

INTUG

ITU-T Study Group 3 17-21 XI 2003

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International leased lines

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INTUG what is INTUG?

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- members
 - national associations
 - corporations
 - individuals
- activities
 - ITU and WTO
 - OECD
 - APEC TEL, CITELE and EU

INTUG our aims

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

INTUG priorities

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1. open access to global mobile networks
2. regulatory best practice
3. liberalization
- 4. leased lines**
5. IP telephony
6. digital divide
7. universal access
8. numbering

INTUG leased lines as a priority

- **cross-border leased lines**
 - exposing discrimination in pricing between domestic and international leased lines
 - reducing the cost of international leased lines
- **tail circuits**
 - ensuring non-discriminatory access and pricing
- **interconnection to PSTN**
 - support for the right to interconnect leased lines
 - support for the right to connect leased lines to the local voice and data networks
- **non-discriminatory provision**
 - ensuring that new entrants are not discriminated against by incumbent operators in terms of price, provisioning time, quality or service of other conditions

INTUG leased lines

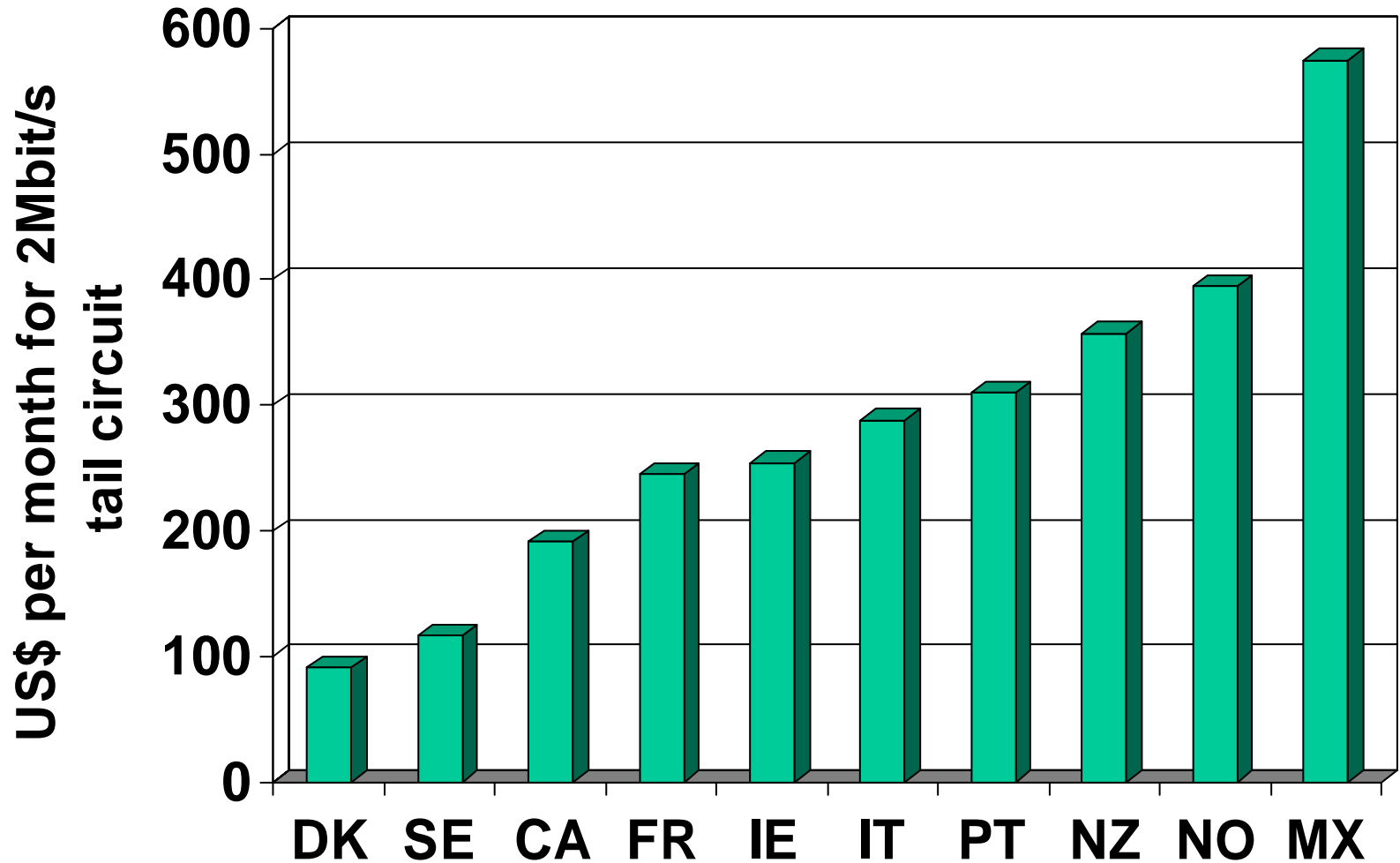
- work item since 1974
- raised by INTUG at CCITT in 1979
- successful work with European Commission to improve:
 - reporting of data
 - provision
 - competitiveness of the market
- remains a problem in terms of:
 - availability
 - discrimination against new entrants
 - pricing

INTUG OECD

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- long history of comparisons
- Broadband access for business
- biennial *Communications Outlook*
most recently 2003
- shows wide variations



Source: OECD.

