

Roaming

a global user perspective

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INTUG contents

- about INTUG
- market developments
- a history of non-regulation
- prices for roaming in Greece
- conclusions

INTUG what is INTUG?

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

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

INTUG mobile priorities

- **International Mobile Roaming (IMR)**
 - significant reductions in charges for voice and for data
 - 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 reduction 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 technologies

INTUG market developments

- more GSM customers in general
- pre-paid customers now having limited capability to roam
- more travellers:
 - despite war, terrorism, disease and high oil prices
- travellers are making more calls
- therefore more roaming minutes and text messages
 - little evidence of use of GPRS or MMS
 - despite special offers

INTUG summer special offers

- some operators have tested demand with special offers
- T-Mobile UK “Relax holiday”
 - 1/3 off pre-paid minutes in July and August (“as little as 50p per minute”)
- Vodafone UK
 - “Call the UK from anywhere in Europe between 7-8pm for just 40p per minute”

INTUG new entrants

- Mint Telecom (gone)
- Worldcell (moved elsewhere)
- Zebra Roaming
- Transatel
- Dotdash
- Mobile Virtual Network Operators
 - forced to resell home partners' roaming

INTUG (non-)developments

- Alliances:
 - Star Map
 - Free Move
 - no offers to business users
 - may facilitate pre-paid roaming offers
- Vodafone Group
 - Eurocall and World Call
- T-Mobile
 - WorldClass

INTUG (non-)regulation of roaming

- INTUG raised the issue of high prices in early 1999
- roaming was not covered by “old” EU regulatory package
- addressed by DG Competition as part of a sector inquiry
- wholesale roaming included the “new” EU regulatory package
 - but no market analyses, so far

INTUG DG COMP sector inquiry

- launched July 1999
- work began January 2000
- working document December 2000
- “dawn raids” July 2001
- announcement of statements of objections to UK operators July 2004

INTUG european regulators

- wide range of new powers
- wholesale market pre-defined as requiring analysis
- roaming is in the ERG work plan
- economically complex
- legally complex
- still fighting on fixed-to-mobile rates

INTUG purchasing of mobile

- bought nationally
(sometimes individually even in MNCs)
- bought as a bundle of services:
 - access
 - call origination
 - call termination
 - SMS
 - data
 - international mobile roaming
- limited buyer power
 - exerted on termination rates

INTUG price information

- remains exceedingly difficult to compare prices
 - even for one operator
- pricing information is generally difficult to find and then to check
- still warnings about fluctuations in exchange rates and prices

