

INTUG

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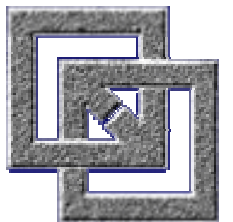
International VPN regulations

Ewan Sutherland

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**International Telecommunications
Users Group**

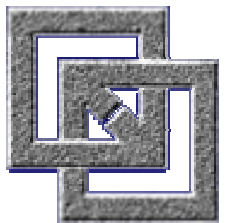
ewan at intug.net



INTUG contents

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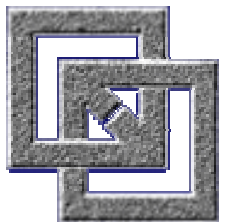
- about INTUG
- market and technical developments
- regulatory issues
- technology issues
- leased lines
- challenges



INTUG what are we?

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

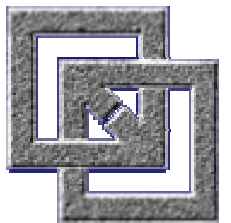


INTUG our aims

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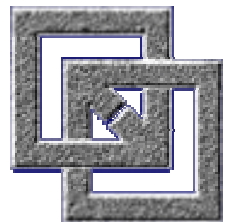
- real and effective competition
- genuine choice for users
- lower prices
- higher quality
- more innovative services
- constructive co-operation with
 - international bodies
 - governments
 - regulators



INTUG VPN global marketplace

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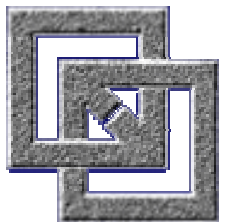
- typically continental scale contracts:
 - not putting “all our eggs in one basket”
 - carriers have regional strengths
- modest number of competitors:
 - bankruptcies
 - consolidation
- more robust competition big cities
- robust Service Level Agreements (SLAs)
- provision of performance data



INTUG legislation and regulation

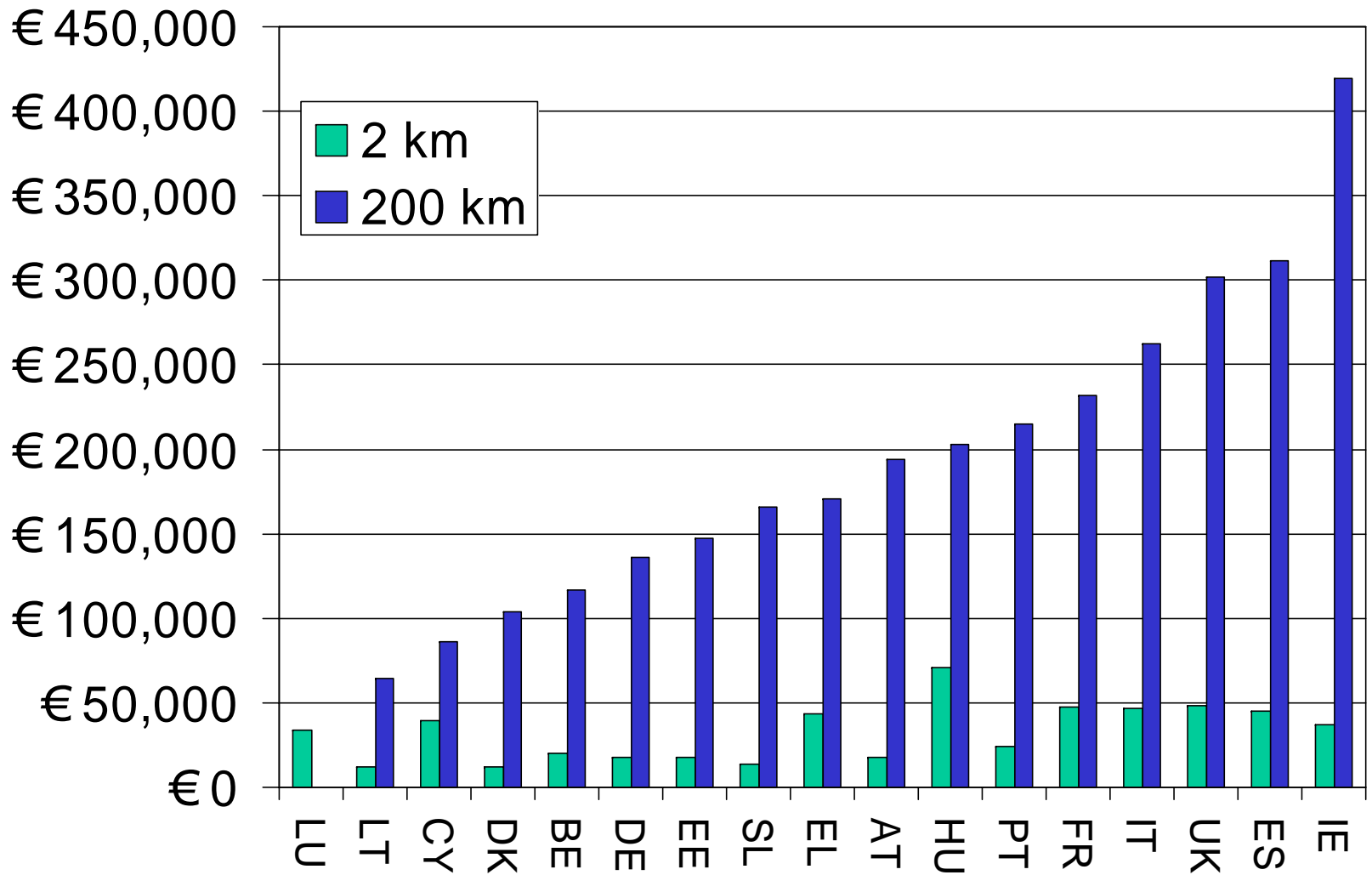
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- most laws and regulations are old
- cannot keep pace with change
- a general aspiration to technology neutrality, but slow implementation
- e.g., Belgium is still on the old EU framework from mid-1990s:
 - almost no mention of IP
 - Closed User Groups (CUGs)
 - leased lines



