



## **INTUG Response to CISP-59, 12/13 November 2018**

INTUG is pleased to provide comments on the following Action Items from CISP-59:

- Item 4: The Road to 5G Networks
- Item 9: The Effects of Zero Rating
- Item 10: The Programme of Work/Subject Rankings

### **Item 4          The Road to 5G Networks**

INTUG welcomes the content and tone of the report, which correctly emphasises both the reality and the immediacy of 5G in the market. There are three key areas of major interest to business users, which should be acknowledged as clearly as possible in the final report:

#### **(i) Government Auctions**

These should limit licence price to avoid adding permanent major costs to operators, which are inevitably passed on to customers. Coverage obligations should ensure that access is as widespread as possible, but unrealistic targets can also add unrecoverable operating expenditure. Licence periods should minimise uncertainty, and a beauty contest with stiff coverage obligations and a low auction price is preferred to high auction prices, which act as indirect taxation on customers (ref some 3G auctions). The AgCom auction in Italy which combined high prices with strict coverage obligations gives concern as a precedent.

#### **(ii) National Networks**

The perpetuation of a fragmented landscape of national islands for mobile networks is regretted, as 5G is probably the last chance to establish international mobile networks. The insensitivity of IoT devices to crossing national borders implies that 5G ecosystems which cross borders must be as frictionless as possible both technically and financially. For some applications, automatic volume cap related cut offs would be intolerable and would represent a safety risk. Cross border penalties such as those experienced with roaming charges and high off net termination charges will be unacceptable for 5G/IoT.

#### **(iii) Infrastructure Sharing**

Sharing of infrastructure is not just a competition issue but vital for network efficiency and implementation practicality. 5G must not create lock in to only the contracted access provider. IoT applications must have open access, especially for coverage within complex in-building and shared space environments like transport hubs such as airports, hospitals, entertainment theme parks, shopping malls, university campuses and leisure complexes.



## **Item 9      The Effects of Zero Rating**

INTUG supports the scope of the report, which rightly focuses specifically on Zero Rating, rather than on a more general assessment of Network Neutrality. INTUG continues to recommend that the report should include a detailed analysis of the pros and cons of this issue for business users. There are two key areas of major interest for business users.

### **(i)      Inconsistency of National Regulation**

Businesses operating in more than one country are increasingly the norm rather than the exception in an on-line world. Roll out of new online applications to customers, suppliers, other partners in the supply chain and subsidiaries require business cases with predictable consistent costs and service performance characteristics. Current custom and practice of individual countries making their own inconsistent national rules on what is allowable and legal in terms of zero rating, and on what is permissible in terms of pricing adjustments, pose intolerable uncertainty and confusion. In the same way that blocking applications at national level constrains total replacement of legacy applications, different treatments and cost implications regarding zero rating impede progress in enhancing cost effectiveness and improving productivity.

### **(ii)      Operators who are also Content Providers**

Bundling of services can offer attractions in terms of simplified network operations as well as in terms of reduced overall costs. Benefits may arise from zero rating slices of network access, differentiated and classified by service type, and by QoS need, as long as there is no discrimination within slices. Cloud/SaaS accessibility requires switchability, given the constant churn of acquisitions and disposals, where transfer to different operators should not be impacted by inconsistent zero rating policies in different countries, leading to the potential of application or content blocking and/or unjustifiable increases in cost.

## **Item 10      Programme of Work/Subject Rankings**

INTUG has conducted its own internal surveys of priorities, and based on these, ranks the potential topics for the programme of work in terms of business user priorities as follows:

- Gigabit networks and IoT
- quality of service and of experience
- network slicing/paid prioritisation
- fixed wireless convergence/substitution
- competition trends including OTTs
- impact of additional mobile operator
- accessibility for the disabled
- switch off of networks e.g. copper, old mobile
- future role of MVNOs
- future of free to air broadcasting and cable TV
- affordability for the masses



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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](http://www.intug.org)

INTUG is a global association, which has represented business users of communications services since 1974. With members and contacts in all five continents, INTUG uses its reach to actively promote professional customers' interests at the international level.

INTUG's aim is to bring down all barriers that private companies and public institutions face when introducing new and innovative on-line processes, to enhance investment in improved communications technologies, and to ensure open access and connectivity to enable a fully inclusive and connected information society.

For more information, please access INTUG's web site at [www.intug.org](http://www.intug.org)

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