

**INTUG**

**International roaming 26 x 2004**

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

# Roaming

a global user perspective

**Ewan Sutherland**

Executive Director

**International Telecommunications  
Users Group**

[ewan@intug.net](mailto:ewan@intug.net)

# INTUG contents

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

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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

- 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

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- **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 roaming market trends

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

# INTUG roamed operators

- saturate airports to “capture” incoming travellers
- advertise in airports
- O<sub>2</sub> UK
  - pays for a map for Eurostar customers
  - free beverage for those manually roaming on O<sub>2</sub> in UK



# INTUG summer '04 special offers

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- 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”
- O<sub>2</sub> UK autumn offer
  - £1.20 per minute to call home from Spain

# INTUG (non-)developments

- Vodafone Group  
(Eurocall and World Call)
- T-Mobile (WorldClass)
- Star Map and Free Move alliances:
  - no offers to business users
  - may facilitate pre-paid roaming offers
  - may facilitate access to walled gardens
  - may be a precaution against an outbreak of competition

# INTUG Sonofon Udlandsplan

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- Scandinavian operator
- balanced traffic with certain operators
- so can ignore foreign tariffs, because little or no money is paid
- some home VPN features
- lower prices when roaming
- expansion is very limited by the general imbalance of traffic

# INTUG directing users

- operators claim new SIM cards allow them to direct customers to a chosen roamed operator
- consequently allowing them to negotiate lower wholesale rates
- no evidence at the retail level
- the legality of this technology under competition law is untested

# INTUG new entrants

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- contained or crushed by MNOs:
  - Mint Telecom (gone)
  - Worldcell (moved elsewhere)
  - Zebra Roaming (gone?)
- Ginimobile (new)
- Transatel (FR, BE, NL and UK)
- Dotdash

# INTUG gsm association

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- Standard Terms for Interoperator Agreements (STIRA) still secret
- wholesale roaming available only to other licensed MNOs
- Mobile Virtual Network Operators
  - forced to resell home partners' roaming
- GSMA maintains no involvement in pricing

# 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 in July 1999
- work began January 2000
- working document December 2000
- “dawn raids” July 2001
- announcement of statements of objections to UK operators July 2004
- awaiting statements on German operators



# INTUG european regulators

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- wide range of new powers
- wholesale market pre-defined as *requiring* analysis
- European Regulators Group (ERG)
  - recognises the benefits of collaboration
  - included in the 2004 work plan
- economically complex
- legally complex
- NRAs still fighting on fixed-to-mobile rates

# INTUG raised the issue at:

- Asia-Pacific – APECTEL
- Americas – CITEL PCC.1
- OECD – ICCP/TISP
- International Telecommunication Union
  - ITU-T Study Group 3

# INTUG united states of america

- roaming charges could be the basis for a “class action”
- would affect all mobile operators with a presence in the USA

# INTUG purchasing mobile services

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- bought nationally  
(sometimes personally, even in MNCs)
- bought as a bundle of services:
  - access
  - call origination
  - call termination
  - SMS
  - data (GPRS, EDGE, 3G)
  - value added services
  - international mobile roaming
- very limited buyer power
  - generally exerted on termination rates

# INTUG price information

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

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

# INTUG an olympic contest

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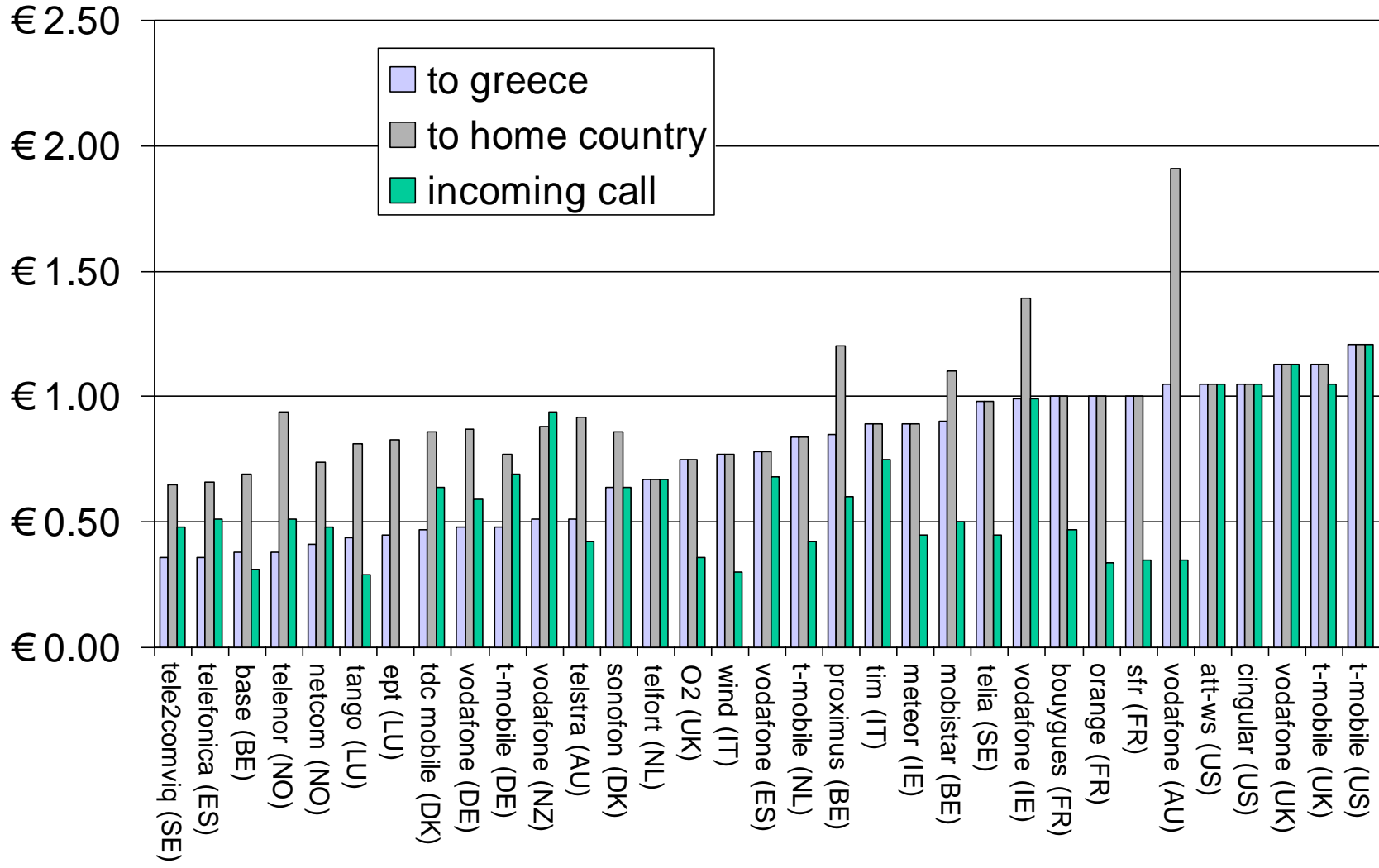
[www.INTUG.net](http://www.INTUG.net)

