

**INTUG**

Ad Hoc Committee, DC 22 iv 2004

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

# European Union telecommunications

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# INTUG contents

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# INTUG what is INTUG?

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

# 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. universal access
5. broadband
6. leased lines
7. IP telephony
8. numbering

# INTUG European Commission

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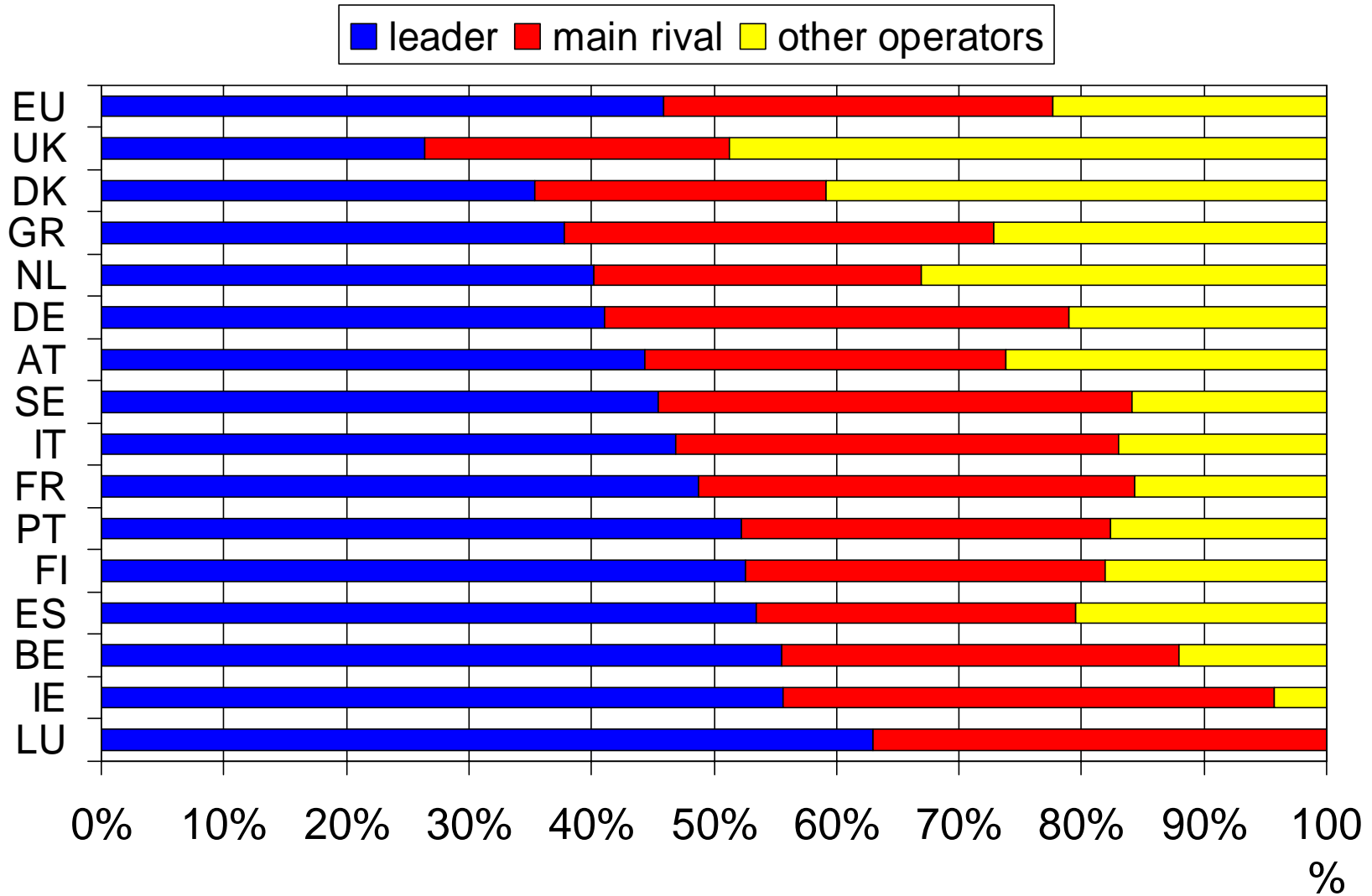
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- administration
- the right to initiate legislation
- annual reports on implementation
- specific reports on:
  - leased lines
  - broadband
- recommendations on topical issues
- enforcement powers over existing EU legislation