INTUG Broadband access for business

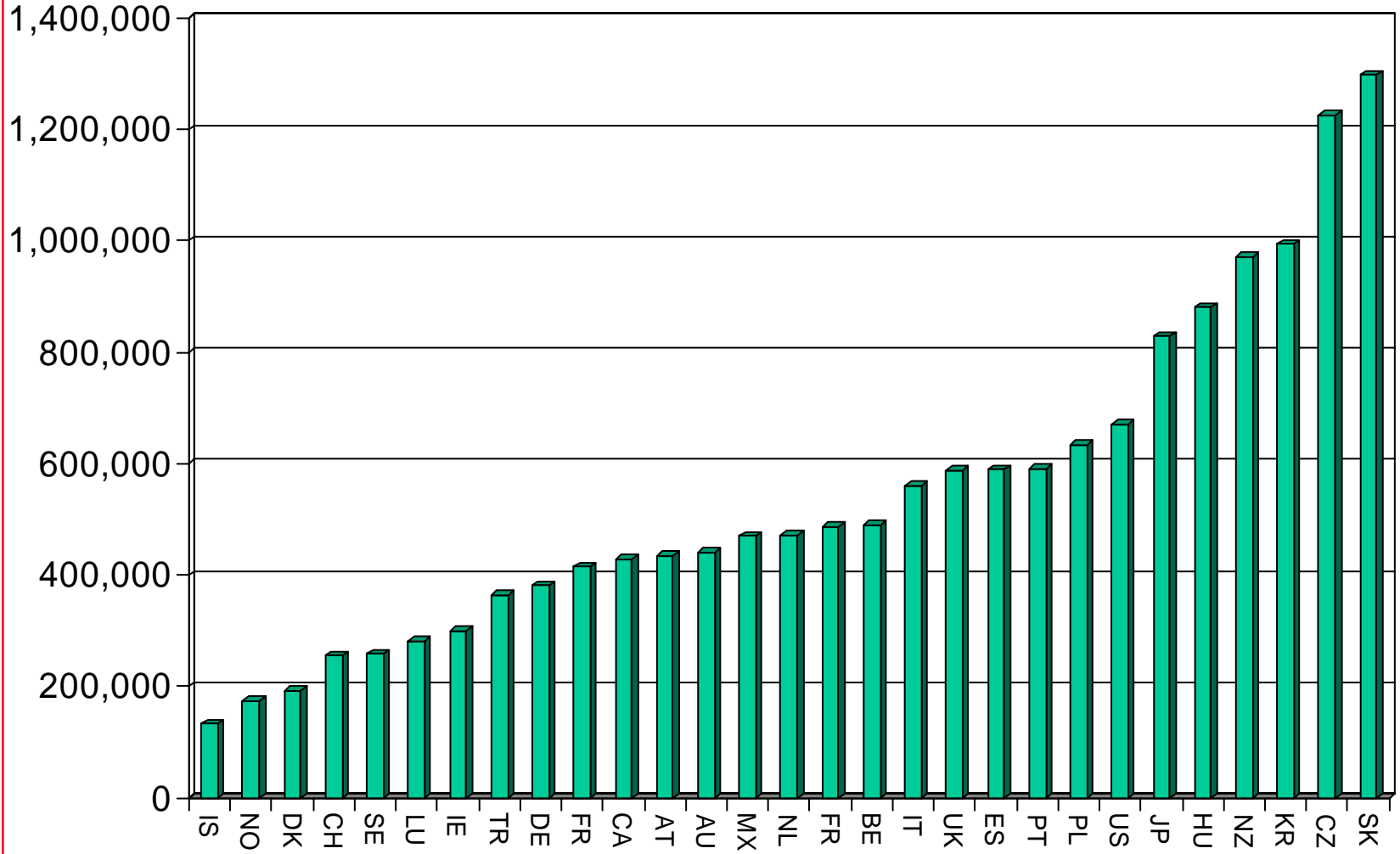
- Denmark – TDC- Price for local tail.
- Sweden – Telia - Fixed price up to 3 kilometres.
- Bell Canada - The price is for a one-year contract for a 1.5 Mbps tail. Prices reduce if users commit to longer-term contracts. The charge for a five-year contract is US\$ 140.
- France Telecom - This is a wholesale price available only to other telecommunication operators. FT charges a fixed price of USD 237 per month for tails up to 10 kilometres. An additional charge of USD 8 is charged per kilometre per month. The price shown is based on a 3 kilometre tail.
- Ireland - Eircom charges USD 169 for a local tail up to 1.5 km and then USD 6 per additional 100 metres per month. The price shown is based on a 3 kilometre tail.
- Portugal Telecom - This is the price for a circuit link to a customer's premise from a local exchange. A significant reduction of this price is expected as an outcome of the ongoing revision of PT Comunicações leased lines offer.
- Telecom Italia - Price for a link between customer's site and TI exchange.
- New Zealand - TCNZ's price for its 2 Mbps service comprises two charges. One is a monthly access charge. The other charge depends on whether the user connects to a major CBD exchange or a non-CBD exchange. The figure in brackets shows the price for non-CBD tail.
- Norway – Telenor - This charge has two components. A fixed charge USD 290 is applicable up to 1.5 kilometres. There is charge of USD 7 per each additional 100 metres.
- Mexico - This is the Telmex fixed charge for the local part of a leased line.