- 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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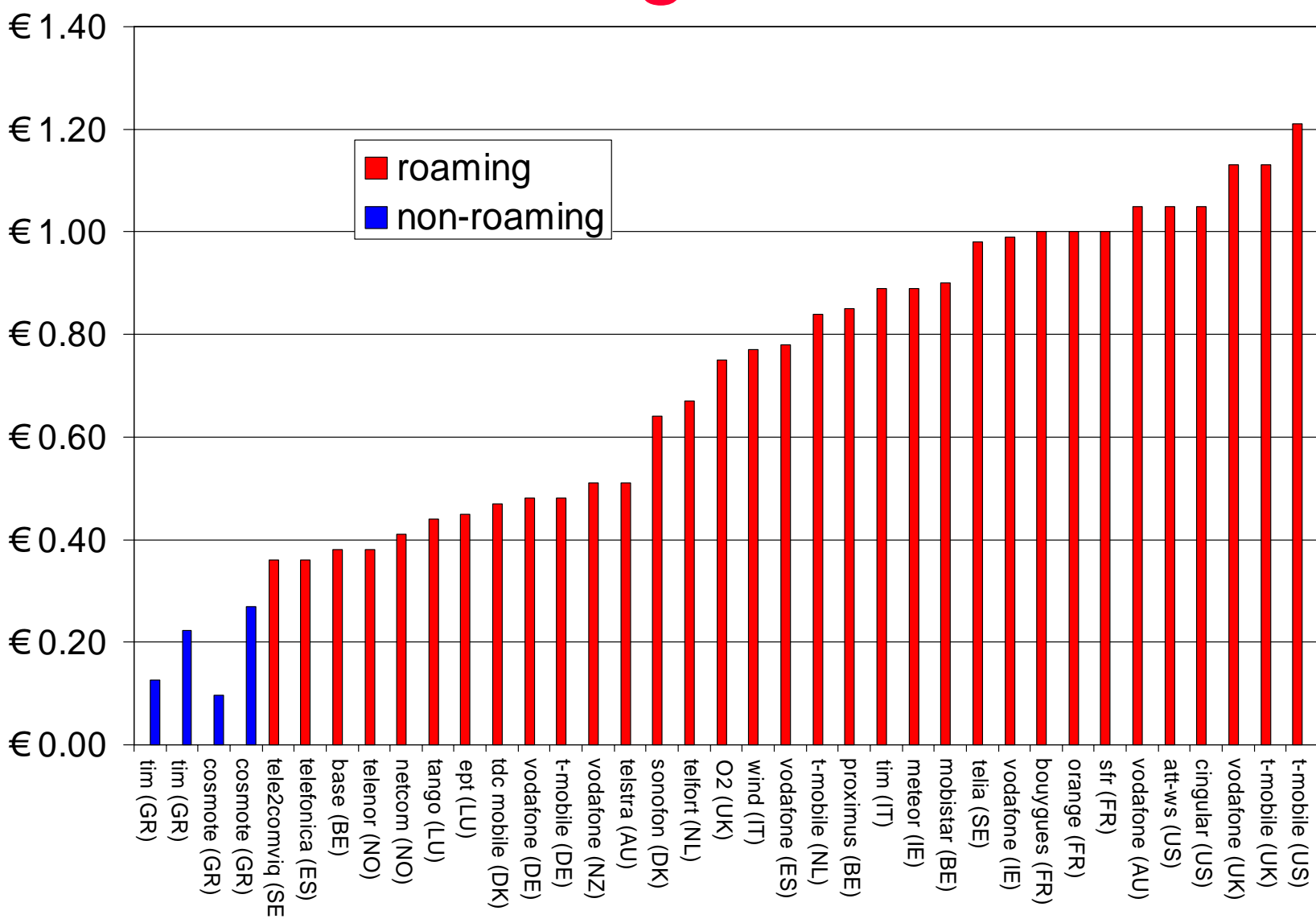
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# INTUG calls within greece

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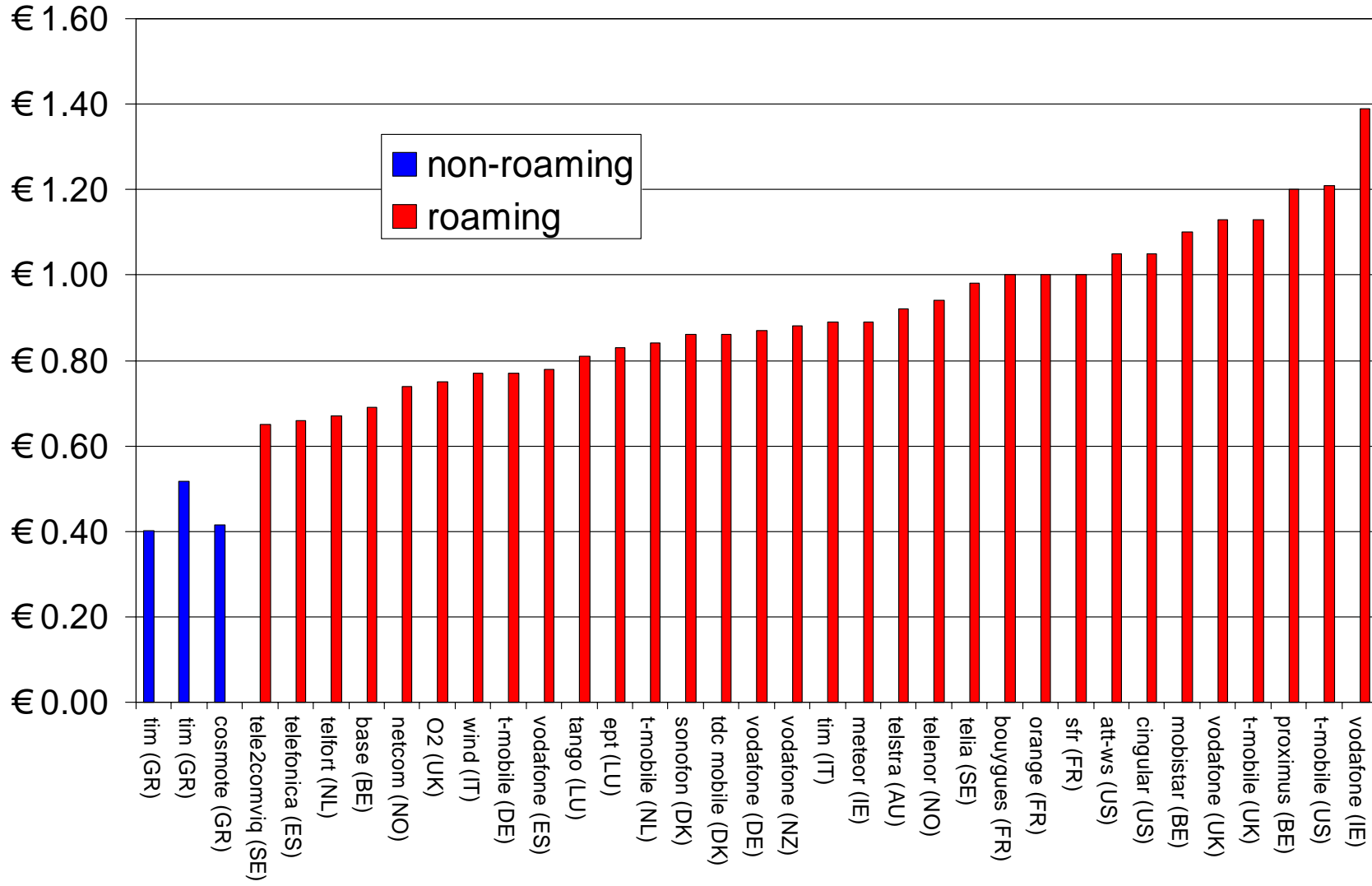


