



**Asia-Pacific
Economic Cooperation**

2007/TEL36/LSG/WKSP2/001

Agenda

Submitted by: INTUG



**Workshop on Encouraging Investment While
Preserving Competition
Santiago, Chile
22 October 2007**

**Workshop:
Encouraging Investment While Preserving Competition**

Monday, October 22, 2007

9 a.m.-12:30 p.m.

Agenda

Oversight Committee:

Australia, Canada, China, Hong Kong, China, Indonesia, INTUG,
Japan, Korea, Malaysia, Singapore, United States

Introduction

While the concept of interconnection in telecommunications originated in a monopoly era, policymakers and regulators now have to work in an environment where “any service uses any network to reach any device”. This gives rise to a number of new challenges and considerations, including:

- Other networks now actively competing with former monopolies at network layer (cable companies, wireless, utility telcos)
- Even greater competition at the service layer (innovative voice, video, data services from a multitude of non- traditional players)
- End user expectations growing (high bandwidth services (video, data) from a variety of sources)
- Any service is now (or soon to be) over any network on any device

While interconnection at the network and service levels is as vital as ever, movement of traffic across networks is increasingly complex, and involving far more parties.

Workshop Goal

The goal of this workshop is to discuss 1) what policies and regulations best encourage investment in infrastructure build-out and upgrading, 2) how to ensure investment-friendly policies and regulations are pro-competitive, and 3) how to create a level playing field in the market. This relates both to current competitive environments in the APEC region and to the related implications for investment (*ex-ante* vs. *ex-post* regulation, reassessing regulatory requirements, local loop unbundling regimes and fiber-to-the-home, handling of proposals for regulatory relief, the emergence of local area broadband networks, and competitive tendering procedures for infrastructure development). We could also look ahead to other investment issues that are on the horizon in our hemisphere, and already creating new challenges elsewhere (Internet Protocol television and digital mobile broadcasting).

Previous Work

Since the process of technological evolution is continuous, and the composition of networks is changing, the Liberalization Steering Group (LSG) has been re-examining interconnection. At

TEL 35, the LSG held an Interconnection Workshop to understand industry's views on interconnection – problems they have, any concerns, and what kind of an interconnection regulatory environment they would like to see. Many issues came out of the workshop, and one of the issues the LSG decided to pursue was encouraging investment while preserving competition.

Participants may also find it useful to consider previous work the TEL has undertaken with regard to competition policy, including elements of the 2005 Liberalization Stocktake to assess the impacts of liberalization in the region, and the 2003 Regulatory Structures to consider issues facing converged regulators.

Agenda

9-9:15 a.m.

Introduction

Moderator: Javier Etcheberry, President of Etcheberry Consultores and Former Minister of Public Works, Transport and Telecommunications

9:15-9:45 a.m.

Updates from Economies

An opportunity for interested economies to briefly update the group on new priorities on this topic, or general best practices with regard to competition policy. 5-minute presentations.

Competition Policy Review

Susan Johnston, Industry Canada, Canada

New Competition Promotion Program 2010 in Japan

Koji Ouchi, Ministry of Internal Affairs and Communications, Japan

Investment and Competition in Singapore's Telecom Market – an Update

Justin Lee, InfoComm Development Authority, Singapore

Discussion (15 minutes)

9:45-10:30 a.m.

The Ideal Regulatory Environment for Investment

What policies and regulations best encourage investment in infrastructure build-out and upgrading? Are there new preconditions for investments in certain types of technologies (i.e., converged infrastructures such as IPTV, DMB, etc.) 10-minute presentations.

Infrastructure Competition and Investment: Experience of Hong Kong, China

Lawrence Kwan, Office of the Telecommunications Authority, Hong Kong, China

Municipal Regulatory Strategies for Internet Sector Growth

Bill Woodcock, Packet Clearing House (10 minutes)

Broadband Push in Malaysia

Nor Arlinda Mohamed Khalid, Ministry of Energy, Water and Communications, Malaysia (10 minutes)

Discussion (15 minutes)

10:30-11 a.m.

Tea/Coffee Break

11 a.m.-12 p.m.

Preserving Competition

Making sure investment-friendly policies and regulations are pro-competitive, and creating a level playing field in the market. What new challenges to effective competition are emerging? How can member economies address it? 15-minute presentations.

