A decorative graphic on the left side of the slide, composed of numerous red and orange dots of varying sizes, arranged in a pattern that suggests a signal or data flow.

MULTI-SCREEN TV – SINGLE REGULATORY FRAMEWORK?

KURSTEN LEINS
CPRF 2011 - SYDNEY

SOME OF OUR GLOBAL MEDIA REFERENCES

CABLE	IPTV	SATELLITE	TELCO C&D*	TERRESTRIAL	PROGRAMMER BROADCASTER

Over 2,000 Broadcast, Cable, Satellite and Telco service providers as customers.

POLICY & RESEARCH CREDENTIALS

- › Ericsson has for the last 3 years conducted **3 Global Studies** on Convergence related topics, incorporating over 40 jurisdictions.
- › Ericsson **actively participates in national consultations** related to this topic, such as: Australia, New Zealand, European Commission, Sweden, UK, Indonesia, South Africa.
- › Ericsson **orchestrates** a digital forum on convergence, with more than 25 000 visits per month: <http://www.ericsson.com/campaign/televisionary/blog>
- › Ericsson actively drives **creation of topical publications**, recent examples: [Multi-Screen TV -Single Regulatory Framework](#), [Copyright Enforcement in the Networked Society](#) and [and many more](#) .

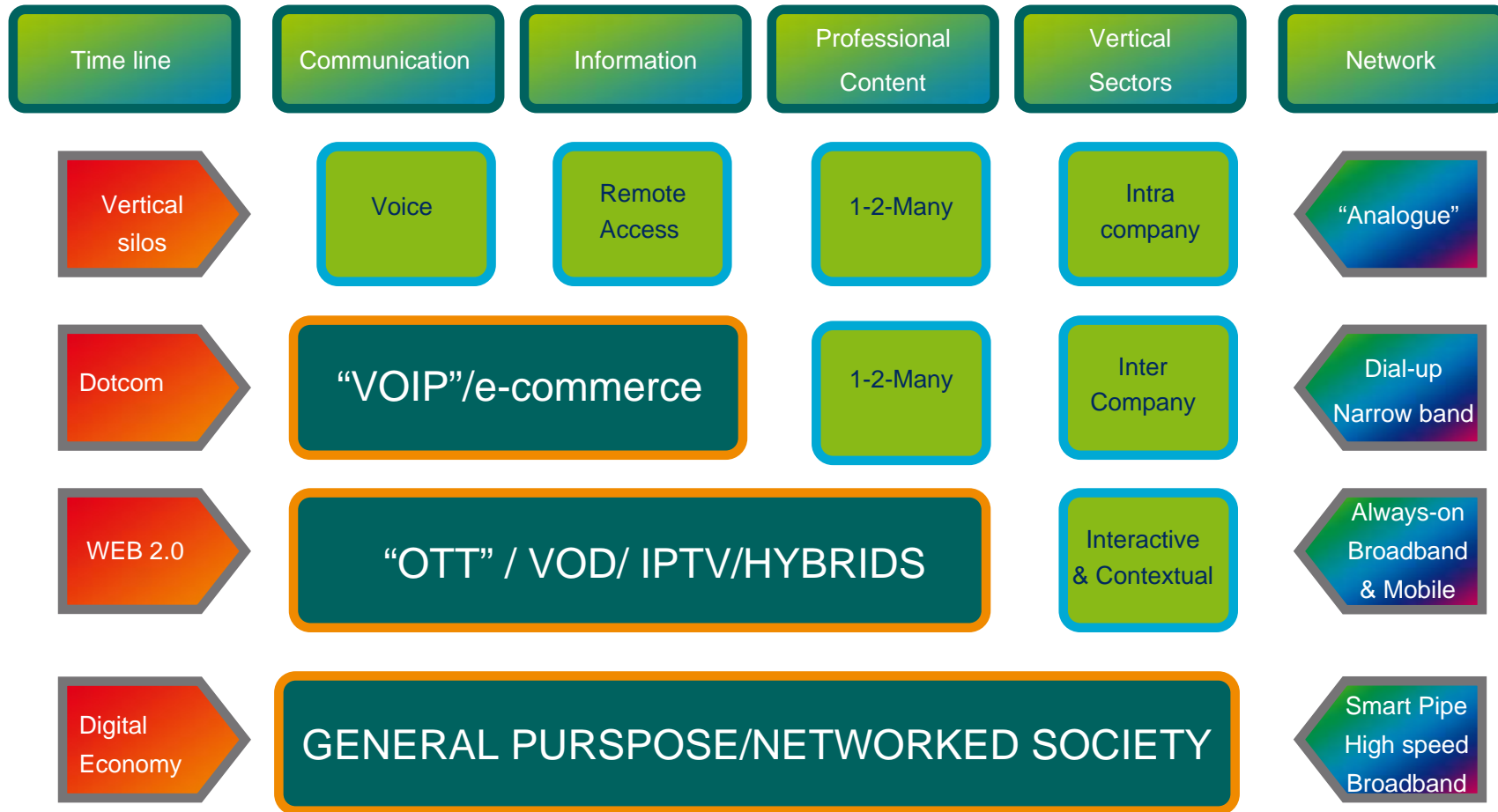
AGENDA

- › **Convergence concepts**
- › Convergence calls for a new policy framework
 - Policy issues: Audiovisual Services
- › Conclusions



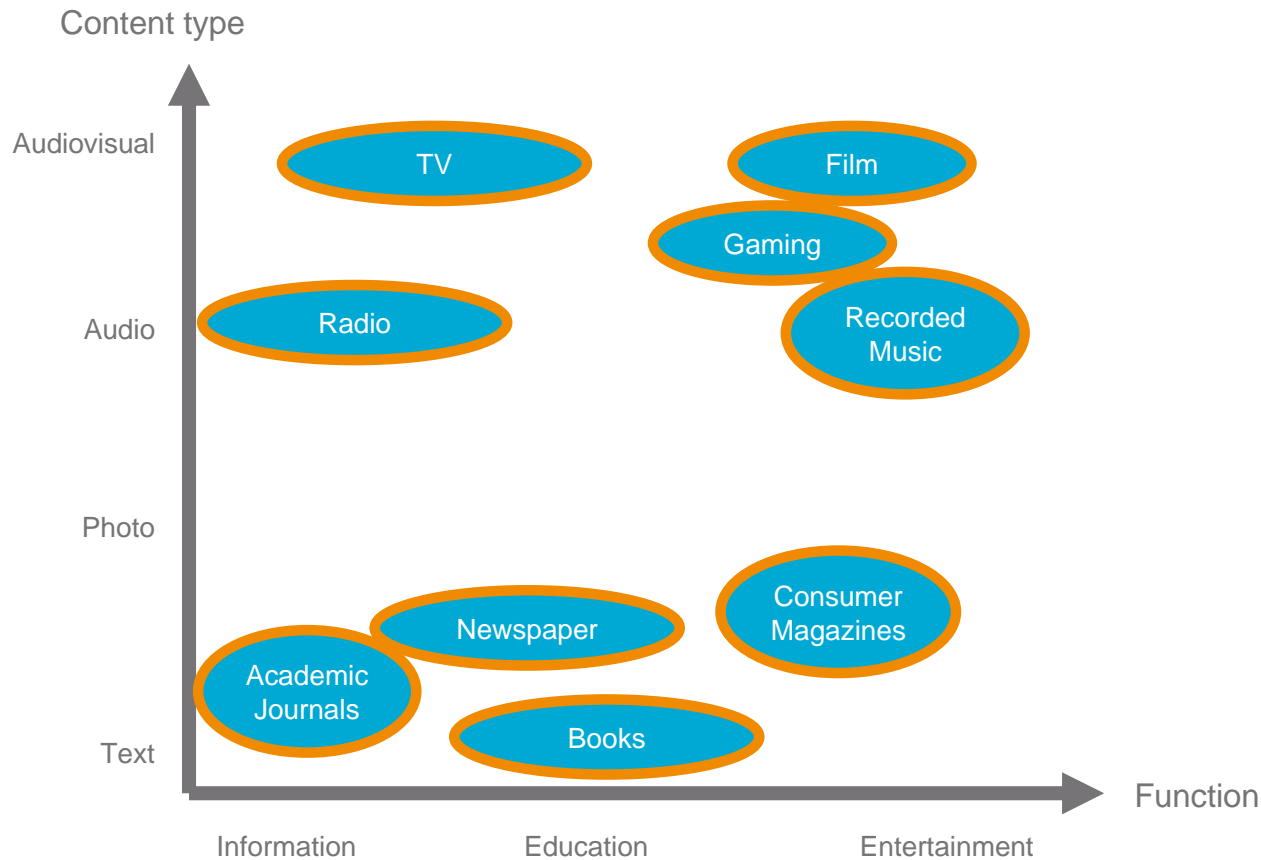
CONVERGENCE AS WE KNOW IT TODAY....