# INTUG

## calling home from greece

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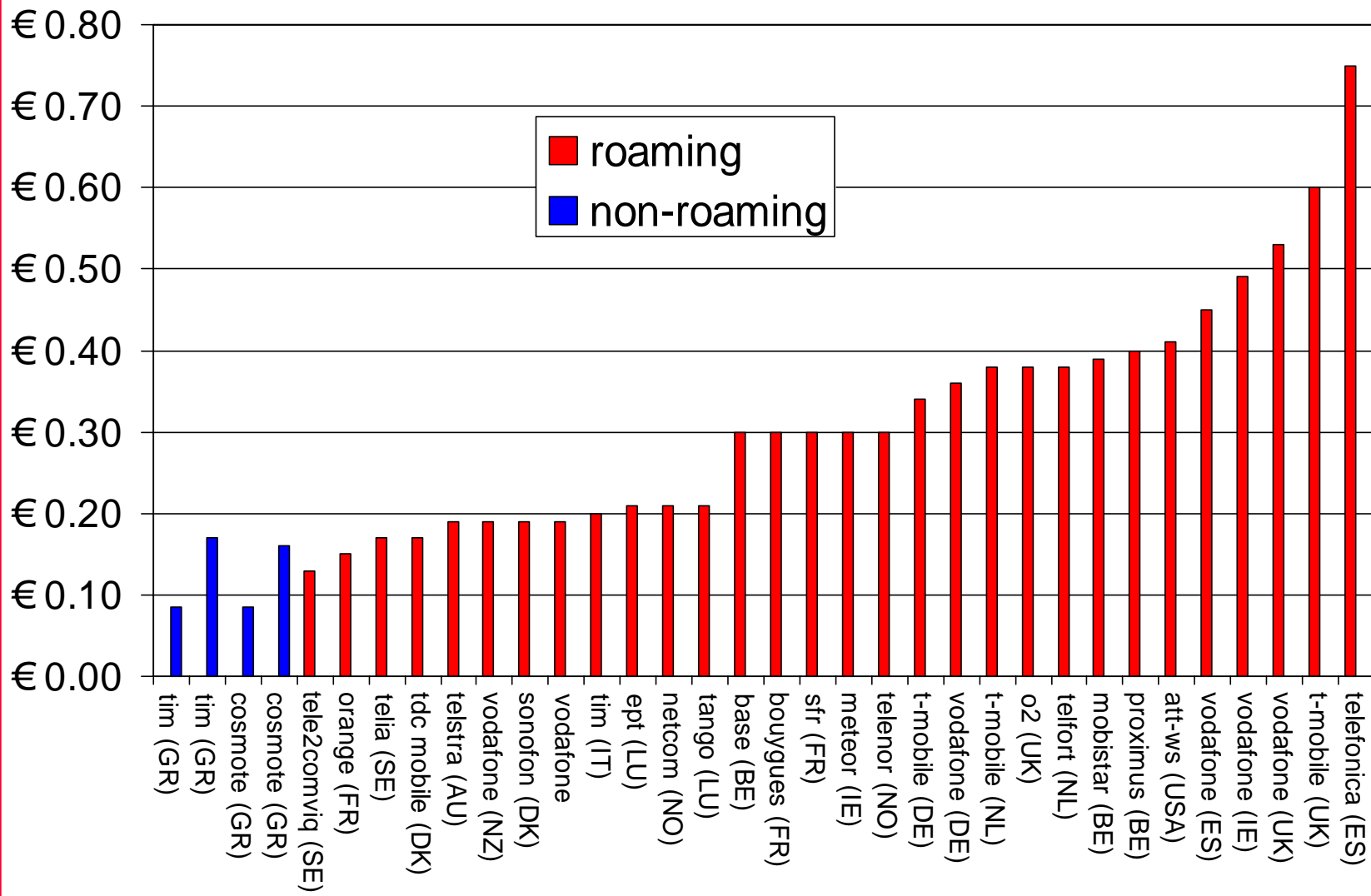
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# INTUG SMS charges in Greece

