

INTUG

BELTUG, Grimbergen 9 xii 2003

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international mobile roaming

Ewan Sutherland

Executive Director

**International Telecommunications
Users Group**

ewan@intug.net

INTUG contents

- INTUG
- abuses
- DG Competition
- EU directives
- alternatives
- conclusions

INTUG what is INTUG?

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

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 priorities

- 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 mobile priorities

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- **International Mobile Roaming (IMR)**
 - significant reductions in charges
 - availability of a range of services, including global and multi-country tariffs, without necessarily having to pay roaming charges
 - regulatory action to end the cartel of mobile network operators
- **Fixed-to-Mobile call termination (F2M)**
 - cost orientation of wholesale prices
 - wholesale price reductions speedily passed onto users
 - Mobile Number Portability (MNP)
 - availability on demand
 - inexpensive or free
 - no consequential loss of facilities or special offers
- **Short Message Service (SMS)**
 - interconnection of all operators
 - significant reductions in prices
 - regulatory action to end the cartel of mobile network operators
- **national mobile roaming**
 - availability in areas of low population density
 - availability to support introduction of new operators and new technology

INTUG international mobile roaming

- NMT-450 in Nordic countries
- then GSM 900 later 1800 + 1900
- typically 15 per cent of MNO revenues and still growing:
 - increased travel
 - inclusion of pre-paid customers
 - minimal decrease in prices
 - improved “traffic management” i.e. the operators keep more traffic on their own networks

INTUG abuse of market power

- sheltered from competition by
 - inter-operator arrangements
 - absence of market entry
 - inappropriate regulation
- extremely high voice charges
- new & outrageous GPRS charges
 - why charge by the Megabyte?
- what is next?
 - EDGE, video telephony and 3G

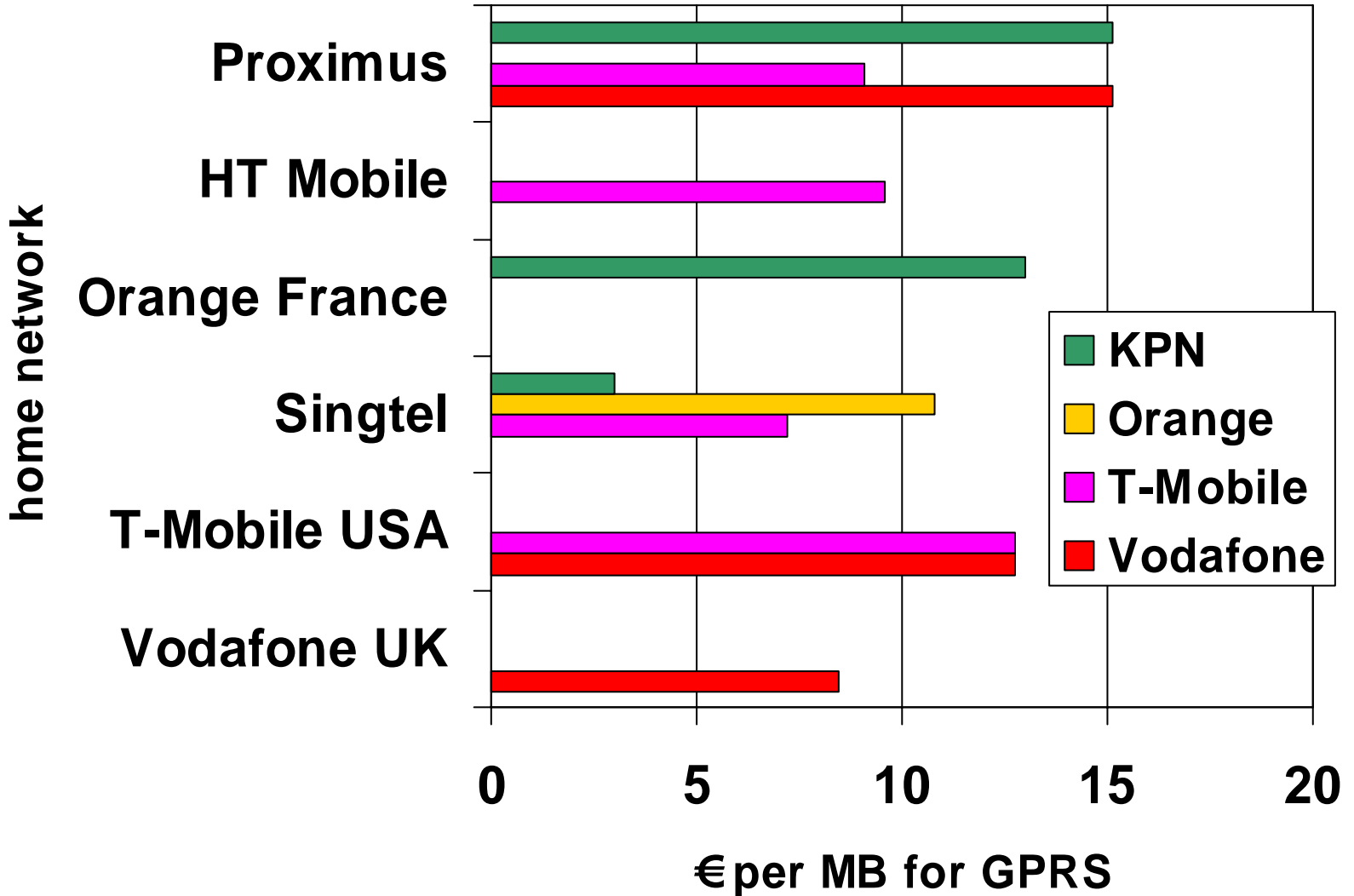
INTUG welcome to Belgium!