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64kbit/s USD PPP per year

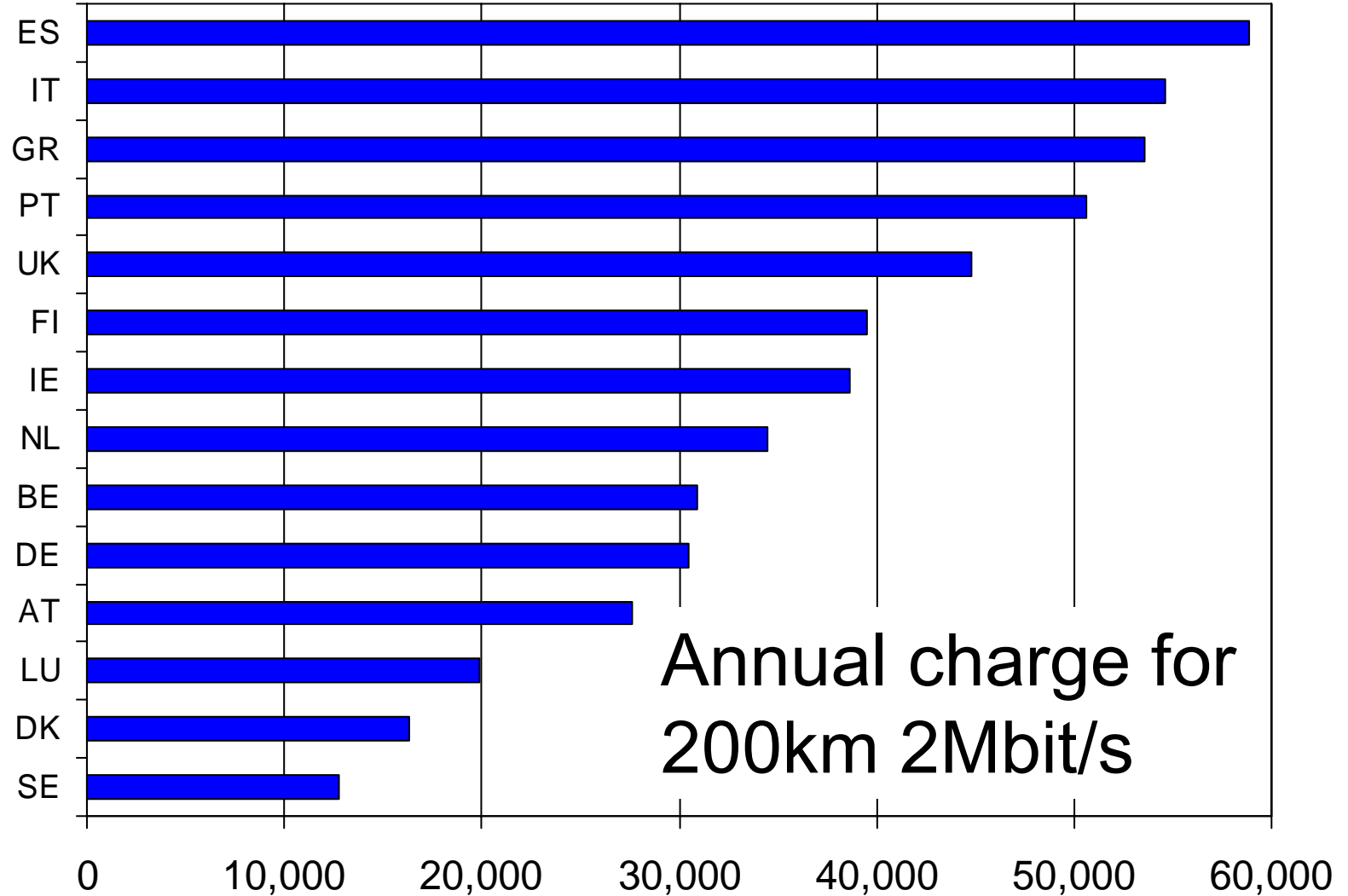
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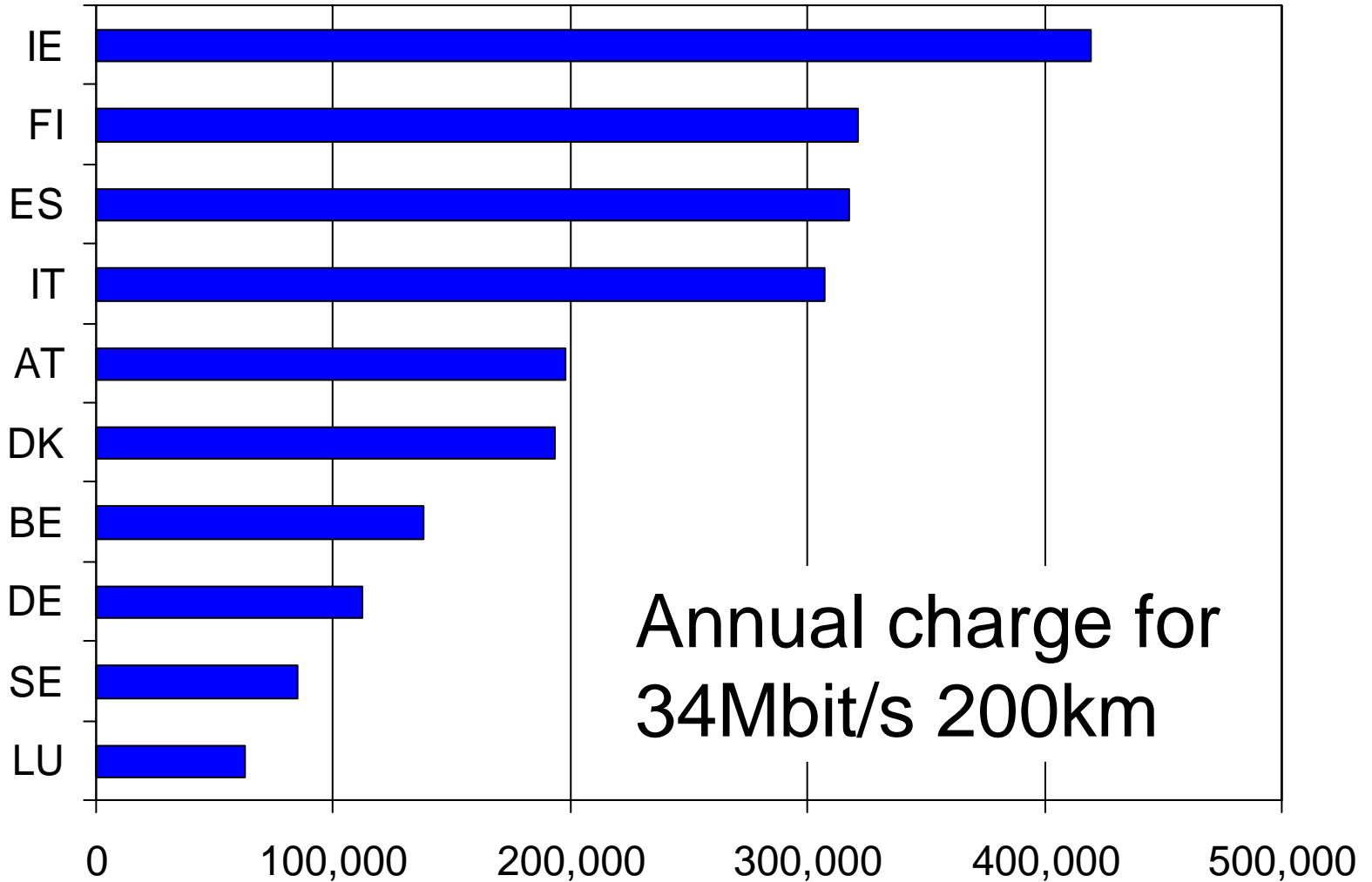
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INTUG European Union

