Traits of an Independent Communications Regulator: a Search for Indicators With Teaching Module on Ethics and Corruption

By
Irene Wu*
Director for Research, MNIA-SAND
International Bureau
Irene.Wu@fcc.gov

Version: August 18, 2005

International Bureau
Federal Communications Commission
Washington, DC 20554

* The analyses and conclusions in this working paper are those of the author and do not necessarily reflect the views of other members of the International Bureau, other Commission staff, or the Commission itself.

This paper was released as an FCC International Bureau Working Paper on June 2004. FCC International Bureau's Working Paper Series presents staff analysis and research in various states. These papers are intended to stimulate discussion and critical comment within the FCC, as well as outside the agency, on issues in international communications policy. Titles may include preliminary work and reports on work in progress, as well as completed research. The analyses and conclusions in the Working Paper Series are those of the authors and do not necessarily reflect the views of other members of the International Bureau, other Commission staff, or the Commission itself. Given the preliminary character of some titles, it is advisable to check with author before quoting or referencing these Working Papers in other publications. This document is available on the FCC's World Wide Web site at http://www.fcc.gov/ib/.

Table of Contents

1. Introduction

This paper draws on newly undertaken surveys of communications regulators around the world and the current theoretical literature to propose a simple framework for evaluating the independence of a communications regulator that is applicable across diverse political and economic systems. While communications regulators, in an ideal world, are "independent," still they are embedded in relationships with other segments of society. In the main, there are three segments: (1) other state institutions, such as a communications ministry, competition authority, and legislature, (2) the industry they regulate, and (3) consumers who use communications services. This paper proposes that an independent regulator is one that seeks to enable and promote the interests of consumers and retains some autonomy from pressures of highly concentrated interests of industry and other state institutions. The surveys identify an array of institutional arrangements and procedural tools that communications regulators use to enable the interests of consumer and protect themselves from undue pressure from other groups.

As the world moves from the industrial to the information age, doing a good job of governing the communications market becomes more important. In the next five to ten years, countries all over the world will solidify the institutions responsible for policy and rules for communications services -- telecommunications, Internet, and media – and how such institutions' relationships with other social groups should be governed. This change is occurring now because of two major shifts, one conceptual and one technological. First, governments accepted and implemented the idea that a competitive paradigm for communications markets was more economically beneficial than a monopoly model. This grew from decades of economic work in this area. Second, the shift from analog to digital technologies makes services which were once discrete – television programming and print publishing, for example – all physically reducible to data which can be sent over Internet protocol (IP) networks, sparking a redefinition of these services and the institutions that govern them. Because this is a transformative moment in communications policy, researchers in this area have an opportunity not only to contribute to the literature, but also to influence concrete institutional arrangements. This paper provides a broad framework for such discussions and suggests directions for future inquiry.

Historically, the power to make decisions about the telecom network resided with the telecommunications and/or the broadcasting monopoly, but the evidence now shows that consumers benefit when there are competitive markets for these services. The question then arises, how should the authority to govern communications networks be arranged to suit this new, competitive environment? One way to approach this question is to distinguish between *policy* and *regulation.* The policy maker is expected to broker agreement on broad objectives, and every brokered agreement could be unique from the next depending on political circumstances. The regulator, because it is independent from direct political pressure, is instead expected in similar cases to reach similar conclusions in similar cases. The challenge, however, becomes how to design a regulatory institution insulated from the vagaries of politics that is still consistent with democratic notions of accountability and majority rule.

This paper uses two sets of data, a survey of 18 countries' communications regulators on their organizational structure, and a more in-depth survey of four countries' ethics rules and decision-making procedures to examine the techniques used to mediate between regulators and each of these three groups. While these surveys are not comprehensive, they draw from a broad range of countries. In the end, some conclusions can be drawn as to what indicators may be used to characterize a regulator's independence.

The next section of this paper discusses briefly the history of the independent regulator idea in communications services, and the current need to clarify the meaning of "independent." The subsequent three sections begin investigating the tools and procedures available to regulators trying to establish their independence from three different sources of political pressure: other state institutions, industry, and consumers. Not only does the regulator have an interest in its own independence, but also each of these three groups also has a long term interest in the regulator's independence as well.

The third section discusses methods regulatory regimes use to manage their relationships with other state institutions, having developed policies that resolve the tensions between consumer and industry interests, an independent regulatory regime with clear focus and technical skills to implement is critical to successful implementation of those policies. Three indicators of regulatory independence are the stability of its leadership, scope of its authority, and the independence of its funding.

The fourth section discusses regulators' relationship with industry. For investors, a regulatory regime independent from political vagaries is key to providing a predictable investment climate. Investment is important in order for communications services to develop. Indicators for independence relevant here are whether the incumbent operator(s) are government-owned, and how commonly staff move from the regulator to the industry and vice versa.

In the fifth section, for consumers, a regulatory regime independent from the industry is important as an advocate, their voice in the state. In the communications field, firms are more concentrated than consumers; it is easier for firms to organize and represent their interests to the state than for consumers. Indicators relevant here are whether there are specialized offices for consumer concerns and for universal access concerns.

The final two sections of the paper draws on another study examining the ethics rules and decision-making procedures of several countries, systemic techniques that can be used by regulatory regimes to mediate relationships with all three interest groups. In the sixth section, decision-making procedures govern how the regulator interacts with interest groups at the moment a particular case is under consideration. Discussed in the seventh section, ethics rules govern how the regulator's individual employees overall relationship with interest groups.

2. Why is it important to have an independent communications regulator?

There are two major reasons a nation decides to establish an independent communications regulator. First, theory suggests that independent regulatory agencies make it easier for a country to commit to difficult policy reforms and therefore reduce risk for investors in the market, which ultimately helps market development. Second, in recent years, countries have observed that the markets with the most flourishing communications services often have independent communications regulators.[1] Therefore, nations that aspire to also have their markets flourish take seriously this best practice model of an independent regulator. As the number of independent communications regulators has grown rapidly in over the past twenty years, there is more evidence available to test this theory. Testing the theory requires further refinement of what makes a regulatory agency "independent."

The expert literature on independent regulatory agencies emphasize the need to protect the regulator from political pressure. Tyler and Bednarczyk in a paper for an International Telecommunications Union conference identifies as important independence from the telecom operator, from industry interests beyond the main operator, and from political interests.[2] Majone's 1996 book shows how European politicians established separate institutions with fixed rules that would be able to issue consistent regulations over time.[3] In 1997, Melody cited regulatory capture as a principal cause of failed telecom reform. His conception of an independent regulator is an expert agency, able to make decisions without interference from political or industry interests.[4]

Others focus on more specific details that identify a regulator as independent. In 1999, Stern and Holder identify effective participation by interested parties in decisions; accountability, including opportunities for decisions to be challenged if unfair or incompetent; transparency in the regime to reduce the likelihood of unfairness and incompetence; predictability of the regulatory regime as characteristics of an independent

---

[1] Levi-Faur, David. "Herding Towards a New Convention: On Herds, Shepherds, and Lost Sheep in the Liberalization of the Telecommunications and Electricity Industries." Paper presented at workshop "The Internationalization of Regulatory Reform," Berkeley, April 26-27, 2003.
[2] Michael Tyler and Susan Benarcyzk. "Regulatory Institutions and Processes in Telecommunications: and International Study of Alternatives." *Telecommunications Policy* 17 (9): 650-676. page 658.
[3] Gianfranco Majone. *Regulating Europe.* New York: Routledge, 1996, 5.
[4] William Melody. "On the Meaning and Importance of 'Independence' in Telecom Reform." *Telecommunications Policy.* 21(3): 195-199.

regulator.[5] In 2000 Won-ki Min in an OECD paper has a list of measures which in addition to emphasizing separation of regulator from the ministry, and contestability of regulator's decisions, also identifies separate funding for the regulator as an indicator of independence.[6] The work of these and other experts popularized the theory that communications service markets developed better when governed by a regulatory authority independent from a complex array of political and industry pressure.

An explicit consumer-focused definition is less frequent in these discussions, but Wellenius and Stern emphasize the balance regulators must make between providing incentives for investment and protecting consumers from monopoly abuse.[7]

This discussion of independent regulatory agencies is part of a larger research discussion of what helps communications markets flourish. Several scholars emphasize that development of the communications market requires government to make credible commitments to difficult policy objectives. This commitment does not necessarily require a regulator. Peter Cowhey emphasizes that legislation can represent a strong commitment in countries where the power of legislature is great relative to the president's. When power is divided between executive and legislature, it is harder to reach agreement on policy objectives, laws are less frequently modified, and therefore, laws can reasonably be expected to be unchanged for a period of time.[8] In some presidential

---

[5] Jon Stern and Stuart Holder. "Regulatory governance: criteria for assessing the performance of regulatory systems: an application to infrastructure industries in the developing countries of Asia." *Utilities Policy*. 8(1999): 33-50.

[6] Won-ki Min. "Telecommunications Regulations: Institutional Structures and Relationships." Organisation for Economic Co-operation and Development. Working Party on Telecommunication and Information Services Policies. DSTI/ICCP/TISP(99)15/FINAL. May 26, 2000, 14-15.

[7] Bjorn Wellenius and Peter A. Stern. *Implementing Reforms in the Telecommunications Sector: Lessons from Experience*. World Bank: Washington, D.C., 1994. p. 49.

