

DC CURRENTS

The IIC's TMF in Washington, DC came at the end of a tumultuous year in world politics, adding spice to the views of the assembled experts

The customary year-end Telecommunications and Media Forum returned to Washington, DC hot on the trail of the unexpected result of the US election. The forum, hosted by Verizon, dedicated its final sessions to discussing the two huge political shocks of 2016 – Brexit and the Trump victory – while keynote presentations – from the Pew Center, Federal Trade Commission (FTC), Verizon and Bell Labs – fired up the opening day.

THE REVOLUTION WILL NOT BE TELEVISED

The first session was all about new technology. In the opening keynote presentation, Lee Rainie, director of internet, science and technology research at the Pew Center, described how users anticipate the next technology revolution.

Currently, 90% of US adults use the internet and 56% of internet users have at least two social media accounts. The internet of things is likely to connect over 12 billion devices by 2020 (figure from Cisco)

and experts predict the internet will become 'like electricity' – less visible, yet more deeply embedded in people's lives. However, 52% of US adults are ill prepared for digital life and many are worried about their jobs being taken by smarter algorithms. Just under

half of experts surveyed also believe that technology will replace many current human jobs in 50 years. Other sources of concern include the possibility that existing divides may deepen, as algorithms reflect the bias of their programmers or the limitations of the datasets, and that humans may increasingly be left out of the loop.

Speaking about consumer protection at the FTC, commissioner Terrell McSweeney underlined the importance of the data-driven economy in her keynote presentation. In 2015, the top 15 internet firms had a market capitalisation of \$2.4 trillion: a huge industry, which relies on consumer trust. This new economy brings many benefits, but also new risks for consumers, including discrimination or criminal activity. To minimise those risks, the FTC relies on the three principles of transparency, choice and context. It also actively supports privacy by design, safety by design and, increasingly, ethics by design. As computerised decision-making

becomes ubiquitous, it should be subjected to human oversight consistent with good public policy, to ensure that artificial intelligence systems work effectively with people, and that their operation will remain consistent with human values and aspirations.

Verizon's Peter Davidson illustrated the company's 5G developments: they are very infrastructure hungry as they require massive fibre deployment, and the technology and telecoms industries are now investing about \$50 billion a year in capital expenditure. In addition to investments, Verizon has set up open labs freely available to the tech industry, where 5G products, apps and services can be developed and tested.

INCLUSIVE 5G

In the final keynote of the day, then chairman of the Federal Communications Commission, Tom Wheeler, presented the FCC recipe for 5G: make spectrum available, encourage innovation, drive competition and "stay out of the way of technological development". He mentioned the complexities of multiplying local network sites and, of course, security as key challenges. He also made an impassioned call for industry and policymakers to exploit the unique opportunity of a nascent technology to overcome the challenges of disability, by incorporating accessibility features into off-the-shelf products.

THE FUTURE IS BRIGHT

The disruptive potential of new technologies became even clearer with the afternoon keynote from Marcus Weldon, president of Bell Labs and chief technology officer of Nokia, who described the digital networks, systems and platforms for the 'automation of everything'. Pointing out that future networks will be serving industry, not consumers, he argued that because of the lower latency required by industrial applications, data will need to travel shorter distances. Networks will need to become a lot more distributed and automated.

As more and more intelligence is built into industry, consumers will be able to obtain personalised versions of their chosen products that will be sent as files and 3D, printed locally. Also, will automation take care of most of the mundane tasks we currently do, leaving us with more free time for higher, or more pleasant, tasks? Time is the commodity of the future, he reckoned.



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I SHOT THE SHERIFF

The conversation then turned to the impact of the new technologies on regulation. Jeff Brueggeman (AT&T) used the example of the driverless car to point out how a plurality of agencies have oversight over the same application and several companies may need to share consumer data. Regulatory frameworks need to work across industries, for example on privacy. Industry specific regulatory oversight should only be retained where it is truly necessary.

Robert Pepper (Facebook) also called for more horizontal regulation, as today's services may not be linked to a particular network, player or even country. Google's Sarah Holland explained that the company is developing machine learning (making machines that learn, as opposed to machines that are smart), which is the invisible backbone in many Google core products. As machines learn from data, it becomes very important that datasets are complete and representative. From a regulatory viewpoint, it is important to fill the gaps between agencies but also recognise the role of best practice: there is a lot we do not know about the technology, and there is a lot that we can develop along the way.

Sumit Sharma (Oxera) stressed how challenging competition policy becomes when we look at interdependent ecosystems: inter-relationships are relevant when it comes to market power and case-specific analysis may be a better policy instrument than revenue or pricing indicators.

In the discussion, a consensus emerged that companies need to support research and share their knowledge about technology not only with regulators, but also with the wider civil society. Opportunities to learn from each other should be set up and included in the regulatory process.

MEET ME HALFWAY...

Session 2 focused on the latest international policy meetings, with Julie Zoller (US Department of State) reporting on the World Telecommunication Standardization Assembly (WTSA) recently concluded in Tunisia and Veni Markovski (ICANN) reporting on the ICANN 57th meeting in Hyderabad, India. Zoller stressed the need to engage in conversations before ITU meetings, to ensure there is some level of mutual understanding that can progress at the meeting.

The panel further discussed the challenges of shaping international policy with delegates who have no technical knowledge, as internet security, privacy and human rights are discussed at the UN. Alfredo Timermans (Telefónica) remarked that too many international forums seem to be competing to become the space where international regulation takes place, which is confusing and risks compromising the very useful coordination roles of the ITU.