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# INTUG european operators

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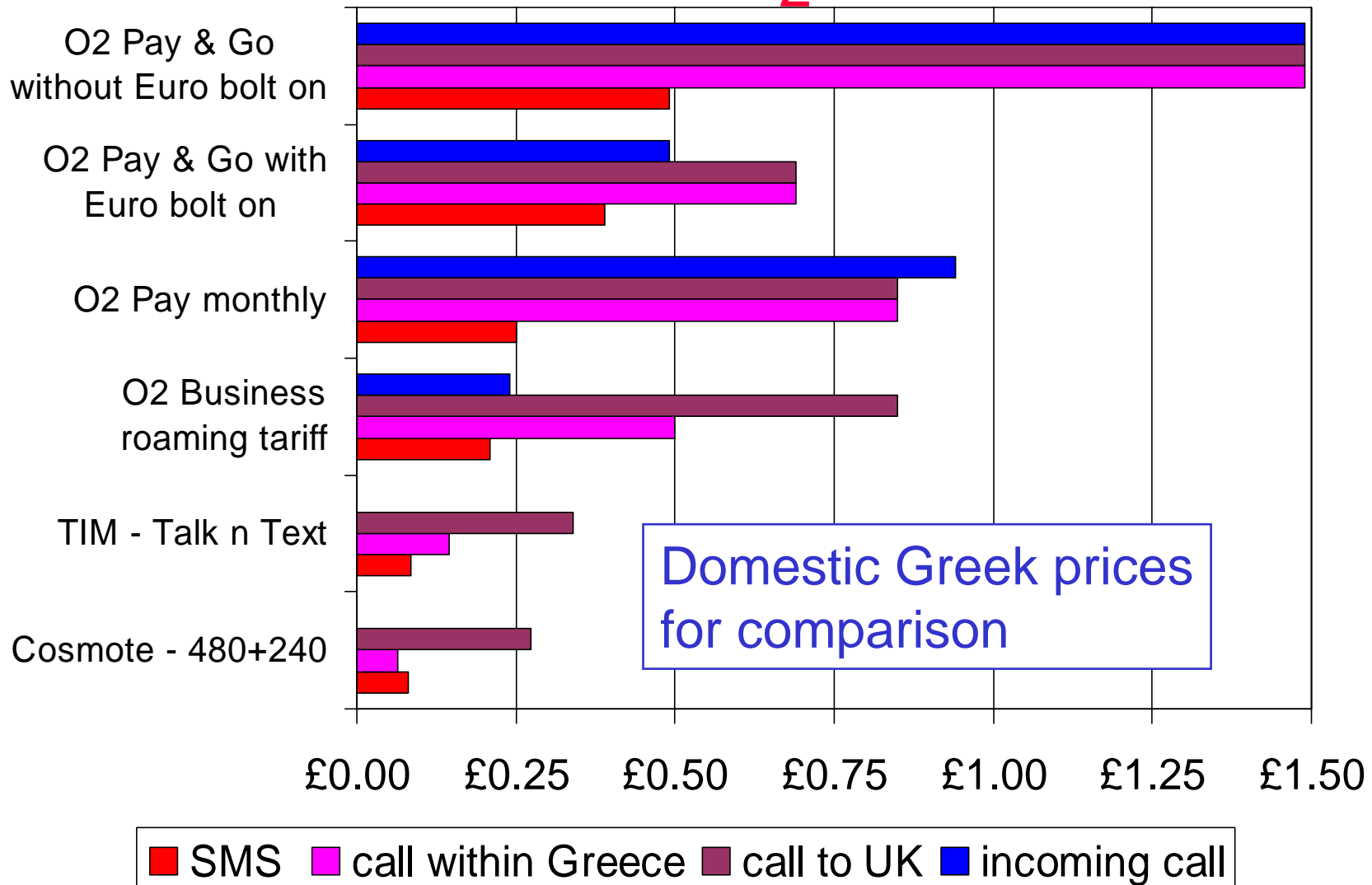
[www.INTUG.net](http://www.INTUG.net)

- gradual widening of home price range
- some slight corporate discounts
- added roaming for pre-paid customers, but at very high prices
- mark-up by home operators has increased, sometimes significantly
- ‘simplified’ prices
  - one rate for local call and to call home

# INTUG roamers from O<sub>2</sub> UK in Greece

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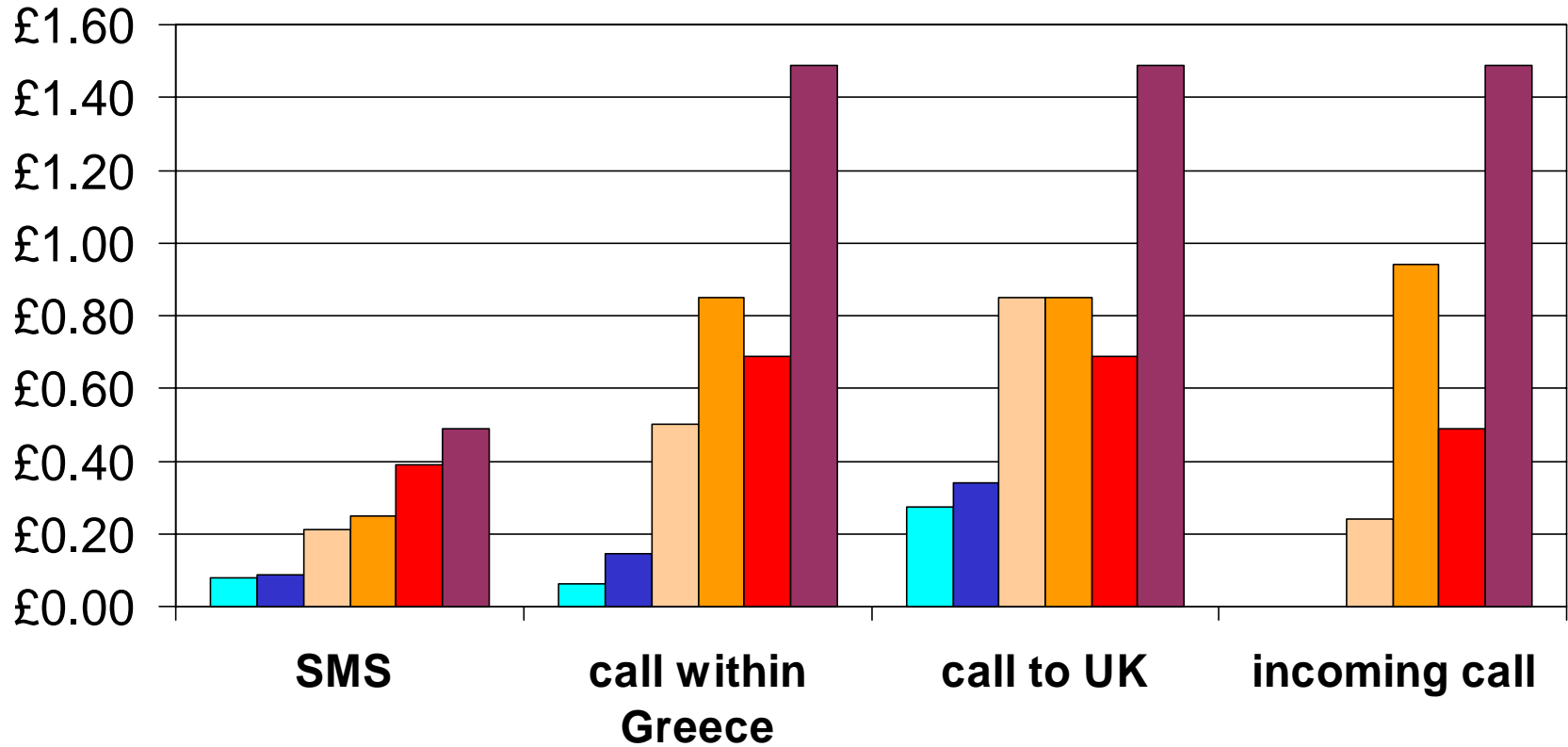
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# INTUG roamers from O<sub>2</sub> UK in Greece

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Cosmote - 480+240

TIM - Talk n Text

O2 Business roaming tariff

O2 Pay monthly

O2 Pay & Go with Euro bolt on

O2 Pay & Go without Euro bolt on

# INTUG partner networks

- often only one network for:
  - “best” roaming prices
  - “walled garden” VANS
  - pre-paid roaming
  - GPRS
- slow expansion to other operators
- 3G roaming likely to be the same
- could be technical reasons, more likely to be commercial