- Vodafone Australia on Proximus
 - €0.18 to send an SMS (AU\$ 0.29)
 - €0.58 to call Belgium (AU\$ 0.95)
 - €1.31 to call Australia (AU\$ 2.15)
- Orange France (on all 3 networks)
 - €0.34 for incoming call
 - €1.00 to call Belgium or France
 - €2.40 to call Australia
- T-Mobile Deutschland on Proximus
 - €0.32 to send an SMS (free to receive)
 - €0.69 to receive a call from Germany
 - €1.03 to call Belgium
 - €1.28 to call Germany

per minute

INTUG welcome to the Netherlands!

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INTUG GPRS roaming charges

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- Vodafone UK on Vodafone NL
 - £5.88 (£10.28 on Blackberry) €8.47
- T-Mobile USA on T-Mobile and Vodafone
 - US\$ 15.00 €12.75
- Singtel
 - KPN Mobile €3.00 (charging unit 1 kB)
 - T-Mobile €7.20 (charging unit 100 kB)
 - Orange €10.80 (charging unit 10 kB)
- Orange France on KPN
 - €13.00
- HT Mobile (Croatia) on T-Mobile
 - HRK73.20 per MB (€9.58)
- Proximus
 - KPN and Vodafone €15.13
 - T-Mobile €9.08

Source: operators web sites 25 November 2003

INTUG meanwhile in Japan and USA

- KDDI Au Win in Japan
 - cdma2000 1X EV-DO
 - ¥4,200 (€33) monthly unlimited
 - up to 2.4 Mbps downlink and 144kbps or more uplink (best efforts)
- Verizon
 - “national” cdma2000 1X coverage
 - US\$ 79.99 (€68) monthly unlimited
 - 40-60kbps, bursting to 144kbps
- AT&T Wireless
 - “national” GPRS/EDGE
 - US\$ 79.99 (€68) monthly unlimited
 - 100-130kbps, bursting to 200kbps

INTUG INTUG surveys

- work began in 1998
- formal surveys in 1999, 2000 and 2002
- comparing calls of 2'15" on paired routes

INTUG prices in 2000 (1999)

Calling to Belgium from UK		BT Cellnet	Vodafone
Belgian subscriber	Mobistar	2.92 (3.19)	2.41 (2.83)
	Proximus	2.68 (4.05)	2.73 (3.62)
UK subscriber	non-roaming	2.12 (3.25)	1.58 (3.47)
Calling to UK from Belgium		Mobistar	Proximus
UK subscriber	BT Cellnet	2.53 (2.43)	2.53 (2.41)
	Vodafone	1.81 (2.48)	1.89 (2.44)
Belgian subscriber	non-roaming	1.01 (2.63)	1.30 (2.06)

INTUG prices in 2002 (2003)

Calling to Belgium from UK		mm0 ₂	Vodafone
Belgian subscriber	Mobistar	3.13 (2.48)	3.10 (2.48)
	Proximus	2.70 (2.70)	2.70 (2.70)
UK subscriber	non-roaming	3.17 (0.49)	1.37 (?)
Calling to UK from Belgium		Mobistar	Proximus
UK subscriber	mm0 ₂	2.99 (2.72)	2.99 (2.72)
	Vodafone	3.08 (3.21)	3.92 (2.43)
Belgian subscriber	non-roaming	2.23 (?)	0.93 (1.64)

INTUG DG Competition

- sector inquiry
 - also EFTA Surveillance Authority
- merger cases
- market definitions
- work in progress

INTUG sector inquiry

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- launched in July 1999 by Karel van Miert
- mobile no longer seen as one indivisible and competitive whole
- questionnaires to MNOs in 2000
- working document at end of 2000
- some speeches by DG Competition
- little visible progress
- what next?

INTUG joint dominance

- no single operator is dominant in roaming markets
- joint dominance derives from Treaty of Rome
- limited jurisprudence
- loss of the Air Tours case caused all joint dominance cases to be reviewed
- any use, including in *ex ante* regulation, will be challenged up to the European Court of Justice (ECJ)

INTUG “merger” cases

- GSM Association
- Vodafone and Mannesmann
- Vodafone Eurocall
- DTAG WorldClass
- 3G network sharing
- recent alliances

INTUG EU directives

- implementation is badly delayed
- inclusion of wholesale roaming market in:
 - Framework Directive
 - EC Recommendation on markets
- despite strong lobbying by GSM Association
- an issue of direct concern to MEPs
- influenced by work of DG Comp

INTUG NRAs lack enthusiasm

- other problems (not least F2M)
- worries about:
 - killing smaller operators
 - further delays to 3G
- legal and economic complexity
- wholesale remedies would benefit only “foreigners”
- questionnaires are sent to other MNOs, not to users!

INTUG alternatives

- technical suggestions have been killed
 - Home Country Direct and 800 numbers
 - multiple SIM cards
 - VPN with domestic minutes in different countries
- Sonofon *Udslandsplan*
- Voice over IP, even over Wi-Fi
- WLAN for data

INTUG *change your behaviour*

- leave your mobile phone at home!
- use a calling card
- set your “away messages” to say send me electronic mail
- provide Internet access for visitors

INTUG conclusions

- abuses continue to grow
- more people are roaming
- use of data services is blocked by the outrageous prices
- absence of pan-European services puts a heavy burden on business
- regulatory processes are very slow
- solutions largely in our own hands

INTUG thank you

Ewan Sutherland

International Telecommunications Users Group

Reyerslaan 80

B-1030 Brussel

+32.2.706.8255

ewan@intug.net

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