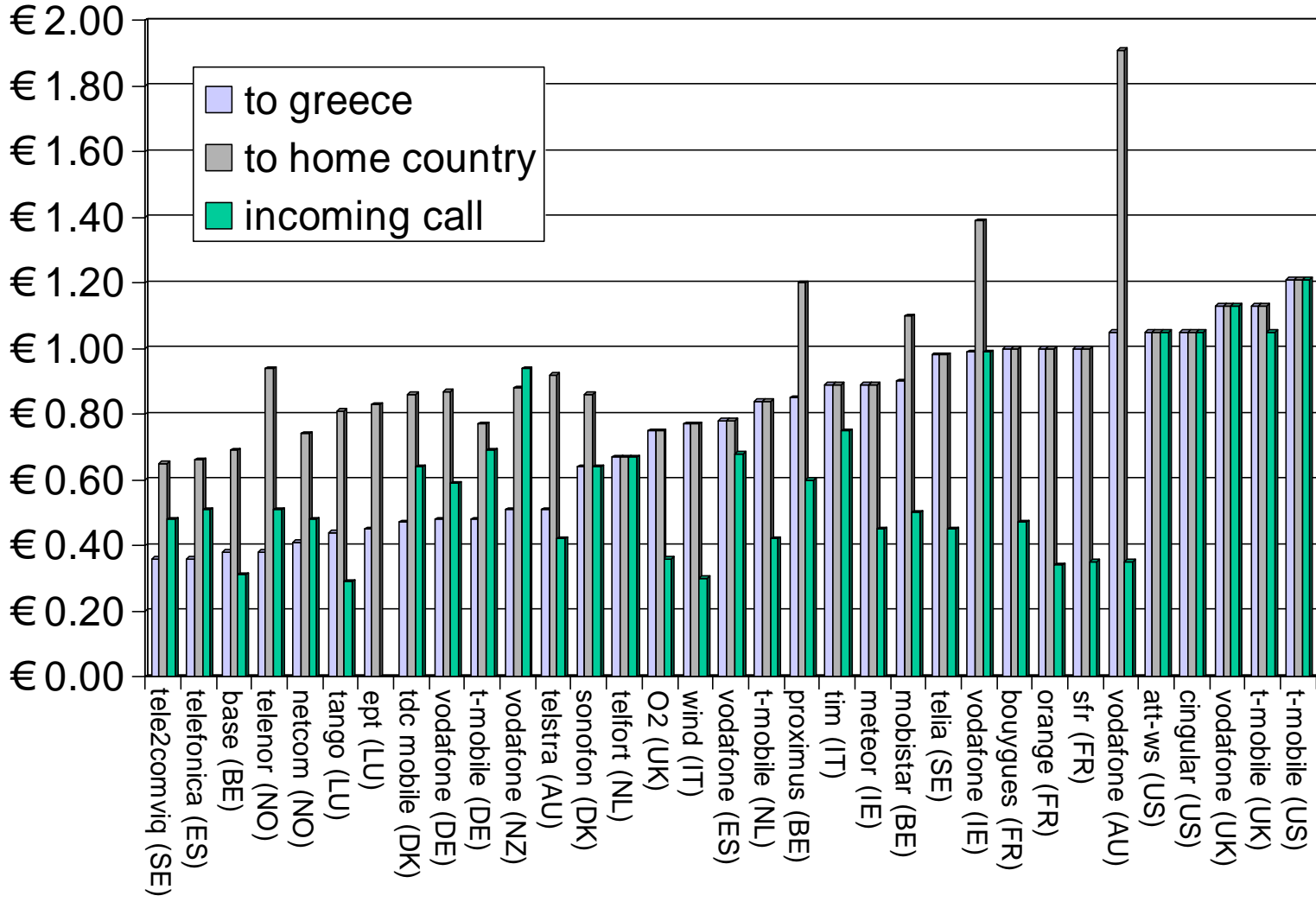
Maroc Telecom just says 15 per cent on top of the charges of the foreign operators.

INTUG an Olympic contest

- we compared prices for visitors to Greece in August 2004
- voice calls:
 - incoming
 - calling home
 - call within Greece
- SMS
- GPRS