DIGITALIZATION THE PRIME DRIVER NETWORK THE PRIME ENABLER



PROFESSIONAL MEDIA INDUSTRY

TECHNOLOGY ADVANCEMENTS CONTINUE TO CHANGE THE WAY WE DO THINGS

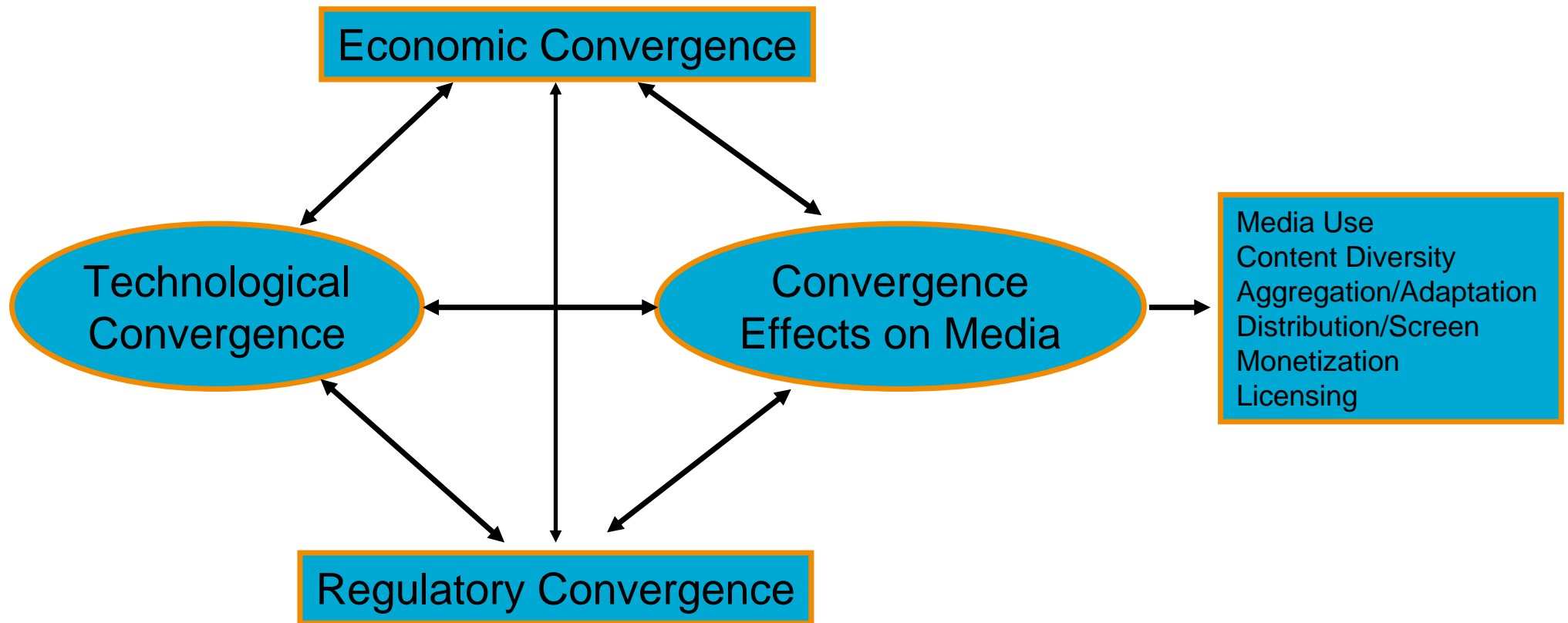


Source: The Internet and the Mass Media, Kung, Picard, Towse, 2008

Changing Business Conditions

- Digitalization
- Storage
- Processing
- Networks
- Broadband access
- WWW, IP, Internet
- Miniaturization
- Falling transaction costs
- Convergence

MODELING CONVERGENCE: MEDIA INDUSTRY FOCUS

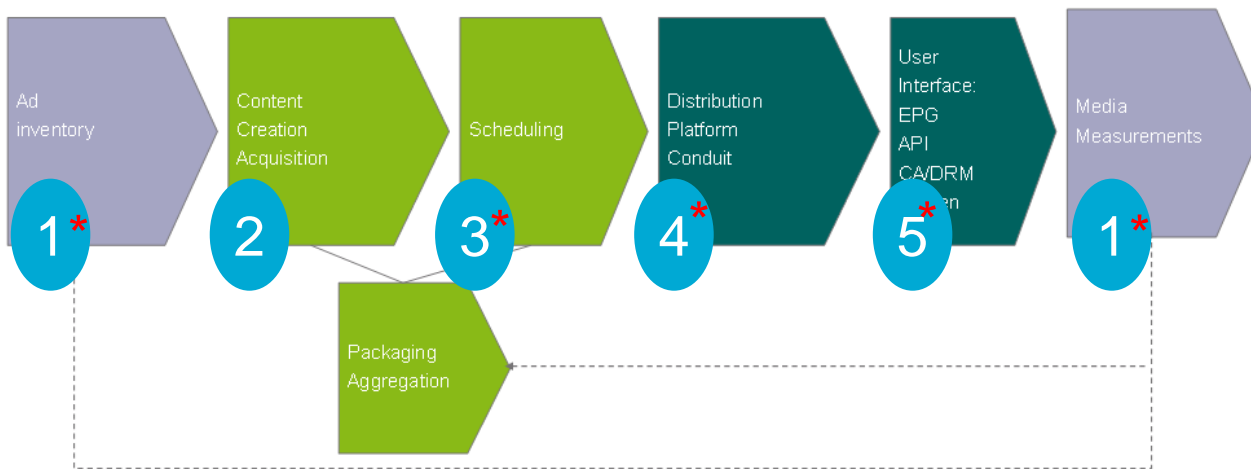


Source: Understanding Media Convergence – the state of the field, Grant and Wilkinson, 2009, and Ericsson Analysis.

CONVERGENCE RECONFIGURES VALUE CHAINS

- A DRIVER OF STRUCTURAL CHANGE

Commercial professional TV value chain



Impact of convergence;

1. Targeted advertising, product placement,
2. Multi-platform content creation (news),
3. On-demand, a la carte
4. Multiple platforms
5. Multiple, clients, devices

* Also resulted in new market entry and changes in business models and/or, value chain activities or relations.

INCREASED MODULARITY AND VERTICAL DE-INTEGRATION

AGENDA

- › Convergence concepts
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 - Policy issues: *Audiovisual Services*
- › Conclusions



CHANGING MARKET CONDITION & REGULATION

“The central question [is] not how to regulate convergence, but how regulation should (and must) change in the face of convergence “



Source: Ypsilanti, D and Xavier, P “Towards Next Generation Regulation” (1998) 22 *Telecommunications Policy* 643 at 644.

