

User issues

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Introduction

- Introduction
- Fixed networks
- Broadband
- Mobile networks
- International mobile roaming
- Conclusions



Multi-national corporations

- Global sourcing of goods and services
- Looking for telecommunications:
 - global
 - failing that, at least continental
- Low and falling prices
- Service level agreements

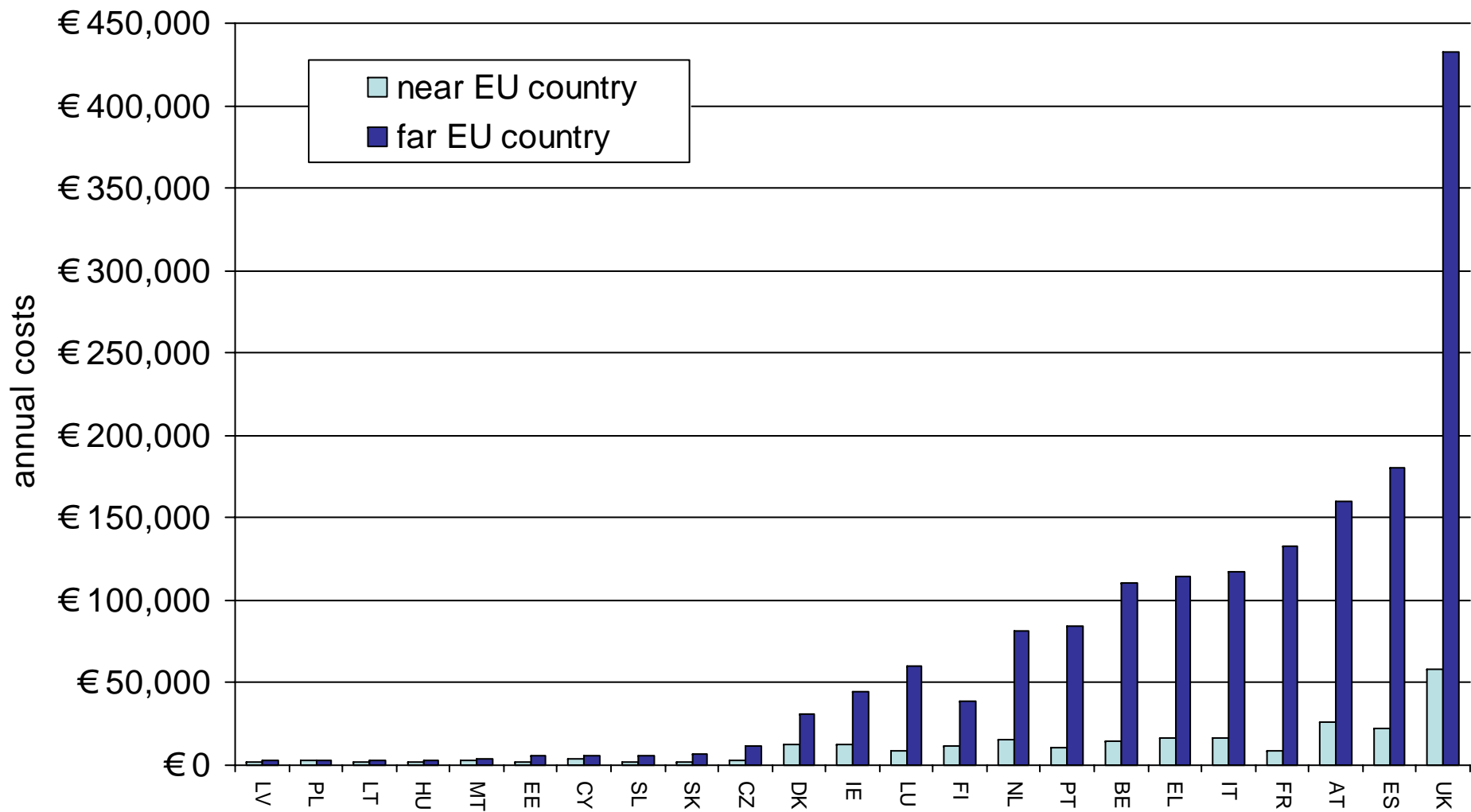


Fixed networks

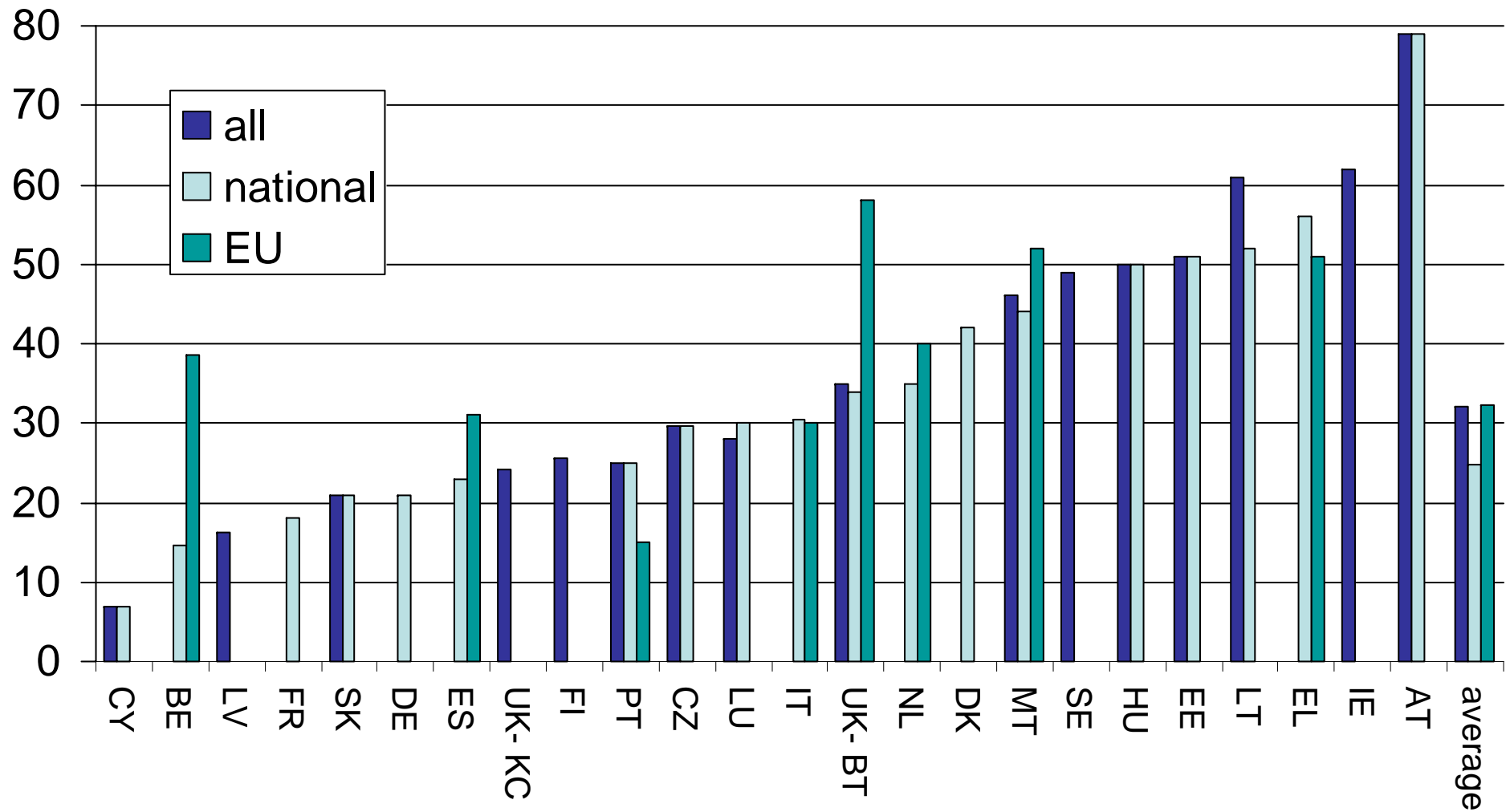
- Monopoly on infrastructure construction:
- Monopoly on international gateways
- Monopoly on access to undersea cables
- Delays and prohibitions on VoIP
- Uncertainty on IP-VPN regulation
- Odd regulations on encryption



2 Mbps half-circuit



Delivery period 64kbps (days)