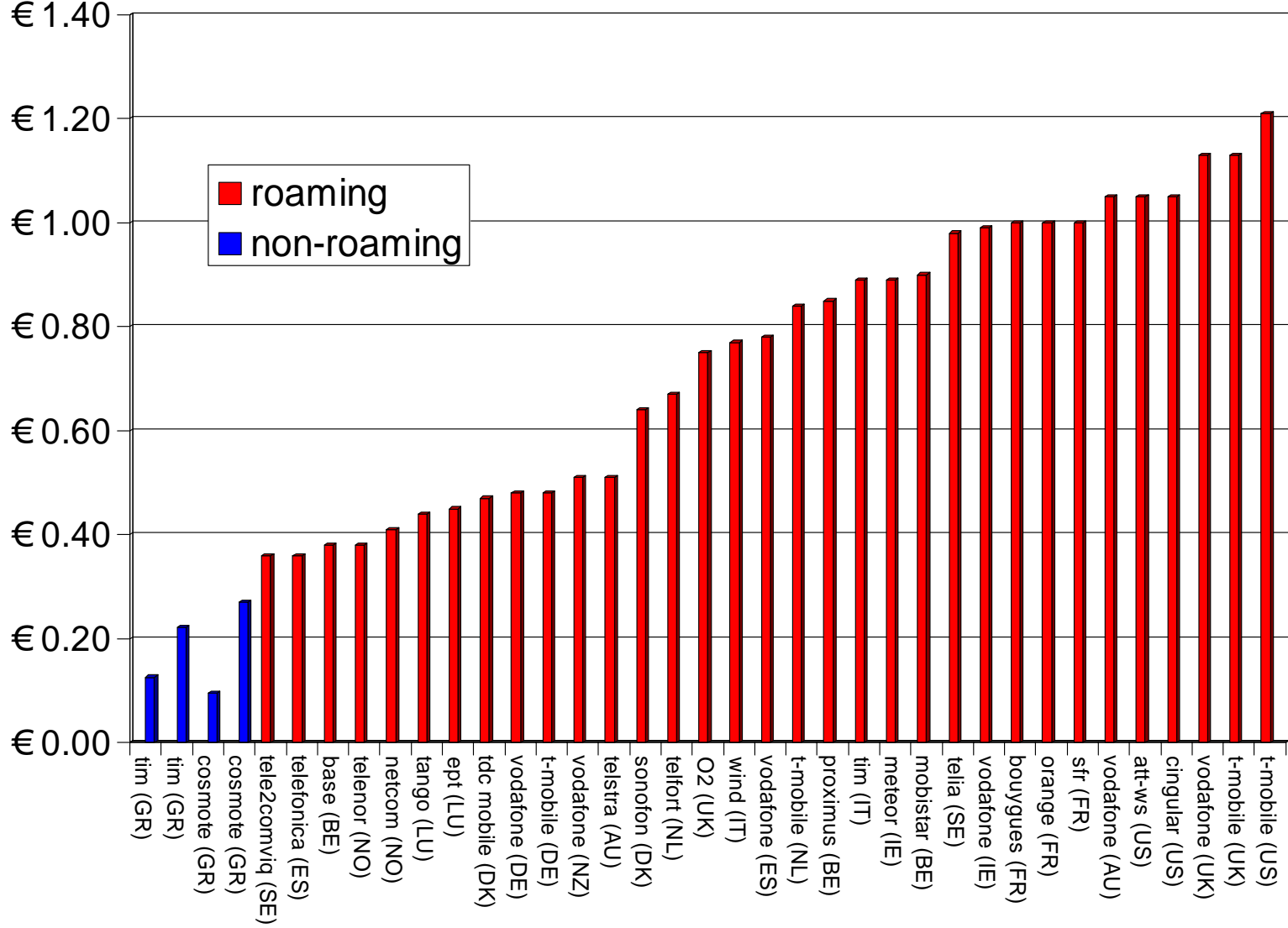
INTUG voice roaming in greece

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INTUG