Q&A
Intermedia talks to PABLO MÁRQUEZ, executive director of Colombia’s communications regulator

Q: WHAT IS THE HISTORY OF THE COMISIÓN DE REGULACIÓN DE COMUNICACIONES (CRC)?
A: It’s quite a young regulator, set up in 1994 – before that the regulator was just based in an office in the ministry of communications. At that time, it was mainly concerned with fixed-line telephony and was starting to allocate mobile licences. Now we have much wider scope. In particular, various laws and decrees passed since 1999 have aimed to make us a converged regulator – our name has changed from ‘telecoms’ to ‘communications’ and we have gained responsibility for TV and post, and are tasked with promoting competition and preventing the abuse of market dominance. Before, there were four authorities for various services, and it was difficult for users to find out who was responsible for a particular issue. So what we do now is fixed telephony, TV, internet and broadband, everything related to mobiles, and also postal services, often included in communications regulation in other countries. It isn’t easy to produce regulation for different services in a converged regime in a short time but we are getting there.

Q: HOW LONG HAVE YOU BEEN IN POST AND WHAT IS YOUR EXPERIENCE?
A: I have headed the CRC for more than a year now – before I was head of anti-trust at our competition authority, so I have moved from ex-post to ex-ante regulation. I am a lawyer and have a background in economics – I spent six years at the competition authority so this is a strong part of my experience. As the CRC is essentially the competition regulator for communications, the transition has been straightforward for me. It is also the kind of move we see in other countries, in both directions, between regulators and enforcers. It’s interesting to look at competition in markets other than telecoms as of course we don’t always start off by applying the best solutions to the sector. Other sectors can give you more tools and better remedies.

Q: WHAT IS A GOOD EXAMPLE OF APPLYING KNOWLEDGE FROM OTHER SECTORS?
A: I also have a background in consumer protection – in the electricity market, for example, regulation has long established that you are entitled not to be charged for the service if you don’t have access to it. In telecoms, companies were never liable for failing to provide a service, so it has been important that we now have regulation to remedy this, as defined by the electricity sector. Competition authorities often have a lot of power to impose remedies that are not usually applied to telecoms, at least not historically in Colombia. At the CRC we are now applying such competition approaches to better control market structures.

Q: WHAT RESULTS HAVE YOU HAD SO FAR?
A: One result is that quality of service indicators have improved a lot – now operators don’t have an opportunity to collude in low quality as it just doesn’t pay any more. We have stricter indicators on dropped and unsuccessful calls and more detailed geographical measures of quality of service. What happened before is that if a call was dropped the user had to pay anyway – now he or she has to have their money returned. This is automatic and users don’t have to make a complaint. It internalises the cost to the operator, which loses by offering bad quality. Applying remedies like this can change dramatically how operators deliver service.

Q: WHAT IS THE CURRENT INFRASTRUCTURE AND SERVICES PICTURE IN COLOMBIA?
A: We have developed a national fibre backbone network – by the end of 2014 all the country will be connected and it will enable the rollout of 4G, which is essentially a fibre-based service. But the OECD – which incidentally Colombia is joining – has highlighted a number of challenges for us. First, we need a better framework for internet governance – we may have the infrastructure but we lack services and applications, so from the regulatory viewpoint we are aiming to develop a system that gives operators more incentives to offer more services and applications so that the country can profit from networks that have been built with public-private finance.

There are certain market issues that need to be resolved – we had three mobile operators at the time of our 3G auction but that’s now gone up to six operators with our 4G auction – and we hope that by this summer all six will be operational and will give more options to users, with most based on 4G networks.

And, now having TV in our portfolio, we are developing a new framework of regulation to promote convergence. Telecoms companies are mainly focused on internet and mobiles, not TV.
At present the biggest problem in Latin America is market concentration, which leads to poor competition.

and TV companies have not be able to produce triple and quad play offers that could further consolidate the market – they should at least offer triple play. We don’t regulate content though – our congress made a wise decision in also setting up a national TV agency for that. But overall this year is turning out to be a challenging one in terms of changing technologies and consolidation.

What about broadband and the internet?
A We are not involved so much here – we have some regulations on net neutrality, which is very important at present, and some interconnection regulations, but we have not obliged ISPs to sign interconnection agreements – here we have been prudent not to over-regulate in an area that is developing at a very fast pace. We have though given much advice to government on subsidies for people to access the internet as most Colombians don’t yet have access, although the government also has other projects such as Compartel, which comprises several hundred community internet centres in remote regions.

Who do you look to network with?
A We learn a lot from other regulators – although market conditions are different many problems are the same. In Latin America we have Regulatel, which is the forum for regulators in our region, and similar to BEREC in Europe. It meets three times a year. At present the biggest problem in Latin America – from Mexico down to Argentina – is market concentration, which leads to poor competition and poor consumer protection. In Brazil for example there are a lot of mergers that might lead to lack of competition. I believe that if we can find good regimes for consumer protection, that leads to better competition and will solve a lot of the problems we face in Latin America.

At CRC we are developing a platform that can show the arguments we gave to the same issues that other regulators are facing, such as how we approach a dominant operator that says it is not dominant. This knowledge transfer platform can not only communicate our experience but also include that of other countries in Latin America, so that other regulators are facing, such as how we can learn from their successes – and mistakes.

I enjoyed the IIC’s regulators’ forum in London – it showed how diverse countries are, from tough challenges ahead in Mongolia to places where markets seem to do it all, as in Hong Kong. Discussion on issues such as content also helped to compare the various political difficulties that national regulators face.

What’s the vision you would like to promote this year about the CRC?
A We would like to see the CRC recognised as an innovative authority that not only can be a reference for generating an effective converged regulatory framework that boosts the ICT sector, but also for maximising the social welfare and rights of users.