INTUG

INTUG Response to Action Items from CISP-48, December 2012

INTUG is pleased to provide comments on the following Items:
- Connected Television and ISP Business Models
- Spectrum
- International Traffic Termination

Item 9 (i) Connected Television and ISP Business Models

INTUG recommends that the June 2013 CISP-49 paper makes clear, distinct and separate reference to pubic and private sector business use, which has the potential to introduce welfare benefits and cost efficiencies of significance in the current economic climate.

The principles which evolve for traffic charging and management are therefore of immense importance and currently give significant cause for concern. This dimension should be taken into account by those planning to develop ubiquitous connection of TV-like devices.

In the public sector, there is great potential to revolutionise the interface with all citizens and to enhance social connectivity by using these technologies. Overall business use of the Internet, increasingly with video content, for example through connected televisions, may have the greatest impact.

Content discrimination has a profound impact on all types of user, not least businesses seeking to transform their operations into the connected on-line world, as the retail sector in particular struggles to reinvent its business models to replace the declining high street physical interface with end consumers. Whilst INTUG does not oppose usage-based charging in principle, it should be recognised that it does deter usage, and therefore in cases where greater usage enables economic growth and productivity efficiencies and social welfare gain from online services, capacity-based charging may be preferred.

Although flat rate capacity-based charging may drive up backhaul and core net cost, it encourages volume/usage growth of applications and content, and adds value. The consequential economic impact must also be taken into account in dispute resolution.

Public and private sector businesses need consistent, predictable and sustainable access to the full range of applications and content, wherever they are, and from any device.
In many cases this is international access outside their own communications infrastructure, for example from outsourcing cloud services and extended supply chain networks.

The specific end user access device, communications provider, ISP or branded service, must not be an obstacle to roll out cross border, or an influence of economic effectiveness. Business resilience and business continuity must be protected and preserved, even where there is a change in ownership of elements of the supply chain or service provision.

The Internet ecosystem must resolve its own business models, but it is a means to an end and solutions must not be allowed to damage the bigger picture of the society it serves.

Item 9c(ii) Spectrum

INTUG recommends that the paper for the June 2013 CISP-49 meeting makes clear how important it is to harmonise spectrum allocation, and to facilitate multinational licensing to enable competitive provision of truly international mobile services. This is very important for businesses with regard to their international mobile device fleet management.

The lessons of the ill-fated 3G auctions indicate that extreme caution should be taken by Governments who have not completed their spectrum allocations for 4G/LTE. Economic assessment of auction design and collateral damage caused by government fund raising must take into account the long term burden borne by customers, especially in the public and private sector as result of debt financing of auction fees. It is quite possible that more tax revenue will be generated by increased economic activity resulting from use of next generation mobile than the short term take from auctions.

4G/LTE spectrum allocation still provides a golden opportunity in parts of the EU, as is being grasped in some other regions of the world, like Africa, to encourage international operators, access infrastructure sharing and the complete elimination of roaming charges. The vision should be of an EU in which a user can always access the strongest signal available to them wherever they are without financial penalty if they are in a different Member State or connecting to an operator other than the lead contract. The decoupling measures introduced in the latest EU Roaming regulation provide a useful opportunity for introducing international mobile competition and INTUG is actively involved in defining end user requirements for this in the business sector. This, and a more enlightened approach to spectrum auction access conditions, can lead to final eradication of the roaming charge disease throughout the EU at least, and set an example for the rest of the world to follow.

Item 9 (iv) International Traffic Termination

INTUG is most concerned that administrations are beginning to address international termination rate charges, bringing back the spectre of an introduction of cartel-based charges such as Accounting Rates, which took many years of negotiation to eliminate. News that Pakistan has created a cartel of international operators which sets rate and market share, and that Congo, Ghana, Cote d'Ivoire, Bangladesh, Jamaica may match by reciprocity is most alarming, and must be urgently resisted by the international community. Ads with Accounting Rates, this outcome is the reverse of the original intent and is a lose-lose-lose scenario in which end users suffer through higher charges, connectivity reduces as volumes plummet, and sending and receiving operators both consequently lose rather than gain revenue, resulting in lost of tax revenues for governments at either end. This short sighted and misguided approach must be reversed without delay.

Nothing in this submission is confidential and the contents can be considered to be in the public domain. It is being made available on the INTUG web site at www.intug.org

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