REPORT ON THE

ITU INTERNATIONAL MOBILE ROAMING CONSULTATION MEETING

Geneva, Switzerland, 15-16 September 2016

Introduction

The first ITU IMR Consultation Meeting organized by the ITU Telecommunication Development Bureau (BDT) under the initiative LET'S ROAM THE WORLD launched in 2015 by the BDT Director, Mr Brahima SANOU welcomed twelve Regulatory Associations (RA) and Regional Organizations, one Consumer Association and two Private Sector Associations. The objective of this meeting was to continue the dialogue initiated in 2015 to define building blocks for International Mobile Roaming (IMR) Strategic Guidelines.

The Consultation Meeting spanned across six main interactive sessions, including (1) International Mobile Roaming (IMR) - Setting the Scene, (2) Presentation of International Mobile Roaming activities/initiatives by Regulatory Association and Regional Organizations, (3) Consumer Associations' Point of View, (4) Private Sector's Point of View, (5) Building Blocks for IMR Strategic Guidelines, and (6) Proposed actions and Way Forward. It provided participants with the opportunity to present their experiences and initiatives, exchange views and practices and identify common approaches to respond efficiently to the challenges of IMR.

Opening Session: Welcome and Introduction by Mr Brahima SANOU, Director BDT

BDT Director Mr Brahima SANOU welcomed all participants and highlighted in his opening speech that we are living in a world where more affordable communications within countries and across borders offer a real

opportunity for consumers and business as well as operators and investors. It is however important that all players in the ICT ecosystem work together to address this issue and find a balance between operator revenues and affordable communications for consumers. The ITU LET'S ROAM THE WORLD Initiative offers a neutral platform for dialogue and brings stakeholders from across the sector together to exchange best practices and – together - define strategic guidelines on International Mobile Roaming.

This first consultation, he said, brought regional Regulatory Associations, as well as with other Regional and International Organizations, Consumer Associations and other stakeholders together to define Building Blocks which can become IMR Strategic Guidelines addressed to all stakeholders. He welcomed the interest that all Associations have shown in collaborating with ITU and especially welcomed their commitment to reach out to their respective constituencies to collaborate in defining such Guidelines.

International Mobile Roaming (IMR) - Setting the Scene (ITU BDT)

The first session set the scene for further discussions by presenting the objectives of the BDT Director's initiative LET'S ROAM THE WORLD and giving a short overview of the challenge of high IMR services prices as well as general trends on IMR pricing and regulation.

International Mobile Roaming activities/initiatives by Regulatory Association and Regional Organizations - Experiences and Lessons learned

ARCTEL-CPLP, Association of Communications and Telecommunications Regulators of the Community of Portuguese Speaking Countries, has created a Working Group on roaming with operators participating on a voluntary basis that monitors intra-CPLP Member States (retail and wholesale) roaming fees as well as users complaints. Although there is a certain level of political support through a Statement endorsed by the

Comunidade dos Países de Língua Portuguesa (CPLP), which benefits the collection and sharing of data between countries, ARCTEL has no enforcement mandate in relation to decisions it makes.

AREGNET, Arab Regulators Network, recognizes that roaming prices in the region are based on destination rather than costing, and operators are making large profits generated specially from data roaming. Regional

initiatives can be useful but are seen to only benefit clients within the same region and not necessarily outside the region. There are also differences between countries within regions, for example, regarding the level of taxation, income, average revenue per user (ARPU), and inflation. More regional and global coordination at wholesale and retail level can help achieve affordable IMR prices.

ARTAC, L'Assemblée des Régulateurs des Télécommunications de l'Afrique Centrale, has held a series of activities on roaming in the sub region, including a roaming workshop in 2015 and a series of meetings requesting operators to decrease retail tariffs. Coordination and discussions have recently been suspended with countries in the region defining individual strategies and initiatives on IMR.

ATU, African Telecommunications Union, highlighted that although the region has seen interesting developments with regards to the cost of roaming for pre-paid and post-paid services, data roaming remains very expensive. ATU also highlighted the issue of double taxation making mobile roaming services costly. Uniform roaming service pricing with uniform taxing rules can be beneficial to consumers as well as create opportunities for business.

BEREC, Body of European Regulators for Electronic Communications, illustrated the effect of regulation, highlighting that **r**oaming prices have decreased 80-90% between 2007 and 2015. To date, there are no numbers showing that operators have raised unregulated prices for roaming outside the European Union (EU) to compensate losses for lower roaming revenues.