[8] Peter Cowhey and Mathew McCubbins, eds. *Structure and Policy in Japan and the United States*. Cambridge: Cambridge University Press, 1995, 2-8.

systems, however, the executive is more influential than the legislature. In such cases, note J. Luis Guasch and Pablo Spiller in their study of some Latin American countries, presidential decrees are the most powerful policy commitments.[9] In parliamentary systems, by contrast, the views of the prime minister and parliament may be easier to achieve, and laws can change frequently. Legislation in these countries does not lend itself to policy credibility; other mechanisms may be more effective.[10] Contracts between the regulator and regulated firms can be an effective tool of policy commitment in those systems with strong judiciaries. In some regimes, the judiciary may serve as an important check on legislative or regulatory caprice.[11] Federal or national action, as opposed to local government action, in some countries, is key to achieving policy commitment. Greater centralization could be expected to provide greater policy credibility over time.[12] Therefore, while this paper and much of the literature on policy commitment focus on regulatory independence, it must be kept in mind that other instruments are also available.

Partly because of theory, partly because many of the most successful markets had them, the recent trend is to establish separate regulatory agencies for communications. In 1990 there were only 13 telecom regulatory agencies in the world.[13] Since then, the number has roughly doubled every four to five years. As of 2004, there were no less

---

[9] J. Luis Guasch and Pablo Spiller. *Managing the Regulatory Process: Design, Concepts, Issues, and the Latin America and Caribbean Story.* Washington, D.C.: World Bank. August 1999 .
[10] Peter Cowhey and Mikhail Klimenko. "The WTO Agreement and Telecommunication Policy Reforms." Washington, D.C.: World Bank Working Paper No. 2601. April 25, 2001.
[11] Brian Levy and Pablo Spiller. *Regulations, Institutions and Commitment.* Cambridge: Cambridge University, 1996. pp. 1-35.
[12] Cowhey and Klimenko, 15
[13] *World Telecommunication Development Report 2002.* Geneva: International Telecommunication Union, 2002, 49.

than 132 such authorities.[14] This is part of a broader global trend, the rise of regulatory agencies in a range of countries across a range of sectors. Jordana and Levi-Faur in a 2003 paper tracks the establishment of regulatory agencies in 36 Latin American and European countries from 1979 to 2002. For telecommunications, finance, and water, five or fewer countries had regulators in 1990; ten years later by 2000, more than 15 countries had regulators. For water, general competition, and gas, five or fewer countries had regulators in 1990; ten years later by 2000, more than 10 countries had regulators. Within this survey, it appears that national communications regulatory agencies are exceeded in number only by central bank authorities.[15]

Are the national communications authorities which are springing up all over the world the same animal as the independent regulatory authority described in theoretical discussions? Pekka Tarjanne, while he was Secretary General of the International Telecommunications Union, published an article which emphasizes that regulators simply must be independent of operators and service providers and must offer some mechanism for dispute settlement.[16] Tarjanne's article, which focuses on implementation of the World Trade Organization Basic Telecommunications Agreement, reflects the view of many countries that see independence as simply separating the operator from the regulator, without explicitly addressing the need for independence from other kinds of pressure. Although the inclusion of establishing an independent regulator in the WTO Agreement was a result of expert argument that such regulators were critical to telecom

[14] International Telecommunications Union. *Trends in Telecommunications Reform 2004/2005. Geneva, December 2004, p. 5.*

[15] Jacint Jordana and David Levi-Faur, "The Rise of the Regulatory State in Latin America: a Study of the Diffusion of Regulatory Reforms Across Countries and Sectors." Paper for the American Political Science Association Annual Meeting, 2003. See Graph 3, "The diffusion of regulatory authorities: policy sector approach (selected sectors)", p. 42.

development, the meaning of an "independent regulator" thins considerably in implementation.

There are few studies which deliberately test the link between an independent regulatory authority and market development outcomes. One is a study by Edwards and Waverman which identify whether the incumbent telecom operator is privatized and measures its effect on regulation. They find that when incumbent operators are publicly-owned, regulatory interconnect decisions tend to favor them, based on a data collected from 15 European states. However, if there is an independent national regulatory authority, the regulator can counter the systemic bias in favor of the operator. This important exploration seeks to test theories of regulatory independence with concrete evidence.[17] Part of the challenge of such tests is defining what authorities are independent. Waverman concedes that the index used in his study rates poorly Ofcom, the United Kingdom's communications regulator, even though it is widely considered one of the most independent in the world. This paper seeks to fill this gap; if we have a better way to measure independence, then it would be easier to test if independent regulators are actually more effective.

3. What is the regulator's relationship with other state organizations?

Many countries separate the policy-making organization from the regulatory organization. Many do not. In a survey of 18 countries (see Appendix for more details) certain systems of democratic government – parliamentary or presidential, for example,

[16] Tarjanne, Pekka. "Preparing for the Next Revolution in Telecommunications: Implementing the WTO Agreement." *Telecommunications Policy*. 23 (1999): 51-63.

did not predict whether the policy-maker would be separate from the regulator. Therefore, rather than focusing on the broad, systemic characteristics, the survey examines in detail the organization of the institutions that develop the rules that implement policy. Three aspects of the survey are relevant to examining the regulatory relationship with other state institutions: the terms and conditions of the leadership, the scope of the regulatory authority to issue licenses; and the source of the regulator's budget.

Leadership. One indicator of the relationship between the regulatory and other state institutions is how the leader of the regulatory organization is selected and dismissed. The regulatory organization has greater independence if the leader's position is protected, by custom or by law, for a specified period of time, or for life, no matter what decisions are taken. However, in some instances the leader can be dismissed if others in the state are dissatisfied with the decisions of the organization.

---

[17] Geoff Edwards and Leonard Waverman, "The Effects of Public Ownership and Regulatory Independence on Regulatory Outcomes: a Study of Interconnect Rates in EU Telecommunications." Draft September 2004.

Table 1: Leadership of the Regulatory Organization

	A. Leader easily removed for policy reasons ● = no O = yes	B. Leader has fixed term of office ● = yes O = no	C. Term of office
Australia	●	●	ACA: up to 5 years, ABA: up to 2 4-yr terms
Brazil	●	●	Time set at nomination
Canada	●	●	5 years
Hong Kong	●	O	No time limit
Hungary	O	●	6 years renewable
India	O	●	3 years or to age 65, whichever is earlier
Italy	●	●	7 years
Japan	O	O	
Jordan	O	●	4 years renewable
Korea	O	Telecom = O Broadcast = ●	KBC: 3 years renewable
Malaysia	O	●	3 years renewable
New Zealand	O	●	Fixed at time of appointment
Nigeria	●	●	4 years, renewable once
Singapore	O	O	No time limit, traditionally a senior civil servant
Spain	●	●	6 years renewable
Sri Lanka	O	O	
Sweden	●	●	3 years renewable
United States	●	●	5 years renewable

Here the key indicator for the leader's independence from the vagaries of politics is column A. Can the leader be removed for making decisions contrary to the will of the policy-makers? If not, then the leader has considerable scope to implement rules according to the policy, and the ability to resist pressure to bend the rules in favor of those who may be politically better connected. Half of the countries surveyed have regulatory agencies with an independent leader. In these countries, having a predetermined term of office often serves as clear time frame which insulates the leader from pressures on day to day decisions. The one exception may be Hong Kong, where a custom may be developing that the leader serves until he or she retires from civil service. If this custom is preserved, it serves as even greater source of independence than the common pre-set term of office. While in many instances this kind of leadership has been very effective, in principle it does present the risk of unpredictability if the single leader is idiosyncratic. A possible solution would be a leadership consisting of several individuals.[18]

Scope of authority. A second indicator is the clarity of the regulator's authority. One area, for example, where regulators typically have great influence is in issuing licenses for market entry. For wireline licenses, where scarce resources are not usually at stake, many independent regulators have exclusive authority to issue licenses. In other markets, the ministry which reports directly to the political leadership has an exclusive or partial control in the issuing of licenses.

[18] Cowhey and Klimenko, 17.

Table 2. Telecommunications Wireline Licensing

	A. License issued by a separate regulator only	B. License issued by Ministry only	C. Both Ministry and regulator have role in licensing	D. No license or only notification required for wireline operations
Australia	●			
Brazil	●			
Canada	●			
Hong Kong	●			
Hungary	●			●
India		●		
Italy		●		
Japan		●		
Jordan	●			
Korea		●		
Malaysia	●			
New Zealand*				●
Nigeria	●			
Singapore			●	
Spain			●	
Sri Lanka	●			
Sweden	●			●
United States	●			●

* In New Zealand, no license required, therefore regulator is not dependent on Ministry's decision in this regard.

In 11 of the 18 countries examined, the regulator has the exclusive right to issue wireline licenses. Only in six countries did the Ministry retain the whole or partial right to govern entry into the wireline market. The one exception in this set is New Zealand, since no licenses are required for firms to provide wireline service, neither regulator nor ministry is involved. Licensing of wireline telecommunications service is only one of many areas of possible authority for regulatory organizations. If other areas were examined, a different range of responses on the relationship between the regulator and ministry's relationship might be uncovered.

Funding. A third indicator of the regulator's independence is the source of its budget. Greater independence is possible if the regulatory organization has nearly complete control over how fees and funds are raised for its own operations. In other instances, the organization's budget is allocated and approved by institutions that may seek to use the budget process to influence regulatory decisions. Some organizations are funded both by their own fees and by a politically allocated budget. The following table indicates in column C the regulator's budget sources. Seven of the surveyed raise their entire budget from regulatory fees. In four countries, substantial funds are raised through fees, but also some portion of the budget must be allocated through the national state's budget process, which subjects them to political review. In addition, in Korea, the broadcast regulator's entire budget is raised from fees, but the telecom ministry has its funds allocated through the national budget.

