

Lessons from the roaming regulation

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Introduction

- Introduction
- Roaming Regulation
- After 2010
- SMS
- Internet/data access
- Africa
- Conclusions



A short history

- 1996 – GSMA asks for exemption from Competition Law (conditionally granted)
- 1998 – EC persuades GSMA to adopt IOT
- 1999 – EC launches sector inquiry
- 2000 – EC hearing on international roaming
- 2001 – Roaming market designated for analysis
- 2003 – NRAs obliged to analyse roaming markets
- 2006 – Madam Reding proposes her regulation
- 2007 – Roaming regulation comes into effect
- 2010 – Roaming regulation expires



Reding Roaming Regulation

Ceiling prices per minute excluding VAT	2007-08	2008-09	2009-10
Received	€0.24	€0.22	€0.19
Made	€0.49	€0.46	€0.43

Operators are obliged to provide pricing information for customers on arrival in another member state.

The Regulation has yet to be published in the *Official Journal*. This is expected by the end of June simultaneously in all languages. The Regulation takes effect the next day.



Implementation

- Customers can opt for the new prices
- Or will be moved automatically in two months
- Customers already on a special roaming tariff will *not* be moved, they must ask

Companies will need to make a rapid evaluation of whether to apply to operators to move employees to these schemes. This is an excellent time to negotiate on roaming prices!

Note: it does not cover SMS or data rates.

They may also wish to warn them about receiving messages with pricing information.



What happens after 2010?

- The regulation expires after three years (June 2010)
- It could be renewed
- Roaming could be handed back to NRAs for market analyses
- It could depend on what happens with:
 - SMS
 - Internet access



The 2008 Review

- EC is to report on progress by end of 2008
 - Council of Minister
 - European Parliament
- How have operators implemented the regulation:
 - are they close to the ceiling price?
 - have they been creative and innovative?
- Have lower prices generated greater use of the service?
- Does the Regulation need to be extended?



SMS

- A political issue
- Very important to consumers/voters
- Especially younger customers
- Clear pressure for these prices to fall
- EC and NRAs will monitor prices
- It is fairly easy for the EC to come back with a further regulation on SMS ceiling prices



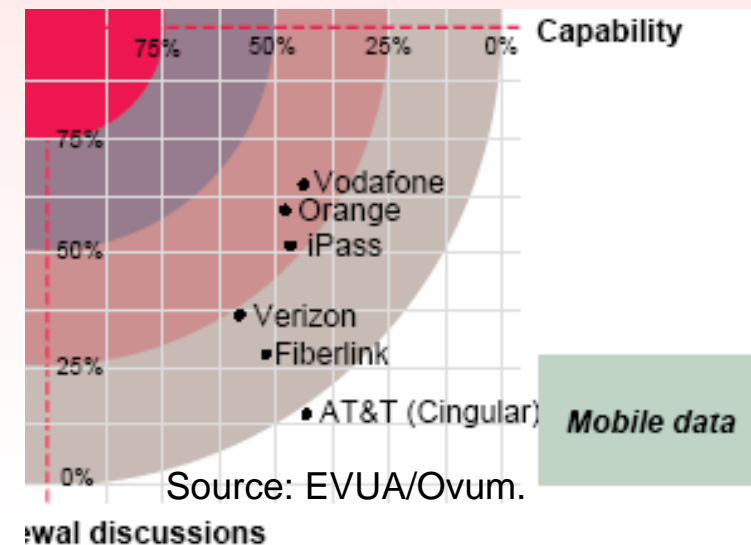
Mobile Internet access

- Council of Ministers comments from:
 - Denmark
 - Poland
- Seen as linked to SMS:
 - a link which the operators will try to break
- EC and NRAs are to monitor progress:
 - Tariffs are very expensive
 - Tariffs are very complex
- Levels of use are very uncertain for the consumer market
(e.g., downloading ringtones and videos)



Mobile Internet access – retail

- Is this one market or several?
- Consumer demand is for entertainment
- Corporate mobility can include:
 - GPRS and EDGE
 - HSDPA (and HSUPA)
 - WiMAX
 - Wi-Fi
 - ADSL and VDSL
- Managed services



iPASS

- Secure access
- Originally dial-up and ISDN
- Wi-Fi in airports, hotels, conference centres, etc.
- GPRS, UMTS and HSDPA:
 - United Kingdom (T-Mobile)
 - Netherlands (T-Mobile)
 - Singapore
 - Hong Kong (3 – Hutchison)
- cdma2000 EV-DO:
 - China
 - Japan (KDDI)
 - USA (two networks)

