

INTUG

International Mobile Roaming Charges

Consumer Perspective

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APECTEL 39 Singapore

14 April 2009

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Australian Customer Roaming in Singapore

	Call to Aust per minute	SMS	Receive call Per min
Telstra	\$1.14	.51	.68
Optus	\$2.35	.55+ *	\$1.10
Bridge Alliance 20% discount			
Vodafone Traveller	\$1+Standard call rate	.75	\$1
Vodafone World #	\$1.08	.75	.43

* plus the standard SMS fee
using preferred networks

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Mexico – TEL 40

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	Call to Aust per minute	SMS	Receive call Per min
Telstra	\$5.65	.60	\$1.10
Optus	\$6.60	.55+ *	\$1.80
Vodafone Traveller	\$4+Standard call rate	.75	\$1
Vodafone World	\$6.45	.75	\$1.42

* plus the standard SMS fee

	Call to Aust per minute	SMS	Receive call Per min
Telstra	\$4.43	.59	.85
Optus	\$3.50	.55+ *	\$1.45
Vodafone Traveller	\$2+standard call rate	.75	\$1
Vodafone World	\$3.02	.75	\$1.17

* plus the standard SMS fee

Eurotariff maximum roaming charges per minute in Euros (without VAT)

Eurotariff maximum price	Mobile calls made abroad	Mobile calls received abroad
Summer 2007	49 cents	24 cents
Summer 2008	46 cents	22 cents
Summer 2009	43 cents	19 cents
2010	40 cents	16 cents
2011	37 cents	13 cents
2012	30 cents	10 cents

These are maximum prices. Operators are free to offer better rates: look out for cheaper prices!

Plus Per Second Billing: a further saving of 20%

Euro-SMS Tariff introduced:

1 July 2009 sending an SMS from abroad would cost no more than 11 cents (excluding VAT).

Receiving an SMS in another EU country will remain free of charge.

INTUG EU DATA ROAMING SERVICES

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Wholesale caps: a €1 per megabyte safeguard limit for wholesale data roaming fees,

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- Parliament - House of Representatives Committee
- Inquiry
- Phoning Home Report

ATUG Comments in the Phoning Home report

The terms of reference:

- the extent to which retail roaming charges reflect the **underlying costs** to operators of supplying the service;
- the **adequacy of information** available
- the impact of and commercial **new and emerging technologies** initiatives
- the **adequacy of existing information** available to consumers concerning roaming charges for users.

<http://www.aph.gov.au/house/committee/coms/mobileroaming/index.htm>.

1.17 Roaming is supported by a complex technical treatment of calls to and from roamed phones.

This technical complexity is one of the reasons why roaming is expensive for Australian travellers.

The “technical complexity” of roaming did not prevent regulators in the EU mandating reasonable roaming rates for customers in those markets.

It is not clear to ATUG that there is any additional technical complexity for Australian end users which would warrant prices far in excess of the current European benchmark.

Or why technical complexity costs are so different from economy to economy

1.18 Chapter three examines why, even with the more complex nature of roaming, charges are considered high for Australian travellers.

ATUG looks at actual prices for roaming at least twice every year.

The prices are well in excess of the underlying cost of providing the roaming service.

The tables above are current prices for three markets – two of which are very significant for Australian trading businesses.

It is hard to accept that there is \$4 per minute worth of technical complexity involved in an Australian mobile customer calling home from Tokyo!

1.22 The wholesale market does not operate effectively because the small size of the Australian population distorts competition.

Australian providers cannot offer enough customers to providers in other countries to make negotiations over price competitive.

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ATUG Comment:

Most of the countries of interest with whom Australian mobile operators have roaming agreements are signatories to the World Trade Organisation and its Telecommunications Reference Paper

(http://www.wto.org/english/news_e/pres97_e/refpap-e.htm) which requires interconnection at cost-oriented rates:

2 **Interconnection to be ensured**

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

(a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;

(b) in a timely fashion, on terms, conditions (including technical standards and specifications) and **cost-oriented rates** that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and

(c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

ATUG's view is that this principle should apply to international mobile roaming services.

1.23 Chapter four discusses:

- regulating the retail price of roaming or
- regulating the wholesale price of roaming; and
- whether the price information provided to travellers is adequate for them to be aware of the costs involved in roaming.

The Committee concludes that regulation through international cooperation is the most practical mechanism for dealing with the cost of roaming.

Three network's 3 Like Home product provides an example of what is possible through international cooperation – in this case between companies owned by the same parent when providing services over their own network.

ATUG is surprised by a lack of similar outcomes for other global mobile companies such as Vodafone and SingTel.

The need for government action through international trade commitments such as the Australia-Singapore Free Trade Agreement as one example is clear.

1.27 The Committee recommends that the Australian Government continue its efforts to seek international cooperation in dealing with roaming costs.

1.28 In relation to information provision, the Committee discusses both the provision of information by Australian providers to the ACCC for price monitoring;

and the provision of information to the public.

ATUG believes transparency of costs, revenue and usage will be useful in determining if and how much Australian carriers are marking up roaming costs from international operators

and what roaming costs Australian operators are passing on to offshore operators and their customers.

The price of MTAS is 9cpm in Australia

This information would provide valuable comparison data to determine the extent of the disadvantage to Australian businesses operating in those contexts compared to domestic businesses and vice versa!

1.29 Chapter five examines the following alternatives to roaming:

- International calling cards
- Short Messaging Service (SMS)
- use of local networks
- Email
- use of hotel telephones

The premium end users place on the convenience and personalization of the mobile phone are reflected in call prices that are higher than fixed line services.

End users have invested in their mobile device and their standard monthly plan and have generally distributed their phone number as a business contact device.

The work arounds the Committee has identified are not optimal for business users and are not favoured except as a last resort to avoiding “rip-off roaming rates”.

End users strongly believe they ought to be able to use their phone, their committed plan spend and their number at a reasonable prices, wherever they are – Roam Fair!

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Australian Government explore opportunities to collaborate with the Australian Telecommunications Users Group's 'Roam Fair' campaign.

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Why?

- Prices do not reflect underlying costs,
- Costs are not competitive and
- deter the use of services that businesses need
- End users have no power to negotiate prices with suppliers.
- A global economy needs global communications services at reasonable prices.
- Industry suggested “work arounds” are seen as very second rate
- End users have already invested in equipment, services and plans with their chosen domestic provider.

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How?

- Government using Australia's Trade and Cooperation agreements.....
- to secure reciprocal regulatory action.....
- with priority on major trading markets and markets where progress has already been made eg Europe, Africa and Gulf States.
- Australia will need to declare international mobile services and
- Determine cost based prices for these services to be applied by Australian carriers to mobile operators offshore.

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Why rely on Government action?

- Industry leadership – even with good examples such as Three with the Roam Like Home package and Skype innovation– is not capable of delivering competitive pricing with wide coverage.
- Wholesale markets are not competitive
- Industry knows the increasing reliance of and interest in roaming services by end users
- but will not move to deliver competitive roaming prices without Government policy and regulatory intervention.

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Thank you

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