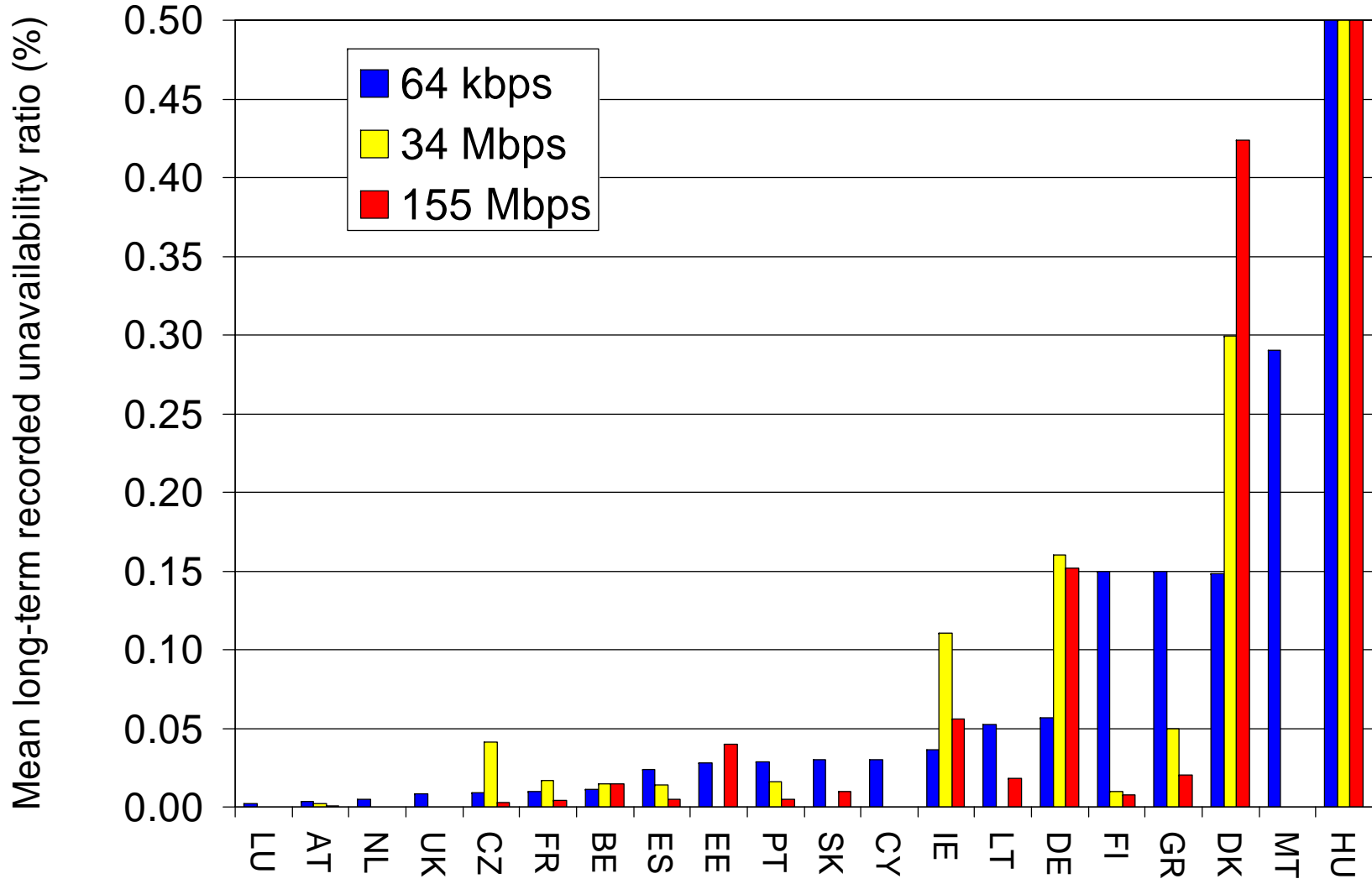
INTUG 34 Mbps per year, excl VAT

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INTUG service availability

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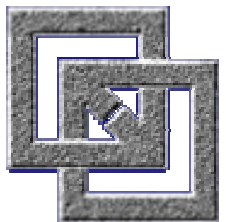