# INTUG United States of America

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- “any call, any time, any where”
- flat rate pricing, very easy to understand
- call forwarding is at usual international rate
- a local call in Singapore:
  - Cingular US\$ 1.99 per minute
  - AT&T Wireless US\$ 1.69 per minute
  - Verizon Wireless US\$ 1.49 per minute
  - T-Mobile USA US\$ 1.49 per minute
- wholesale price is unlikely to be more than 15cents/minute
- blocks potential use of calling cards

# INTUG roaming in Singapore

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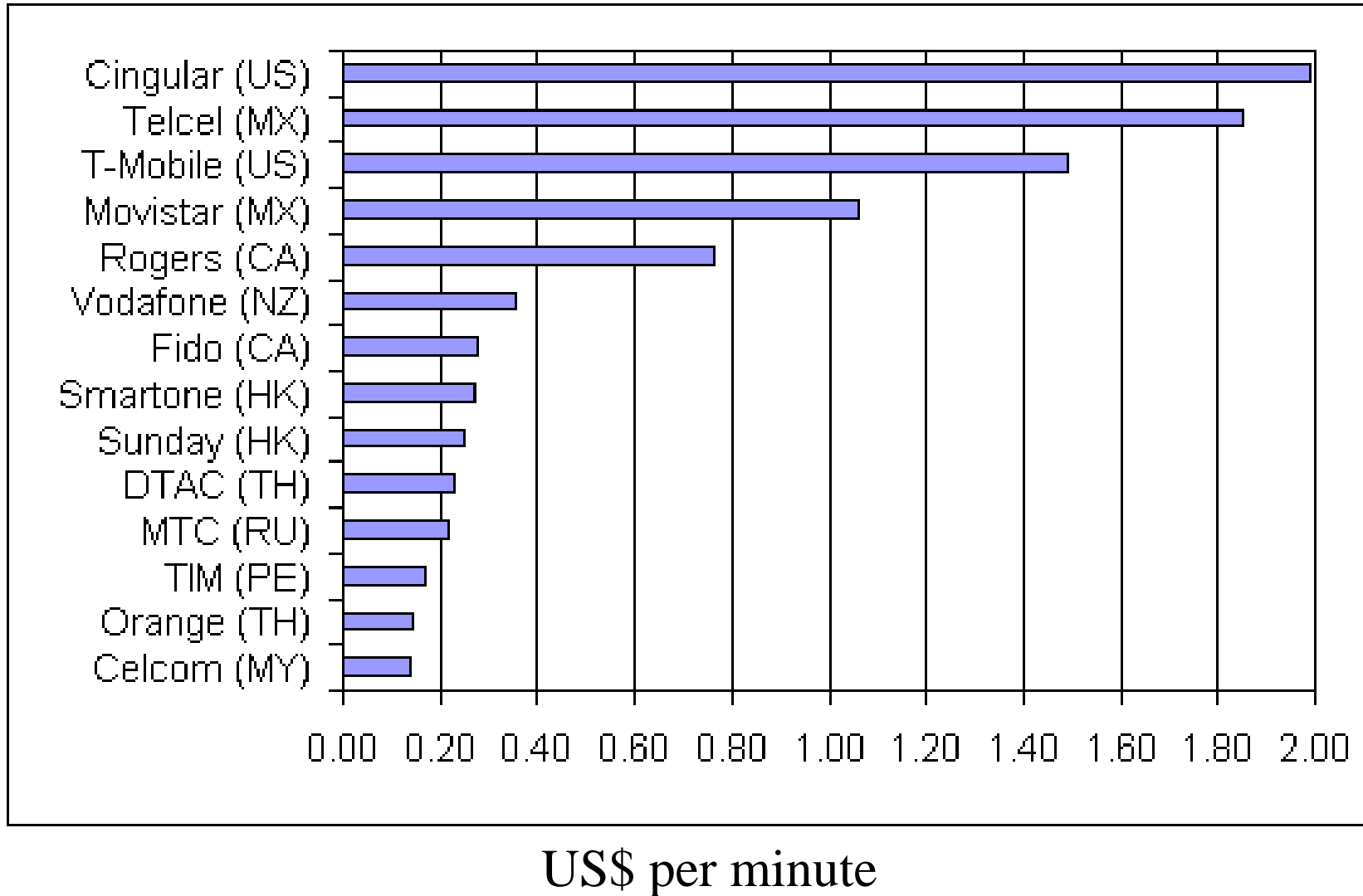
- data collected in September 2004
- presented to APECTEL 30
- fairly traditional pricing:
  - varies by the roamed operator
- significant gaps in pricing information
- operators from USA and Mexico have very expensive local calls



# INTUG local call in Singapore

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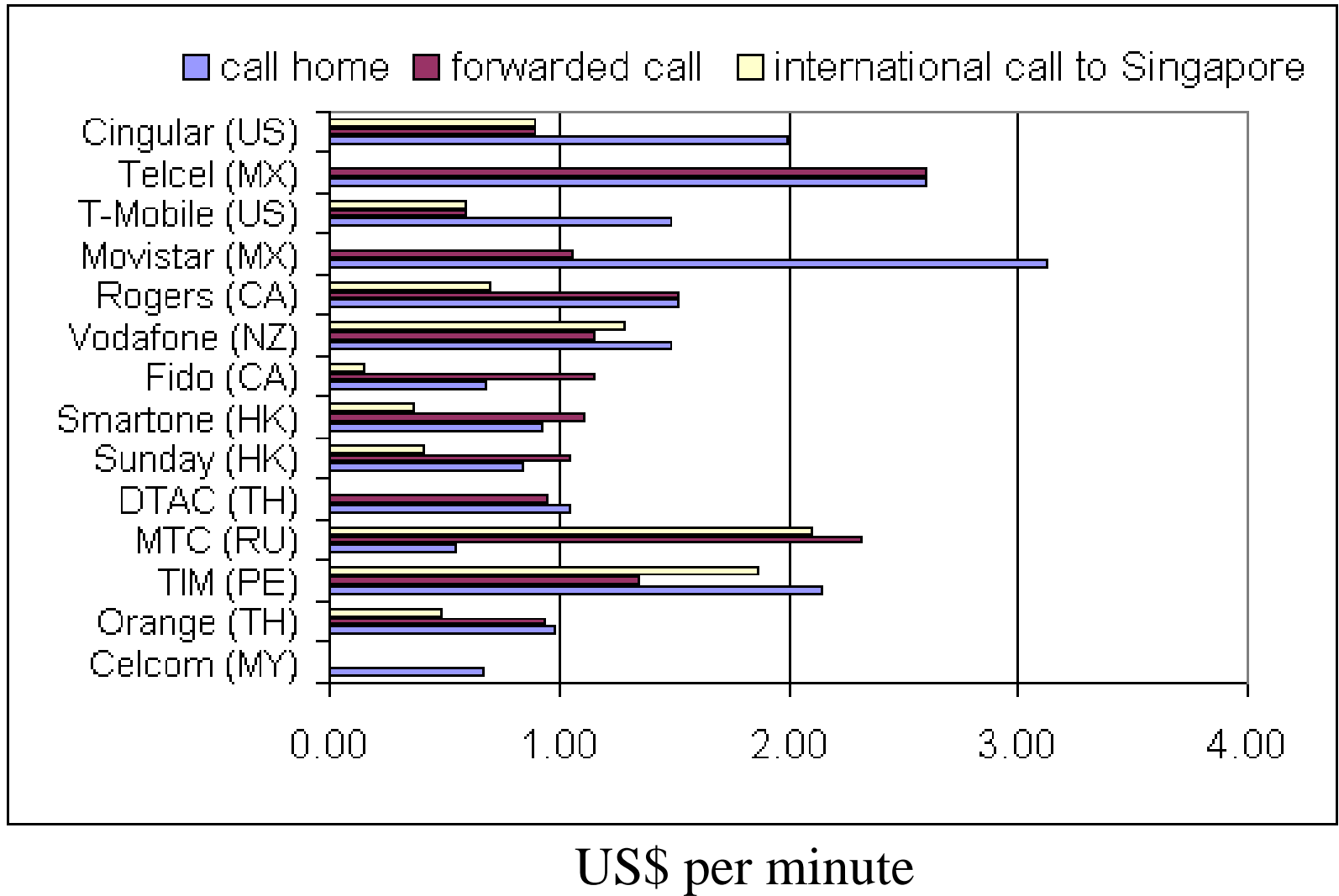
[www.INTUG.net](http://www.INTUG.net)