- comparisons between member states
- annual “implementation” reports
- annual leased line reports



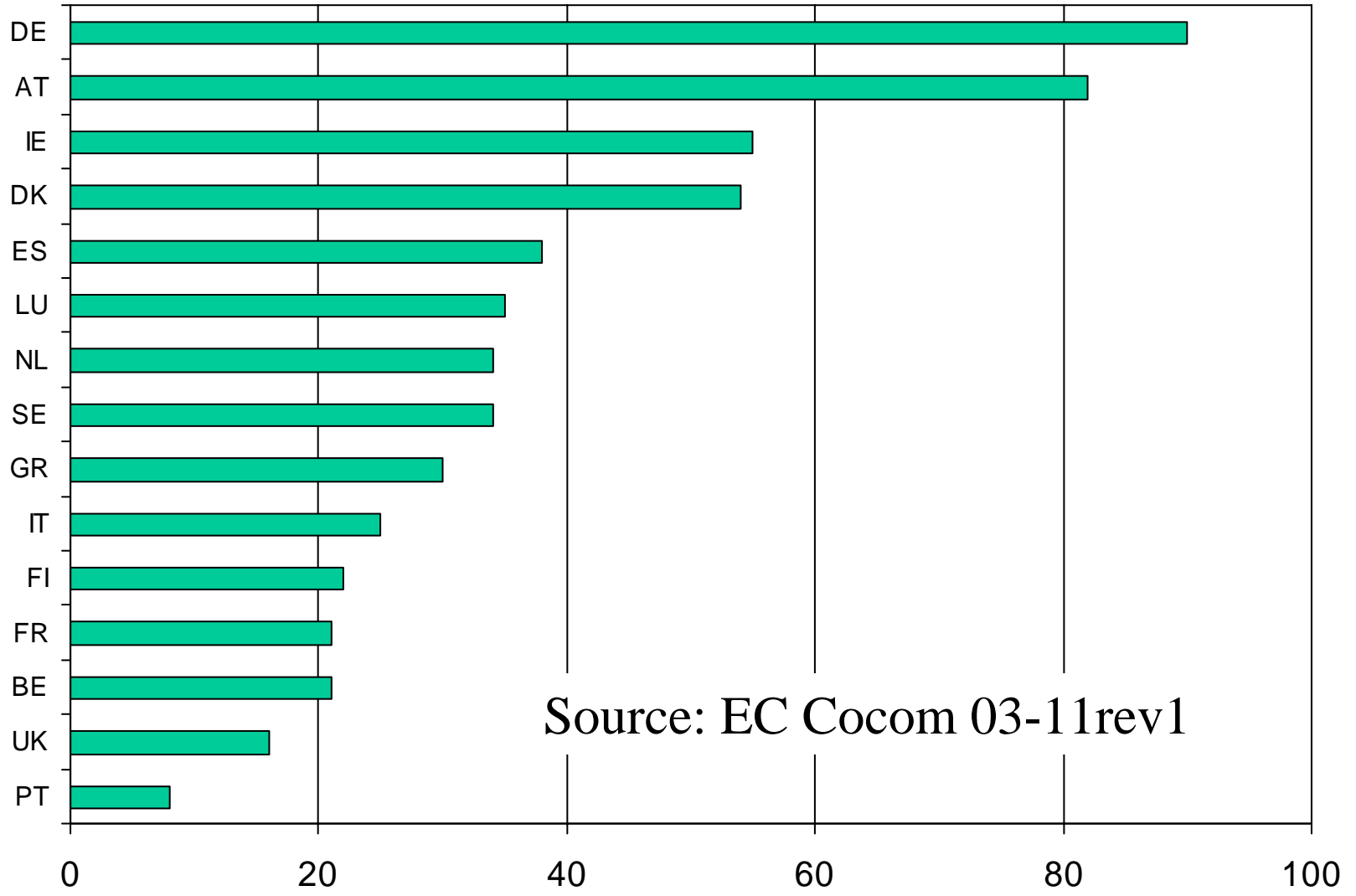


Annual charge for
34Mbit/s 200km

INTUG delivery of 64bit/s (days)

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Source: EC Cocom 03-11rev1

INTUG EC draft recommendation

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	Monthly price up to 2 km	Monthly price up to 5 km	One-off connection
64 kBit/s	€ 50	€58	€360
2 Mbit/s	€169	€291	€639
34 Mbit/s	€900	€1731	€1085