<http://www.ipass.com/>
<http://ipass.jiwire.com/>



Fiberlink

- Extend360 Mobility Platform™
- integrates the management of endpoint security and wireless services
- Dial-up/ISDN
- PHS
- Broadband
- Wi-Fi
- Mobile Wireless in 55 countries:
 - CDMA 1x, EV-DO, GPRS, EDGE and UMTS



Lobbying for action

- Need to have a clear market definition
- Need to show the high costs to business
- Need to show the barriers to use of the service
- Develop a techno-economic case that operators are:
 - not competing with each other
 - not negotiating discounts for large customers
 - not recognising a single European market
 - discouraging use of business applications
- Needs the support of large suppliers of IT Services:
 - clients cannot get mobile access



Arab Regulators Network

- A major study on roaming charges was presented to Arab regulators in 2006
- Taken to Arab ministers conference 2006
- Discussed by regulators again in 2007
- Regulatory proposal being put to Arab League ICT ministers conference in 2007

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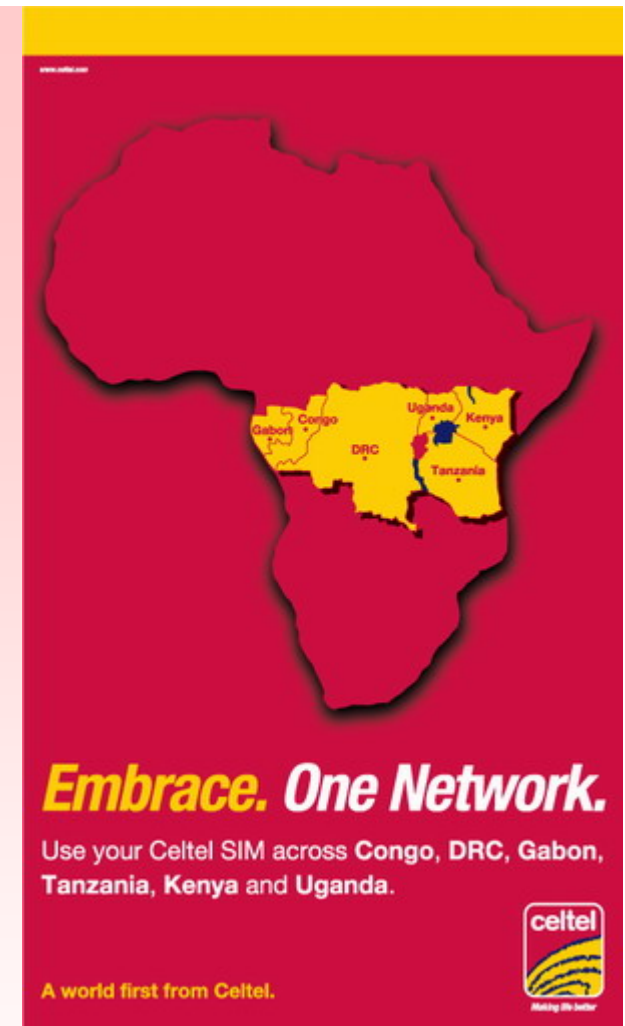
Africa

- Massive growth of mobile customer base
- Vast majority are low spending customers
- Operators are adding new services:
 - roaming
 - HSDPA and WiMAX (in absence of ADSL)
 - DVB-H
 - financial transactions for the “unbanked”
- Some operators have extensive geographic footprints:
 - Celtel (MTC Group)
 - Millicom
 - MTN
 - Orascom
 - Vodafone/Vodacom



Celtel – one nation

- September 2006 abolished roaming charges for pre-paid and post-paid customers in
 - Kenya
 - Uganda
 - Tanzania
- June 2007 extended to:
 - Gabon
 - Democratic Republic of Congo (Kinshasa)
 - Republic of Congo (Brazzaville)
- With no prior registration or fee post-paid and pre-paid customers can:
 - make calls at local rates
 - receive incoming calls free of charge
 - top-up pre-paid phones with locally-bought airtime cards



India and China

- Both countries have had high fees for national roaming
- These are now being eliminated
- Will soon be seamless national services
- In Hong Kong roaming to China was treated as international call forwarding
 - One SIM card, two numbers
 - Three numbers for gamblers
- Three (HWL) eliminated roaming charges across its footprint



Conclusions

- Roaming has proved a difficult issue to address
- There is still no satisfactory competition law analysis of the problem
- It is focused on consumers with large businesses *presumed* to be able to cope
- Extension of regulation to SMS seems possible
- Operators will resist regulation of Internet access
- Arab nations are following the European lead
- Africa is achieving low roaming charges by commercial means alone



Thank you

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