# INTUG three similar calls

- calls with the same elements:
  - simple international call to Singapore
  - forwarding a call to roamer in Singapore
  - international call by a roamer to home
- a fair comparison
- some very strange variations

# INTUG international calls



# INTUG Spain and Australia

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- Amena, Telefonica and Vodafone
- extremely complex tariffs
- price choice made at time of purchase of overall mobile package
- punitive pre-paid rates
- Optus, Telstra and Vodafone
- complex tariffs
- varies by roamed operator
- almost no service for pre-paid customers (only Vodafone in UK and NZ)

# INTUG avoiding roaming charges

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- ensure your absence message invites callers to send you electronic mail in preference to calling your mobile phone
- check your e-mail regularly and respond promptly
- carry and use a telephone calling card
- use a Wi-Fi hot spot or broadband connection for data access for your lap-top or PDA
- ask callers to ring you back on a nearby fixed line
- take the number of the caller and call them back using your calling card on a fixed line

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

# INTUG GPRS roaming

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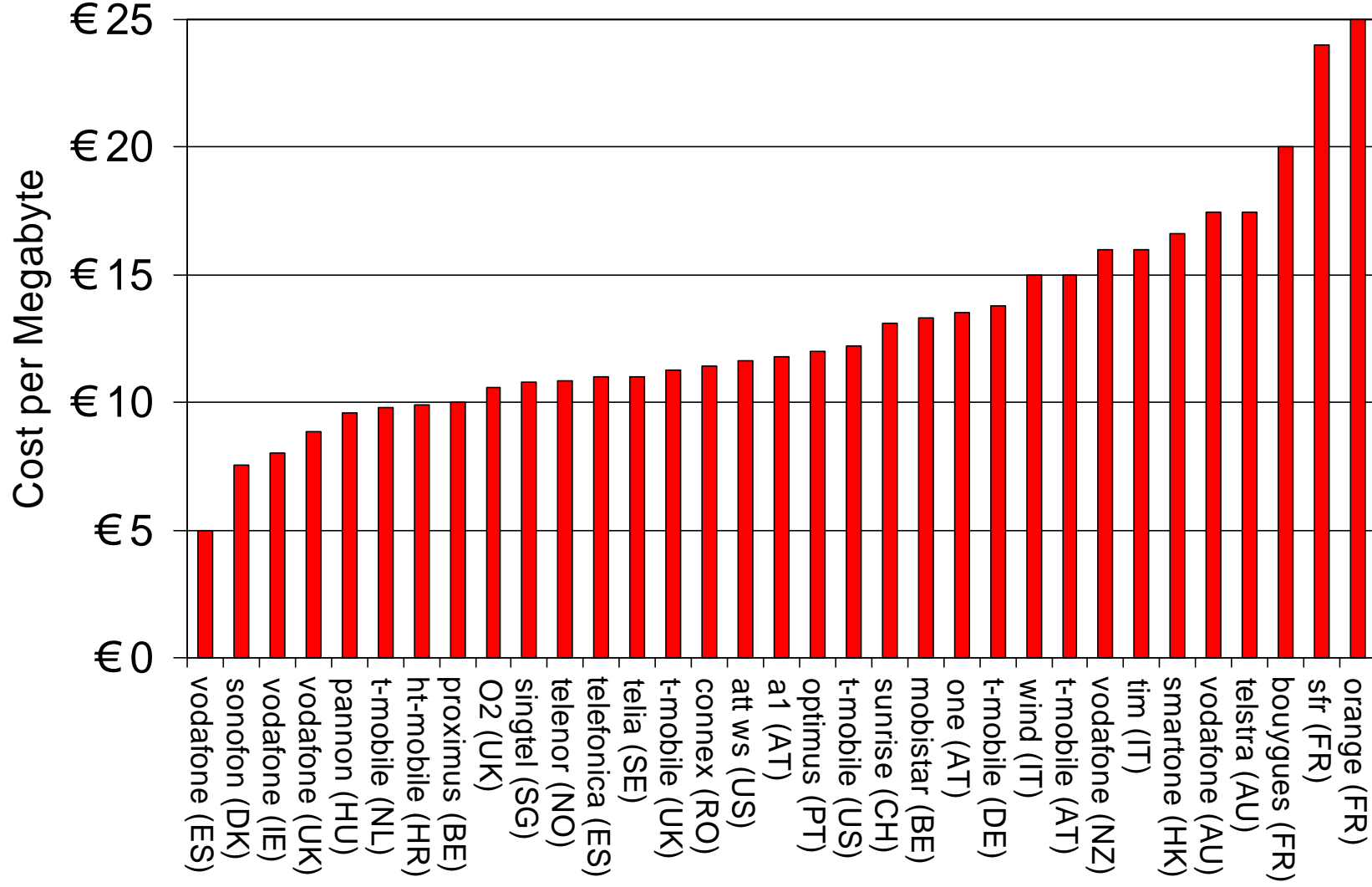
[www.INTUG.net](http://www.INTUG.net)

- voice pricing abuse reproduced
- tariffs are hard to find
- prices charged are excessive
- why are they priced in Euros per kilobyte?
  - especially when it is **not** delivered data but includes a substantial overhead
- unpredictable availability:
  - generally only one operator in a country
  - very little idea of national coverage
- no service level agreements