PRINCIPLE POLICY CHALLENGES

ASSOCIATED WITH CONVERGENCE

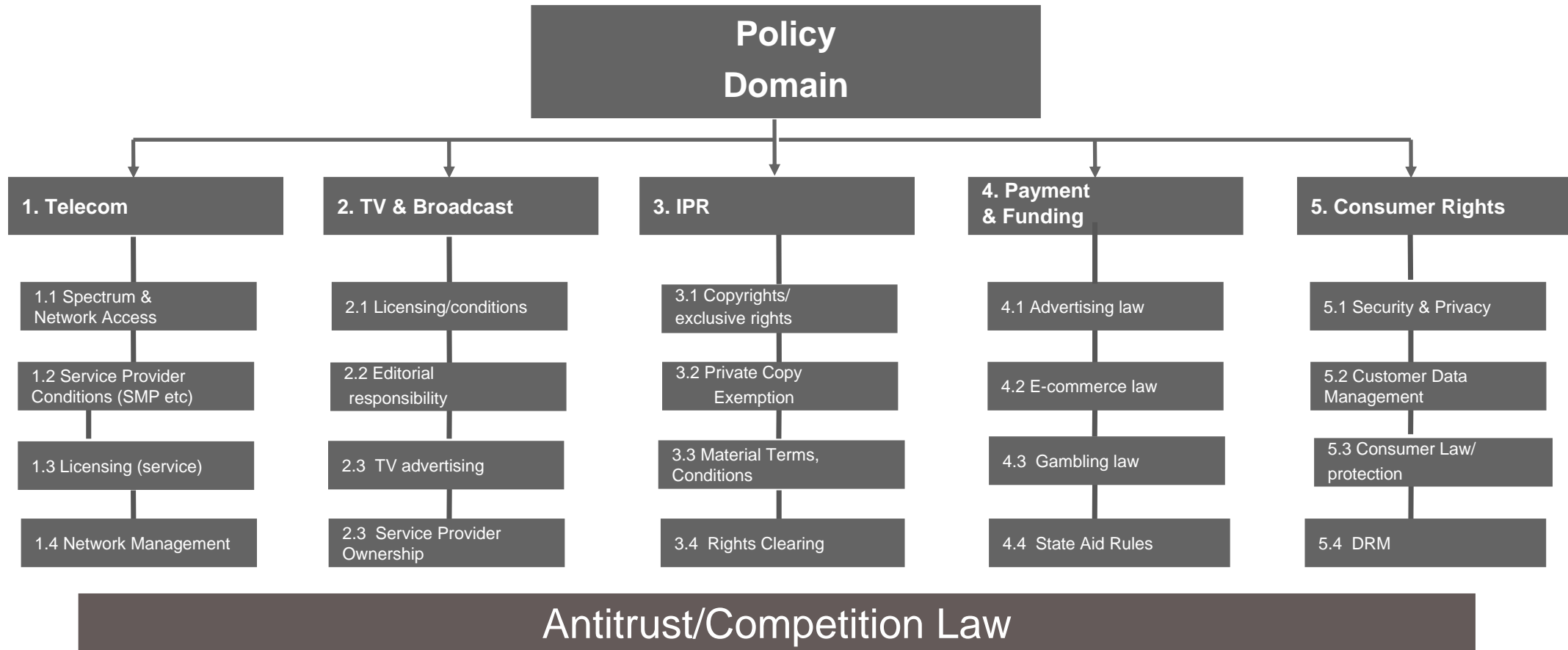
- › Distortion of competition
- › Regulatory flight and/or arbitrage
- › Weakening of regulatory effectiveness
- › Regulatory competition resulting in overlapping remits



Source: The World Bank IC4D second publication 2009, ITU ICT Regulatory Toolkit, Regulatory Response to Convergence OPTA 2008.

COMPLEX REGULATORY ENVIRONMENT

VERTICALLY FRAGMENTED > HOLISTIC APPROACH!



