

# Who will control how we connect?

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# Who will determine the future of communications?

- Who will determine
  - how one computer links to another?
  - whether a product or service may be offered across a network, and on what terms?
  - Whether carrier networks link to one another, and on what terms?
- In principle there are three possibilities
  1. Governments
  2. Carriers
  3. Individuals and service suppliers

# Changing dominance

- In the past, carriers largely dominated who connected to them and on what terms, with government policing but not changing the game.
- Today, the terms on which people reach the Internet constitute their principal concerns in communications policy.
- Issue: will government get ahead of carriers in satisfying consumer demands?

# The present

- The wireless market in Canada follows a pattern set at the inception of wireless telephony
  - The terms of interconnection among carrier networks are largely determined by the owner of the network, and less so by governments and regulators
  - Governments have largely foreborne from active intervention in wireless markets
- By contrast, policy towards wireline networks features more active measures to ensure smaller players can lease portions of the facilities of the larger carriers
  - Although wholesale access is always in doubt

## Where we seem to be going

- The current government is taking a greater interest in ensuring that mobile networks interconnect with each other
  - Tower sharing
  - Roaming rates regulation
- In doing so, the federal government appears to be more interventionist than in the past.
  - Facilitating competition by easing the terms on which networks connect to one another

## Where we are now

- As users, we already enjoy mobile pocket-sized computers whose functions include maps, cameras, calculators, address books, telephones.
- The terms on which computers interconnect are the terms upon which people connect to one another.
- Hence the rights to connect machines determine the rights of people to communicate with each other across networks.

## So why?

- Why is policy for mobile devices any different from policy for fixed devices?
- Why should leasing policy (wholesale access) be any different for wired than it is for mobile devices?

# What do we see government doing?

- The fight between the large carriers and the government this summer (2013) over spectrum licensing was a harbinger of a larger change in policy.
  - The feebleness of new entrants signalled that the problem was not to be solved by allowing large new entrants without a change in rules for roaming, tower sharing, and wholesale access
  - More regulation is in store, viz: [CRTC Review of Wholesale Mobile Wireless Services](http://www.crtc.gc.ca/eng/archive/2014/2014-76.htm)  
<http://www.crtc.gc.ca/eng/archive/2014/2014-76.htm>

# Follow the money

- We saw the outburst of protest around usage based billing – and so did the government
- The most significant change in Canadian politics has been party financing
  - 10,000 people sending \$50 or even \$10 now outweigh the contributions of carriers, banks, and other formerly large contributors.
- Thus, Canadian political parties now have incentives to listen to the population about the terms on which they reach the Internet, and who defines what they get there.

# Conclusions

- Government have many reasons to intervene in communications markets
  - \$ and votes are there for the taking
- Carriers have every incentive to build walled gardens, if they can extract more money by doing so
- People want an open Internet, not walled gardens
- Policy for wireless and wired access will converge towards more regulation of access, and less power to restrict the uses by others of their networks.
- Carriers will fight it every inch of the way.