# INTUG GPRS roaming in Greece

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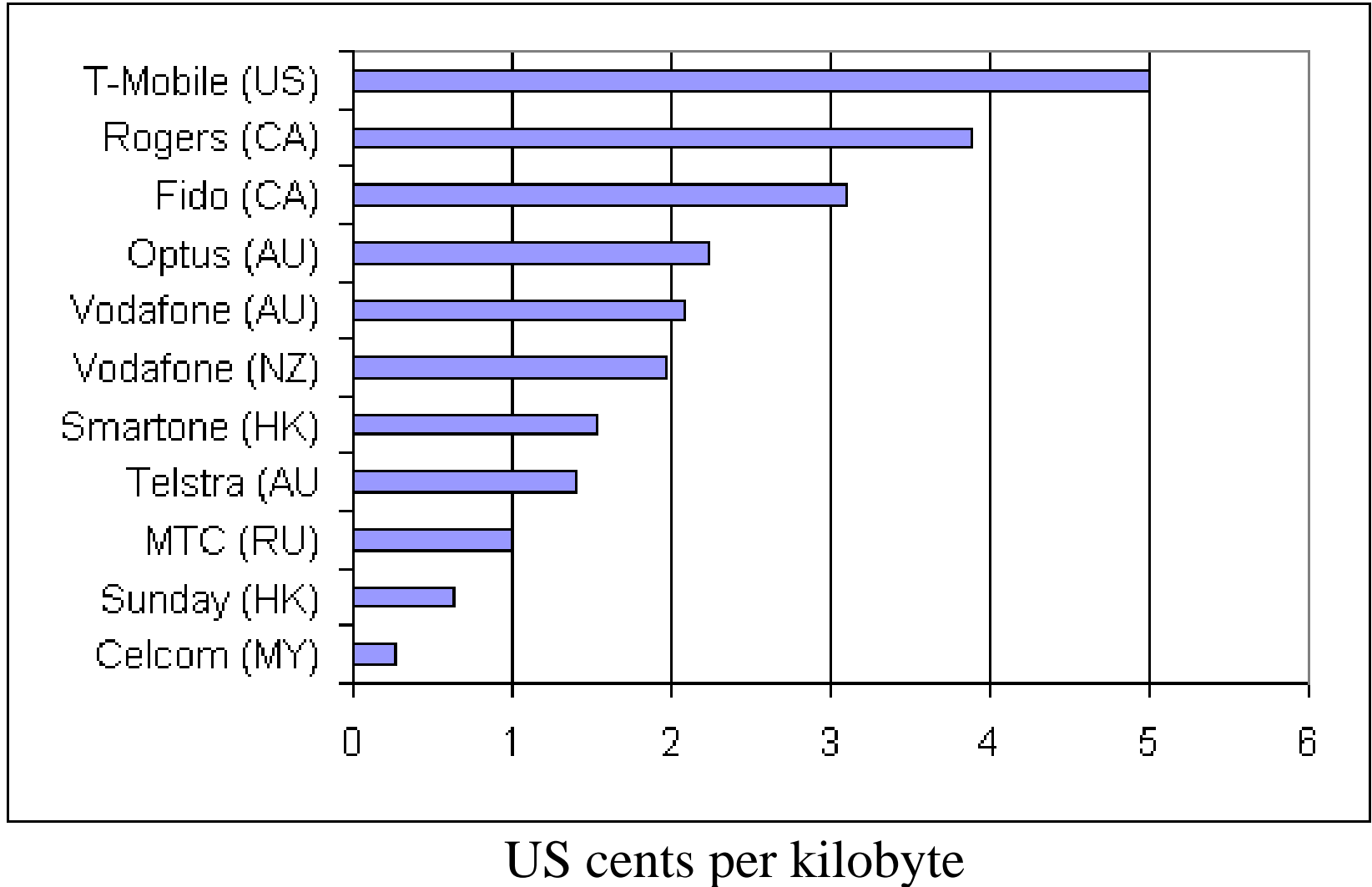
[www.INTUG.net](http://www.INTUG.net)



# INTUG GPRS roaming in Singapore

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# INTUG proximus (belgium)

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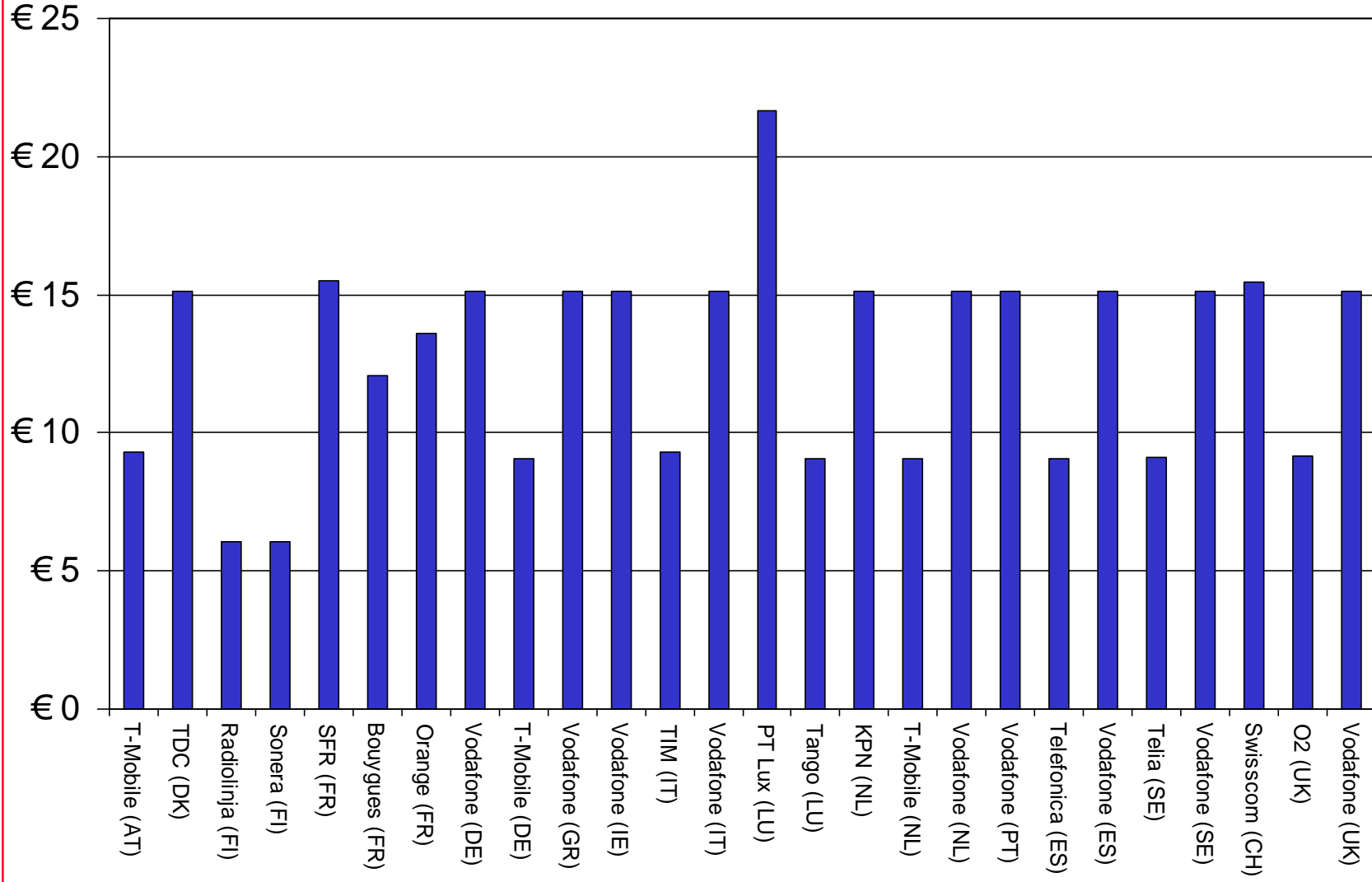
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- joint venture of Belgacom and Vodafone
- offers GPRS in 15 countries
- from €6 to €22 per Megabyte
  - cheapest is Finland
  - most expensive is Luxembourg!
- also offers Wi-Fi (e.g., airport + 2 hotels)
  - one hour (€10)
  - twenty four hours (€20)
  - five days (€50)