Source: Ericsson Analysis

HARMONIZATION OF POLICY GOALS AND OUTCOMES NOT AN EASY GORDIAN STRIKE

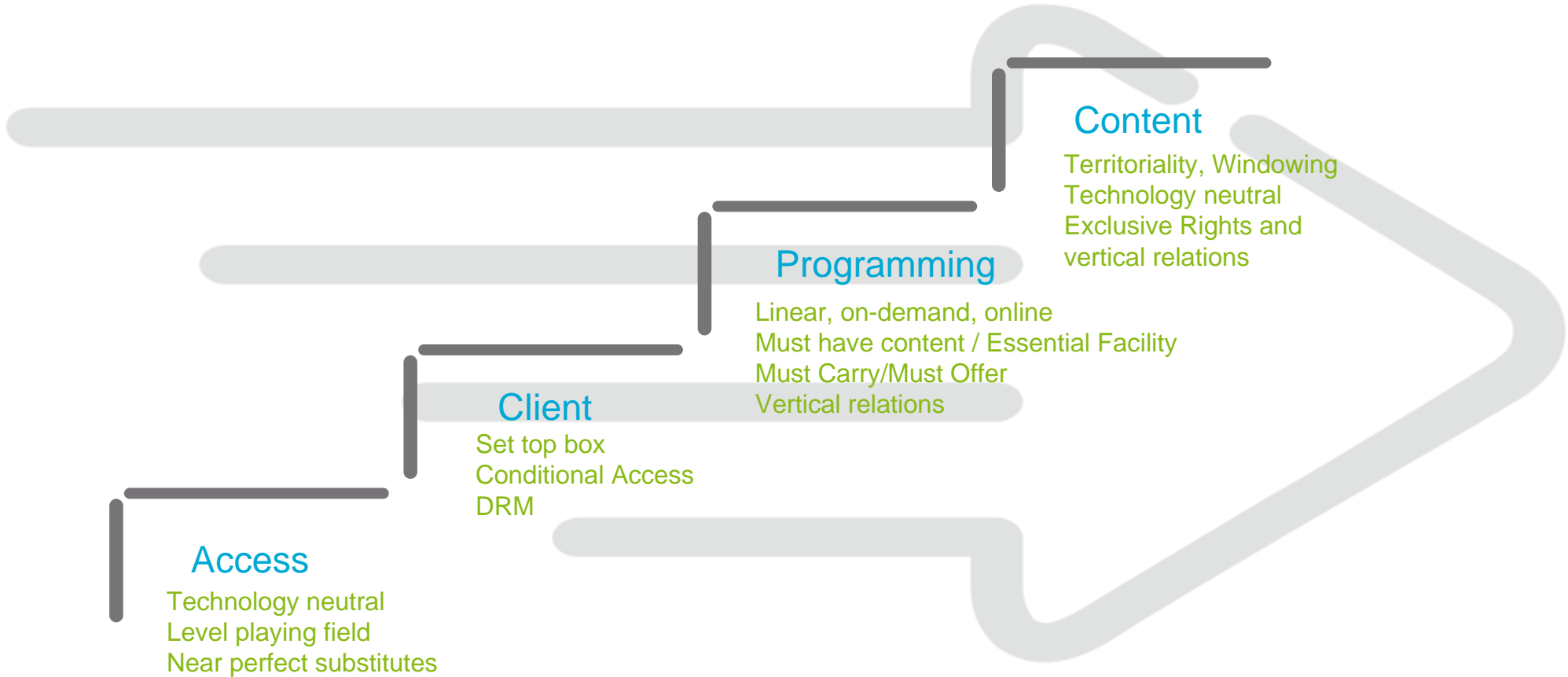
Harmonization of policy goals and outcomes with equal treatment across converging sectors should include but not be limited to:

- Over-arching long term goals
- Formulation of lowest common denominators
- Balance, with equal treatment across sectors
- Increased clarity in desired policy objectives and policy outcomes
- Harmonize desired objectives and outcomes of Economic Policy and Media Policy
- Media Policy regulation should be technology neutral