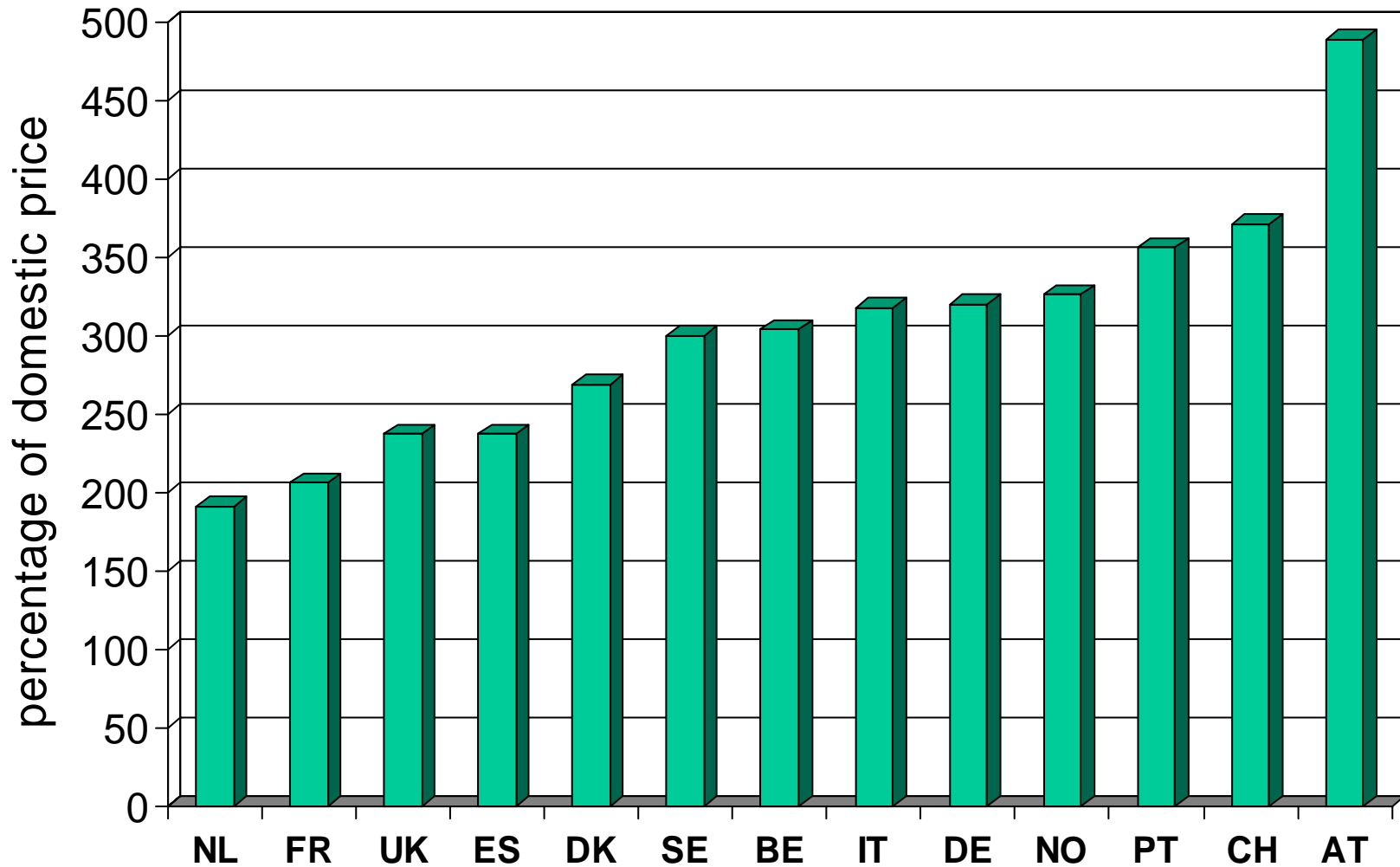
INTUG user data

- INTUG survey in late 1990s compared:
 - national leased line
 - international half-circuit
 - both of the same length