Table 3: Independence from Other State Organizations (Summary of Tables 1 and 2)

	A. Independent Leader ● = yes O = no	B. License issued by regulator only ●= yes O = no	C. Independent Funding ● =raise own funding, O =rely on state budget allocation
Australia	●	●	O
Brazil	●	●	●
Canada	●	●	●
Hong Kong	●	●	●
Hungary	O	●	●
India	O	O	O
Italy	●	O	●/ O
Japan	O	O	●/ O
Jordan	O	●	O
Korea	O	O	Telecom = O Broadcast = ●
Malaysia	O	●	●
New Zealand	O	O*	O
Nigeria	●	●	●
Singapore	O	O	●/ O
Spain	●	O	●
Sri Lanka	O	●	●
Sweden	●	●	O
United States	●	●	O

* In New Zealand, no license required, therefore regulator is not dependent on Ministry's decision in this regard.

At least based on these three indicators, four countries' regulators have very robust independence from other state institutions: Brazil; Canada; Hong Kong, China; and Nigeria. Brazil, Canada, and Hong Kong do indeed have regulators with strong reputations for independence. Nigeria's regulator is newly established, future decisions will determine whether it gains a similar reputation.

4. What is the regulator's relationship with industry?

In the 2003 survey of eighteen countries, two sets of data were relevant to the regulator's relationship with industry: whether the incumbent telecom operator was private and whether there was a revolving door for workers between the regulator and industry firms.

Privatization. One indicator of the regulator's relationship with industry is whether any state-owned incumbent operators have been privatized. Greater independence is possible if the state responsibility is first to the consumer without any interest in the profitability of a state-owned operator. In other instances, the state is full or part owner of an incumbent operator and has additional responsibilities as an investor.

Revolving door. A second indicator is whether there is a revolving door for the staff to move between the regulator and the industry. Greater independence is possible if staff serve their entire careers in the regulatory organization. They are less likely to be influenced by other interests. In other instances, staff move frequently between the regulatory organization and industry or other parts of the state. However, a counter-argument is that regulators benefit from the market and technical knowledge of staff drawn from the industry. Frequent interchange of staff between industry and regulatory agency has its benefits, therefore, but it may have a dampening effect on the regulator's independence.

Table 4: Regulator's relationship with industry

	A. Private incumbent operator ● = yes O = no	B. Little or no movement of staff between regulator and industry ● = yes O = no
Australia	O	O
Brazil	●	O
Canada	●	O
Hong Kong	●	O
Hungary	●	O
India	O	●
Italy	O	●
Japan	O	●
Jordan	O	O
Korea	●	●
Malaysia	O	●
New Zealand	●	O
Nigeria	O	O
Singapore	O	O
Spain	●	O
Sri Lanka	O	●
Sweden	O	●
United States	●	O

Based on these indicators, Korea has both a fully privatized incumbent operator and a regulator staff that customarily does not move in and out of industry positions. To characterize the Korean regulatory institution as independent from industry may be surprising as Korea has often been considered a prime example among East Asian economies of industrial policy – using state policy to promote its own country's firms at the expense of others.[19] Whether a state treats foreign firms differently from domestic

[19] For a discussion of the role of the state in Korean economic development in general, please see, "The Political Economy of Industrial Policy in Korea," *Cambridge Journal of Economics*, 1993 (17): 131-157.

firms, however, is outside the scope of this paper. These results suggest that in Korea the framework of the relationship between regulatory organization and industry maximizes the regulator's independence from industry.

Another notable set of facts is that for some of the surveyed countries, privatization is recent. This is true of Korea, which privatized Korea Telecom only in 2002. In other markets, such as Hong Kong, Spain, and the United States, the incumbent operators have been private for a long time. On the other hand, many countries listed as not having private incumbent operators have partially privatized. This is true, for example, for Australia, India, and Sweden. Whether these countries are in transition to full privatization or their states have chosen to retain some fraction of ownership is too complex to be reflected in the table, but may have an effect on the regime's independence from industry.

5. Regulator's relationship with consumers

A regulator independent from industry interests and insulated against political vagaries also is likely to prove a useful advocate for consumer interests. How consumer interests are represented varies widely among different states. The survey results reflect this diversity. In telecommunications, there are two major areas of consumer interest, one is handling of consumer complaints and concerns, and the other is universal service or universal access to services. These two areas are not equally important in all countries. Particularly, in countries with highly developed communications networks, universal service/access issues may be less urgent.

Table 5: Dispute Resolution, Consumer Concerns, and Universal Service Functions

	Specialized office for consumer concerns	Specialized office for universal service
Australia	Telecommunications Industry Ombudsman (telecom)	ACA Funding and Subsidies Team
Brazil	Anatel's Consumer Affairs Office (telecom)	Anatel's Superintendence of Universal Access
Canada		
Hong Kong		
Hungary	Consumer Protection Inspectorate	
India	Consumer Courts	Universal Service Administrator
Italy		
Japan		
Jordan	TRC's External and Consumer Affairs Department	
Korea	Korean Communications Commission (telecom)	
Malaysia		
New Zealand		
Nigeria	NCC's Consumer Affairs Bureau	
Singapore		
Spain		
Sri Lanka	TRC's Consumer Relations Unit and Internal Committee for Resolution of Consumer Complaints	
Sweden	PTS's Information Department (telecom) and SBC (broadcast)	
United States	FCC's Consumer Bureau	Universal Service Administrative Council and FCC's Telecom Access Policy Division

As indicated, in some markets there are offices within the regulator designated to handle consumer issues or universal service/access issues. In Brazil and the United States, there are overseers for universal service policy that are organized inside the regulatory institution. In other instances, institutions other than the regulator are responsible. For example, in Australia, Hungary, and India, bodies other than the regulator handle consumer complaints.

6. Decision-making procedures [20]

All three groups – other state organizations, industry, and consumers – interact with the regulator. Two kinds of opportunities for interaction exist: first, at the institutional level, in formal decision making processes, and at the informal level, in personal interaction. This section discusses decision-making procedures and the next discusses ethics rules, all of which govern interactions between the regulator and the three groups. Both sections are based on a four- country study undertaken in the second quarter of 2002 that examined the Canadian Radio-television and Telecommunications Commission (CRTC), Hong Kong's Office of the Telecommunications Authority (OFTA), the United Kingdom's Office of Telecommunications (Oftel), and the United States' Federal Communications Commission (FCC).

All four regulators' rulemaking processes are based on a three-stage consultation framework.[21] In the first stage, after an issue is identified, the authority releases a formal consultation paper soliciting comments from the public. It is followed by a comment and reply comment period where outside players and the public at large submit their views on the issue. Finally, a decision is reached based on available information and public policy objectives. The consultation paper, comments and reply comments, and the final decision are available to the public on the regulators' website or through official

[20] This section on decision-making and the following section on ethics rule draw heavily on work jointly written by Cathleen Hsu and the author, "Decision-making procedures and Ethics Rule," August 2002. Available at www.fcc.gov/globaloutreach.

publications, unless there is confidential information. This three-stage consultation process serves as the minimum procedural safeguard to ensure that the public is notified of a pending decision, allowed to participate in the process, and informed of the final decision and its reasoning.

Table 6: Decision making processes

	Canada CRTC	**Hong Kong OFTA**	**UK Oftel**	**US FCC**
Public notice that a new decision will be made	Public Notice	Consultation Paper	Consultation Document	Notice of Proposed Rulemaking (NRPM)
Collecting input on the possible decision	• Comments filed by parties • Public workshops • Hearings • Interrogatories	• Comments • Further comments	• Comments • Workshops • Hearings	• Comments • Ex parte filings • Reply comments
Final decision issued publicly	Decision	Statement	Conclusions	Report and Order

Depending on the nature of the proceeding, both informal and formal procedures have been incorporated into the three stage consultation framework. Of the four regulators, OFTA follows the core consultation framework most strictly. When it deems necessary, however, it does include additional steps. Similarly, Oftel modifies procedures on a case by case basis. Although there is a Code of Practice on Written Consultation, Oftel has acknowledged that informal steps have been taken to accommodate some complex proceedings. The CRTC and the FCC, on the other hand,

[21] Please note that the CRTC has a separate rulemaking process for Broadcasting issues. Unlike its rulemaking process for Telecom issues, if the Broadcasting issue is a matter of great public importance, public hearings are held in place of the three stage consultation process.

have included additional formal procedures in the formulation of the initial consultation paper and in the consultation stage.

*Initial consultation***.** The purpose of a consultation paper is to clearly define all relevant issues that need to be addressed, to provide background information on these issues, and to set out the regulator's preliminary views on the issues. For example, if there are related issues that are not included in the petition for rulemaking, they can be combined into a single consultation process, instead of having multiple proceedings. A good consultation paper alerts the public that a change may be imminent, sets the scope of the proceeding, and ensures a timely and cost effective rulemaking for both the public and the private sector.

Even prior to the development of the consultation paper, there can be informal and preliminary consultations. OFTEL, in its formulation of the Ombudsman Consultation Paper, hosted and chaired a working group consisting of telecommunications providers and consumer groups to consider the feasibility of setting up the scheme.[22] Similarly, in the Interconnection and Related Competition Issues proceeding, upon receiving the consultation request from incumbent PCCW-HKT, OFTA wrote to all ten local fixed network operators to inform them of the intent to initiate the review and to invite them to raise additional issues related to interconnection so that they could be resolved efficiently in a single proceeding. After reviewing these responses, OFTA issued a formal consultation paper outlining specific issues and OFTA's preliminary views on these issues.[23]

---

[22] Oftel (United Kingdom). *Protecting Consumers by Promoting Competition: Oftel's Conclusions.* June 20, 2002. Accessed from www.oftel.gov.uk in 2002.
[23] OFTA (Hong Kong). *Implementation of the Full Liberalization of the Local Fixed Telecommunications Network Services Market from 1 January 2003. Consultation Paper* and

Collecting input from the public. The goal in this stage is to gather all relevant information so that the regulator can make the most informed decision. After a consultation paper is released, interested parties can file comments by a specific deadline. Other than OFTA, the other three regulators all have a formal reply comment stage.