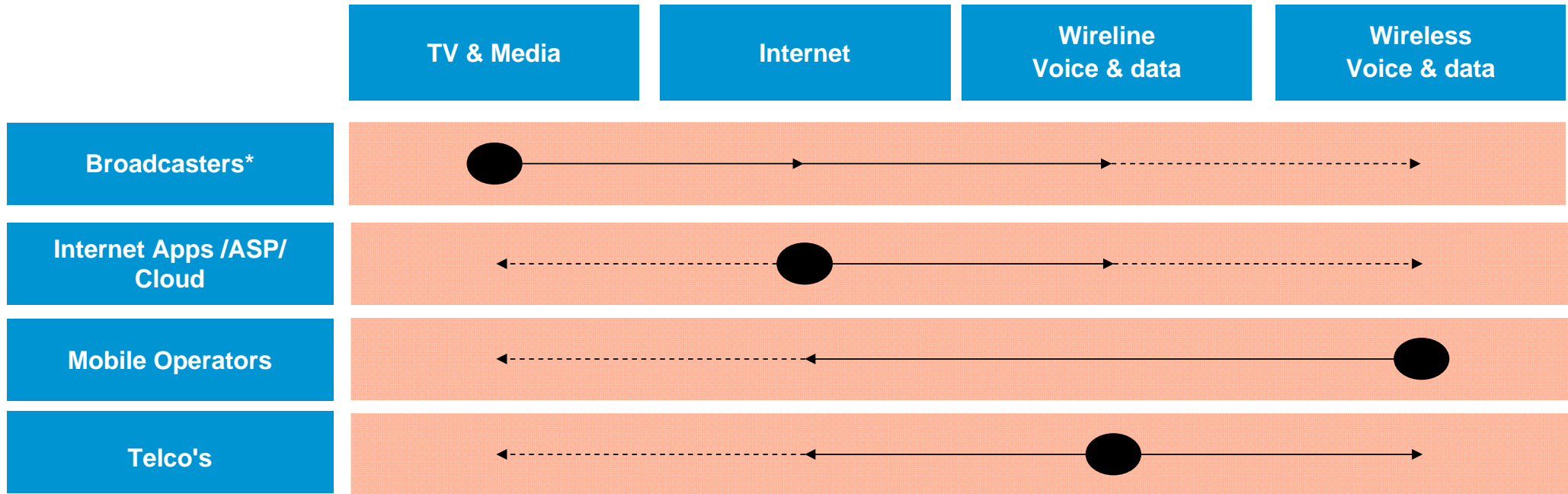


HORIZONTAL APPROACH RECOGNIZES

THAT TECHNICAL OR ECONOMICAL GATEWAYS CAN POTENTIALLY ARISE ANYWHERE IN THE VALUE CHAIN



SERVICE PERSPECTIVE NOT A TECHNOLOGY PERSPECTIVE



* Cable, Satellite, Terrestrial

TREAT NEAR-SUBSTITUTE PLATFORMS EQUALLY

3 KEY POLICY ISSUES – AUDIOVISUAL SERVICES

- › Create a **platform neutral** audiovisual media regulation framework
- › Stimulate **more flexible** TV programming-to-distribution market
- › Increase **efficiency** of content market – **solve the market supply failure** of legal digital content



AGENDA

- › Convergence concepts
- › Convergence calls for a new policy framework
 - Policy issues: Audiovisual Services
- › **Conclusions**



CONCLUSIONS KEY PRESSING POLICY ISSUES

- › Adopt an holistic approach with ambition to harmonize
- › When necessary, regulate the service not the technology
- › Create a platform neutral audiovisual media regulation framework
- › Define the role and responsibility of an Audiovisual Media Service provider
- › Stimulate a more flexible TV programming-to-distribution market
- › Increase efficiency of audiovisual digital content market – solve the market supply failure





ERICSSON