calls within greece

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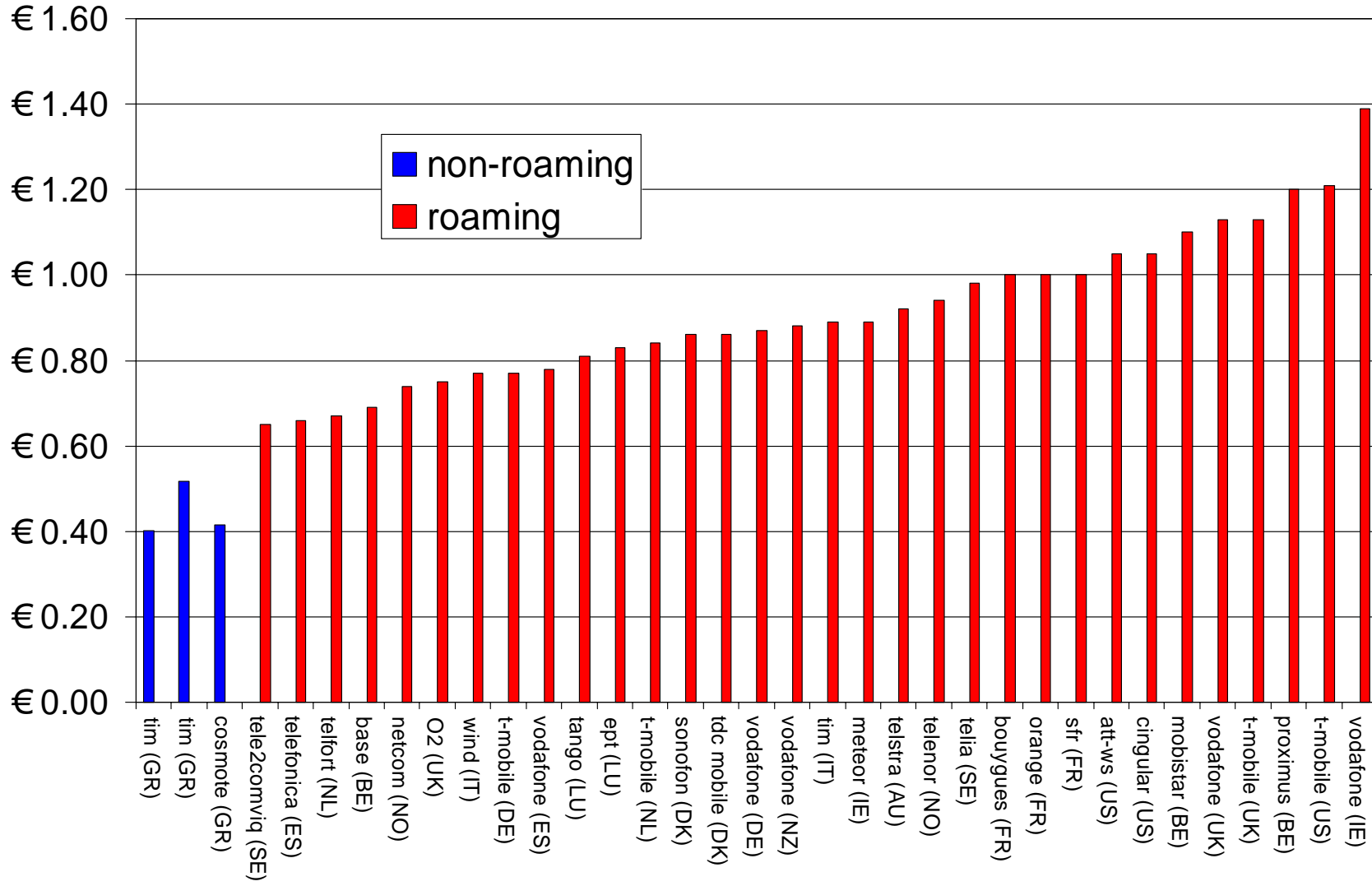