After reporting on the transformation of ICANN, Fiona Alexander (National Telecommunications and Information Administration, NTIA), asked how these multi-stakeholder models should evolve, and Ellen Blackler (Walt Disney) explained the changes taking place at the Internet Governance Forum, another



Clockwise from top left: Terrell McSweeney, FTC commissioner; Verizon's Peter Davidson; Nokia's Marcus Weldon; Robert Holleyman, then deputy US trade representative

multi-stakeholder model. The key ingredients of these models – inclusiveness, openness, transparency, and decisions reached by consensus – were widely praised in the ensuing discussion, and many felt that applying the same openness and transparency to the ITU and UN would improve their work significantly.

BREXIT MEANS BREXIT...

The implications of Brexit for trans-Atlantic ICT policy were the focus of the panel discussions in Session 3. Ambassador Robert Holleyman (then deputy US trade representative) argued that since



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the UK is the EU's largest digital market, its decision to leave the EU changes some elements of the value proposition of a US trade agreement with the EU. In any event, election campaigning made it clear that US approval of the Trans-Pacific Partnership (TPP) is not on the agenda for 2017 [and indeed

withdrawal was one of the first actions of the Trump administration].

Elena Scaramuzzi (Cullen International) added that once it exits from the EU, the UK would no longer be able to take any part in EU decisions on the digital single market (DSM), but there would be some positive consequences too. For example, since EU rules on state aid will no longer apply, the UK will have more leeway for direct government investment in telecoms. Sanford Reback (Akamai) ➔

Technologies) listed the many things that remained uncertain, including how the UK will proceed after triggering Article 50 [as it did in March 2017], and the future of the European Union, given the refugee crisis, the rise of nationalism, the future of Nato... Most likely, significant changes will not take place immediately, and in the future, a UK-US bilateral agreement could be what happens.

Ann LaFrance (Squire Patton Boggs), highlighted data protection: the UK's recent Investigatory Powers Act has been challenged in the EU courts and the General Data Protection Regulation (GDPR) from the EU is likely to be applicable before Brexit can truly happen. Also, as the EU debates extending some regulatory requirements to number-based over the top (OTT) players, one possible development could be that a lighter approach in Britain may make it the digital hub of geographic Europe once the UK leaves the EU.

NET NEUTRALITY AROUND THE WORLD

Most of the panellists discussing net neutrality principles in this session expected that the new administration would reset these rules. As Russell Hanser (Wilkinson Barker Knauer) further explained, net neutrality rules were successfully challenged in court by a number of ISPs. Jeffrey Campbell (Cisco) reported that the Trump administration would not only reverse the current regulations, but maybe propose new legislation as well.

What about the rest of the world? Practices like zero rating and pay prioritisation may look different when analysed within the context of small developing countries, argued David Geary (Digicel). They help drive data usage and technology take up. Principles such as no blocking and no tracking, and any intervention, should only occur in the case of clear evidence of harm to consumers. Many countries around the world are getting on just fine without these rules.

His views were echoed by Irene Kagwa Sewankambo (Uganda Communications Commission), who also praised the potential of zero rating, for example in driving take up of healthcare or education applications. The UCC has found that the 'wait and see' approach has worked better than ex-ante rules, and has also given better incentives for innovation. Dhanaraj Thakur (Alliance for Affordable Internet, World Wide Web Foundation) presented research on zero-rated services from developing countries, suggesting that there is no evidence of consumer harm, and no evidence of detrimental effects on competition. Defending the benefits of zero rating, Nicol Turner-Lee, (Center for Technology Innovation, Brookings Institution) added that the issue of service affordability remains relevant in the US as well.

Comments from the floor and the panel suggested that although it may not be the solution to the digital divide, or at least not as much as initially hoped, zero rating is certainly helpful in bringing relevant content to people, fostering the digital mindset, and helping users manage their data budgets. It also helps increase take up rates in



Colleagues in arms: left, the IIC's Amanda Crabbe with the FCC's Tom Sullivan and Facebook's Robert Pepper; right, IIC president Chris Chapman with the then FCC chairman, Tom Wheeler

poorer countries with low ARPU. Opponents worry that it exposes people to bias and offers a walled garden view of the internet, although this is not the case with non-exclusive offers.

The debate has moved from an ideological phase – 'zero rating is against the open nature of the internet' – to a more pragmatic approach that recognises that these are nuanced decisions, dealing with different situations and many variations of data plans.

GIVE ME FIVE...

Last but not least, panellists in the final session were asked to propose five priorities for the Trump administration. Andrew Haire (IIC), sketched the ideal regulator as being goal/outcome driven and working towards deregulation, using a light touch approach – as much as possible – to promote the public interest. As to the priorities, the first is upgrading competition policy tools to improve understanding of the value of data rather than just looking at company revenues. Second, more training is needed. Finally, the regulator needs to be open, transparent, fast and decisive.

For Adolfo Cuevas Teja (Federal Institute of Telecommunications, Mexico) regulation and public policy have to put people at the centre. That is the most important reference, both in the economic dimension as consumers and in the political interest as citizens. However, change cannot happen through the regulator alone; it has to come from the entire political system. Nicol Turner-Lee (Brookings



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Institution) observed that with a Republican majority in both houses in the US, the current administration has a unique chance to push policy and it should do so looking forward, rather than focusing on undoing what had been done in the past. Peter Davidson (Verizon) reckoned that telecoms reform is not high on the agenda – it is more likely to happen in 2018 and likely to call for light touch, ex-post regulation underpinned by broad, transparent rules.