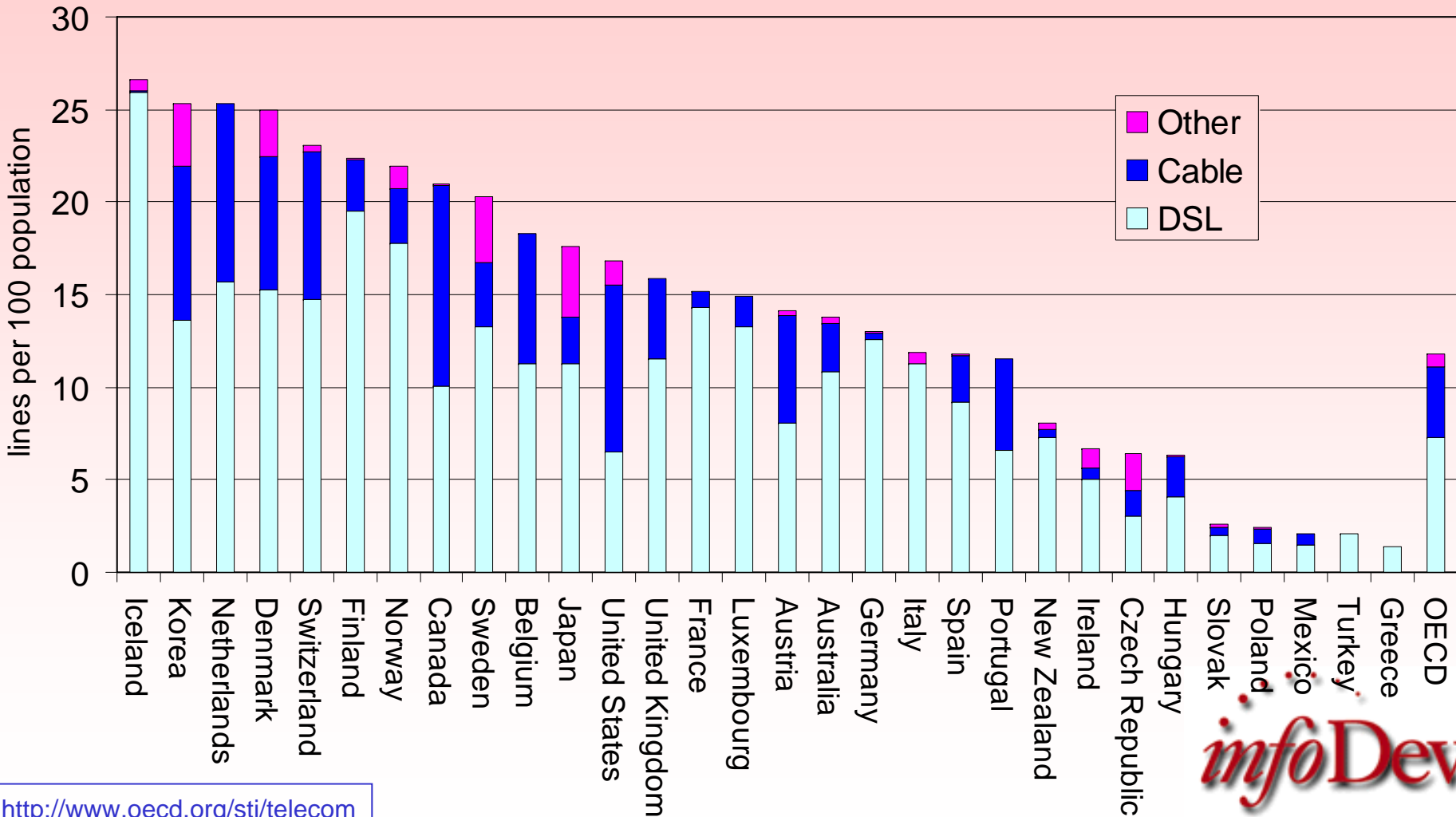


Broadband

- Clear economic benefits
- Yet many countries have weak policies
- Enormous variations in:
 - prices
 - speeds
 - bundles
- Causes vast differences in adoption rates
- Absence of a mass market delays creation of content industries



OECD Broadband Dec. 2005



<http://www.oecd.org/sti/telecom>

Mobile networks

- Customers tied to handsets by “discounts”
- Handsets locked to one operator
- Numbers not portable to other operators
- Lack of transparency in tariffs and contracts
- Excessive fixed to mobile rates
- Excessive prices for SMS
- Excessive prices for mobile Internet



Collusion

- Ireland – ComReg
 - found joint dominance in mobile call market
- Spain – CMT
 - found joint dominance in mobile call market
- France – *Conseil de la concurrence*
 - fined the three mobile operators EUR 534 millions
 - evidence of Yalta-style market sharing agreement
- Greece – EETT
 - fined operators for synchronised SMS price increases

infoDev

Mobile data

- Hyped as a technological solution
- Seldom delivers anything of interest
- Operators are asking too much profit
- Unattractive environment for:
 - corporate users
 - content owners



International mobile roaming

- Excessive prices
- Inability of European authorities to resolve the problem
- Long running DG Competition cases
- NRAs given powers to regulate in 2002
- Now, the EC proposes a regulation:
 - yet this may prove counter-productive



Customer care

- Most operators show limited interest in customers after making the sale
- Unresponsive
- Reluctant to:
 - issue Service Level Agreements (SLAs)
 - publish statistics
- They talk about partnership and strategy, but do little if anything to justify it



Conclusions

- Still many failings in markets
- Too nationalistic
- Too little competition
- Too much collusion and shadowing
- Too much lobbying by operators



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