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calling home from greece

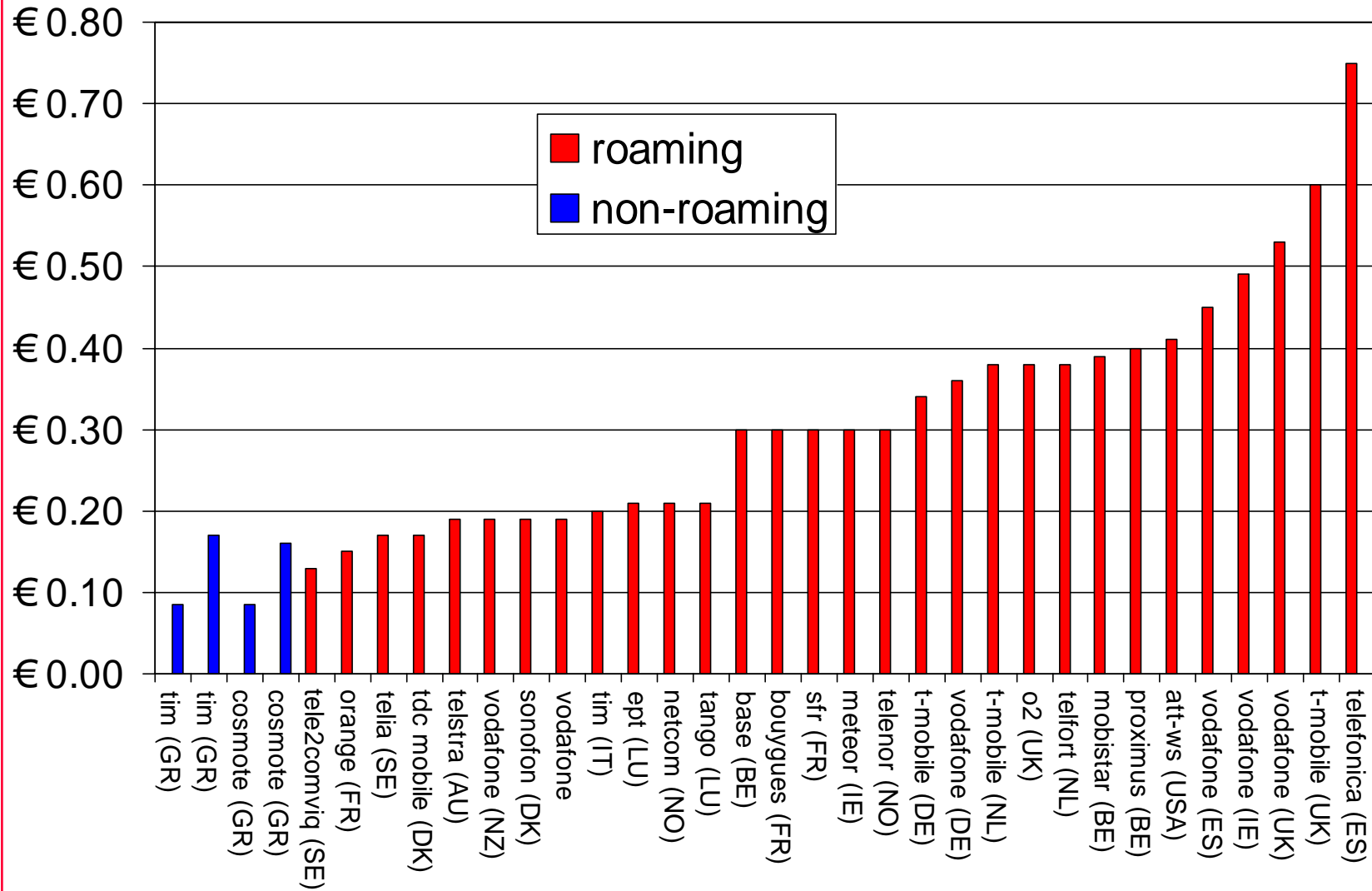
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INTUG SMS charges in Greece

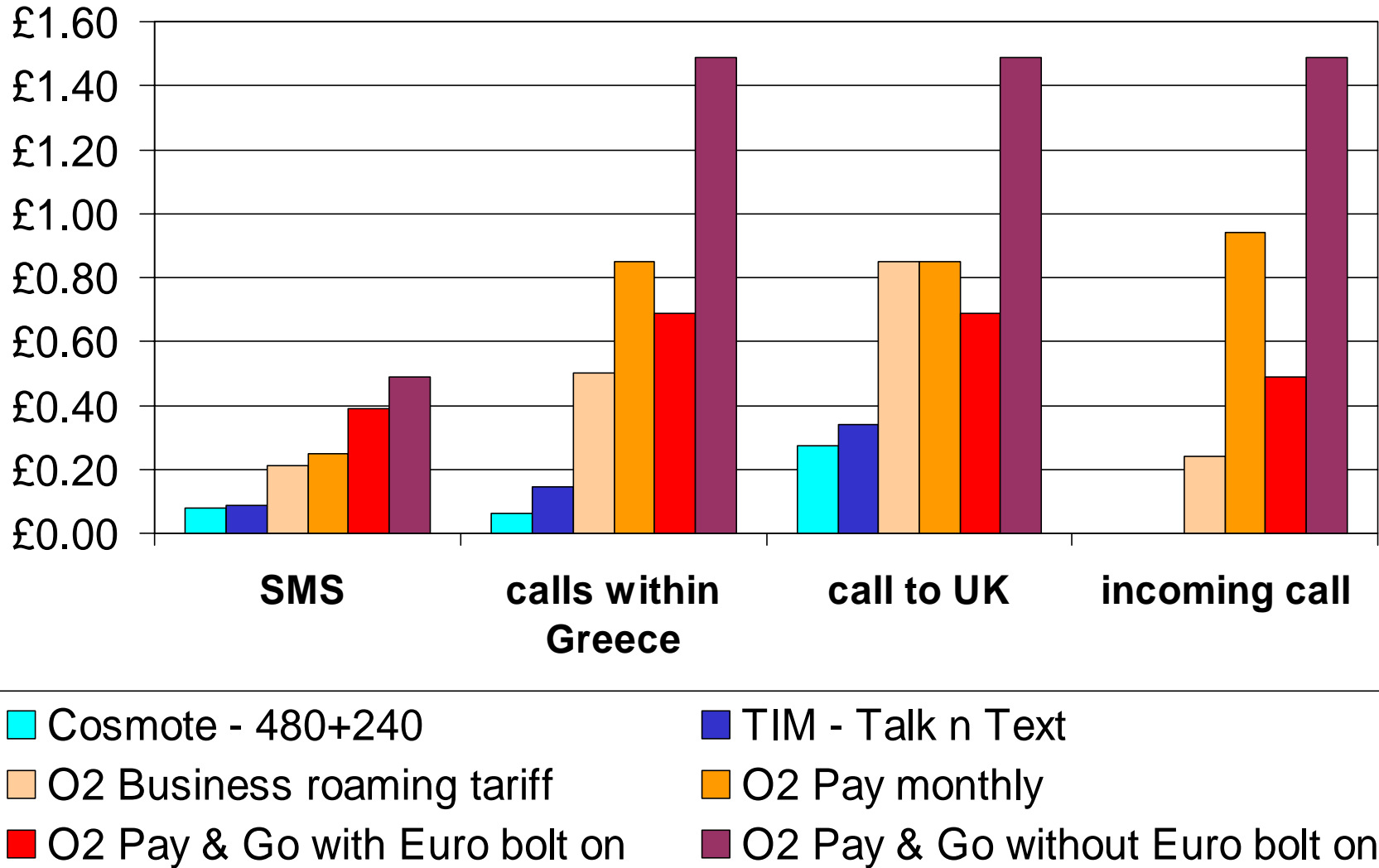
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INTUG roamers from O₂ UK