 - 200% to 500% more expensive!
- some other user price data

INTUG 2Mbit/s international/national in 1999

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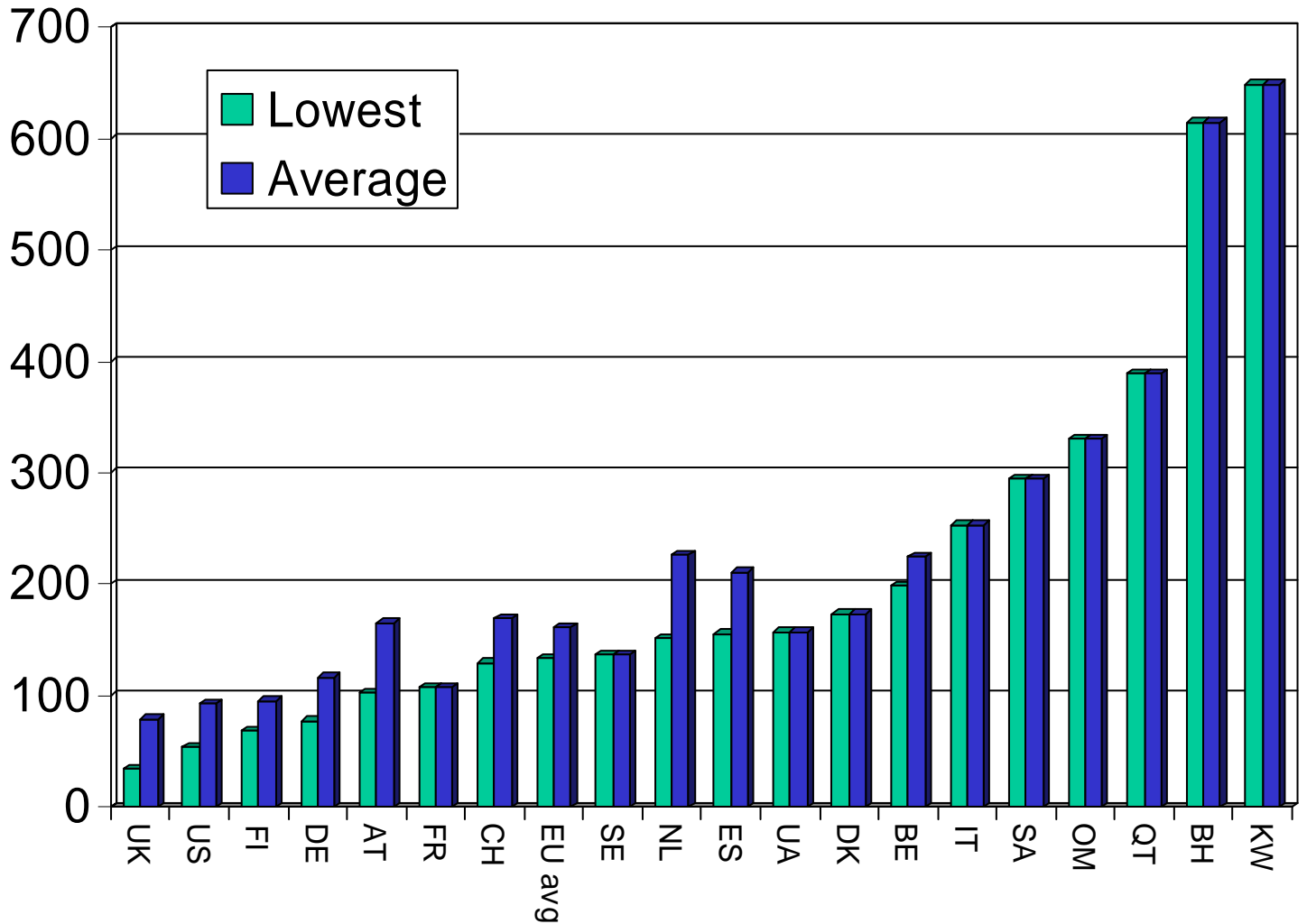