The information gathering process, however, is not limited to comments and reply comments. During this period, for consultations involving complex issues, the regulator may also hold workshops and hearings (OFTEL and CRTC), request interrogatories (CRTC), and accept presentations of views (FCC) to obtain the broadest range of viewpoints, collect all relevant facts, and ensure the accuracy of the information. These documents supplement the comments and the reply comments and are incorporated as part of the public record for the final decision.

Final decision. After the conclusion of the consultation period, the authority makes a final decision based on information collected during the comment and reply comment period and public policy factors. The regulator's statement presents and justifies its conclusions on the issues identified in the consultation paper. It summarizes and responds to the comments, reply comments and other issues raised in the consultation process. If the parties do not agree with the decision, they can either appeal through the courts or appeal through the regulator by means of a petition for reconsideration. Canada is the only country with an appeals process through the federal cabinet. However, the cabinet usually pays deference to the CRTC.

Implementation of the Full Liberalization of the Local Fixed Telecommunications Network Services Market from 1 January 2003Statement of the Telecommunications Authority, January 11, 2002. Accessed from www.ofta.gov.hk in 2002.

7. Ethics rules

The degree to which there is a robust ethics regime is indicator of the relationship between the regulator and the public. An agency's transparency and impartiality in decision making could be jeopardized if its employees are influenced by gifts from outside sources, financial and personal conflict of interest, post-employment prospects. In four economies studied, Canada, Hong Kong, United Kingdom, and the United States, all have guidelines concerning employee's proper handling of these situations to ensure that the regulator's decision making process is truly independent.

Of the four countries in this survey, Canada is the only one that has a single centralized guideline for civil servants. Hong Kong, United States and the United Kingdom each has a guideline that functions as a general ethical framework. They also encourage departments and agencies to develop supplemental guidelines based on this framework to take into account their specific functions and circumstances. These departments and agencies are also responsible for carrying out and enforcing the rules. Depending on the situation, generally, there are four approaches to ensure the highest ethical standard: (1) avoidance of activity, (2) disclosure of activities, and (3) divestment or resignation from positions that pose conflicts, or (4) recusal from an area of the regulator's work.

Table 7: Ethics rules

	A. Gifts	B. Conflict of interest	C. Post-employment
Canada	Decline, with exceptions	Disclosure and disinvestment	Restricted
Hong Kong	Decline, with exceptions	Disclosure and voluntary disinvestment	Admonition
United Kingdom	Decline, with exceptions	Disclosure	Restricted, approval process may be required
United States	Decline, with exceptions	Disclosure and disinvestment	Restricted

Gifts. The acceptance of gifts that give rise to impropriety or appearance of impropriety is prohibited in all four countries. In addition to state ethics guidelines, many countries also have criminal codes on bribery. The purpose is to prevent outside sources from influencing the independent judgment of a state official to the benefit of the gift giver. There are, however, exceptions. In the CRTC, employees may accept gifts of incidental value, and customary hospitality that do not give rise to appearance of conflict of interest or compromise the integrity of the state. In Hong Kong's OFTA, employees may accept gifts from a close relative or on occasions such as their wedding anniversary, where it is the customary tradition to give gifts. At the FCC, gifts are allowed where the value of the gift is US$20 or less in each instance, and cumulatively less than US$50 in a year, or in some cases where gifts are given because of a preexisting, close, personal relationship.

In many instances, there is oversight of what gifts may be received. In Canada, in circumstance where it is impossible to decline the gift, the employee must report it to the supervisor immediately.[24] In OFTA, other than in excepted circumstances, employees must obtain special permission to accept gifts.[25] In Oftel, under certain circumstances, the employee is required to report offers of gifts, hospitality, awards, decorations and other benefits before accepting them.[26]

Conflict of Interest. Conflict of interest is defined broadly to include pecuniary, personal affiliations, and family. They commonly include the employee's participation in proceedings that involve close associates or family members, and the employee's stockholdings in companies that have dealings with the agency or companies that the employee has gained confidential information through official capacities.

The disclosure of financial and personal interests in categories that could give rise to conflict and the divestment of these interests if there is or appears to be a conflict are mandatory in all four economies with the exception of Hong Kong. Although OFTA requires mandatory disclosure of direct telecommunications investments, the divestment of these investments, however, is voluntary. These provisions aim to prevent personal or financial interests from influencing the independent judgment of a state official.

Post-Employment. As with provisions concerning gifts and conflict of interest, post-employment guidelines aim to maintain the independence of a state official's decision making process. They prevent any suspicion that the officer might be influenced by the hope or expectation of future employment with outside firms and the risk that a particular firm might gain an improper advantage over its competitors by employing someone who had access to information on the competitor through official capacities.

[24] Canada. Conflict of Interest and Post Employment, Appendix A, Part II.
[25] Hong Kong. Civil Service Branch Circular No. 17/92.
[26] United Kingdom. Civil Service Management Code, 4.1.3.

Employees are encouraged to take precautions to avoid and mitigate situations where a potential conflict or appearance of impropriety might arise. For example, if an employee is unsure about the appropriateness of a gift, he should either decline or if that is not possible, accept the gift and report it immediately to his supervisor. Employees, especially senior officials, are typically required to provide written reports disclosing financial and personal interests, and in cases of possible outside appointment, a written application to obtain permission within one or two years after leaving office. If a conflict is identified, however, the employee is required to divest the interest or recuse herself from the particular matter.

Finally, while any number of mechanisms can be constructed to aid in establishing a regulatory regime's integrity, in the end it is the perception of the public that matters the most. Such approaches have been taken to assess corruption, for example.[27] While this paper presents techniques that governments can use to strengthen their regulatory regimes, other studies which measure the opinion of the public – other state institutions, industry, and consumers – would be useful to measure the effectiveness of these techniques.

8. Suggestions for future research

Of the three types of relationships a regulatory organization will have with the public the two least studied are the relationship of the regulatory with other state institutions and the relationships with consumers. At this point in time, it is not clear what a good framework for examining the relationship between regulator and

[27] Daniel Kaufmann and Aart Kray. "Growth Without Governance." Washington, D.C.: World Bank Working Paper No. 2928. November 19, 2002.

policymaker should be. In many countries, this independence of the regulator from the policymaker is not considered significant. What kind of salient traits of this relationship are relevant for consumer welfare and economic growth? Is it as irrelevant as many states would assert, or is this assertion primarily a protection of the status quo – like resistance to privatization of the incumbent operator, despite mounting evidence of its negative impact on service growth and development.

Are decisions which favor consumer welfare the most beneficial to a country's economic growth? If so, then the implication is that regulatory organizations should organize around serving the consumer. While this seems obvious, most of the literature and most discussions in communications policy circles focus on the relationship between regulator and industry, whether with the incumbent or relatively newer entrants. This sometimes leads to decisions that focus on the interests of newer entrants, rather than focusing the larger benefit to the economy and country. Further research on consumer needs and interests would help guide the transition from regulation focused on competition to regulation that enables competition in the larger service of a larger public interest. What are consumers' reactions in shifting from a monopoly to a competitive environment? Are their information needs met? Are they able to represent their interests to the regulator?

Finally, basic questions of governance are as important in the communications field as they are in other areas. What kinds of ethics frameworks improve public perception of the integrity of the regulator? How does the movement of staff between industry and regulator benefit or harm the regulator? Are there implications for retention of staff expertise if rules are too strict? How do countries without public consultation processes create an environment where interested parties are willing to participate in consultations? Does this have implications for democratic decision-making in other areas of governance?

9. Conclusions

This paper began with a discussion of the tension between commitment and flexibility that all states face in creating and implementing communications policy and rules. *Policy* was used to describe the major objectives a state reached by brokering the interests of various political groups. Once major agreement is reached on policy, *rules* are needed for the state to implement the policy. The institutions which are responsible for developing these *rules* were the subject of this paper. Given that the effectiveness of the regulatory institution depends largely on its independence – its ability to render similar decisions for similar cases, unlike in political discussions – what indicators can be used to characterize a regulatory regime as independent? In the main, these indicators reflect the regulatory institution's relationships with three other groups: other state institutions, industry, and consumers.

Relationship with other state institutions. While there should be some means to keep the regulator accountable to the public, an independent regulator has some measure of insulation from political winds. These can include

- A leader who cannot be dismissed for unpopular decisions
- A leader with a guaranteed term of office
- Scope of authority that is clearly distinct from the policy-maker
- Funding which is independent of political review

Relationship with industry. While industry can be a great source of market knowledge and technical data, the regulator must be independent from industry in order to be perceived as fair by other state institutions and consumers. Two markers of independence from industry include:

- Privately-owned incumbent telecommunications operator
- Minimal exchange of staff between the regulator and regulated firms

Relationship with consumer. Consumer interests are usually widely dispersed in the market and, therefore, their views are more easily overlooked both in the policy-making and rulemaking process. Regulators seeking to balance this against the strength of industry and other state institutions' views may make special efforts to collect and reflect consumer interests. Two indicators include:

- A dedicated office to consumer affairs
- A dedicated office to universal service, an important issue for consumers

In addition to these indicators, there are system processes that regulators can use to mediate all of its relationships with other state institutions, industry, and consumers. This paper covered two, decision-making processes and ethics rules. In several, well-established, independent regulators, there are common elements in decision-making and ethics rules which help manage their relationships with interest groups in a transparent manner. In decision-making, they had in common a three-step process which involved:

- public notice of rule changes
- opportunity for all parties to provide written, public comments
- followed by a written, public decision that includes the reasoning of the regulator.

