



ROAMING

A Latin American regulator's perspective

The paraguayan experience in International Mobile Roaming

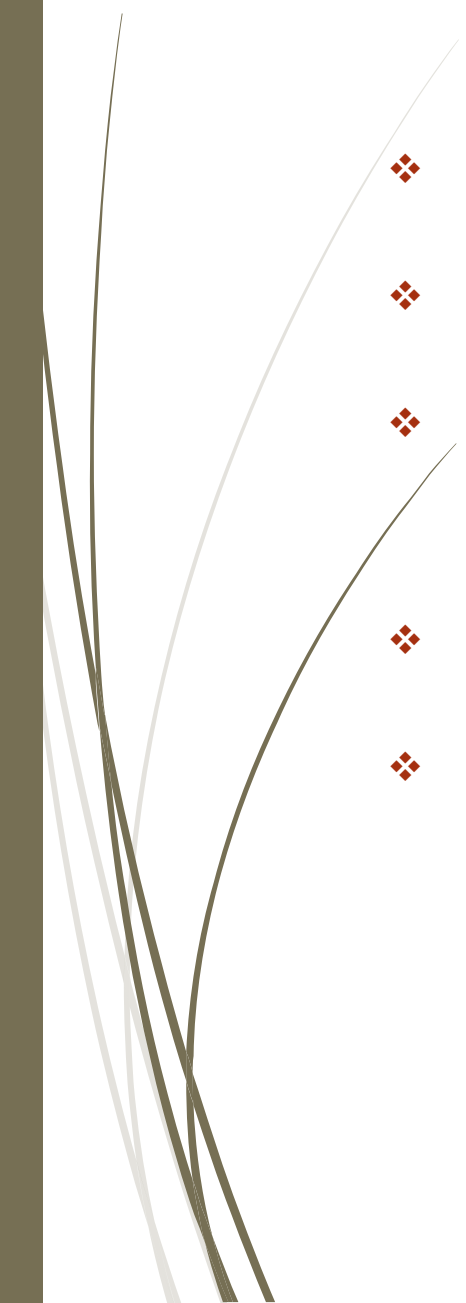
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TOPICS:

- ❖ Roaming regulation
 - ❖ Roaming in Paraguay
 - ❖ Possible explanations to the Roaming prices
 - ❖ Challenges and alternatives
 - ❖ Proposal and conclusions
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Roaming regulation

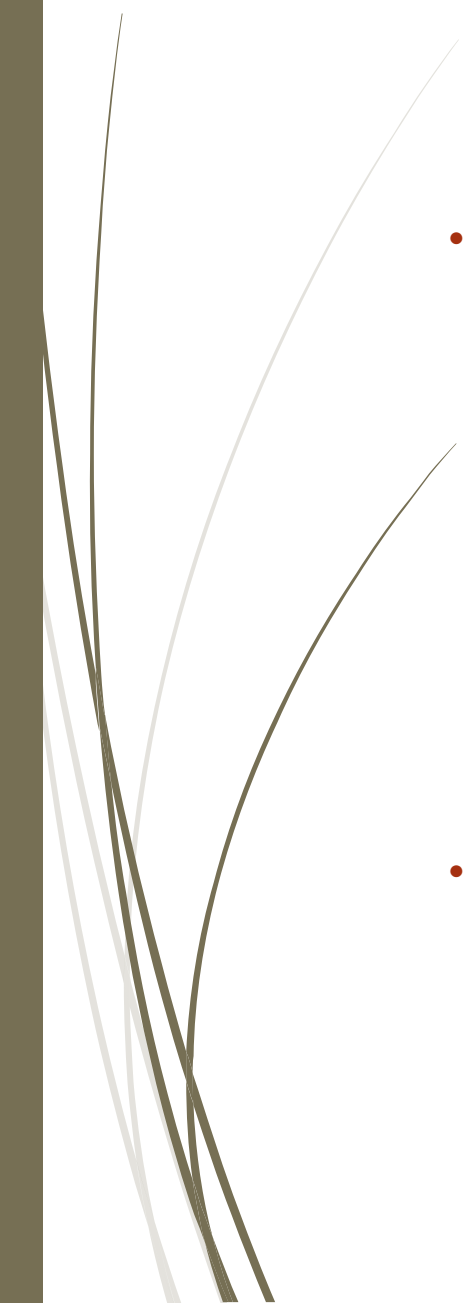


UIT-T RECOMMENDATIONS

- ❑ Rec. UIT-T D.140
(Accounting rate principles: Network elements)
- ❑ Rec. UIT-T D.93
(Charging and accounting in the international land mobile telephone service)
- ❑ Rec. UIT-T D.99
(Indicative rate for international mobile termination)
- ❑ Rec. UIT-T D.98
(Charging in Roaming)



NATIONAL REGULATIONS I

- Interconnection regulation
(Caps for the national termination rate)
Since 2004, the caps of interconnection rates were adjusted,
(In ten years, the cap of national interconnection rate to mobile networks has decreased in a 5:1 proportion)
 - Nevertheless, such a regulation has only national effects.
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NATIONAL REGULATIONS II

- **General Tariffs Regulation (GTR)**

(Tariffs Regulation, including roaming tariffs: regarding transparency and communication for users)

- **Update of the GTR:** use of SMS alerts to warn the clients about variations of prices and other commercial conditions, when they are in roaming.



