

INTUG

APCMF, Singapore 16 vi 2004
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International leased lines

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INTUG contents

- INTUG
- the problem
- OECD
- European Union
- 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 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

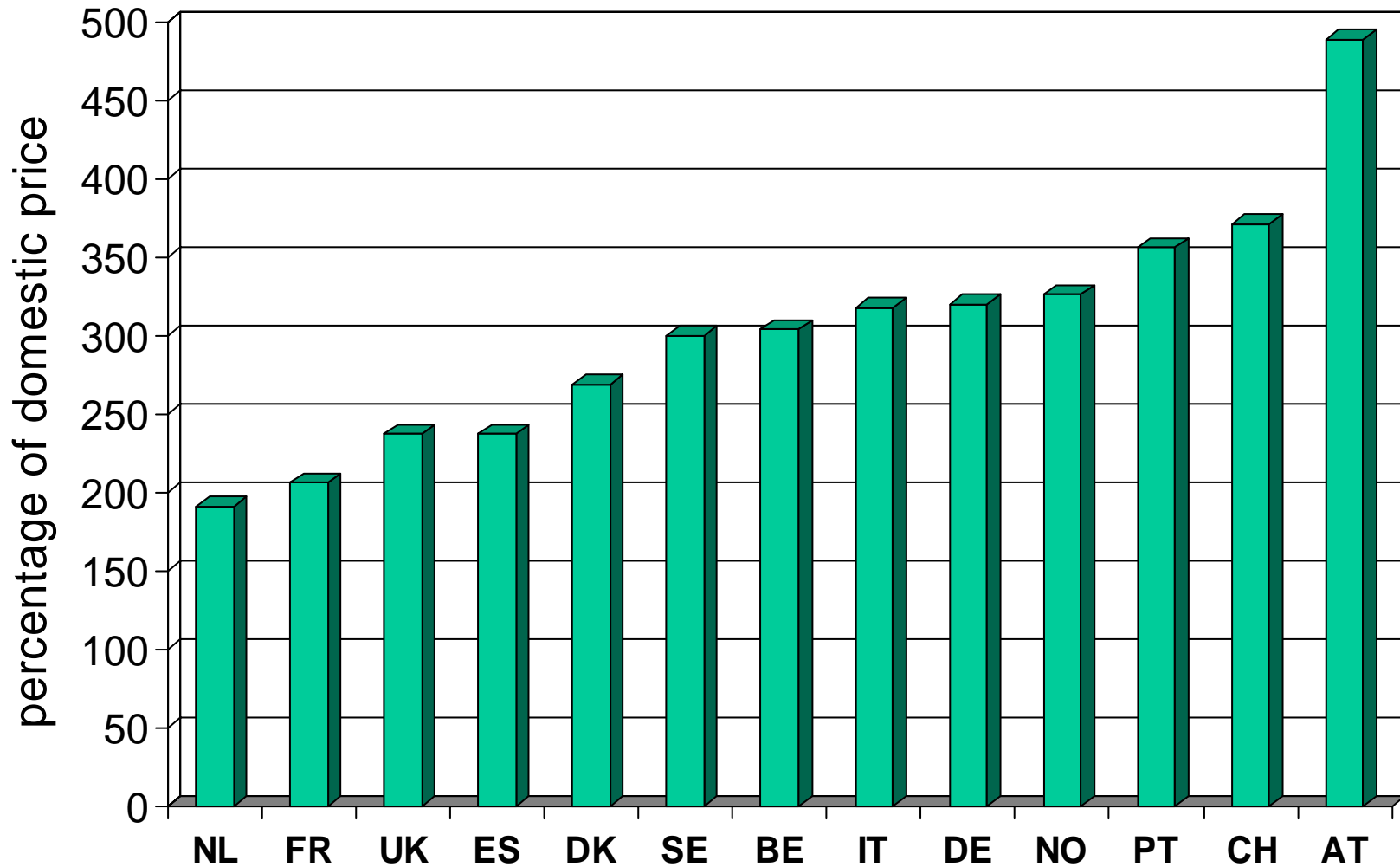
INTUG leased lines

- 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 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