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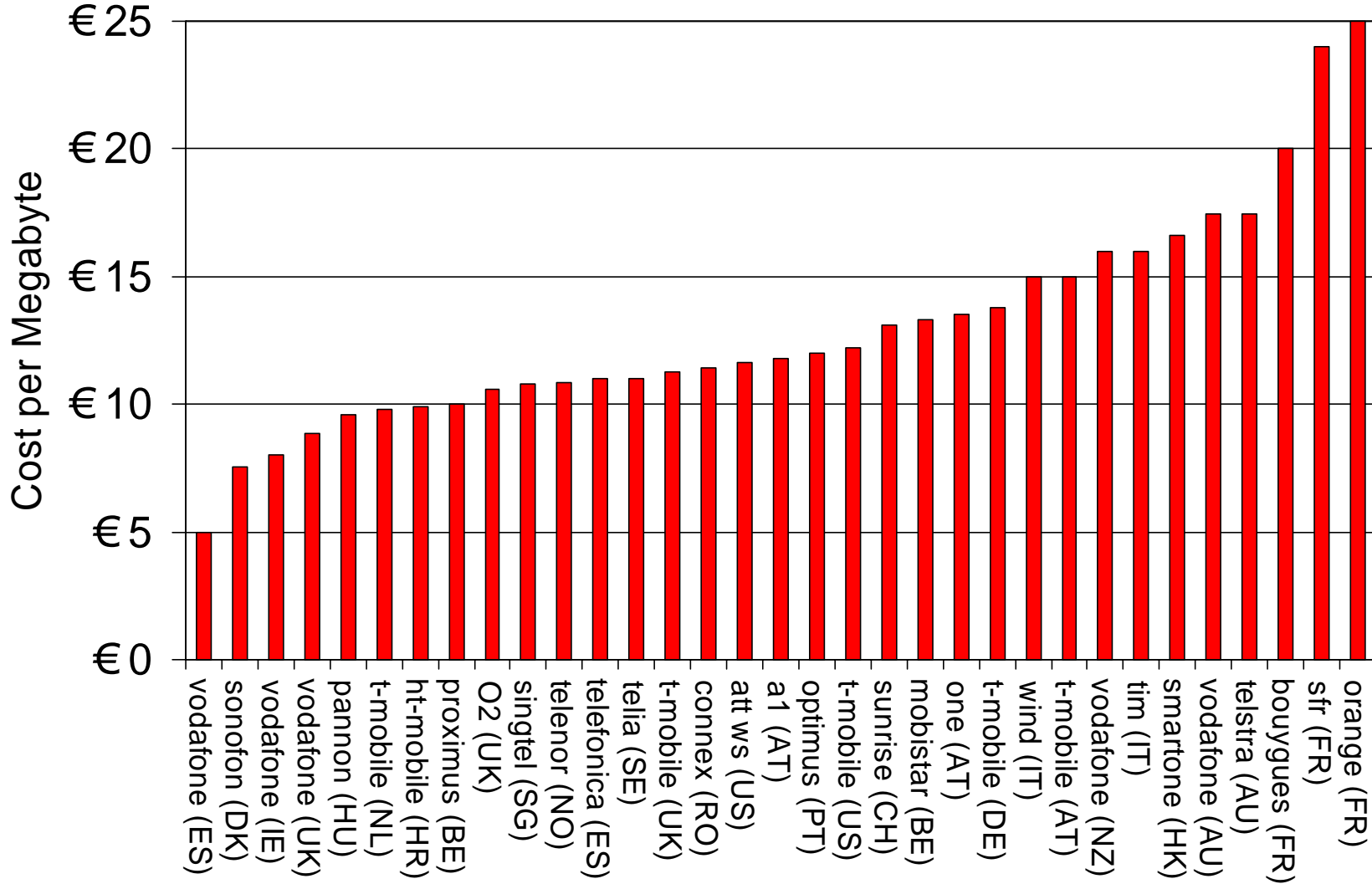
INTUG GPRS roaming