In ethics rules, they had in common:

- rules for
    - gifts
    - conflicts of interest
    - post-employment
- which require regulatory employees to
    - avoid certain activities
    - disclose other activities
    - divest or resign from positions that presented conflicts
    - quarantine themselves from certain areas of regulatory work.

The following table summarizes how the surveyed regulators use these measures which can enhance their independence. The first three indicators, A-C, bear on the regulator's relationship with other state institutions; the next two, D and E, are relevant to its relationship with industry; F and G reflect its relationship with consumers, and the final columns, H through K reflect its overall decision-making and ethics rules.

Table 8: Indicators of Independent Regulators: Summary of 18 Country Survey (A-G) and 4 Country Survey (H-K)

	← Other State Institutions →			← Industry →		← Consumers →		← All Relationships →			
	A. Independent Leader	B. License issued by regulator only	C. Independent Funding	D. Privatized incumbent telco	E. Little staff mov't between reg and industry	F. Consumer office	G. Universal service office	H. 3-step decision-making process	I. Gift rules	J. Conflict of interest Rules	K. Post-employment rules
Australia	●	●				●	●				
Brazil	●	●	●	●		●	●				
Canada	●	●	●	●				●	●	●	●
Hong Kong	●	●	●	●				●	●	●	●
Hungary		●	●	●		●					
India					●	●	●				
Italy	●				●						
Japan					●						
Jordan		●				●					
Korea				●	●	●					
Malaysia		●	●		●						
N. Zealand				●							
Nigeria	●	●	●			●					
Singapore											
Spain	●		●	●							
Sri Lanka		●	●		●	●					
Sweden	●	●			●	●					
U.S.	●	●		●		●	●	●	●	●	●
U.K.								●	●	●	●

In no instance did any single regulator adopt the most independent option for all of the traits that were examined in this paper. However, nine of the countries have regulator(s) which used most of the tools outlined in this paper: Australia, Brazil, Canada, Hong Kong, Hungary, Nigeria, Sri Lanka, Sweden, and the United States. Among the eighteen countries in the first survey, most had regulators with the sole authority to issue wireline licenses and offices that represented consumer interests. At least half had independent leadership and independent funding. In democratic systems especially, demand for independent regulatory decisions must always be balanced against accountability of all institutions to the public. Which traits of independence are suitable for any one regulator to adopt will vary, depending on the state's institutional endowments and political culture. However, some combination of these traits is likely essential in establishing a regulatory institution perceived by all interested parties as independent.

Teaching Module
How to Talk About Ethics and Corruption Issues: Points Relevant to Independent Communications Regulators

When discussing issues of ethics and corruption, it is important to begin with facts rather than customary conceptions and biases. In recent years, the World Bank has undertaken systematic analysis which challenges traditional conceptions of corruption and governance issues. This short teaching module provides responses to common questions that may spark practical conversations about ethics and corruption.

How is corruption defined? Historically, corruption has referred to abuse of public office for private gain, a definition that focuses on illegal activity primarily by actors in the public sector. This definition tends to perpetuate the notion that there is a huge gap in ethical behavior between rich and poor countries. However, observations of corruption in practice show that it involves both public and private sector actors, and that if rules are shaped by vested interests, some legal activities may also be corrupt. This more sophisticated understanding of corruption captures activity common in wealthy countries and narrows the gap with emerging countries. Drawing on surveys of large firms undertaken by the World Economic Forum over the last several years, Figure 1 shows that the key constraints on business for emerging economies are policy instability, financing, bureaucracy, and corruption; for OECD countries, they are labor regulations, taxes, and bureaucracy.

Are wealthy countries less corrupt? Not necessarily. Another common misconception is that OECD countries perform better than other country groups in areas related to governance. While over the last decade, there has been little improvement in key areas of governance worldwide, what improvements there are have taken place in emerging economies such as the newly industrialized countries (NIC's) of East Asia. Figure 2 shows that from the companies' point of view, the OECD and newly industrialized countries (NIC's) of East Asia have nearly the same level of control over judicial bribery. Figure 3 shows that these companies believe that the NIC's have a more salutary business climate that the OECD group. More detailed analysis shows that there is substantial variation even among OECD countries. Businesses in Southern Europe experience more constraints in starting a new business that in Eastern Europe or in emerging economies.

Does higher income lead to better governance? No. Countries with good governance have higher incomes and better social indicators, not the other way around. Figure 4's vertical bars show simple correlation between good governance and better social indicators. The line graphs shows predicted value when taking into account causal effects: lower corruption causes lower infant mortality, lower regulatory burden and higher voice and accountability cause higher per capita income, and better rule of law improves literacy. However, the reverse causality is not true; higher incomes do not lead to better governance.

Is good governance culturally determined? No. The World Bank, when discussing ethics with various audiences, conducts the following class exercise.

- If you approach your car in an empty and unattended garage late at night,
- You see an envelope on the floor and pick it up,
- The envelope contains 20 bills of US$100 each,
- What would you do with the envelope?

As Figure 5 shows, if there was no possibility that anyone would know – no cameras, no monitoring, no reporting -- 33% would report and return the funds. If there was a 30% probability that information might be shared, such as a camera recording which could be reviewed -- 74% would report and return the funds. Kaufmann reports that the results of these class exercises are similar even when the participants are from different cultural backgrounds. The difference in behavior reflects difference in incentives, not in culture.

Further, Figure 6 on frequency of bribery, based on surveys of companies, show that OECD-based multinationals behave differently in OECD countries than in non-OECD countries. In this situation, the cultural values of the multinationals are constant, but because they face different incentives they behave differently. This graph also shows compared with multinationals, domestic companies in non-OECD countries pay bribes more frequently; local business are hurt more than multinationals.

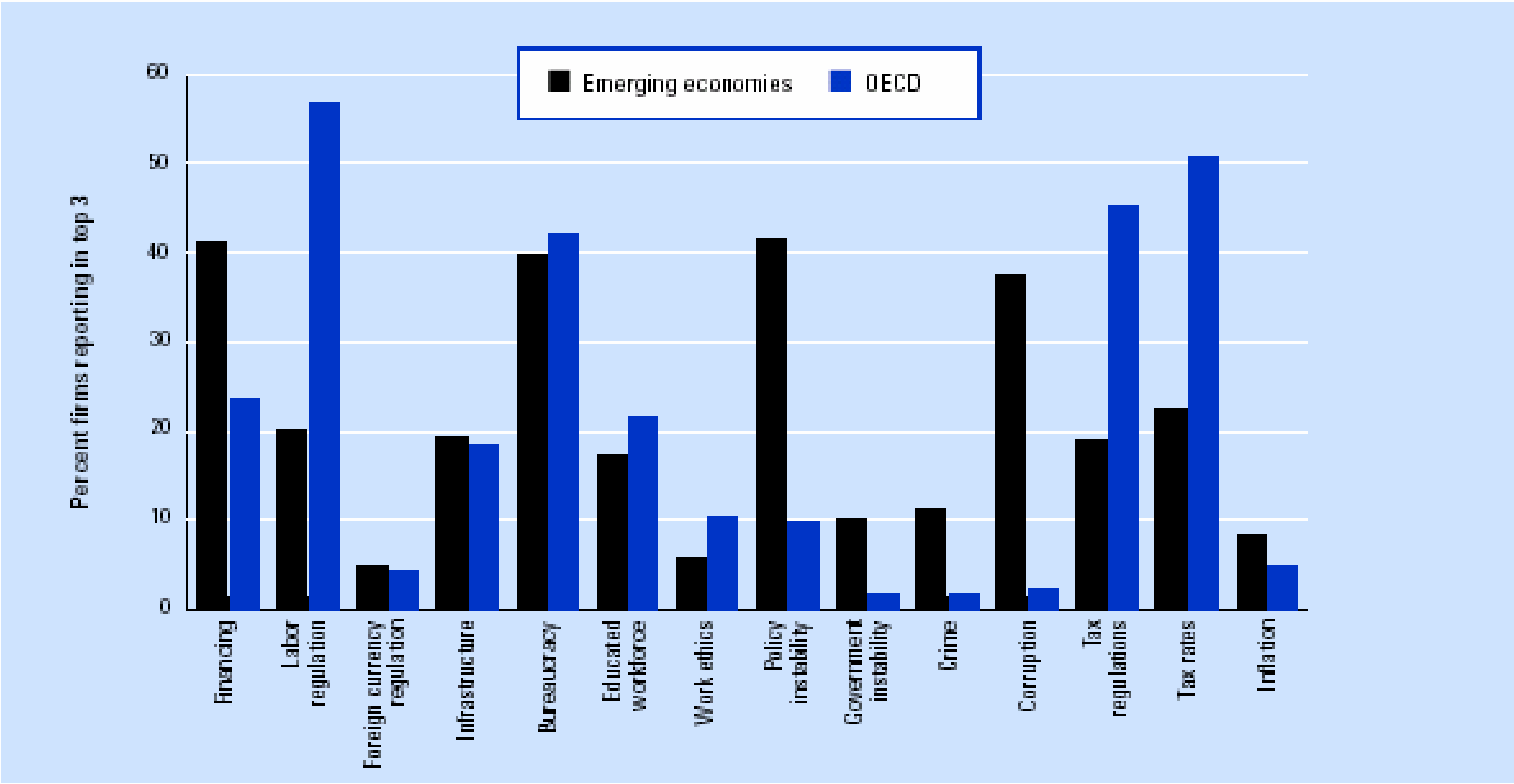
Relevance for communications regulators. The concerns about policy instability, corruption, and bureaucracy are directly relevant to communications regulators. The more regulators can institutionalize regulatory credibility, make procedures streamlined and more transparent, and encourage ethical behavior, the more likely the market will develop well. Research shows that regulators that best utilize the most tools to establish their independence are from a wide range of regions and levels of economic development. Wealth does not determine the quality of the regulation. Finally, if at a macroeconomic level there is a good governance dividend, communications regulators can be hopeful that good governance at the sector level will result in better services to more people, and generally improved consumer welfare.

