INTUG

Access to the ’net

a user perspective

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INTUG contents

- what is INTUG?
- competition and choice
- consumer and business and demands
- local access and leased lines
- always-on and flat rate
- mobile and non-fixed access
- what needs to be regulated?
- conclusions

INTUG what is INTUG?

- members
  - national associations
  - corporations
  - individuals
- activities
  - ITU and WTO
  - BIAC and OECD
  - APEC TEL, CITEL and European Union

INTUG our 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 consumer demand

- dial tone
- explicit tariffs
- affordable access
- quality of service (including bandwidth)
- always on
- shared access (e.g., Internet café)
- worthwhile content
- mobile Internet

INTUG consumer issues

- effective competition in access and services
- opportunity to have shared facilities:
  - commercial
  - community
  - governmental or municipal
- people with a mobile phone but no fixed line

INTUG universal service

- obligation to provide access
  - everywhere?
  - speed?
  - migration path?
- use of funds as subsidies for
  - incumbent operators
  - schools
  - libraries

INTUG business demand

- Intranet
- access networks
- Extranet

each company buying from only a very few suppliers

- city centre offices
- branch plants
- call centres
- remote workers
- mobile workers
- suppliers
- customers
- banks
- governments

INTUG tele-working

- strong rationale for:
  - businesses
  - individuals
- access:
  - dial-up, ISDN and xDSL
- need for consistent technology:
  - modems, software, IP Sec

INTUG leased lines market failures

- pricing
- discounting
- availability
- quality of service
- coverage

The Last Mile - we cannot obtain adequate service in order to link to the core network of competitive carriers.

INTUG geography of competition

- competitive:
  - financial districts of largest cities
- non-competitive:
  - most countries
  - smaller cities
  - outer suburbs
  - homes
  - farms
- can vary from street to street

INTUG local loop unbundling

- US Telecommunications Act (1996)
- EU Regulation since January 2001
  - enforcement measures last month
- incumbent operators' 3G strategy is to:
  - deny
  - delay
  - degrade
- financial markets have lost interest
- many entrants went bankrupt

INTUG wholesale DSL

- many incumbent operators have pushed this product
- to benefit from their strengths in:
  - infrastructure
  - customer relations
- to preempt other infrastructure
- to control the development path to other DSLs
- to put a price squeeze on competitors

INTUG flat-rate access

- business model from USA:
  - – monthly subscription
  - – free local rate calls
  - – points of presence in all areas
- based on US regulatory distortions
- struggled in most other countries
- can put serious pressure on PSTN
- many countries can jump directly to always-on broadband

INTUG cable television

- can also offer telephony and
- Internet access
  - flat-rate
  - always-on
- a serious competitor to ADSL
- must be fully separated from the PTT
- terms of access for alternative ISPs

INTUG wireless local loop

- successes and failures in licensing
- knock-on effects of:
  - 3G spectrum allocation
  - dot.com crash
- only a few historic operators have been allowed into WLL market
- so far, WLL operators have not been strong players

INTUG mobile Internet

- increasingly unlikely to be only 3G
- instead, part of a continuum of:
  – Internet access
  – u-commerce
- technologies other than 3GSM:
  – Wireless LAN
  – Ultra Wide Band (UWB)
- it is still far too early to tell

INTUG business and consumers

- B2Employee
  - access to VPN
  - access to Intranet
- B2Consumer
  - access to services
  - adverts?
- music
- instant messaging
- presence management
- peer-to-peer

INTUG mobile issues

- failure of WAP compared with SMS
- GPRS
  - enormous delays
  - absence of a market
- location based services
  - data protection and privacy
- access to services of customer's choice
- nobody wants "walled gardens"

INTUG wireless LANs

- in unlicensed spectrum (2.4 GHz) using IEEE 802.11b
- hotels
- airport lounges
- coffee shops, hamburger, pizza outlets
- looks to be a real competitor with 2.5G and 3G
- now commonplace on new lap-tops

INTUG why do we regulate?

- aim is country competitiveness for ***other*** economic activities
- out of habit?
- who do we ***need*** to regulate?
  - incumbent operators
  - mobile oligopoly
- should be within:
  - general legal framework
  - competition law

INTUG regulating ISPs

- usually to protect the PTT
- to conserve revenue from international accounting rates
- to limit “unsuitable” content:
  - culture, religion, politics, etc.
- a real danger of leveraging power from other markets:
  - telephony
  - content

least developed countries

- very poor or no infrastructure
- existing PTTs not delivering
- need for investment
- to provide:
  - community access
  - connections with ex-patriate community

INTUG summary

- priority is general economic good and not protection of PTTs or old ways of doing business
- pressing need for new entrants to create and increase competition
- entrepreneurs must have good access to network elements
- end customers must have free choice of different elements
- mobile Internets becoming important

INTUG summary - local access

- cable networks are strong competitors
- local loop unbundling is slow but important
- WLL is a weak competitor
- competition law is slow
- regulation is often overly political
- ensure against vertical integration
- some market failures persist
- allow for evolution and revolution