

INTUG

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Access to the 'net a user perspective

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INTUG contents

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- what is INTUG?
- competition and choice
- consumer and business and demands
- local access and leased lines
- always-on and flat rate
- mobile and non-fixed access
- what needs to be regulated?
- conclusions

INTUG what is INTUG?

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- members
 - national associations
 - corporations
 - individuals
- activities
 - ITU and WTO
 - BIAC and OECD
 - APEC TEL, CITELE and European Union

INTUG our aims

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- real and effective competition
- genuine choice for users
- lower prices
- higher quality
- more innovative services
- constructive co-operation with
 - international bodies
 - governments
 - regulators

INTUG consumer demand

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- dial tone
- explicit tariffs
- affordable access
- quality of service (including bandwidth)
- always on
- shared access (e.g., Internet café)
- worthwhile content
- mobile Internet

INTUG consumer issues

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- effective competition in access and services
- opportunity to have shared facilities:
 - commercial
 - community
 - governmental or municipal
- people with a mobile phone but no fixed line

INTUG universal service

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- obligation to provide access
 - everywhere?
 - speed?
 - migration path?
- use of funds as subsidies for
 - incumbent operators
 - schools
 - libraries

INTUG business demand

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- Intranet
- access networks
- Extranet
- city centre offices
- branch plants
- call centres
- remote workers
- mobile workers
- suppliers
- customers
- banks
- governments

each company
buying from
only a very few
suppliers

INTUG tele-working

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- strong rationale for:
 - businesses
 - individuals
- access:
 - dial-up, ISDN and xDSL
- need for consistent technology:
 - modems, software, IP Sec

INTUG leased lines market failures

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- pricing
- discounting
- availability
- quality of service
- coverage

The Last Mile - we cannot obtain adequate service in order to link to the core network of competitive carriers.

INTUG geography of competition

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- competitive:
 - financial districts of largest cities
- non-competitive:
 - most countries
 - smaller cities
 - outer suburbs
 - homes
 - farms
- can vary from street to street

INTUG local loop unbundling

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- US Telecommunications Act (1996)
- EU Regulation since January 2001
 - enforcement measures last month
- incumbent operators' 3G strategy is to:
 - deny
 - delay
 - degrade
- financial markets have lost interest
- many entrants went bankrupt

INTUG wholesale DSL

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- many incumbent operators have pushed this product
- to benefit from their strengths in:
 - infrastructure
 - customer relations
- to preempt other infrastructure
- to control the development path to other DSLs
- to put a price squeeze on competitors

INTUG flat-rate access

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- business model from USA:
 - monthly subscription
 - free local rate calls
 - points of presence in all areas
- based on US regulatory distortions
- struggled in most other countries
- can put serious pressure on PSTN
- many countries can jump directly to always-on broadband

INTUG cable television

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- can also offer telephony and
- Internet access
 - flat-rate
 - always-on
- a serious competitor to ADSL
- must be fully separated from the PTT
- terms of access for alternative ISPs

INTUG wireless local loop

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- successes and failures in licensing
- knock-on effects of:
 - 3G spectrum allocation
 - dot.com crash
- only a few historic operators have been allowed into WLL market
- so far, WLL operators have not been strong players

INTUG mobile Internet

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- increasingly unlikely to be only 3G
- instead, part of a continuum of:
 - Internet access
 - u-commerce
- technologies other than 3GSM:
 - Wireless LAN
 - Ultra Wide Band (UWB)
- it is still far too early to tell

INTUG business and consumers

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- B2Employee
 - access to VPN
 - access to Intranet
- B2Consumer
 - access to services
 - adverts?
- music
- instant messaging
- presence management
- peer-to-peer

INTUG mobile issues

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- failure of WAP compared with SMS
- GPRS
 - enormous delays
 - absence of a market
- location based services
 - data protection and privacy
- access to services of customer's choice
- nobody wants "walled gardens"

INTUG wireless LANs

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- in unlicensed spectrum (2.4 GHz) using IEEE 802.11b
- hotels
- airport lounges
- coffee shops, hamburger, pizza outlets
- looks to be a real competitor with 2.5G and 3G
- now commonplace on new lap-tops

INTUG why do we regulate?

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- aim is country competitiveness for *other* economic activities
- out of habit?
- who do we *need* to regulate?
 - incumbent operators
 - mobile oligopoly
- should be within:
 - general legal framework
 - competition law

INTUG regulating ISPs

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- usually to protect the PTT
- to conserve revenue from international accounting rates
- to limit “unsuitable” content:
 - culture, religion, politics, etc.
- a real danger of leveraging power from other markets:
 - telephony
 - content

INTUG least developed countries

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- very poor or no infrastructure
- existing PTTs not delivering
- need for investment
- to provide:
 - community access
 - connections with ex-patriate community

INTUG summary

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- priority is general economic good and not protection of PTTs or old ways of doing business
- pressing need for new entrants to create and increase competition
- entrepreneurs must have good access to network elements
- end customers must have free choice of different elements
- mobile Internets becoming important

INTUG summary - local access

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- cable networks are strong competitors
- local loop unbundling is slow but important
- WLL is a weak competitor
- competition law is slow
- regulation is often overly political
- ensure against vertical integration
- some market failures persist
- allow for evolution and revolution