References

Kaufmann, Daniel. “Corruption, Governance and Security: Challenges for Rich Countries and the World.” In *Global Competitiveness Report 2004/2005.* World Economic Forum. pp 83-102. Figures 1, 2, 3, and 5 are drawn from this article.

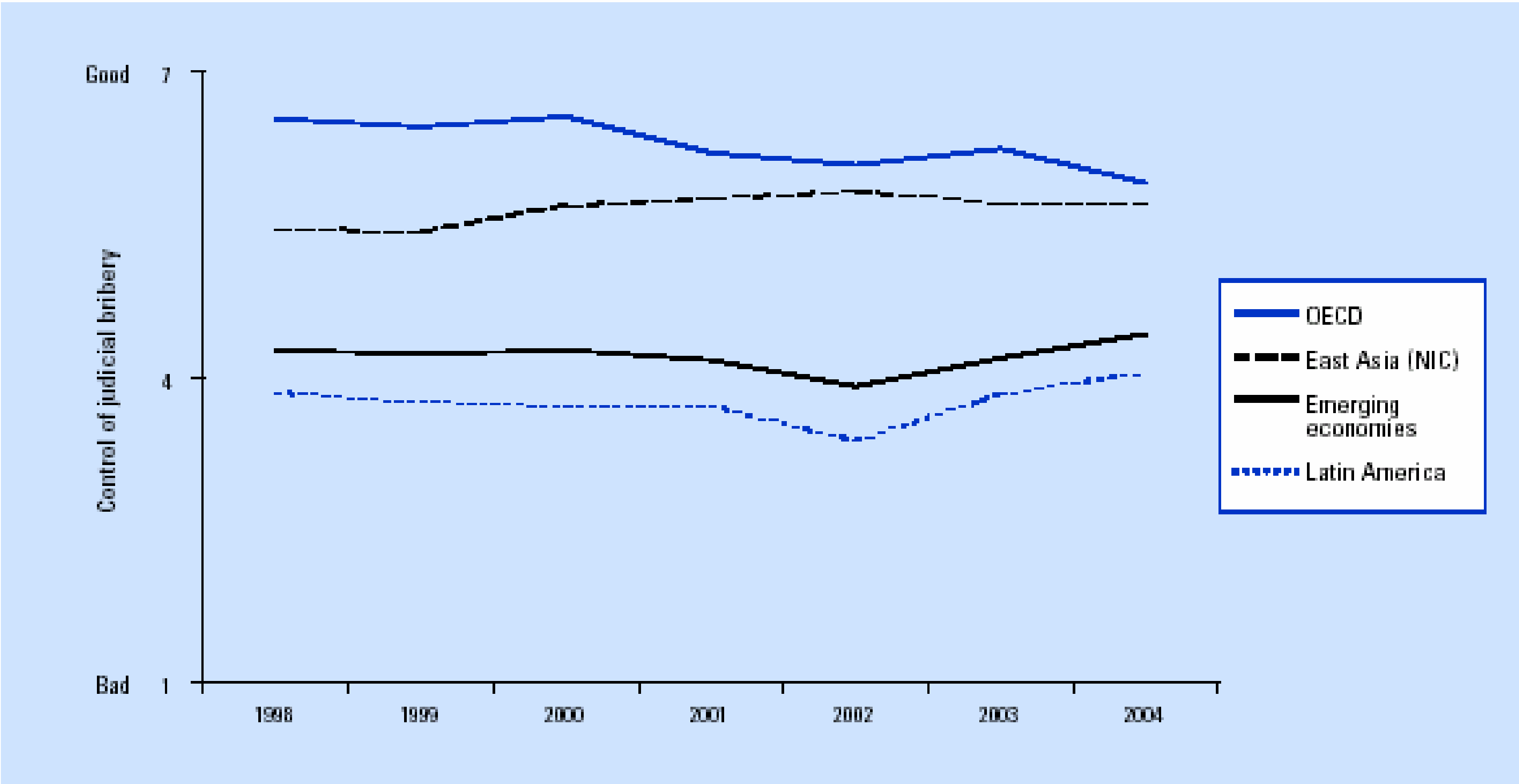
Kaufmann, Daniel. “Debunking Myths on Worldwide Governance and Corruption: the Challenge of Empirics -- and Implications.” 2005 David B. Goodman Lecture, University of Toronto, February 10, 2005. See www.worldbank.org/wbi/governance.

Figure 1: Key Constraints to Business: OECD vs. Emerging Economies, 2004



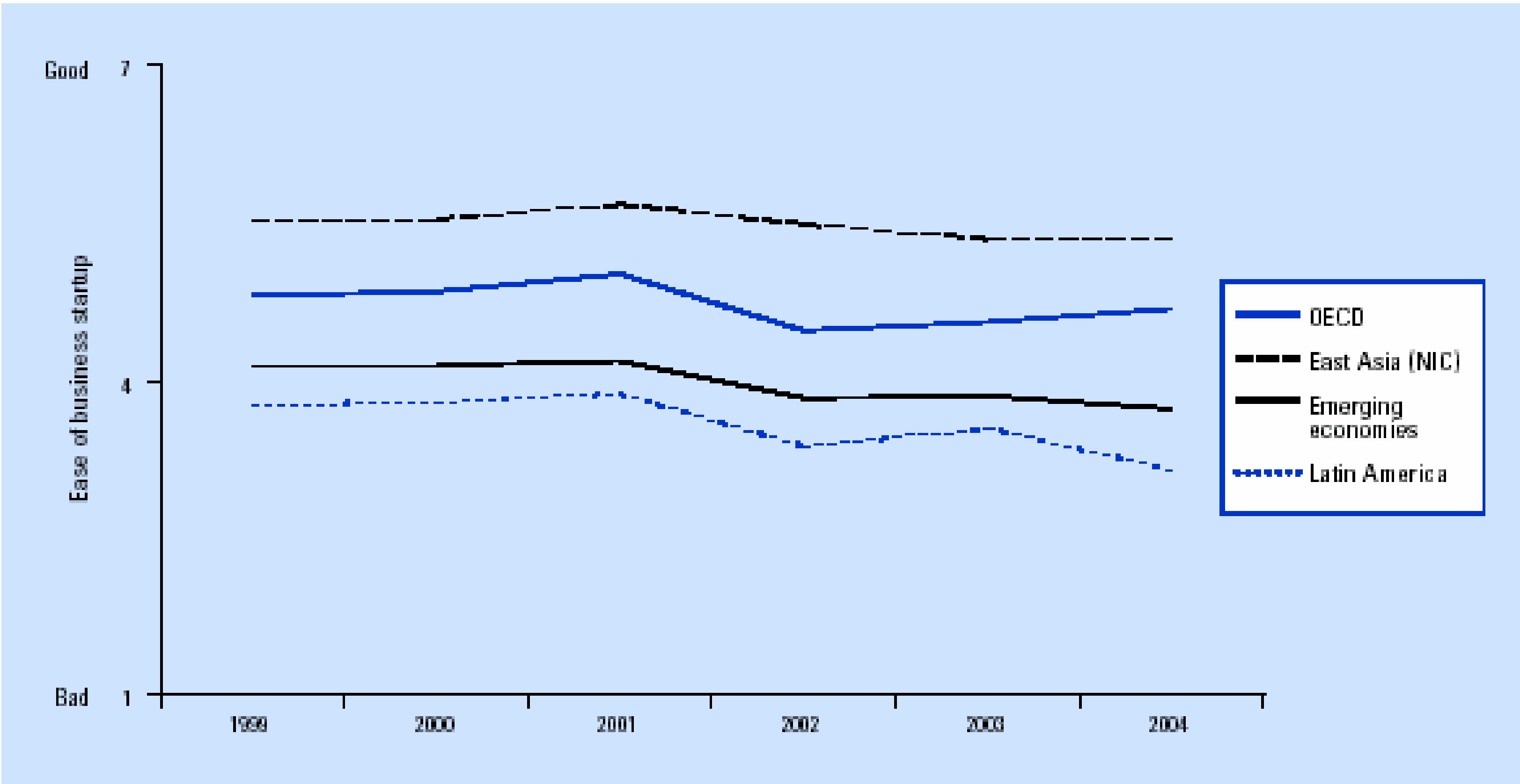
Source: EOS 2004 question: *"From the following list (including all constraints depicted in the figure) please select the five most problematic factors for doing business in your country, and rank them from 1 to 5."*

