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DIRECTORATE FOR SCIENCE, TECHNOLOGY AND INDUSTRY
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Working Party on Telecommunication and Information Services Policies

OECD MOBILE BASKET REVISION

A revision of the OECD Mobile Telephony baskets, based on information received at and after the OECD / Teligen meeting on the mobile baskets in October 2001

This document summarises the new OECD baskets for mobile communications. It is circulated for information.

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New OECD Mobile Baskets

1. The new baskets are based on the principles agreed in the Mobile Basket Workshop in London in October 2001, where representatives from a large number of OECD countries, regulators and operators were present.
2. The baskets outlined in this document is based on averages or summaries of the information provided by the representatives at the October 2001 meeting, and others responding to a call for information from the OECD.
3. All baskets will include:
 - Registration or installation charges with 1/3 of the charges, *i.e.* distributed over 3 years.
 - Monthly rental charges, and any option charges that may apply to the package, or package combination.
4. The three new baskets are:
 - Low user basket. The usage level of this basket is low, with a call volume less than half of that in the Medium user basket.
 - Medium user basket. This basket will have 75 outgoing calls per month.
 - High user basket. The usage level is about twice the Medium user basket.
5. The usage profiles will also include a number of SMS messages per month.
6. Call and message volumes for each basket are:

	Outgoing calls /month	SMS per month
Low user	25	30
Medium user	75	35
High user	150	42

7. The information received showed that there is little difference between the average pre-paid usage and the low user post-paid usage. The low user basket can therefore be used for both pre- and post-paid tariffs, allowing a simple comparison also between the two types.
8. Only national calls are included in the profiles, with 4 different destinations:
 - Local area fixed line calls. This is used to accommodate the tariffs that have separate charges for the local area. When such charges are not available, this proportion of calls is included in the National.
 - National fixed line calls. This covers all fixed line calls outside the local area, except in cases as noted above.

- Same network mobile calls (On-net). This includes all calls made to mobiles in the same mobile network as the caller.
- Other network mobile calls (Off-net). This includes calls to all other mobile networks in the caller's country. When the charges are different depending on destination network, the market shares based on subscriber numbers are used for weighting the charges. Up to 3 other networks will be considered in each country.

9. Distributions per destination for each basket are:

% of total number of calls	Fixed Local area	Fixed National area	On-net mobile	Off-net mobile
Low user	28.0%	14.0%	40.0%	18.0%
Medium user	24.0%	12.0%	43.0%	21.0%
High user	26.0%	14.0%	42.0%	18.0%

10. As the information received produced little evidence on the split between local and national fixed line calls, the assumption has been used that the ratio would be 2:1 for local:national, i.e. 67% local and 33% national. This assumption is taken from the averages in fixed baskets, and the scarce information received.

11. Instead of splitting time and day into distinct times and days the following approach will be used:

- Peak time calls at weekdays, most expensive time during daytime.
- Off-peak time calls at weekdays, cheapest time before midnight.
- Weekend time calls, at daytime Sundays.

12. Distributions over time and day for each basket are:

% of total number of calls	ToD Peak	ToD Off-peak	ToD Weekend
Low user	38.0%	35.0%	27.0%
Medium user	47.0%	30.0%	23.0%
High user	63.0%	22.0%	15.0%

13. There will be 3 separate call durations:

- Local and national fixed line calls
- Same network mobile calls (On-net)

- Other network mobile calls (Off-net)

14. Call durations for each basket are:

Minutes per call	Dur Fixed National	Dur Mobile On-net	Dur Mobile Off-net
Low user	1.6	1.4	1.4
Medium user	2.1	1.9	1.9
High user	2.2	2.0	2.1

15. Any call allowance value included in the monthly rental will be deducted from the usage value once the basket is calculated. The deduction cannot be larger than the actual usage value, i.e. negative usage is not allowed. No transfer of unused value to next month is taken into account.
16. Any inclusive minutes will be deducted from the basket usage before starting the calculation of usage cost. The inclusive minutes are assumed to be used up with the same calling pattern that is described in the basket, i.e. the same peak/off-peak ratio and the same distribution across destinations. Where the inclusive minutes are clearly limited to specific destinations or times of day this will be taken into account. No transfer of unused minutes is taken into account.
17. Any inclusive SMS-messages will be deducted from the basket before starting the calculation of the SMS message cost, up to the number of messages in the basket.
18. For each of the operators covered a set of packages shall be included so that the cheapest package offered by that operator can be calculated for each of the 3 baskets.
19. Multiple operators in each country shall be included, with at least the two operators with highest number of subscribers in each country. The operators included shall have a total market share of at least 50% based on subscriber numbers.
20. Basket results are calculated for a period of one year.