

**INTUG**

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**[www.INTUG.net](http://www.INTUG.net)**

# **Telecoms regulation a user perspective**

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# INTUG contents

- what is INTUG?
- independence
- leased lines and unbundling
- mobile roaming and MNP
- virtual walled gardens
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- conclusions
- principles

# INTUG what are INTUG's aims?

- real and effective competition
- genuine choice for users
- lower prices
- higher quality
- more innovative services
- constructive co-operation with
  - international bodies
  - governments
  - regulators

# INTUG geography of competition

- competitive markets
  - financial districts of largest cities in developed countries
- non-competitive “markets”
  - smaller cities
  - outer suburbs
  - homes
  - farms
- can vary from street to street

# INTUG historic operators

- the incumbent or former monopolist
- strong political links and skills
- generally unimaginative:
  - afraid to change
  - slow to change
- except for 3D – deny, delay and degrade
- leverage from established positions

# INTUG independent regulator

- in the WTO Reference Paper
- genuine independence from all vested interests
- consultative processes open to all
- can be in the competition authority
- an independent appeals procedure
- drawn out processes favour the incumbent

# INTUG leased lines

- we have complained since 1974
- market failures in
  - pricing
  - provisioning
  - discounting
  - availability
  - quality of service
  - coverage
- continuing abuses by monopolists

# INTUG local loop unbundling

- long political battles to get this agreed
- bitterly resisted by incumbent operators
- opens up incumbent's infrastructure
- provides access to core networks for:
  - new entrants
  - global carriers
- stimulates roll-out of xDSL



# INTUG wireless walled gardens

- wild success of NTT DoCoMo I-mode
- virtual razorwire:
  - Subscriber Identity Module (SIM) locked
  - portal locked
  - selective third party billing
  - no mobile number portability
- French court case forced open access to other providers for WAP

# INTUG international mobile roaming

- outrageous charges
- ripping off each other's customers
- not easy for a single regulator to act
- spectrum and market size/growth limit the number of players
- operators have blocked subsequent competitive entrants
- operators have relied on customers just paying the bills

# INTUG European Commission

- formal competition inquiry
- launched July 1999
- working document December 2000
- discussion with national competition authorities
- “dawn raids” July 2001
- results in late 2002

# INTUG competition law

- European Union moving strongly in the direction of competition law for regulation
- a very interesting experiment
- creating very complex new processes
- New Zealand moving back from its experiment

# INTUG mobile number portability

- essential for a a competitive market
- demanded by customers
- repetitive national battles
- resisted by licensed operators
- operational in Hong Kong SAR yet still be introduced in Germany (Q4 2002)

# INTUG multi-country numbering

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- strong but unmet commercial demand
  - language groups (e.g. Arabic & Spanish)
  - continental
  - global
- nobody can enforce it
- nobody can enable it
- liberalisation has destroyed the mechanisms
- mixed with tariff issues

# INTUG conclusions

- many persistent market failures
- competition law is a slow
- regulation can be a very political
- for new entrants life can be ugly, brutish and short, yet we need new entrants to create and increase competition

# INTUG regulatory principles

- regulators must be independent
- aspiration must to the best environment for users
- must understand the market realities
- open consultation for all players
- technological neutrality
- encouragement of competition and new entrants