Source: INTUG.

INTUG 64k local leased lines

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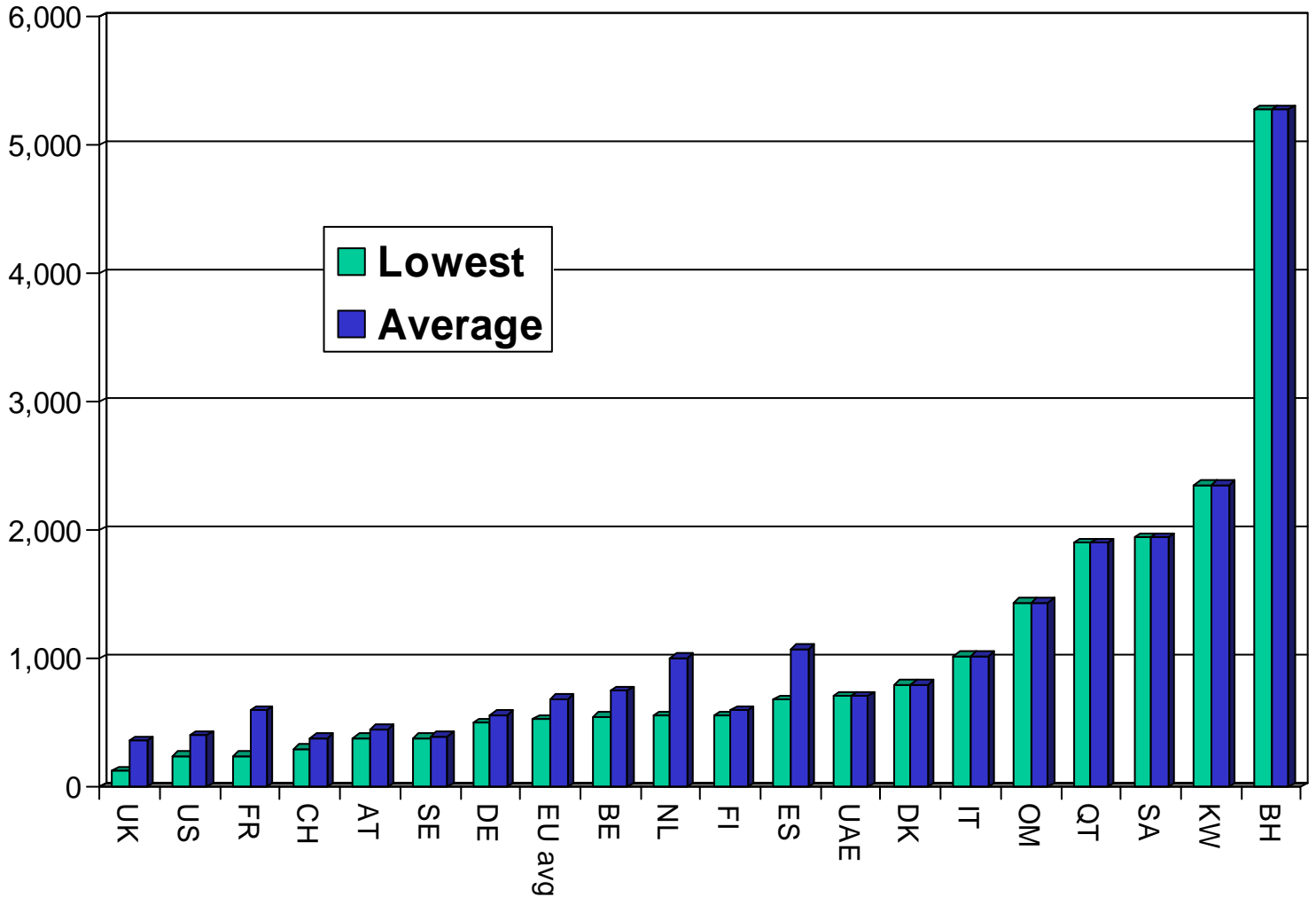


Source: user data.