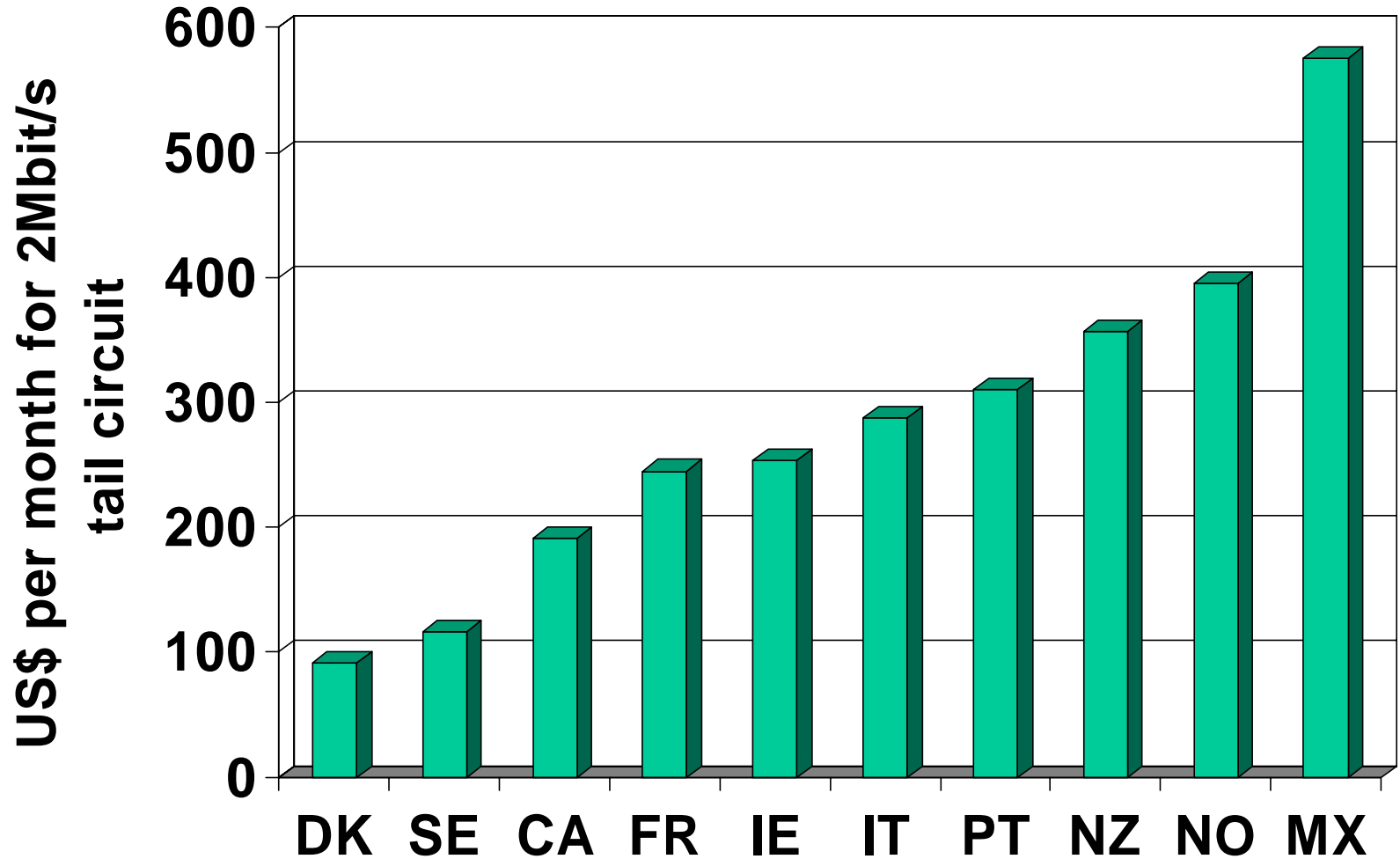
INTUG 2Mbit/s international/national in 1999



Source: INTUG.