PRESENT SITUATION




- ✓ Traffic

- ✓ Price



ROAMING IN PARAGUAY

- 5 to 10 per 1000 of the annual voice traffic corresponds to Roaming.
 - Most of roaming is concentrated in the region.
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PRICES

- Roaming: voice and data services
- Relationship with national mobile services

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PRICES

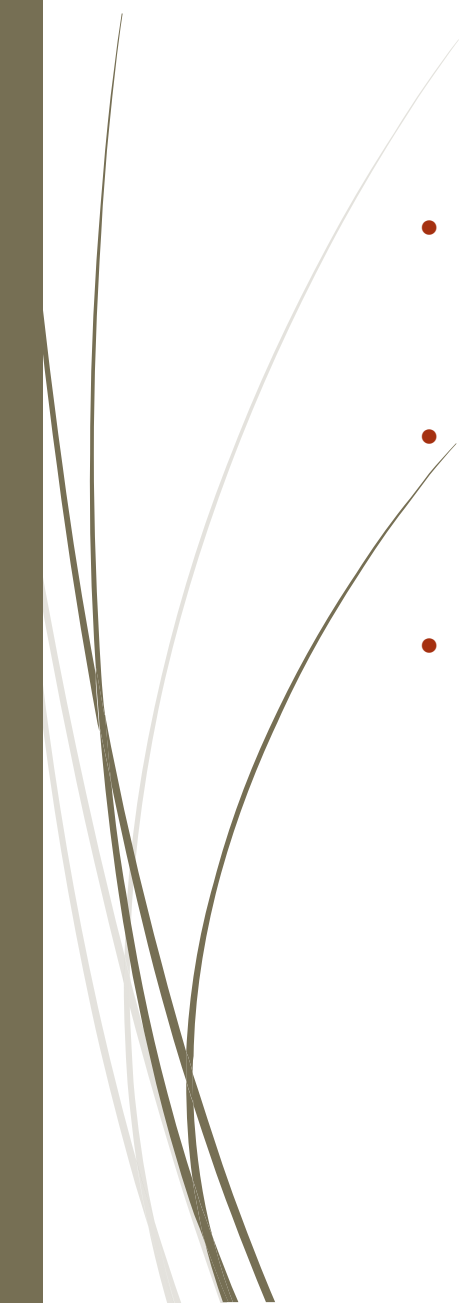


RELATIONSHIP IN PRICES: ROAMING/NATIONAL SERVICES





SITUATION IN PARAGUAY

- The problem of high rates of Roaming persists despite national regulations.
 - It is not possible to tackle the problem from a national perspective.
 - There is a need for alternative approaches.
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LOOKING FOR AN EXPLANATION I

- ❑ **Conduct of operators:** operators set retail and wholesale prices to the level where benefits are maximized.
- ❑ **Economic theory.** Simple model with the following assumptions:
 - Data transfer market (Internet)
 - P_i : retail prices of i ($i=1,2$)
 - c_i : wholesale prices of i ($i=1,2$)
 - q_i : volume of roaming of the clients of i ($i=1,2$)



LOOKING FOR AN EXPLANATION II






Case 1: $|e| = 1$



N.E.(PaCa,PaCa)



Case 2: $|e| > 1$; (e.g. $|e| = 1,106$)



N.E.(PaCa,PaCa)



CHALLENGES



- **For ITU-T:** designing alternative tools and approaches that will support Member States in a better control and protection of users.
- **For NRA:** carry out accurate and timely measures leading to better roaming rates that are compatible with the interests of providers and national governments principally.



ALTERNATIVES



- **For ITU-T:** consider proposing and recommending to Member States and NRAs, the use of alternative approaches as cost-oriented roaming rates.
- **For ANR:** reaching agreements on regional and inter-regional coordination in regulating roaming rates to achieve effectiveness in regulation.



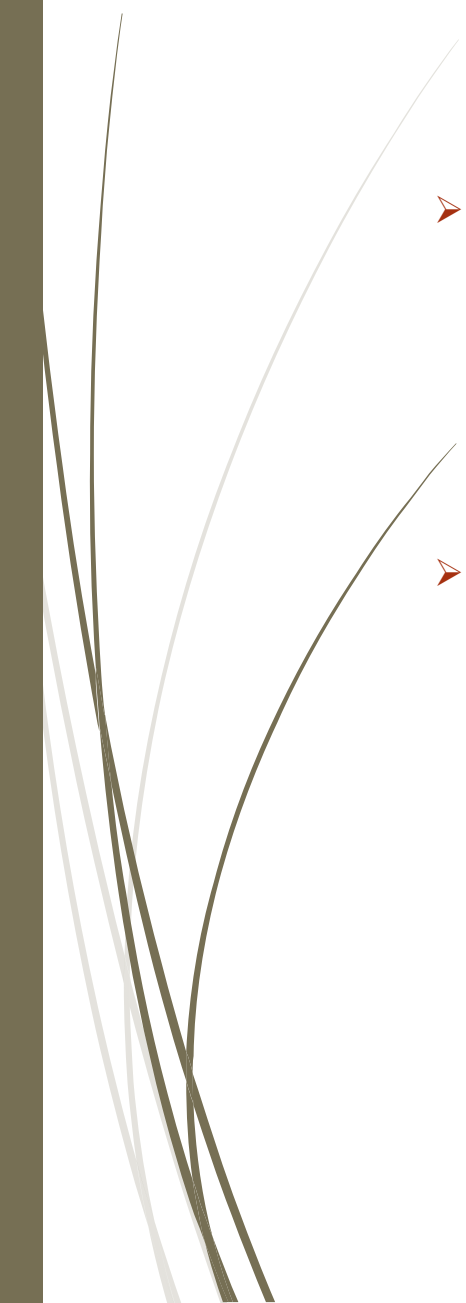
PROPOSAL



In the SG3RG-LAC is under analysis a draft recommendation on alternative approaches for regulating roaming rates.



CONCLUSIONS

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- National and international regulations so far have not helped solve the particular problems of roaming services in Paraguay and also at regional and global levels.
 - There is a need to adopt alternative regulatory strategies to regulate roaming rates, in addition to measures aimed at transparency.



Thank you



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