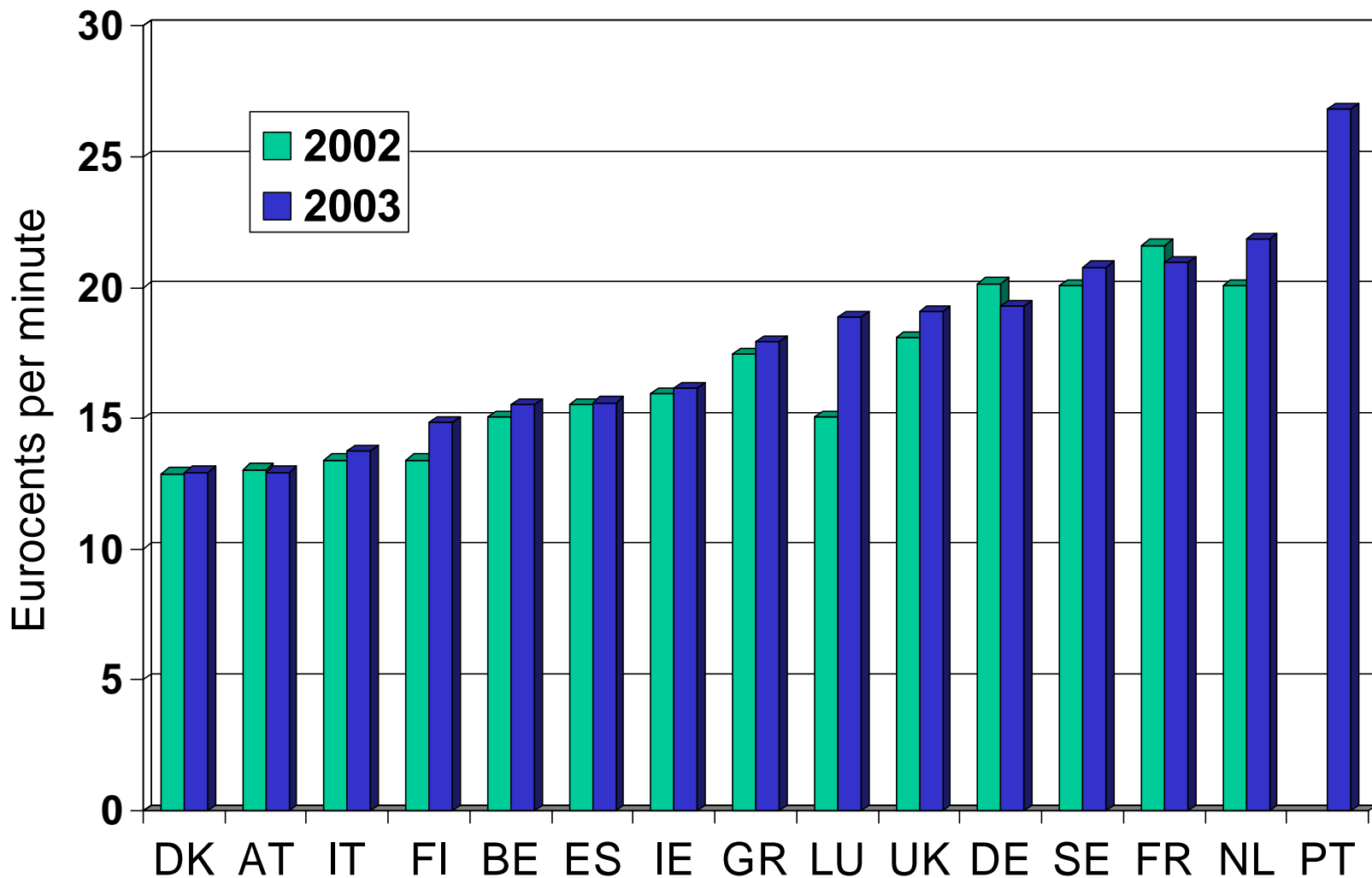
# INTUG digital mobile market shares

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## fixed-to-mobile national average interconnection charges