- voice pricing abuse reproduced
- prices are:
 - hard to find
 - excessive
- why are they priced in Euros per kilobyte?
 - especially when it is not delivered data but includes a substantial overhead
- unpredictable availability:
 - some operators
 - no idea of national coverage
- no service level agreements

INTUG GPRS roaming in Greece

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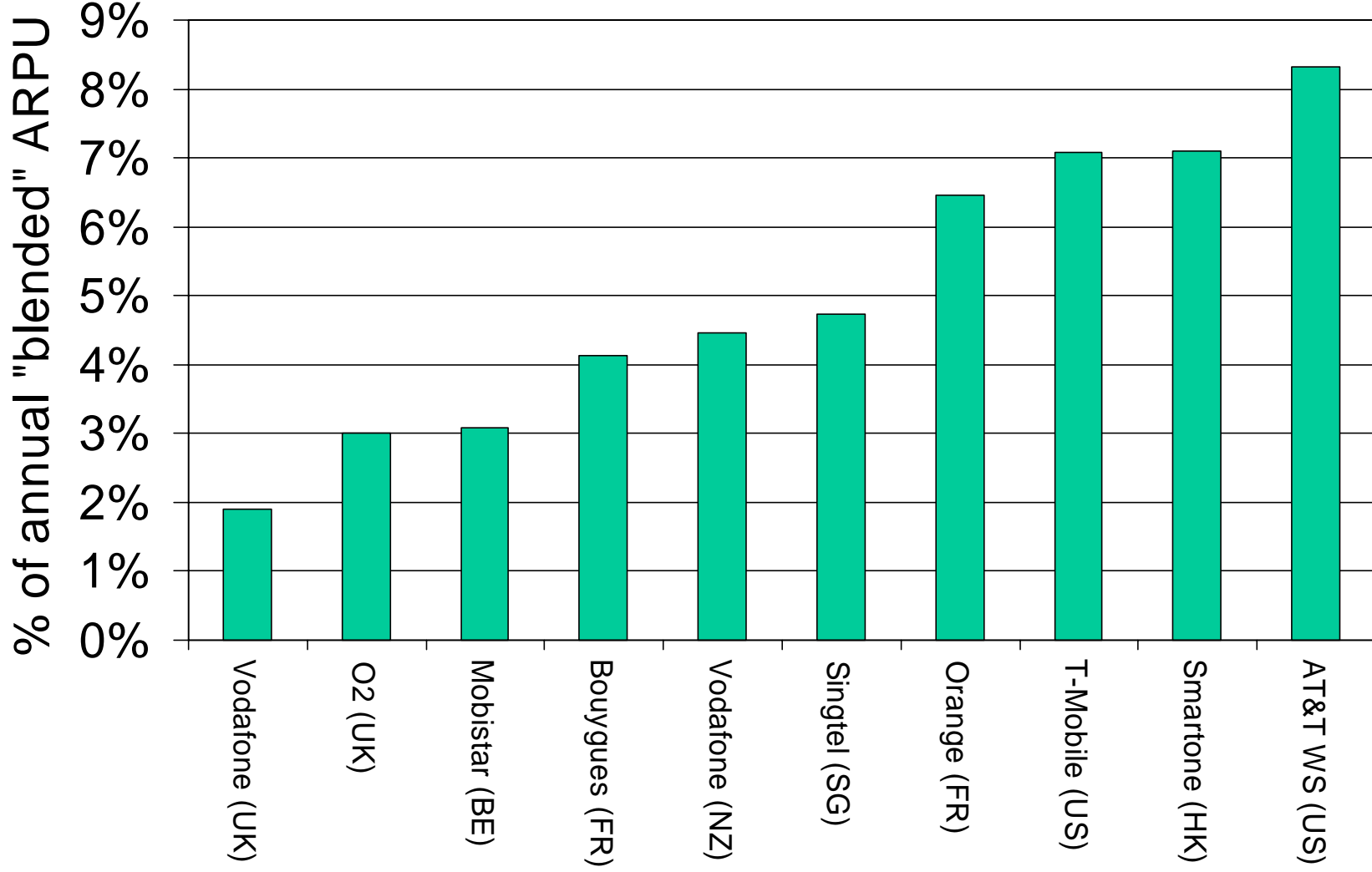
INTUG don't do it

