair compensation is received for carried traffic and operators' revenues should not be disconnected from the investment needs caused by rapid Internet traffic growth. This should at best be achieved through commercial arrangements between players.

To ensure more efficient use of networks and to allow for new business models better reflecting future demand, Member States should support a new IP interconnection ecosystem that provides both, best effort delivery and

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end-to-end Quality of Service delivery. Delivery based on QoS allows for management of the IP traffic according to its characteristics (i.e. delivery requirements and acknowledged value) thus supporting innovation to provide a value-added service, making better use of the assets of telecommunications operators.

Proposals:

Art. 2

Definitions

For the purpose of these Regulations, the following definitions shall apply. These terms and definitions do not, however, necessarily apply for other purposes.

2.11 IP interconnection: IP interconnection refers to technical and business solutions and rules to ensure the delivery of IP traffic through different networks.

2.12 End to end quality of service delivery and best effort delivery:

- **End to End quality of service delivery refers to the delivery of PDU (Packet Data Unit) with predefined end-to-end performance objectives.**
- **Best-effort delivery refers delivery to of a PDU without predefined performance targets.**

Art. 3

International Network

3.1. Members **States** shall ensure that ~~Administrations*~~ **Operating Agencies** cooperate in the establishment, operation and maintenance of the international network to provide satisfactory quality of service. **Member States shall facilitate the development of international IP interconnections providing both best effort delivery and end to end quality of service delivery.**

3.2 ~~Administrations*~~ **Operating Agencies** shall endeavour to provide sufficient telecommunications facilities to meet requirements of and demand for international telecommunication services. **For this purpose, and to ensure an adequate return on investment in high bandwidth infrastructures, operating agencies shall negotiate commercial agreements to achieve a sustainable system of fair compensation for telecommunications services and, where appropriate, respecting the principle of sending party network pays.**

Art. 4

International Telecommunication Services

4.4 Operating Agencies shall cooperate in the development of international IP interconnections providing both, best effort delivery and end to end quality of service delivery. Best effort delivery should continue to form the basis of international IP traffic exchange. Nothing shall preclude commercial agreements with differentiated quality of service delivery to develop.