INTUG current EU legislation

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- supposedly some reduction of regulation
- principle of technology neutrality
- economic regulation based on power in a specific market
- light touch in emerging markets
(*not* emerging technologies)
- is the market for IP-VPN:
 - distinct or part of corporate telecoms market?
 - is it national or European or global?
 - is it competitive?
- are the wholesale elements competitive?
 - leased lines



- Recommendation D.1 leased lines:
 - cost-oriented and non-discriminatory provision of international leased lines
 - completely ignored since 1991
- Next Generation Networks (NGN):
 - ITU-T Study Group 13
 - quality of service for VPN
 - MPLS interconnection
 - IP-VPN over MPLS

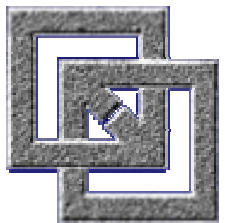
also MPLS Forum, ETSI and IETF



INTUG United States of America

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- using 1996 legislation
(some discussion of a new act)
- continuing battles over access pricing
- trying to ensure light regulation of consumer VoIP, but imposing:
 - CALEA (wire tapping capability)
 - access to emergency services “911”
 - universal service contributions
- some forbearance from regulation
- recent consolidation of operators:
 - SBC acquired AT&T
 - Verizon acquired MCI



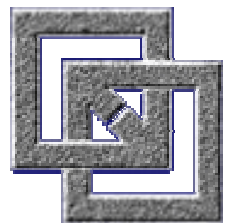
INTUG South Africa

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- enormous delay in the introduction of the Second Network Operator (SNO)
- sudden opening of VoIP:
 - ministerial declaration September 2004
 - became legal from 1 February 2005
 - uncertainty on construction of infrastructure
 - waiting for Convergence Bill to be enacted
- seen as an economic driver:
 - foreign direct investment
 - call centres

“While the communications minister has made her intentions clear, the problem is that Section 40 of the Telecommunications Act has not been repealed”
Mandla Langa



INTUG asia pacific

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- enormous variations in approaches to:
 - competition
 - regulation
 - IP telephony
- corporate network issues raised by INTUG at APECTEL 28:
 - trying to resolve uncertainty
 - trying to gather information
 - so far, modest progress

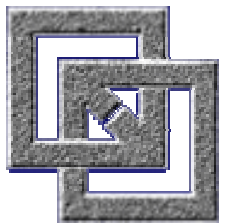


INTUG India

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- resilience:
 - improvement in with new cables to Chennai
 - serious domestic problems
- TRAI action on:
 - large price reductions for leased lines
 - ISPs permitted to provide VPN service
- interconnection to PSTN:
 - is still prohibited
- VoIP legalised:
 - outbound
 - SIP inbound and outbound
- total absence of SLAs and TQM

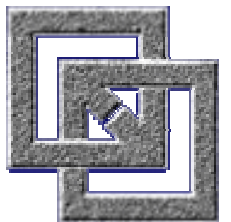


INTUG China

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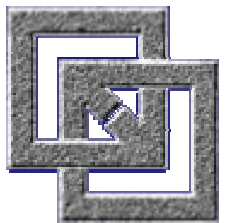
- staggering growth
- wide-ranging WTO commitments
- state-owned competitors
- TIA (USA) complains operators are not permitted to supply:
 - international connectivity
 - international IP-VPN
(but domestic IP-VPN is a VANS)
- severe problems with SLAs



INTUG Sarbanes-Oxley Act (SOX)

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- requires positive compliance
- extra-territorial coverage
- imposing significant additional costs
- applies to ICTs very broadly
- includes telecommunications

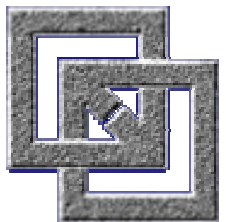


INTUG challenges for users

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- working in the regulatory dark:
 - what is permitted?
 - what is not permitted?
 - is what is not expressly permitted forbidden?
- some operators prefer uncertainty to being told no
- certainty of faster technological change than regulators can keep pace with
- politico-regulatory focus on retail VoIP and broadband
- competition for VPNs is patchy
- mobile operators not interested



INTUG thank you

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