INTUG OECD

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



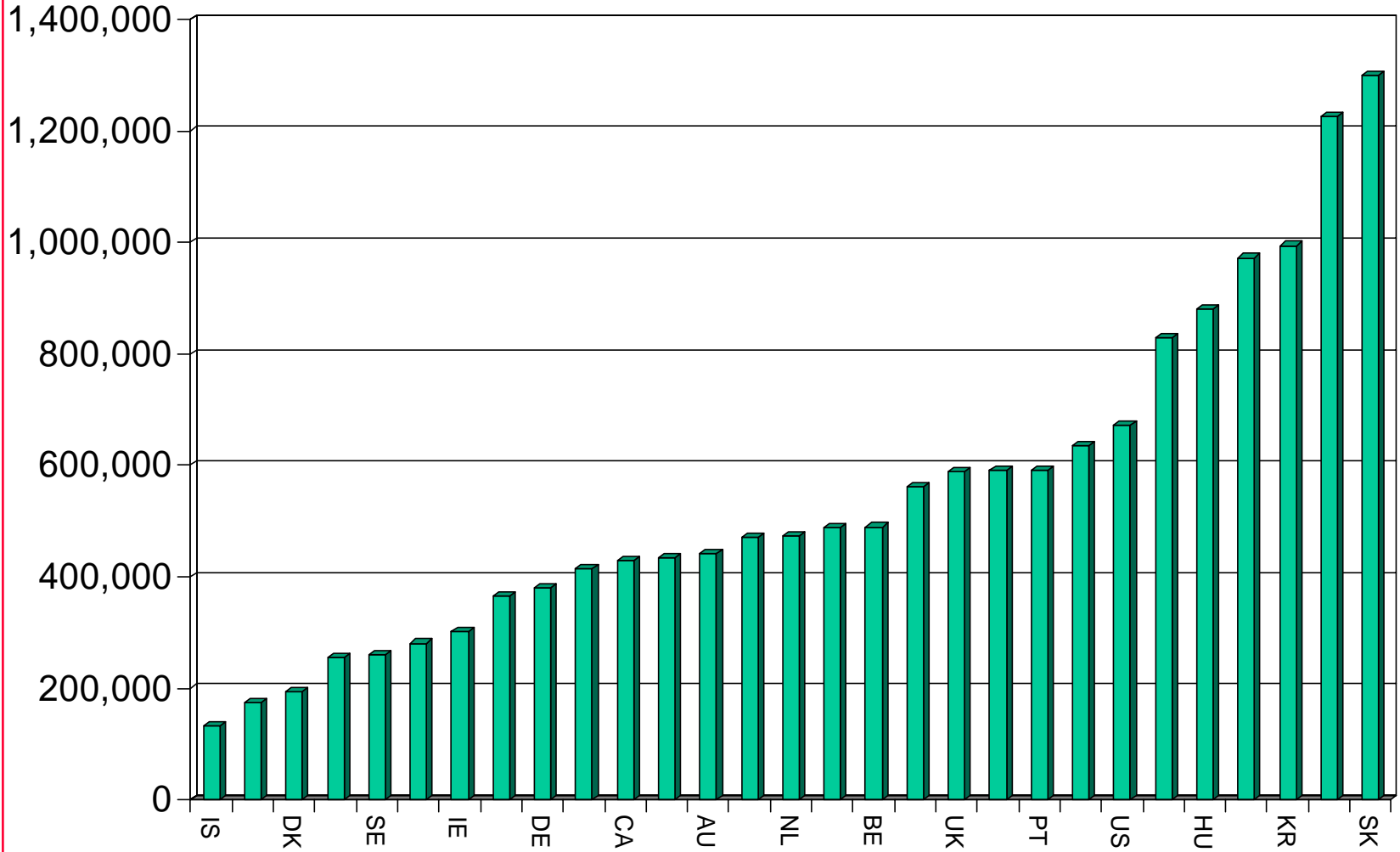
Source: OECD.