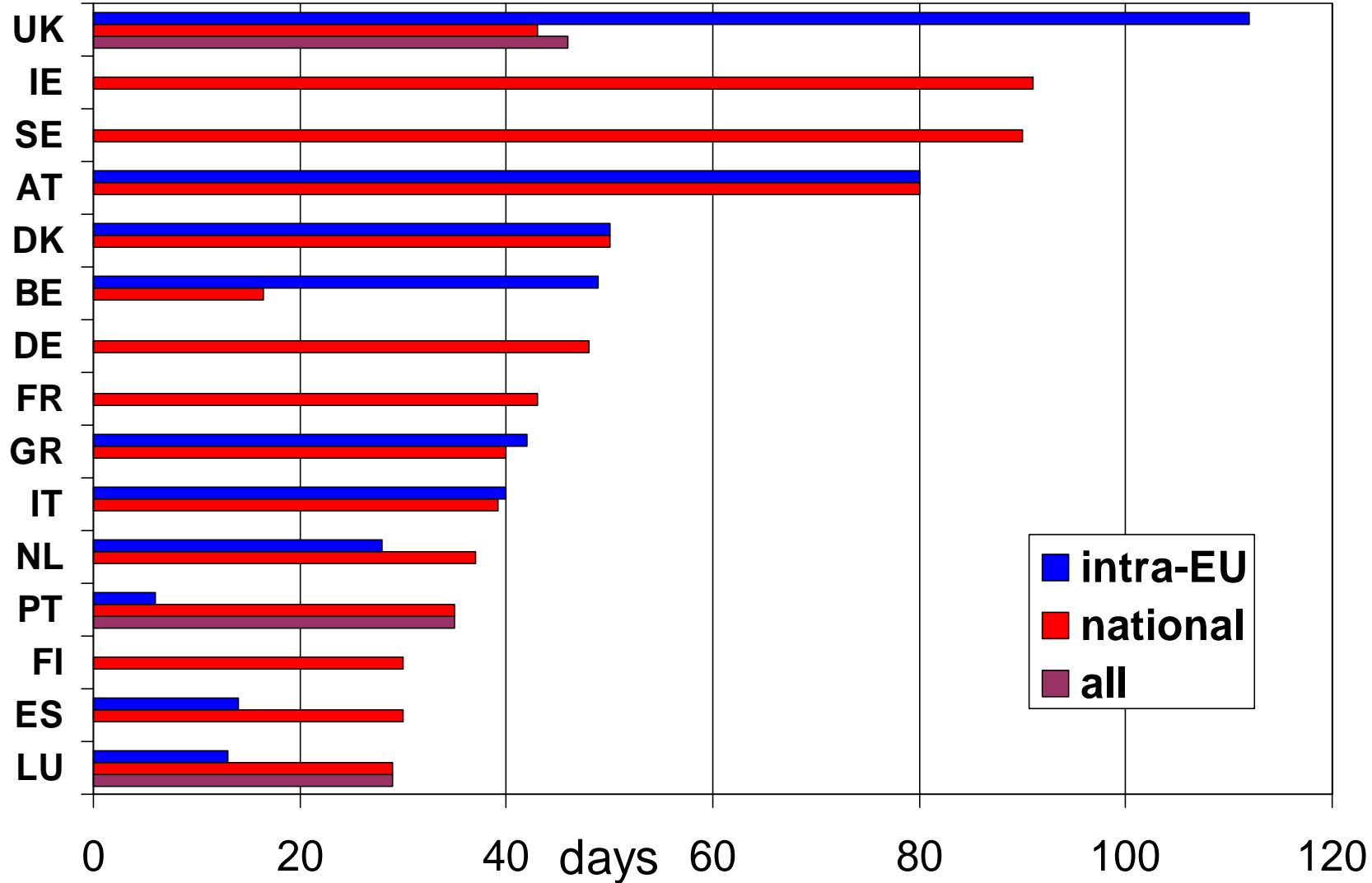


# INTUG

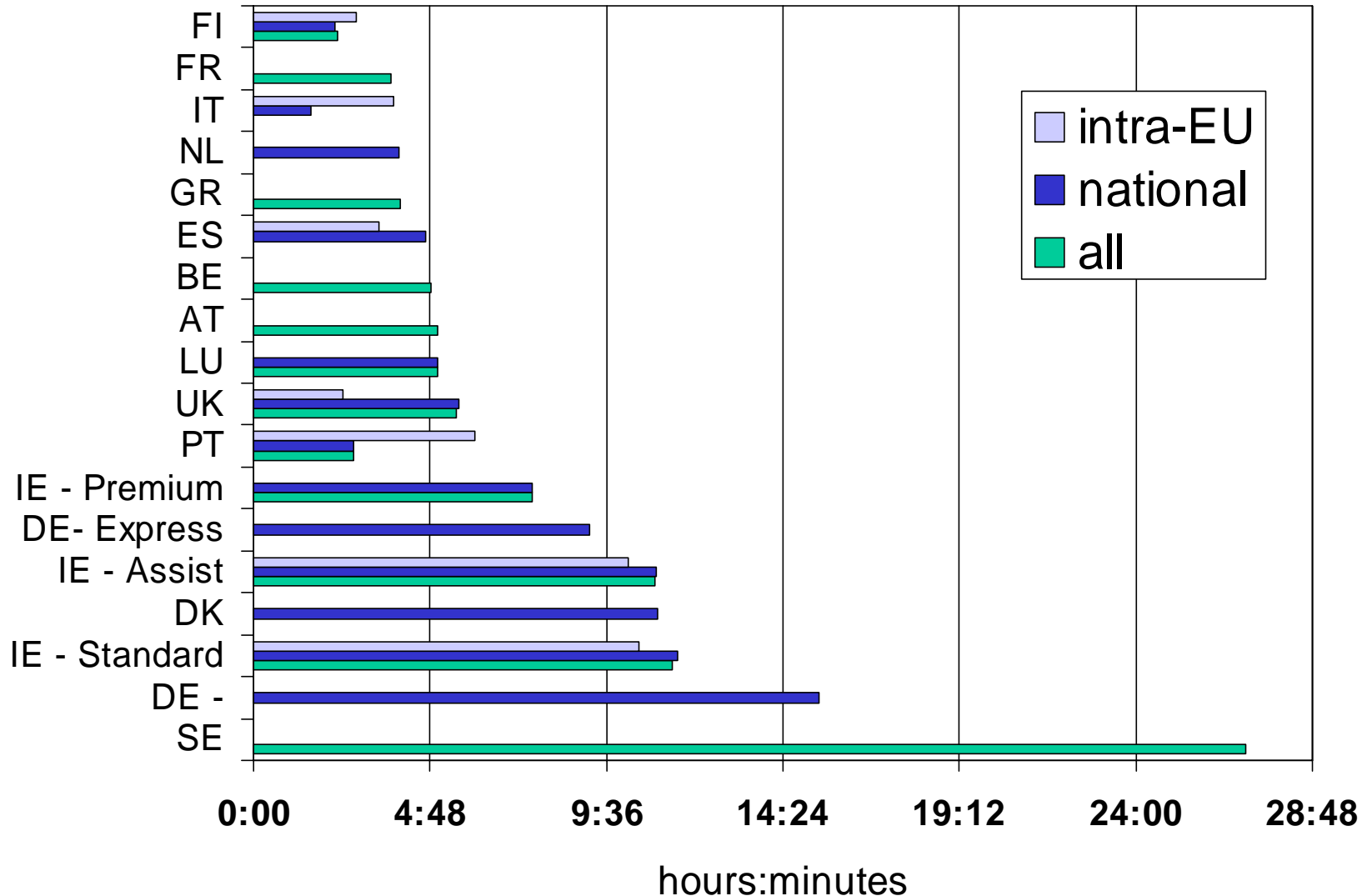
## leased lines - delivery periods for 2 Mbit/s digital unstructured