COMTELCA, Regional Technical Commission of Telecommunications Central America, provided that operators in the region are offering packages that include calls, messages and data for users who travel to other countries. The average price per minute of IMR voice in Latin America has fallen from 11 dollar cents in the fourth quarter of 2008 to 6 dollar cents in the same period of 2013.[1] Operators in the region are facing the challenge of adapting current mobile offerings by enhancing existing services and creating new ones. Operators should also be able to provide roaming service across the region with non-discriminatory rates.

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[1] GSMA data.

The aim of the roaming policies of **CTU, Caribbean Telecommunications Union,** is to allow citizens to benefit

from advances in telecommunications technology and liberalization and to allow them to roam at affordable prices in the region. CTU considers affordable voice and data roaming as a means to facilitate the free movement of labor, and to provide more predictable costs of doing business. Political integration, coordination and collaboration between the Regulatory Associations is key to success, as roaming cannot be controlled by a single state or single provider. Roaming should also be considered a priority ICT policy matter, and the appropriate institutional framework created.

In **ECOWAS, Economic Community of West African States**, the Heads of States and Government (HOSG) appealed to mobile operators to sign roaming agreements in order to facilitate communication in the region. Considering that roaming is not only seen as a business opportunity for mobile operators, but also key to social as well as regional integration, IMR activities in the region have included: a) study on harmonization of cross-border communications costs; and b) elaboration and adoption of a Regulation on Roaming in the ECOWAS space, in collaboration with the West African Telecommunication Regulators Assembly (WATRA) and the Project Preparation and Development Unit (PPDU).

In **ECTEL, Eastern Caribbean Telecommunications Authority,** roaming rates and terms are unregulated and the services are largely provided "on-net" by the two major Mobile Network Operators (MNO). ITU is providing technical assistance to ECTEL to develop a draft Roaming Bill and Regulations on roaming in the region. Relevant provisions that should be considered include permanent roaming vs fair use policy, the use of roaming in emergencies, new entrants' access, as well as the issues of number portability and Internet of Things (IoT).

GCC, Gulf Cooperation Council, has undertaken a number of activities on roaming in the Gulf Region starting in 2012 with an IMR assessment study. In 2015 the Communications Regulatory Authority of the State of Qatar (CRA) together with other members of the GCC published the final report of consultation to assess the effectiveness of the existing regulations and a review of International Mobile Roaming (IMR) services. The final document also assesses the rationale for regulatory intervention at GCC level, and the approved new price caps for roaming charges.

OIF, Organisation Internationale de la Francophonie, suggested to consider the impact of Over-The-Top (OTT) in the provision of IMR services and encourage ITU to continue working at regional level.

COMESA, **the Common Market for Eastern and Southern Africa,** remotely contributed by highlighting the One Africa Network decision, that is binding to 11 countries across Africa, and which was reached at a high-level meeting of ICT Ministers and Regulators convened under the Smart Africa Initiative. Among other developments, the implementation of the One Africa Network will see harmonization of tariffs on mobile voice calls, SMS and data transmission within the 11 countries. International traffic among Smart Africa member countries will also be tax exempt, consequently bringing down the calling costs.

Consumer Associations' Point of view

INTUG, International Telecommunications Users Group, contributed by highlighting the business consumer point of view on roaming services. Many companies operate internationally meaning that roaming charges have a negative impact on their work, collaboration, innovation and risk-taking as their staff is traveling. Transparency for roaming charges is lacking, resulting in cartel-like pricing, which can only be controlled by regulation. MNOs are too focused on current revenue models, dominance in access and price competition, this is blocking innovation. A new business model is needed, focusing on new business processes, disruptive ICT innovation and consumer behaviour. The elimination of International Roaming charges is no longer just an economic need, but also a social responsibility. More transparency and affordability are needed. A global and universal approach is necessary and ITU can take the lead in establishing it. This will enable development of new products and services resulting in economic growth, new jobs, better services and better social cohesion in a connected society.

Private Sector's Point of view

ASIET, Asociación Interamericana de Empresas de Telecomunicaciones, highlighted the importance of international mobile roaming, showing that in 2015, Latin America attracted 16% of international travelers (192 million persons), an increase of 5% with respect to 2014, and that these numbers are expected to increase to 199 million visitors by 2020 (World Trade Organization, WTO). 37% of Latin American travelers are business and generated about 80% of the total roaming traffic in the region. Roaming is affected by a number of external and internal factors that influence prices, including double taxation. In many cases, MNOs do not control the entire chain in the end-to-end service provision, meaning that they are faced with complex schemes of rates in addition to different technologies and frequency use deployed by MNOs in the region. The risk of fraud is also an issue due to delays in the exchange of pricing information between operators, this can affect operator's revenues from 35 to 5%. ASIET presented the following proposals:

- To move forward under schemes of self-regulation for common quality standards among all operators.
- To minimize the negative effects of border roaming.
- To improve current information systems - shorten the timing for exchange of information between operators - to improve the fight against fraud.
- To evolve towards schemes that allow the reduction of high tax burden on roaming services.
- To foster public-private collaboration.
- To continue working/cooperating with ITU-T Study Group 3 and the Regional Group for Latin America and the Caribbean (SG3RG-LAC) on IMR issues.