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64kbit/s USD PPP per year

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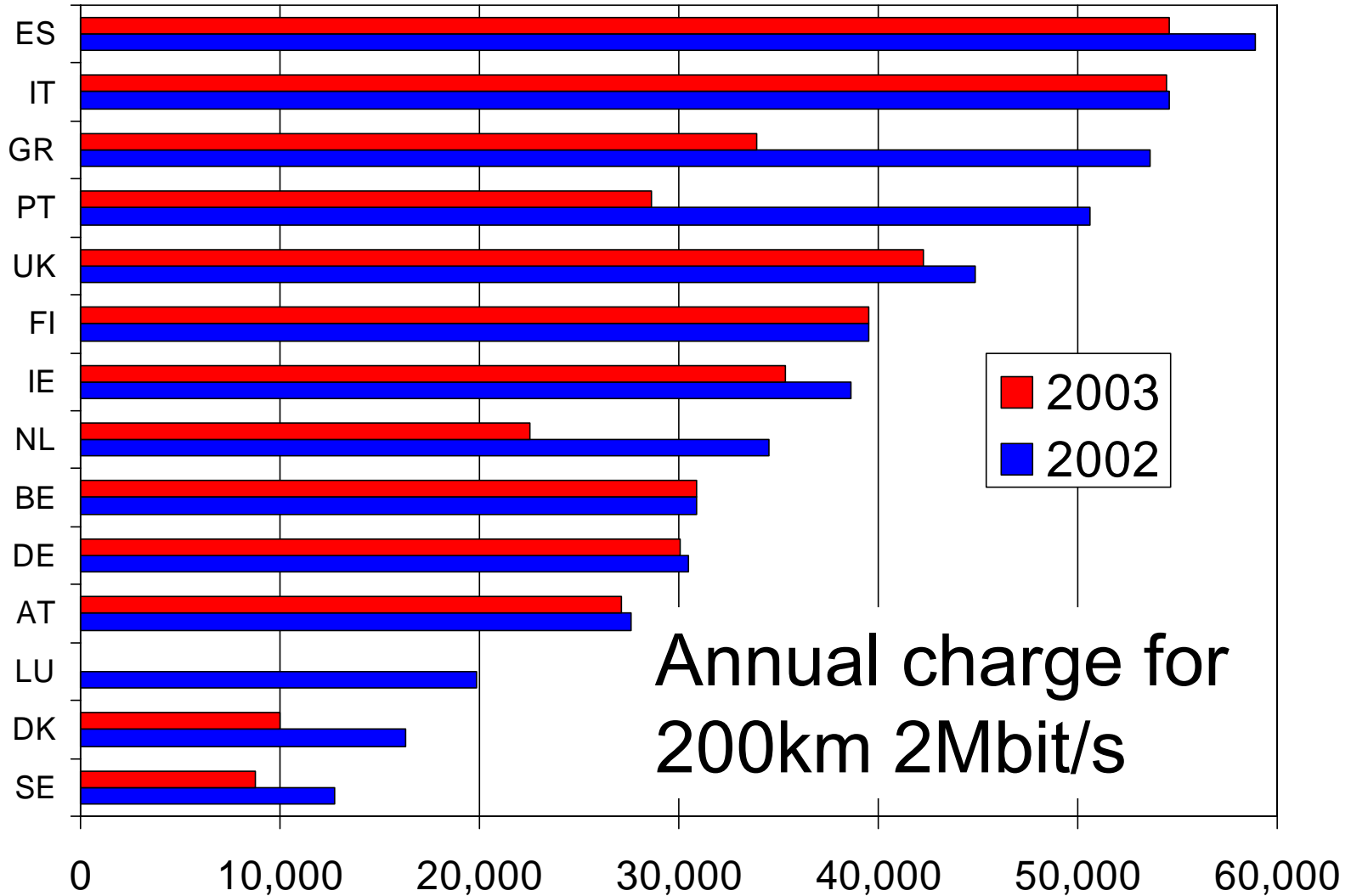


