

Status Quo, Problems and Improvement in Telecom Regulation in China

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Abstract: The article plans to present an analysis on the regulation authority, structure of markets, interconnection, services price, service quality and universal service of telecom regulations, thus to analyze the status quo and existing problems of telecom regulation in China, and to puts forward opinions to improve future regulation.

Keywords: Telecom regulation, regulation authority, structure of markets, interconnection, services price, service quality and universal service.

1. GENERAL INTRODUCTION OF TELECOM REGULATION

In the 90's of 20th century, new pattern of telecom industry, the break of monopoly, encouragement of competition and market-orientated came into being, and meanwhile, the number of telecom supervision authorities of varied nations has increased from 14 to over 130. The reformative practices of regulation in varied nations certified, for the telecom industry, characterized by the inimitable technological and economic natures, the pushing of industrial competition and the strengthening of regulation rested content with each other during the transferring period from monopoly to competition. The latest researches of economists in regulated economy, Jean-Jacques Laffont and Jean Thaler indicated that the web-based telecom competition could reach competition balance under effective regulation, under which the maximal web value and social welfare can be realized.

At present, due to the difference in the development levels and steps of telecom industry in varied nations, telecom regulation authorities tend to be diversified. From the perspective of development trend and effectiveness of regulation, respectively and particularly emphasized regulation carried out by independent telecom regulation and competitive regulation authorities have become the mainstream. Under such pattern, the telecom regulation authority is mainly responsible for the market regulation and behavior regulation; market regulation covers regulation to licence (market admission), services price (business fees) regulation, resource management (wireless frequency, telecom resource), and standard management (transmission and terminal technological standard etc); behavior regulation covers interconnection and service quality etc. Responsibilities of competitive regulation mainly lie in the prevention of outrageous monopoly that exceeds normal competition and enterprises combination.