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## repair times for 2 Mbit/s digital unstructured leased lines



# INTUG European political process

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- 1999 review by the Commission
- proposed draft legislation July 2000
- compromises by Council and Parliament in December 2001
- formal enactment in April 2002
- transposition (due) by 25 July 2003
- accession countries by 1 May 2004
- infringement procedures already underway
  - member states are being taken to the European Court of Justice (ECJ) to enforce the directives

# INTUG European legal instruments

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- Directives
  - Framework
  - Authorisations
  - Access and Interconnection
  - Universal Service and Users' Rights
  - Communications Data Protection
- Recommendations
  - Market analyses
  - Market definitions
  - Article 7 procedure (harmonisation)
- Decisions
  - European Regulations Group (ERG)

Transposition is the process of enacting European instruments into the legislation of member states.

# INTUG national regulatory process

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- define markets based on an EC list:
  - service scope
  - geographical scope
- analyse the markets
- designate operators as having Significant Market Power (SMP)
  - dominance
- impose remedies on those operators
- wait then repeat until competitive

# INTUG retail level markets

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1. Access to the public telephone network at a fixed location for residential customers.
2. Access to the public telephone network at a fixed location for non-residential customers.
3. Publicly available local and/or national telephone services provided at a fixed location for residential customers.
4. Publicly available international telephone services provided at a fixed location for residential customers.
5. Publicly available local and/or national telephone services provided at a fixed location for non-residential customers.
6. Publicly available international telephone services provided at a fixed location for non-residential customers
7. The minimum set of leased lines

# INTUG wholesale level markets

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8. Call origination on the public telephone network provided at a fixed location
9. Call termination on individual public telephone networks provided at a fixed location
10. Transit services in the fixed public telephone network
11. Wholesale unbundled access (including shared access) to metallic loops and sub-loops for the purpose of providing broadband and voice services
12. Wholesale broadband access
13. Wholesale terminating segments of leased lines
14. Wholesale trunk segments of leased lines
15. Access and call origination on public mobile telephone networks
16. Voice call termination on individual mobile networks
17. The wholesale national market for international roaming on public mobile networks
18. Broadcasting transmission services, to deliver broadcast content to end users

# INTUG objectives

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- overall - Lisbon goals
  - “the world's most dynamic and competitive economy”
  - improve productivity gains from ICTs
  - now seen as an unachievable fiction
- national regulators - Framework Article 8 :
  - be technologically neutral
  - promote competition
  - contribute to the development of the internal market
  - promote the interests of the citizens of the European Union



# INTUG progress (or lack thereof)

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- transpositions have been delayed by governments and parliaments:
  - France and Germany
  - Luxembourg and Belgium
- accession countries due this year
- notifications of regulators' decisions have been even more badly delayed
- errors in national laws are being exposed very early (e.g., Finland)