Figure 2: Control of Judicial Bribery Over Time: EOS 1998-2004



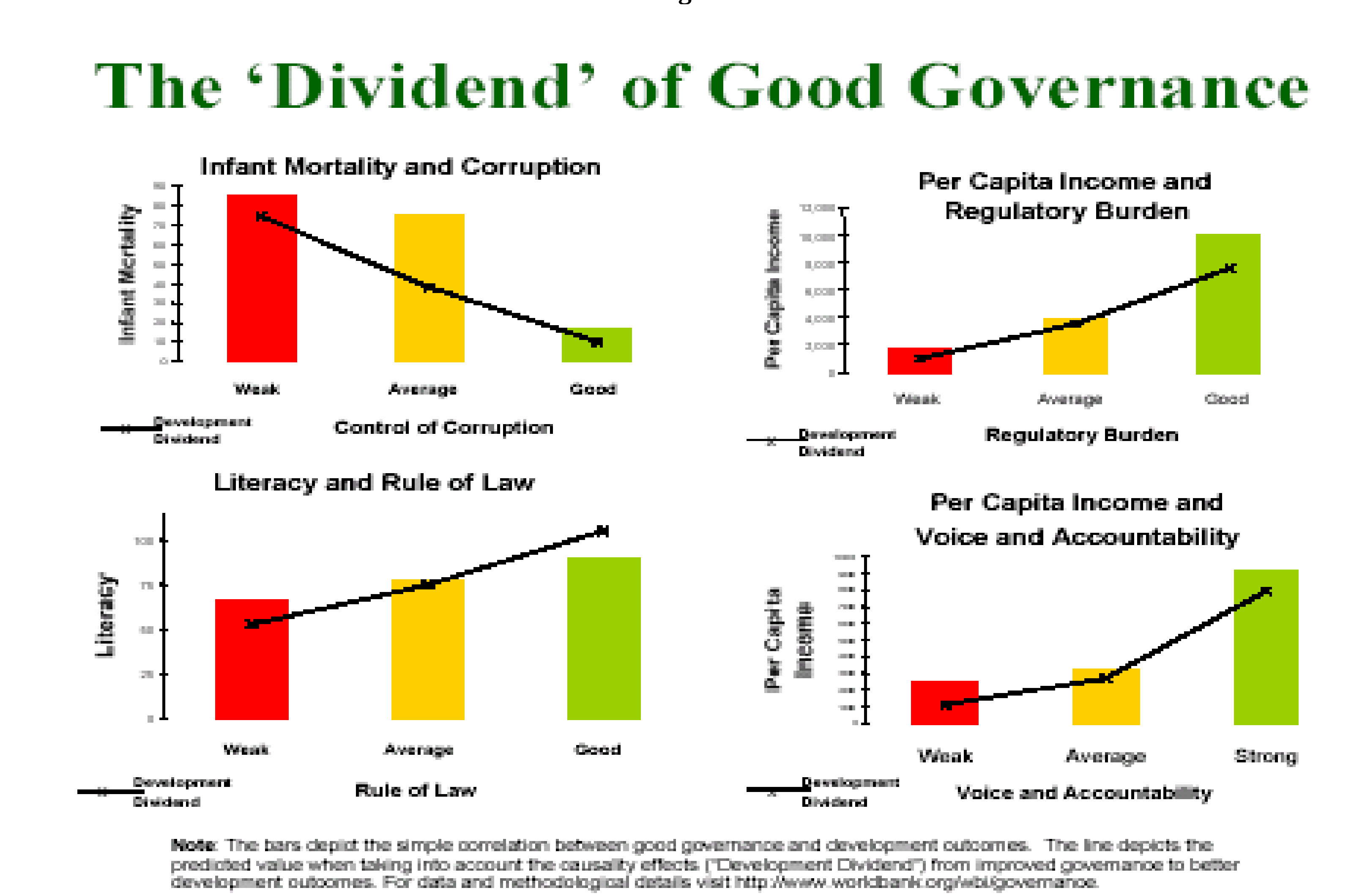
Source: EOS 1998–2004 question: *"In your industry, how commonly do firms make undocumented extra payments or bribes connected to getting favorable judicial decisions? commonly/never occur."*

Figure 3: Ease of Business Startup Over Time : EOS 1999-2004



Source: EOS 1999–2004 question: *"Starting a new business in your country is generally extremely difficult / easy."* Ease of business startup (dependent) variable taken from EOS 2004. Number of days, minimum capital, and complexity index to start up a business, taken from the database in "Doing Business in 2004" (World Bank, 2003). Control of corruption, taken from worldwide aggregate governance indicators for 2002 (Kaufmann et al. 2003).

Figure 4



The 'Dividend' of Good Governance
Infant Mortality and Corruption
Infant Mortality
Weak
Average
Good
Development Dividend
Control of Corruption
Per Capita Income and Regulatory Burden
Per Capita Income
Weak
Average
Good
Development Dividend
Regulatory Burden
Literacy and Rule of Law
Literacy
Weak
Average
Good
Development Dividend
Rule of Law
Per Capita Income and Voice and Accountability
Per Capita Income
Weak
Average
Strong
Development Dividend
Voice and Accountability
Note: The bars depict the simple correlation between good governance and development outcomes. The line depicts the predicted value when taking into account the causality effects ("Development Dividend") from improved governance to better development outcomes. For data and methodological details visit http://www.worldbank.org/wbi/governance.

Figure 5: If You Found US$2000, What Would You Do?
the Role of Incentives and Information Sharing in Ethical Behavior

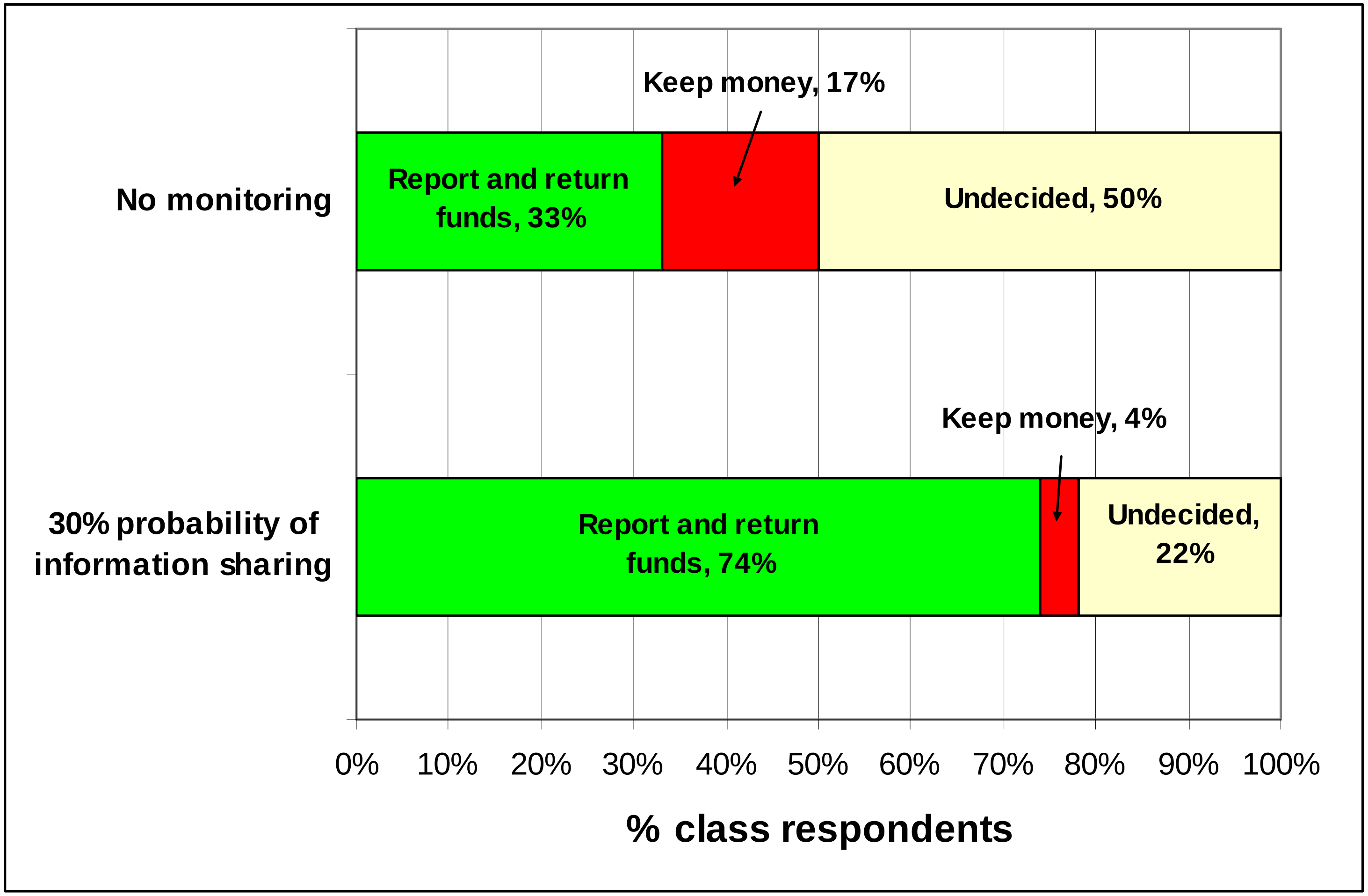
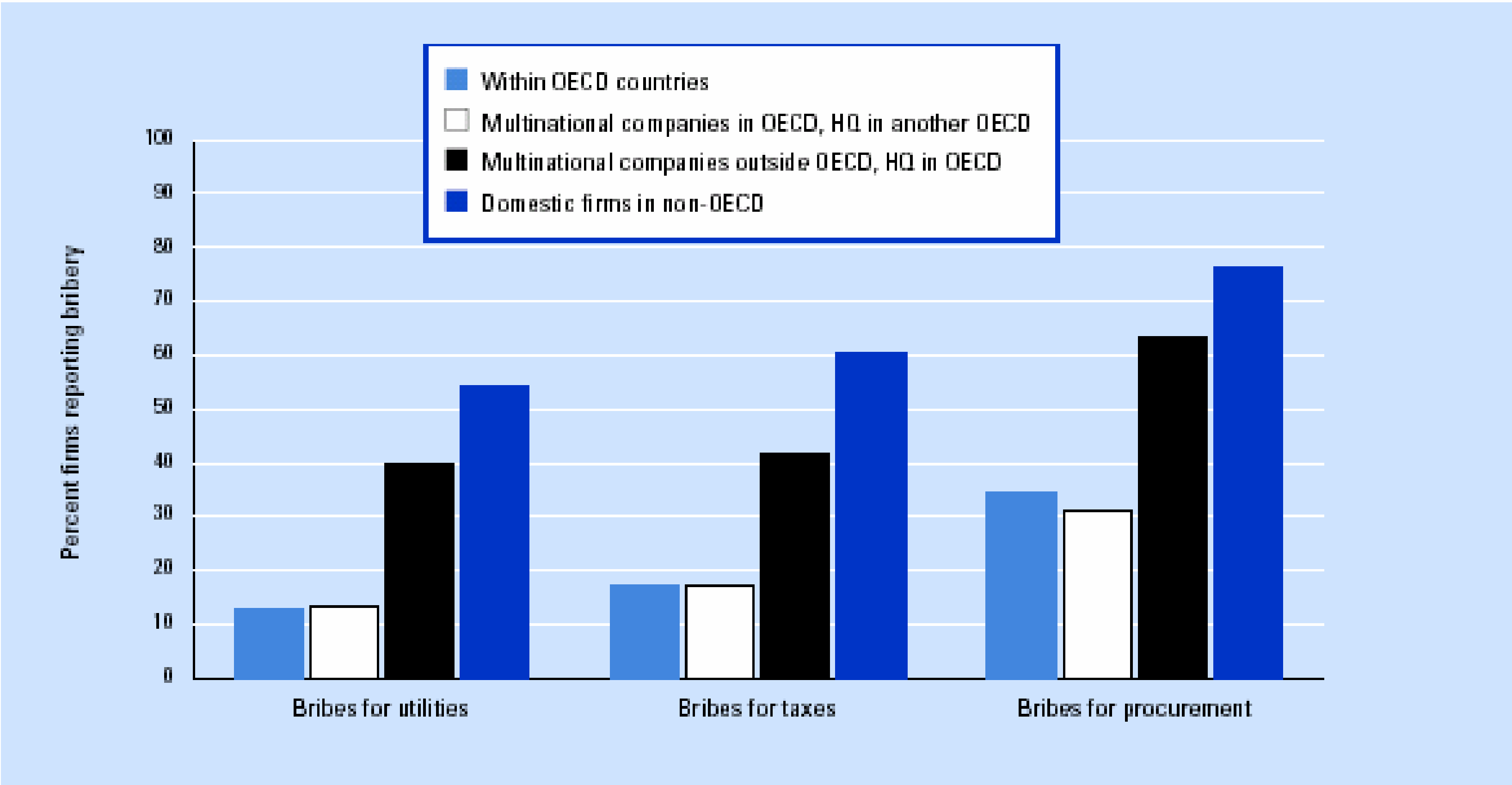