SAMENA, Telecommunications Council, a trade association (a multi-continent telecom consortium) representing telecommunication operators and service providers in South Asia, Middle East and North Africa, recognized that prices of IMR are high at both outbound and inbound levels, and this is a burden on societal efficiency. There are three particular reasons for this: a) quasi-oligopoly in the market; b) cross-border IMR service; c) regulatory approach variety; and d) low price elasticity of demand for roaming voice calls as compared to data roaming.

It is important that regulators provide credible evidence that roaming regulations will lead to more economic and social integration or increase the use of IMR. Where regulators take action on roaming regulation, operators could be encouraged to lower prices rather than opting for price caps. Regulators could also consider encouraging operators to take measures that enhance mobile user awareness (transparency) of tariffs when they travel. This is in line with the World Conference on International Telecommunications (WCIT) recommendations. It is also important to address structural barriers that increase costs for service providers and mobile consumers, such as double taxation and international gateway monopolies.

Building Blocks for IMR Strategic Best Practices Guidelines

This session, moderated by **Mr Abdoulkarim SOUMAILA, Secretary General, ATU,** discussed the clear need and benefit of regional regulatory associations working with ITU as a facilitator to address this important issue, especially given that where regional regulatory associations have had a clear mandate to harmonize, regional regulatory measures have been defined and implemented. Key to success is also that they consult and hold an inclusive dialogue from the start with the wider ecosystem, including organizations such as consumer organizations as well as operators and others in the private sector. There is also the need for political champions that can facilitate political support, and encourage putting the issue at the top of the national political agenda. Finally, there is a need for a universal approach with clear deliverables and milestones.

Proposed actions and Way Forward

Mr Kemal HUSEINOVIC, Head of the Infrastructure Enabling Environment and E-Applications Department, ITU/BDT presented the proposed actions and way forward for the development of the building blocks for International Mobile Roaming Strategic Guidelines:

✓ It is important to open this consultation to all stakeholders (e.g. Regional Organizations, NRAs, Private sector, Consumer Associations, and Academia);
✓ Existing tools, recommendations, material and research already developed by ITU – BDT and TSB – should be used in the whole process;
✓ RAs as well as other regional and international organizations and associations can be advocates on this issue and Initiative and reach out to their stakeholders to enrich information, seek contributions and ownership over proposals and solutions;
✓   Participants should aim to increase public awareness – campaigns, website, blogs – using ITU and RA media channels - BDT will prepare a roadshow and presentations to present at regional and global events.

Our deliverables and timeline are as follows:

- ✓ In a first stage, ITU will, as secretariat, compile an assessment report and gap analysis by:
  - o reaching out to RAs and others to get feedback and information on regional/international initiatives and any IMR guidelines they may have adopted;
  - o comparing the different regional initiatives and legal and regulatory frameworks and identify common denominators for IMR gaps;
  - o based on these common denominators, drafting building blocks for IMR Strategic Guidelines.
- ✓ ITU will organize a second consultation meeting to present the draft report and draft Guidelines - tentatively in March 2017 or during a pre-event or regulators roundtable on IMR during GSR-2017.
- ✓ These results could be validated during the World Telecommunication Development Conference (WTDC-2017) High Level Ministerial Round Table in October 2017, to get high level political support.

Closing Session

The Meeting was closed by **Mr Brahima SANOU, BDT Director**, who highlighted that affordability and transparency are key to international mobile roaming. He also offered that as we live in increasingly

borderless world, more affordable communications within countries and across borders offer a real opportunity for consumers and business as well as telecom operators and investors. Collaboration and holding an inclusive dialogue is a key factor to success, he said, offering that all players in the ICT ecosystem should work together to address this issue and find a balance between telecom operator revenues and affordable communications for consumers. The ITU LET'S ROAM THE WORLD Initiative offers a neutral platform for dialogue and brings all stakeholders from across the sector together to exchange best practices and – together - define Strategic Guidelines on International Mobile Roaming.

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