



INTUG This Week 2 October 2009

Chairman's Update

INTUG at APECTEL 40 – from Ernie Newman

TUANZ represented INTUG at the 6-monthly APECTel meeting in Cancun, Mexico, 24/30 September. As always there were two or more concurrent streams and as the sole user representative I was limited in what I could cover, but I gained many very useful insights and hopefully, made constructive contributions on a large number of topic areas.

As well as the plenary sessions and ongoing Liberalisation Steering Group, I focused on the International Mobile Roaming Workshop (2 half days), IPv6 workshop (1 day) and Industry Round Table (half day.) This report focuses on three key issues – International Roaming, IPv6, and the content of an informative Industry Round Table.

The Full Report is available to Members at the INTUG website

ICANN

Rosemary Sinclair has been appointed by the ICANN Board to the Generic Names Support Organisation – for details on ICANN <http://www.icann.org/en/structure/>

HOT ISSUES IN MEXICO'S TELECOMM WORLD – AI Consumidor

- Presidential bill to create a 4% tax on telecomm carriers services has raised concerns by industry, consumers and ICT community. Obviously industry will pass on the tax burden to consumers, instead of cutting margins. Therefore opposition for a tax in this sector has been wide. Broadband penetration in Mexico is very low, 7.1% also in Latin America, 5.5%, mobile services have flourished with over 70million lines with CPP but low usage due to high rates. Traditionally this tax applies to luxury goods and it will be a strong deterrent for ICT development in Mexico. Proceeds will not be used to fund universal service goals, but to compensate public deficit resulting from fall of oil revenues. **Any info on similar tax or tax exemptions to telecomms in your countries will be useful to highlight.**
- Cofetel shall soon issue its call for spectrum auction in the bands of 800, 1700 and 1900 Mhz for mobile services. Antitrust commission ruled a ceiling of 80 MHZ per carrier (total spectrum accumulated) so it is unclear whether an new operator will participate.

- Alconsumidor filed comments in public consultation procedure for new Accounting separation rules for carriers providing multiple services with more than Mx\$1 billion annual revenues aprox. US\$75,471,698. It demands stricter law enforcement from Cofetel, so that this additional burden to industry does have a positive impact on consumers, making sure no cross subsidies are used, and criticized exemption to smaller firms, among other remarks. Available at <http://www.alconsumidor.org/articulos.phtml?id=601>
- Alconsumidor will attend CITELE meeting in Bariloche, with observer status, on behalf of INTUG. Sept. 28- Oct. 2 and will report shortly

SOUTH AFRICA – News Item

Competition Tribunal Chairman David Lewis has said that South Africa's telecommunications costs are among the highest in the world, with disappointing broadband penetration and unacceptable service levels. Lewis said that things would be different if the Competition Commission and the tribunal had clear jurisdiction over the sector, as they have the requisite investigative powers and expertise to prosecute for abuse of dominance. The Independent Communications Authority appears less effective at regulating the behaviour of the major telecommunications firms.

Lewis stated that one disappointment in his 10 years of service was that the competition authorities have no clear jurisdiction over telecommunications, a sector that requires robust enforcement of competition rules for the protection of consumers.

BELGIUM - Beltug

Minister Van Quickenborne's Great Digital Leap Forward

"Belgium, digital heart of Europe 2010-2015" is the name of the all-embracing plan of Minister Van Quickenborne, responsible for economy, to bring Belgium definitely into the internet economy. The plan includes 30 action items, is comprehensive, very ambitious but also very realistic. From 2010, every newly built house should have a connecting point for optical fibre cable. By 2015, half of the population should have access to mobile internet (compared with only 9% now). Price reductions for an internet subscription should help lowly qualified workers and the unemployed to jump on the digital bandwagon. The available budgets should suffice to finance this plan.