INTUG European Union

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

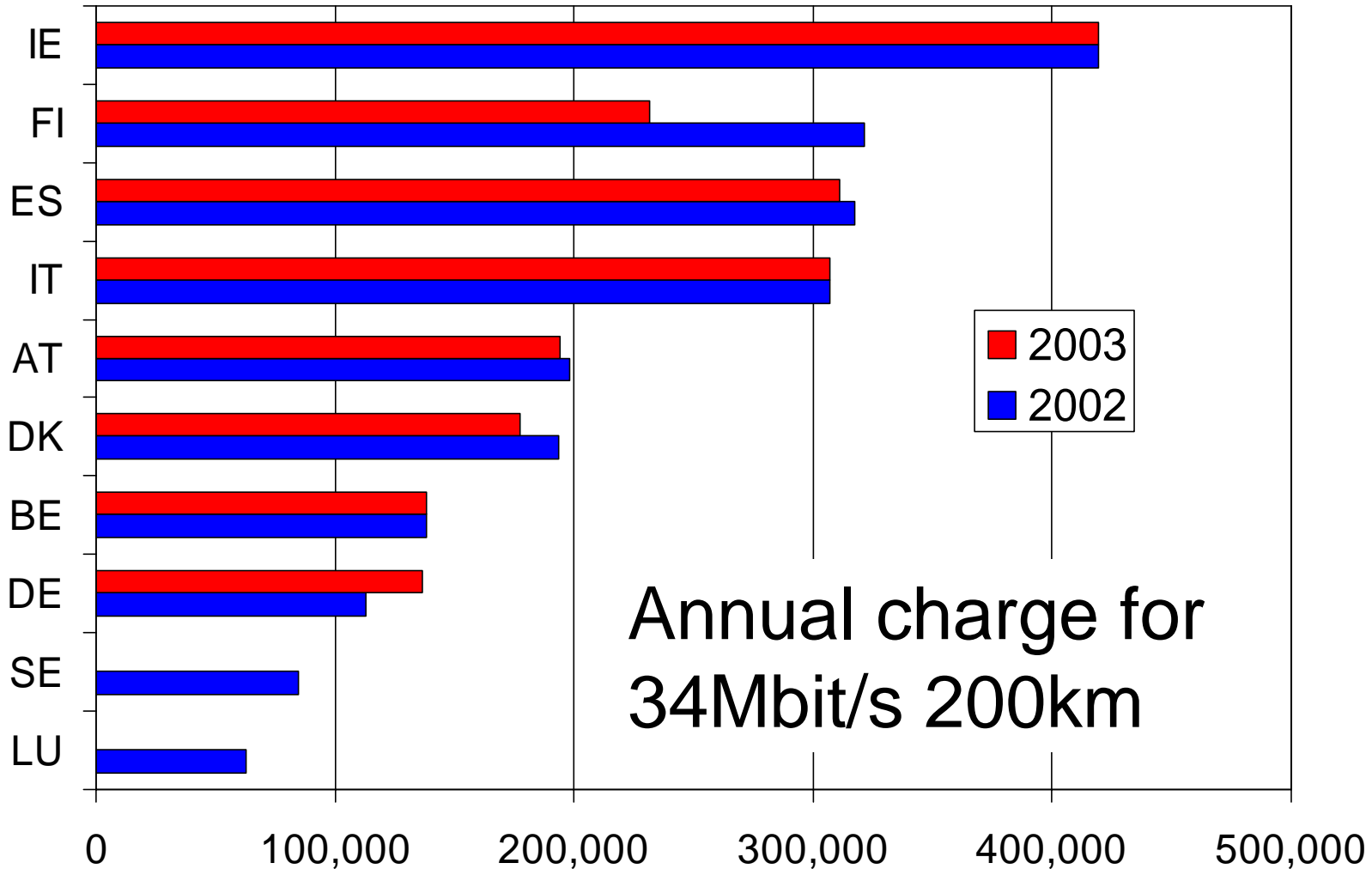
INTUG EC 8th and 9th reports

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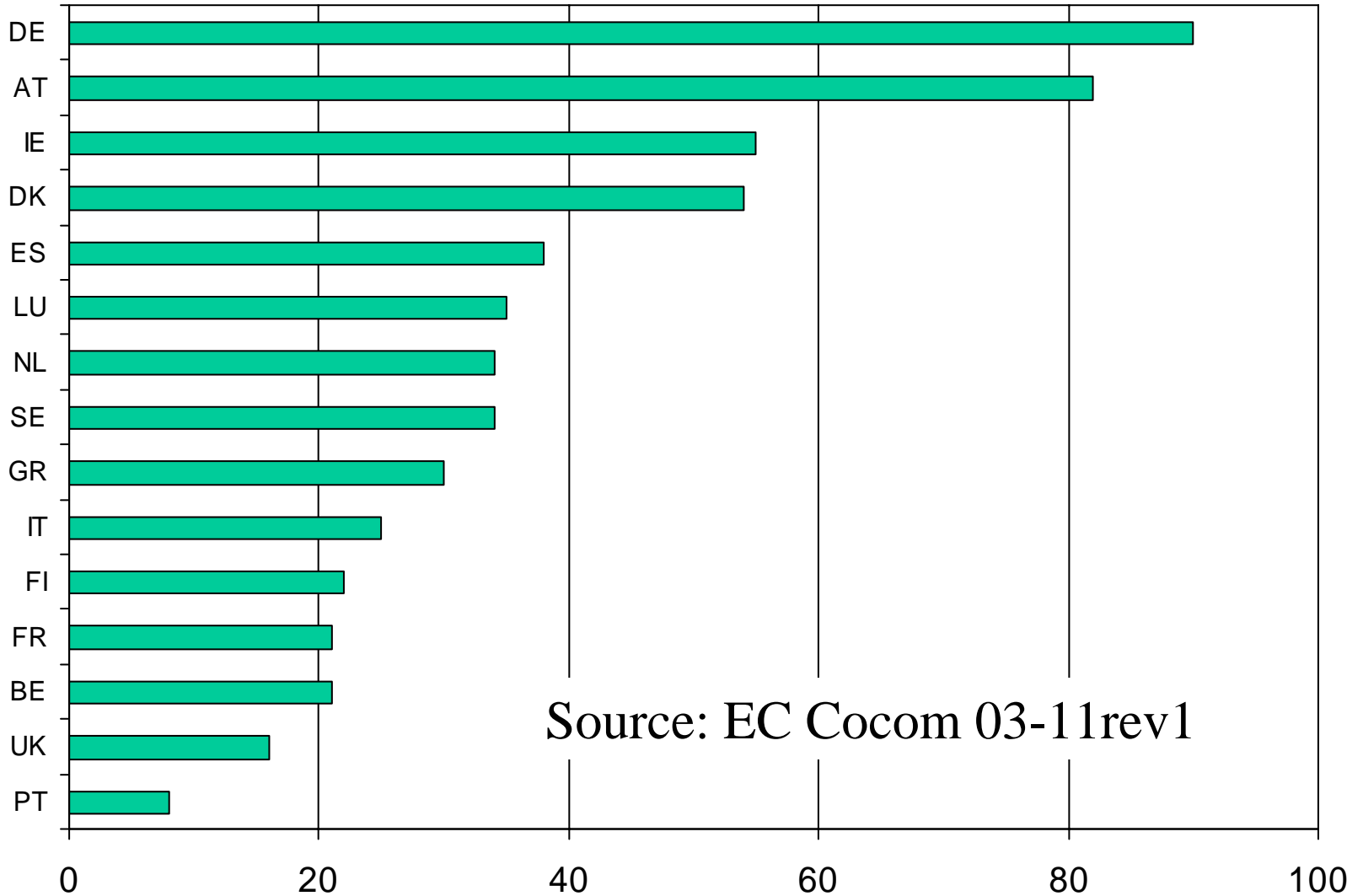
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Annual charge for
34Mbit/s 200km

INTUG delivery of 64bit/s (days)



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 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 governments to ensue non-discrimination
- intervention is long overdue

INTUG thank you

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