INTUG

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Corporate users' perspective on fixed-mobile convergence

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INTUG what is INTUG?

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

- **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 towards cost orientation
  - 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 convergence

- has many different forms
- fixed/mobile
- voice/data
- trans-national
- there are winners and losers
- you need for savings to pay for equipment, training, etc

INTUG compliance

- stealing was an unfortunate term to include in a GSMA brochure
- competing for new or old call origination minutes is another matter
- it seems to imply discriminatory pricing or cross-subsidies
- weakens the case for light regulation

INTUG voice-data convergence

- good convergence on fixed
- weak convergence on mobile:
  - devices possibly
  - not services
- operators do not understand
  - data
  - customers
- many technological alternatives to 3G such as Wi-Fi, Wi-Max, UWB, FWA

INTUG fixed-mobile convergence

- years of complaints about the costs of calls to mobile networks, now finally being placed under control as regulators push down the prices
- real problems with access to freephone
- external factors from financial markets
- fixed operators are discovering:
  - WLAN hot spots (wholesale and retail)
  - opportunities as MVNOs

INTUG 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 trans-national convergence

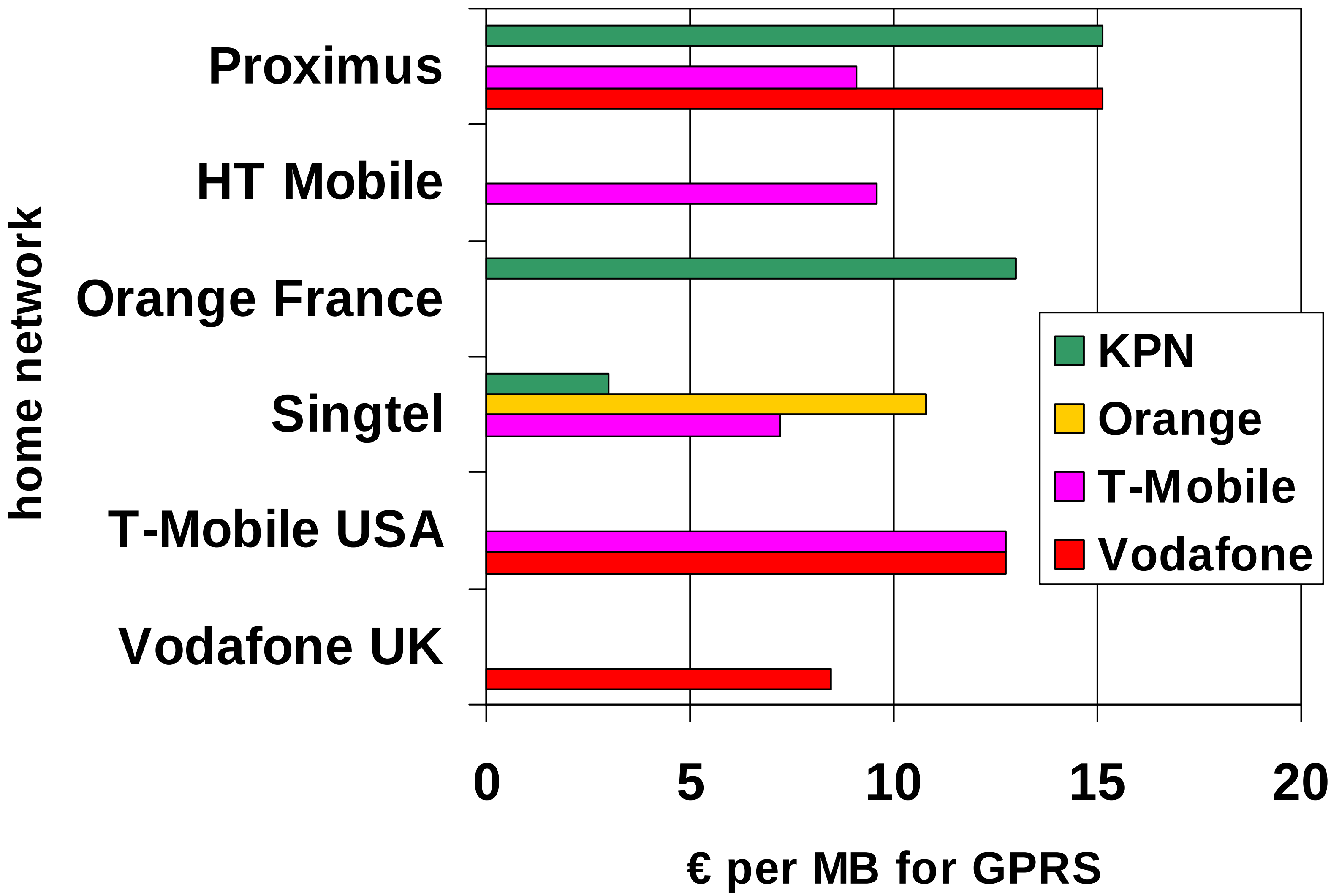
- multi-national companies have existed for centuries
- their demand is for global or continental telecommunications:
  - contracts
  - customer care
  - billing
  - services

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!



INTUG GPRS roaming charges

- 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 3G

- Games, Gambling and Girls
- Greed, Gullibility and Grief
- some good-ish news from Asia
- upgrade from GSM to UMTS seems difficult
- corporates are still waiting for affordable 2.5G

INTUG Wireless LANs

- some known security problems
- 3GSM operators still working on high revenue hot spot business model
  - Korea Telecom has 12,000 hot spots
- emergence of Voice over WLAN
- transforms meetings
- an excellent service to offer to visitors

INTUG conclusions

- need to be harshly realistic
- there are winners and losers
- mobility is much more than GSM
- absence of pan-European services puts a heavy burden on business
- mobile data are outrageously expensive
- customer care is much better on fixed
- even voice prices are high
- MVNOs may be better at corporate mobility

INTUG thank you

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