

# NGN, IP interconnection and the effects on existing business models and competition in the telecom sector

**Abstract for the ITS Europe 2007 conference  
September 2-4, 2007, Istanbul**

By

Dr. Ernst-Olav Ruhle

JUCONOMY CONSULTING AG, Graf-Recke-Str. 82, D-40239 Düsseldorf, Germany

<http://www.juconomy.com>

Tel: +49-211-6878880; Fax: + 49-211-68788833

mail: ruhle@juconomy.com

In recent years, the tendency towards a substantial change in the roll out of electronic communications networks has become visible due to the accelerating importance of next generation networks. These NGNs, depending on whether they affect only the core network or also the access network have a strong impact on the design of the market for electronic communications in general, but specifically on intercarrier relations with respect to interconnection and access. Due to the fact that the European telecommunications environment has brought about a different set of competitive business models which rely on specific access and interconnection products (such as unbundled local loops, line sharing, bitstream access, origination, transit and termination services), it is an interesting area to investigate how these business models will develop in an NGN environment and which business models will emerge in the future.

To that end, the current paper looks at the development of different business models in the PSTN world and the likely developments in the NGN world. This again leads to conclusions with respect to requirements of the future regulatory framework of next generation networks in order to maintain the achievements of competition in the telecommunications area. The findings can also be understood as an input to the ongoing review of the European regulatory framework which was initiated in 2006 and will lead to a revision of the common rules for this sector over the next 2-3 years.

## Structure:

1. The current situation: Business models, regulatory decisions and wholesale products in the PSTN world
2. The upcoming challenge: Changes brought about by the introduction of NGN and IP interconnection
3. The consequences: Effects of technological changes on different business models and comparison of current (PSTN-based) and future (NGN-based) business models
4. The conclusion: Regulatory decision and framework requirements for future competition in NGN.