UK - CMA

Catch-up TV and broadband

The BBC iPlayer has been a huge hit and has caused friction between ISPs who complain that they're having to buy more bandwidth to handle the traffic, but with no direct benefit to themselves. The son of iPlayer, Project Canvas, will launch next year and will stoke up demand even further. An IPSOS-MORI survey carried out on behalf of Canvas among the 40% of UK households that at present do not have internet access showed that half of them "would consider getting broadband if Canvas becomes available". The BBC deduces from that figure that Canvas will sustain the long term future of subscription-free TV in the UK and will help to build

Digital Britain. It is possible to conjecture that if the survey is correct, then some 80% of the UK population will be connected to the net, and Canvas will become the killer app that drives demand to the point where investment in the rollout of universal broadband becomes an attractive proposition. Canvas might be said to drive broadband take-up past the tipping point in the UK. On the other hand, it is also possible that Canvas is using the results of this survey to persuade the regulator – the BBC Trust - not to object to Canvas because it will become a key enabler of Digital Britain.

GERMANY

There is a study about "The Impact of Broadband on Jobs and the German Economy", The study had been written by Katz, Vaterlaus, Zenhausern and Suter of Polynomics AG, Switzerland.

Summary: For Germany: With an investment estimated to 36 Bil. Euro there could be generated up to 968.00 new jobs and it will generate a direct added value of 33,4 Bil. Euro and induce a trans-sectoral (network) effect of additional 137,5 Bil. Euro.

The study is published in German and English. The English version can be found at: http://www.polynomics.ch/dokumente/Polynomics_Broadband_Study_E.pdf

New Zealand - TUANZ

Priority focus for TUANZ is mobile termination rates. In a duopoly-based market like NZ these have the effect of not only overcharging users, but foreclosing market entry by distorting the differential between the retail prices for on-net and off-net calls.

That aside the major preoccupation of TUANZ is to survive through financially the recession, which is very challenging.

EVUA

Focus at the moment is on our UC event to be held in Lisbon on October 21-22. Since EVUA's conference on this subject in Barcelona last year we have seen more and more members embracing the new and exciting area of Unified Communications. However, due to the economic downturn, many members have been concentrating on reducing their costs rather than investing in new technologies. As such, we are dedicating a full day of the conference to saving costs in the enterprise as well as the hearing the latest from the UC world.

To complement the first day of the conference, we will hear on day two, from a number of end-users and suppliers about the Telecom Expense Management software and services that is now available. As always we get an update from Ovum on this year's UC survey.

From Nick White, INTUG Executive Vice President

ECTA's Regulatory Conference Topics:

- 1 Setting a European Digital Agenda for 2020
What should be the key priorities for telecoms as the incoming Commission and Governments debate the agenda for the coming 10 years?
- 2 The new EU Regulatory Framework for communications
How will the new EU Framework, if approved as planned in 2009, affect regulation of the sector?
What role will the new regulators group BEREC play?
- 3 Pricing and margin squeeze in a bundled environment
How will the trend towards bundled offers such as triple or quadruple play affect pricing regimes?
To what extent is mobile broadband a complement or substitute for fixed services?
- 4 Next generation access developments and policies
How have the competitive challenges of NGA been addressed by European regulators?
What are the implications of the Commission's proposals for a Recommendation on NGA?
- 5 How should copyright be addressed in the Internet age?
Is Internet access a 'fundamental right'? What other ways are there of protecting IPR in an online environment?
- 6 Reaping the digital dividend
Does Europe need a single market for spectrum?
How will the distribution of the digital dividend affect competition in the mobile market?
- 7 State aid in fibre networks
What are the implications of the Commission's guidelines on state aid for broadband and next generation networks?
How can public and private investment best be harnessed?
- 8 Functional separation 4 years on
What lessons have been learnt from the UK and other countries about addressing market failures through operational and structural remedies?
- 9 Termination and interconnection in an IP world
Debating the ERG's forthcoming proposals for a new regime for IP Interconnection. Could bill and keep play a role?