# INTUG proximus gprs roaming rates

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# INTUG multi-mode roaming

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- some MNOs have Wi-Fi hotspots
- offered alongside GPRS, EDGE, 3G
- some multi-mode cards for laptops
- Swisscom Mobile
  - 1 CHF per MB regardless of technology
- third party hotspot access
  - domestic agreements
  - international agreements
- no evidence of abuse (so far)

# INTUG advice – just say no

- 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

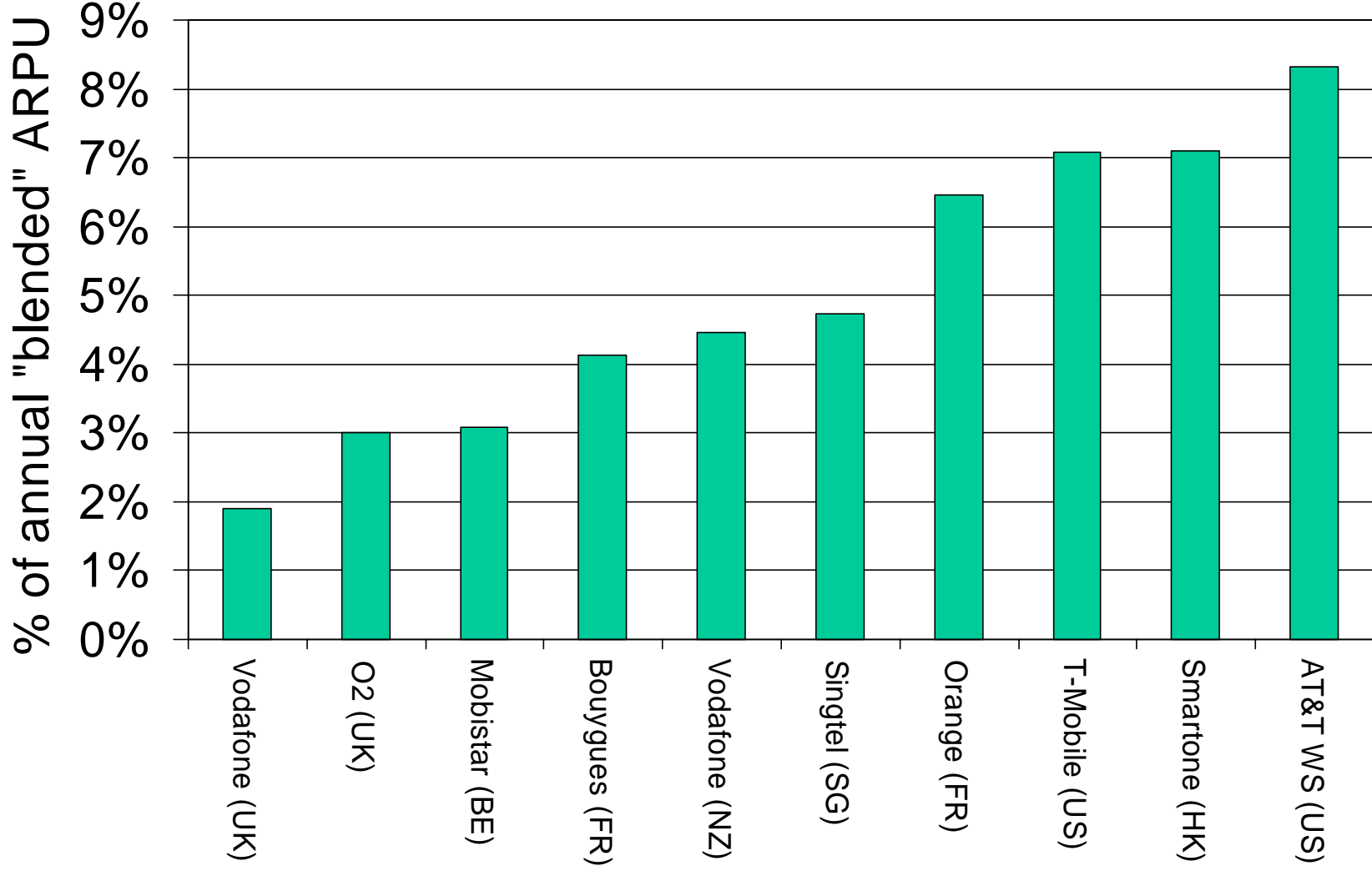
[http://www.intug.net/views/avoiding\\_roaming\\_charges.html](http://www.intug.net/views/avoiding_roaming_charges.html)

# INTUG

## contribution of 1 roamed Megabyte

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# 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

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- 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 Internet access

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



# INTUG global ISPs

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- offering global access:
  - modem dial-up
  - Wi-Fi hotspots
  - broadband
  - public access and hotels
- secure access
- do not (yet) offer voice
- examples:
  - iPASS
  - GoRemote (formerly GRIC)

# INTUG conclusions

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- market abuses continue unchecked after five years of complaints
- no global or pan-European services
- operators have failed to bring customers onto 2.5G data or VANS
- very little evidence of 3G roaming
- new rival in Wi-Fi roaming
- 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 mobile data roaming
- no pan-European services

# INTUG thank you

Ewan Sutherland

International Telecommunications Users Group

Reyerslaan 80

B-1030 Brussels

Belgium

+32.2.706.8255

ewan at intug.net

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