- business travellers:
 - book a hotel with broadband in the room
 - find a Wi-Fi hot spot
- individual travellers:
 - find a Wi-Fi hot spot
 - find an Internet café
(it probably also offers cheap telephony)
 - use instant messaging, not SMS

http://www.intug.net/views/avoiding_roaming_charges.html

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contribution of 1 roamed Megabyte



INTUG GPRS roaming

- operators have demonstrated they do not understand:
 - data services (or volumes)
 - value added services
- if video is affordable, then at the same price per bit, voice is free!

INTUG operators living

- in 1880s world of nation states
- in 1980s world of voice and SMS
- without fear of regulation
- without fear of competitors
- without need to introduce pan-European services
- by dividing and conquering
 - countries
 - companies

INTUG limited “footprints”

- Vodafone
 - *Europe* - Albania, Belgium, France, Germany, Greece, Hungary, Ireland, Italy, Malta, Netherlands, Poland, Portugal, Romania, Spain, Sweden, Switzerland and UK (17)
 - *RoW* - Australia, China, Egypt, Fiji, Japan, Kenya, New Zealand, South Africa and United States (9)
- Orange (France Telecom)
 - *Europe* - Austria, Belgium, Denmark, France, Netherlands, Portugal, Romania, Slovakia, Switzerland, United Kingdom (10)
 - *RoW* - Australia, Botswana, Cameroon, Dominican Republic, Egypt, India, Israel, Ivory coast, Madagascar, Reunion, Thailand (11)
- T-Mobile (DTAG)
 - Austria, Czech Republic, Germany, Hungary, Netherlands, Poland, Russia, United Kingdom and USA (9)

INTUG Internet access

- hotels are deploying
 - broadband in rooms
 - Wi-Fi elsewhere
- Wi-Fi
 - hot spots are growing
 - roaming agreements in place
- better alternatives than GPRS, EDGE and 3G

INTUG conclusions

- european lead in mobile is lost
- market abuses continue unchecked
- no pan-European services
- operators have failed to bring customers onto 2.5G data
- 3G is stillborn (c.f. Korea-Japan)
 - only some cheap voice services
- regulators fighting on too many fronts

INTUG looking ahead

- continuing market abuses
- limited regulatory action
- pre-paid customers being grossly overcharged
- little competitive pressure on prices
- no use of data roaming services
- no pan-European services

INTUG thank you

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