Figure 6: Frequency of Bribery at Home and Abroad: EOS, 2004



Source: EOS 2004. The percentage of firms reporting incidence of bribery within its group in the country is depicted in each case. EOS question on which these calculations are based: *"In your industry, how commonly would you estimate that firms make undocumented extra payments or bribes connected with the following: public utilities, tax payments, awarding of public contracts? very common (1) / never occur (7)"*. Any firms reporting answers 1 through 5 were considered to be reporting at least some frequency of bribery, while answers of 6 and 7 were not.

Appendix: The Surveys

Two sets of surveys were used: an eighteen-country market survey on the organization of the regulatory institutions in June 2003 and a four-country study of decision-making procedures and ethics rules in August 2002. The four-country study by the author and Cathleen Hsu is available on the FCC website. Data were collected directly from regulators. Further information was collected in correspondence, materials, and interviews with officials from the Canadian Radio-Television Commission, Hong Kong's Office of the Telecommunications Authority, the United Kingdom's Office of Telecommunications, and our own organization the United States Federal Communications Commission.

In the eighteen-market survey of regulators, countries were chosen because the FCC staff have recently seen significant improvement in their communications network development. Also, there was a special effort to collect information from emerging countries with smaller populations, as information on larger markets is often available already. Of the eighteen countries in the survey, six had populations of less than 10 million, nine had populations of less than 20 million. Of the eighteen, seven had per capita income of less than US$10,000 per year. Nigeria, India, and Sri Lanka, have fewer than 20 telephones (wireline and wireless) per 100 people. Jordan, Brazil, and Malaysia, have fewer than 60 telephones per 100 people. All other countries have at least one phone per person; the highest, Sweden has 1.6 phones per person. Five countries had 20 television sets per 100 people or less. The two highest countries, the United States and Sweden, had more than 80 television sets per 100 people. Where markets have separate regulators for telecommunications and broadcast, efforts were made to include both, although not in all cases were responses received. Future research on differently derived sets of countries will show whether this selection criteria introduces distortions that affect the paper's conclusions. A copy of the questionnaire for the 18 country survey and a list of which institutions responded follows.

Organizing an Effective Regulatory Regime for the Communications Industry

The FCC International Bureau's analysis office is undertaking a study of institutions responsible for telecommunications and broadcasting regulation. The results of the study will be compiled, analyzed and offered as a reference to regulators and others who seek technical assistance from the FCC. We believe your regime is a good example of an effective regulatory regime, and would appreciate learning some details about your organization and how it works.

Questions: organizational issues

1. How many officials are in your organization?
2. Can you provide an organizational chart, indicating how many staff are in each unit?
3. What percentage of the staff come each profession - i.e., engineers, economists, attorneys, accountants, etc?
4. In the course of an individual career, is it common for someone to serve as an official and then move to work in industry, or vice versa?
5. In the course of an individual career, is it common for someone to move from one government organization to another?
6. Are there procedures for recruitment of personnel, or examinations to admit officials into the government?
7. How is your organization funded?
8. How is the head of your organization selected? How long may the head serve in the office, and are there other conditions to the office? What would cause the head of the organization to leave?
9. With which other organizations in the government do you work closely, and what is your organization's relationship to them?

Questions: telecommunications

What offices are involved:

1. When issuing a new wireline license?
2. When issuing a new wireless license?
3. If there is a dispute between operators over interconnection?
4. If a wireless operator has a complaint about interference?
5. If the consumers prices for local or long distance are going to change?
6. If a consumer has a complaint about an operator?
7. In organizing and implementing a universal access plan, if any?
8. In enforcing rules, issuing fines, and other judgments?

Questions - broadcasting

1. Which offices are involved:
2. When issuing a new cable television, satellite TV, or terrestrial TV or radio license?
3. When disputes arise between broadcasters and program providers?
4. When a viewer has complaints about a program?
5. When deciding which programs a broadcaster is required to carry?

Questions - Internet

1. Which offices are involved:
2. When issuing a license, if a license is required?
3. When a consumer has a complaint about an Internet service provider?
4. If there are disputes between Internet service providers?

Communications Regulatory Organizations

(Survey responses from italicized organizations)

Country	Telecommunications	Broadcast	Internet
Australia	*Australian Communications Authority (ACA),* Australian Consumer and Competition Commission	*Australian Broadcast Authority (ABA)*	*ACA*, Australian Consumer and Competition Commission
Brazil	*Agência Nacional de Telecomunicações (ANATEL)*	*Anatel*	
Canada	*Canadian Radio Telecommunications Commission (CRTC)*	*CRTC*	*CRTC*
Hong Kong	*Office of the Telecommunications Authority (OFTA)*	Broadcast Authority, Television and Entertainment Licensing Authority	*OFTA*
Hungary	*Hírközlési Felügyelet (HIF)*	National Radio and Television Committee (ORTT)	Ministry of Informatics and Communications (MIC)
India	*Telecommunications Regulatory Authority of India (TRAI)*, Department of Telecommunications	Ministry of Information and Broadcasting	Department of Telecommunications, Ministry of Communications and Information Technology
Italy	*Autorità per le Garanzie nelle Comunicazioni (AGCOM)*	*AGCOM*	*AGCOM*
Japan	*Ministry of Public Management, Home Affairs, Posts and Telecommunications (MPHPT)*	*MPHPT*	*MPHPT*
Jordan	*Telecommunications Regulatory Commission (TRC)*	Information and Media Commission	*TRC*
Korea	*Ministry of Information and Communications (MIC)*	*Korea Broadcast Commission (KBC)*	*MIC*
Malaysia	*Malaysia Communications and Multimedia Commission (MCMC)*	*MCMC*	*MCMC*
New Zealand	*Commerce Commission (CC)*	Broadcasting Standards Authority	
Nigeria	*Nigerian Communications Commission (NCC)*		*NCC*
Singapore	*Infocomm Development Agency (IDA)*	Media Development Authority (MDA)	*IDA*
Spain	*Comisión del Mercado de las Telecomunicaciones (CMT)*	Ministry of Science and Technology, *CMT*	
Sri Lanka	*Telecom Regulatory Commission (TRC)*, Ministry of Mass Communications	Ministry of Mass Communications	*TRC*
Sweden	*Post and Telestyrelsen (PTS)*	*Swedish Broadcast Commission (SBC)*	*PTS*
United States	*Federal Communications Commission (FCC)*	*FCC*	*FCC*

Notes of appreciation

For the eighteen-country survey, many FCC colleagues contributed work: Patrick Boateng, Bob Somers, Richard Nunno, Emily Talaga, Alan Thomas, Anita Dey, and Sean Don Abelson, Patricia Cooper, Kathryn O'Brien, John Giusti, Doug Webbink and Tracey Weisler provided useful comments. For the four-country study of decision-making and ethics rules, a variety of foreign officials were generous with their time and information. From Canada, Helene Cholette-Lacasse, Industry Canada; Valerie Dionne, CRTC; Douglas Heath, Canadian Embassy, Washington, DC; William Howard, CRTC; Allan Rosenzveig, CRTC. From Hong Kong, M.H. Au, OFTA. From the United Kingdom, Vincent Affleck, Oftel; Geoff Delamere, Oftel; and Simon Towler, British Embassy, Washington, DC. Also, throughout, Xia Mei of the FCC library was gracious and prompt in her assistance. However, if despite the guidance and suggestions of all these people there are still errors and misjudgments in the paper, I am responsible for them.