# INTUG broadband for home workers

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- all local loops unbundled 2 Jan 2002
- very, very mixed results
- some countries barely started
- hard to ensure all employees who want or need can get broadband
  - availability
  - bandwidth
  - Service Level Agreements

# INTUG corporate networks

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- private Electronic Communication Services (ECS) so light regulation
- core markets are competitive
- built on mandated wholesale elements
  - leased lines
  - interconnection
- data retention obligations are unclear
- IP telephony is still unclear

# INTUG mobile networks

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- expensive origination for “freephone”
- expensive fixed-to-mobile termination
  - national and international
- differences in Receiving/Calling Party Pays
- international mobile roaming
  - rates of US\$ 15 to US\$ 70 per MByte
  - voice rates are more complicated than before
- problems of obtaining short codes

**Avoiding roaming charges**

[http://www.intug.net/views/avoiding\\_roaming\\_charges.html](http://www.intug.net/views/avoiding_roaming_charges.html)

# INTUG fixed-to-mobile

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- single operator termination market
- almost impossible not to find it needs regulation
- a slow process, contested by MNOs
- it delays fixed/mobile convergence
- users cannot replicate on mobile the features of fixed VPN

# INTUG freephone

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- fragmented and national
- expensive on mobile for:
  - origination by the caller
  - termination by the business
- UIFN +800 is neither universal nor free
- +3883 European Telephony Numbering Space, seems to be going nowhere
- 116 may be the new version of +3883
  - pseudo-national number
  - will take time to implement
  - might not be cost-effective on mobile

# INTUG seamless wireless service

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- GSM versus CDMA
- several flavours of 3G
- battles over CDMA on 450 MHz
- other wireless standards:
  - IEEE 802.11
  - IEEE 802.12
  - IEEE 802.20

Devices able to work with any or all of these.

# INTUG universal service

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- does not (yet) include broadband
- can be divided by region and function
- any contribution is **net** of benefits from:
  - economies of scale
  - intangible benefits
  - savings in marketing costs where a monopoly
  - revenues from in-bound calls
- ECJ rulings on how this is calculated
- some concerns over how this will be affected by VoIP:
  - loss of revenues
  - lower costs to provide services



# INTUG universal service obligation

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- operators are assigned for USO
- the option exists to tender (reverse auction)
- operators can request funding
- not considered an unfair burden in:
  - Spain EUR 150-200M per annum
  - United Kingdom STG 8-12M per annum
- Universal Service Fund is applied in:
  - Italy EUR 40M per annum
  - France EUR 300M per annum
- the others have not requested support

# INTUG Voice over IP

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- legislation is technology neutrality
- will depend on which market a service falls into (the “duck test”)
- an unhelpful study by consultants
  - INTUG will respond shortly
- an unnecessary proposal for a standard for 112/911 access from business premises

# INTUG data protection & privacy

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- Data Protection Directive 95/46
- Electronic Communications Data protection Directive 2002/58
- eight member states are late in transposition
  - infringement proceedings are begun
- opt-in for all commercial communications
- except where there is an established commercial relationship

# INTUG conclusions

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- a very long drawn out process
- not being given a political priority
- reform is not making much difference
  - either to regulation
  - or to markets
- no “single market”, still national markets
- many of the issues for business users are being left till the end

# INTUG looking ahead

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- review of market definitions
- review of universal service
- review of directives
- resolution of IP telephony issues

Q. Does it make any difference to European competitiveness?

# INTUG Asia-Pacific

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- INTUG participated in APECTEL 29
  - work begun on leased line prices
  - also at International Telecommunication Union
- Asia Pacific Communications Managers Forum 16<sup>th</sup> June Singapore
  - all welcome
  - contact [asia-pacific@intug.net](mailto:asia-pacific@intug.net)
- Telecommunications Users Group of India (TUGI)
  - now making progress on reform
  - contact [AnilPrakash@yahoo.com](mailto:AnilPrakash@yahoo.com)

# INTUG thank you

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