Regulation in Encouraging Investment while Preserving Competition

Karen Northey, Commercial, Legal and Regulatory, British Telecom Global Services and Vice President, Asia Pacific Carriers' Coalition

Wireless Access Provision – The Indonesian Case

Rizal Gani, Directorate of Frequency, Directorate General of Posts and Telecommunications, Ministry of Communication and IT, Indonesia

Competition Policy and Investment

Guillermo Thornberry, President of the Board of Directors, Osiptel, Peru

Discussion (15 minutes)

12-12:25 p.m.

Future Work

Moderator: Colin Oliver, LSG Convenor

12:25-12:30 p.m.

Closing Remarks

Moderator: Javier Etcheberry

Moderator's Biography

Javier Etcheberry

Civil Industrial Engineer - Universidad de Chile (1971)

PhD in Industrial Engineering. University of Michigan (1974)

May 2006 to Present: President of Etcheberry Consultores

- The company was founded in May 2006 to offer both the public and private sector the experience of its principal consultants in the transformation processes of companies and organizations in Chile.

2005 - April 2006: President of BancoEstado

- Introduced thousands of Chileans to bank usage by means of two innovative projects: The Caja Vecina (Neighborhood Teller) and the Cuenta Rut (ID Account), pioneering initiatives to furnish financial services in remote regions far from urban centers and bring these services to the most unattended sector of the population.
- Participated actively in the Financial Management of Santiago's mass transportation plan and in internationalizing Banco Estado by opening the New York branch to support the country's economic expansion.
- Obtained US\$180 million in pre tax profits, a twenty year record.
- Defined and projected the 2006-2010 Strategic Plan with a vision shared by the company and its employees, aimed at increasing the client base from 8 to 12 million and increasing the value of products and services by 50%.

2002-2004: Minister of Public Works, Transport and Telecommunications

- Planning, construction, and administration of public infrastructure and management of the start-up of Autopistas Urbanas en Santiago (Santiago Urban Expressways).
- Start-up of Autopista Central (Central Expressway) with the use of the Free Flow Teletoll system, making Chile the third country in the world to use this system and the first one to make it interoperational.
- Unprecedented private investment record for the Ministry of Public Works with over US\$ 1 billion in 2004 and 12 consecutive successful project tenders committing over US\$ 970 million in investments through Chile's concession system.
- Management of the viability of Public Transportation Plans in the country's three main cities: Biovias in Concepción, Merval in Greater Valparaiso, and Transantiago in the capital.
- Successful renewal of the vehicle Technical Inspection Plants, standardizing 101 automated plants, informing and improving vehicle safety and emission control, offering better user service levels.

- Direction of the rate setting process for principal fixed and mobile telephone companies, seeking improved consumer rights protection and transparency in the charges made by the telephone companies to their clients.

1990- 2002: Director of Servicio de Impuestos Internos (Internal Revenue Service)

- Definition and implementation of the modernization process of Servicio de Impuestos Internos.
- International recognition of Servicio de Impuestos Internos as one of the world's most technologically advanced tax administration systems.
- Recognition as an "Internet Leader" in Latin America in 2000 by CNN (USA).
- President of the Consejo Directivo del Centro Interamericano de Administradores Tributarios (Board of Directors of the Interamerican Center of Tax Administrators).
- President of the Comision Fiscalizadora de Chile (Chilean Control Committee) (made up of the Internal Revenue Service, the Treasury, Customs, and the Central Bank of Chile)
- Vice-president of the Sistema Administrador de Empresas Públicas (Public Company Administration System), the board governing all public enterprises in Chile.

1987- 1990: President and Partner of Consultora C y S (Consulting and Services in Business Management)

- Pioneer in head-hunting services in Chile.

1982-1987: General Manager of Sodimac S.A (Chile's biggest chain of construction material supply stores)

- Responsible for company studies and purchasing.
- Responsible for the company's expansion, including the introduction of the Homecenter concept in Chile.

1981-1982: Finance and Administration Manager of Codina, the largest distributor of groceries in Chile

1980-1981: Consultant to the CEO of Copec (Chile's biggest oil and gas distributor)

1970-1980: Full time Professor and Head of Department, Industrial Engineering - Universidad de Chile

- Set up and promoted Systems Engineering workshops.
- International publications on Integer Programming in Operations Research Journals.