INTUG 2Mbit/s local leased line

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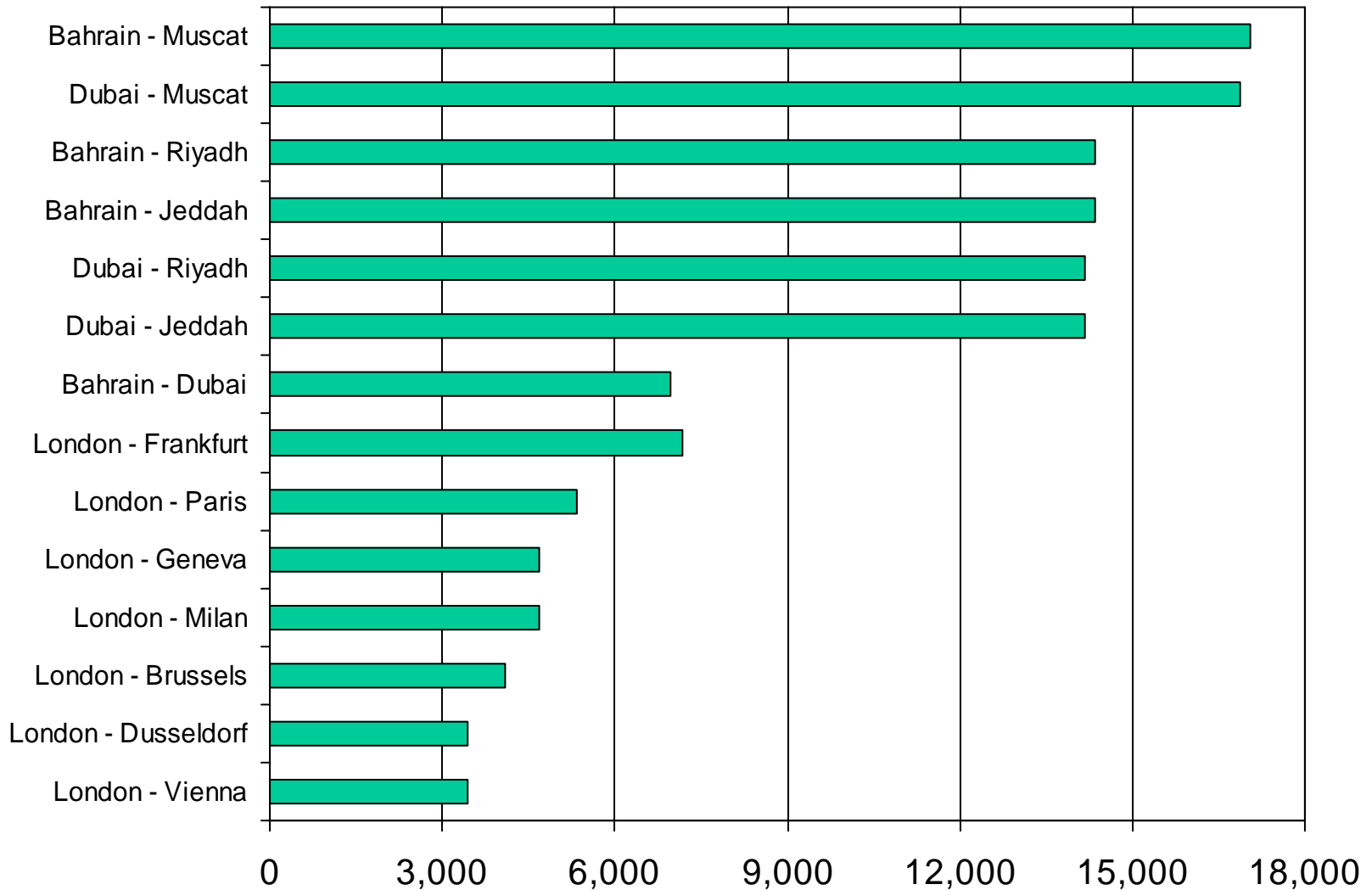


Source: user data.

INTUG international routes 2Mbit/s

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Source: user data.

INTUG conclusions

- monopoly and abuse of dominance in
 - international leased lines
 - domestic tail circuits
- a significant factor in the cost of International Internet Connection (IIC)
- prices far from cost-orientation
- discrimination against market entrants
- lack of action by members to implement ITU-T D.1
- intervention is long overdue

INTUG thank you

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<http://www.intug.net/talks.html>