General overview of ITU-T SG3 and its Regional Groups

Tariff and accounting principles and international telecommunication/ICT economic and policy issues

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Counsellor, ITU-T SG3
Welcome

Overview of ITU-T SG3
• The new mandate of SG3 for the 2017-2020 study period was confirmed by WTSA-16 in Hammamet.

• Study Group 3 is responsible for, *inter alia*:
  – for studying international telecommunication/ICT *policy and economic issues* and *tariff and accounting matters* (including costing principles and methodologies),
  – with a view to informing the development of *enabling regulatory models and framework*
  – WTSA-16 Resolution 2 goes on to say that SG3:
    – "...will study the economic and regulatory impact of the Internet, convergence (services or infrastructure) and new services, such as OTT, on international telecommunication services and networks."

• SG3 is Lead Study Group:
  – on tariff and accounting principles relating to international telecommunication/ICT
  – for economic issues relating to international telecommunication/ICT
  – for policy issues relating to international telecommunication/ICT
• ITU’s work on tariffs and interconnection dates back to the origins of the ITU and as such, it can be said that it is part of the very DNA of the organization.

• On tariff issues, **ITU-T Study Group 3** is the successor of *Committees of Rapporteurs* (later renamed study groups) dating back to **1928**, and has a long-standing mandate on economic and policy issues.

<table>
<thead>
<tr>
<th>Assembly</th>
<th>Study Group</th>
<th>Name of Study Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>1926</td>
<td>6e Commission de Rapporteurs</td>
<td>Exploitation</td>
</tr>
<tr>
<td></td>
<td>7e Commission de Rapporteurs</td>
<td>Trafic et exploitation</td>
</tr>
<tr>
<td>1927</td>
<td>6e Commission de Rapporteurs</td>
<td>Trafic et exploitation</td>
</tr>
<tr>
<td><strong>1928-1954</strong></td>
<td>7e Commission de Rapporteurs</td>
<td>Tarification / Tarification téléphonique</td>
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Introduction to ITU-T SG3

Mandate of SG3 over the past 5 Study Periods (1997-2016)

**SG3 Mandate 1997-2000**

- Tariff and accounting principles for international telecommunications services;
- Related telecommunication economic and policy issues,
- Policy issues related to carriage and content

**SG3 Mandate 2001-2016**

- Tariff and accounting principles for international telecommunication services and study of related telecommunication economic and policy issues.
- To this end, Study Group 3 shall in particular foster collaboration among its Members with a view to the establishment of rates at levels as low as possible consistent with an efficient service and taking into account the necessity for maintaining independent financial administration of telecommunication on a sound basis.
Introduction to ITU-T SG3

ITU-T SG3 Questions over the past 5 Study Periods (1997-2016)

- **1997-2000**: 9 Questions
- **2001-2004**: 4 Questions
- **2005-2008**: 4 Questions
- **2009-2012**: 5 Questions
- **2013-2016**: 10 Questions
Study Period (2013-2016)

Highlights of achievements
Written contributions were submitted by 77 distinct members to the last SG3 Meeting (April 2017)

Member States, Regulators, Regional Organizations, Operating Agencies, Research Centers, Academia, User Groups
Increase in Number and Quality of Contributions to ITU-T SG3

Renewed interest driven by the approval of new Questions by TSAG in June 2015

Highlights of achievements
ITU-T SG3: International Decision-Making at its Best

112 participants met in Geneva for the 2017 SG3 meeting

Diverse and global participation
- Member States
- Regulators
- International Organizations
- Regional Organizations
Recommendations Determined by SG3 and approved by WTSA-16

**New**

- ITU-T D.52
  - “Establishing and connecting regional Internet Exchange Points (IXPs) to reduce costs of international Internet connectivity”

- ITU-T D.97
  - “Methodological principles for determining international mobile roaming rates”

**Revised**

- ITU-T D.53
  - “International aspects of Universal Service”

- ITU-T D.261
  - “Principles for market definition and identification of operators with significant market power”

- ITU-T D.271
  - “Charging and accounting principles for Next-Generation Network (NGN)”
The technical guide “Guide for NRAs on International Mobile Roaming Cost analysis” and the online “ITU International Mobile Roaming Cost Analysis Tool” were developed in response to calls from ITU members for greater clarity on the degree to which the prices that consumers pay for roaming services are commensurate with their costs. Following a trial of a basic version of the online cost model, it was expanded to provide regulators with a more comprehensive tool to guide analyses of potential introductions of caps on mobile roaming tariffs.

The ITU International Mobile Roaming Cost Analysis Tool is designed to help forecast the cost of international mobile roaming voice calls compared to domestic mobile voice calls. The tool is available on http://www.itu.int/net4/roamingtool/
Other SG3 publications

Technical report on the economic impact of OTTs

Technical report on Methodologies for spectrum valuation
Regional groups

ITU-T SG3
Regional Groups
## SG3: Global footprint across 6 Regions

<table>
<thead>
<tr>
<th>SG3RGs</th>
<th>SG Regional Groups</th>
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<tbody>
<tr>
<td>SG3RG-AFR</td>
<td>Regional Group for Africa</td>
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<tr>
<td>SG3RG-AO</td>
<td>Regional Group for Asia and Oceania</td>
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<tr>
<td>SG3RG-ARB</td>
<td>Regional Group for the Arab Region</td>
</tr>
<tr>
<td>SG3RG-EECAT</td>
<td>Regional Group for Eastern Europe, Central Asia and Transcaucasia (former RCC/CIS)</td>
</tr>
<tr>
<td>SG3RG-LAC</td>
<td>Regional Group for Latin America and the Caribbean</td>
</tr>
<tr>
<td>SG3RG-EURM</td>
<td>Regional Group for Europe and the Mediterranean Basin</td>
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**Regional Groups**

**Location and dates of SG3 Regional Groups Meetings (2013-2016)**

**ITU-T SG3 Regional Group for the Arab Region (SG3 RG-ARB)**
- 29-30 October 2013 (Manama, Bahrain)
- 24-25 November 2014 (Kuwait City, Kuwait)
- 30 November – 2 December 2015 (Manama, Bahrain)
- 26-29 July 2016 (Tunis, Tunisia)

**ITU-T SG3 Regional Group for Africa (SG3 RG-AF)**
- 4-7 February 2013 (Cairo, Egypt)
- 20-21 February 2014 (Congo, Brazzaville)
- 3-5 February 2015 (Sao Tome, Sao Tome and Principe)
- 19-21 January 2016 (Abidjan, Cote d’Ivoire)

**ITU-T SG3 Regional Group for Asia and Oceania (SG3 RG-AO)**
- 8-10 April 2013 (Tokyo, Japan)
- 1-2 September 2014 (Yangon, Myanmar)
- 29 September – 1 October 2015 (Kuala Lumpur, Malaysia)
- 20-23 September (New Delhi, India)

**ITU-T SG3 Regional Group for Latin America and the Caribbean (SG3 RG-LAC)**
- 19-22 March 2013 (Mexico City, Mexico)
- 13-14 March 2014 (San Jose, Costa Rica)
- 22-24 April 2015 (Nassau, Bahamas)
- 16-17 June 2016 (Brasilia, Brazil)

**ITU-T SG3 Regional Group for RCC/CIS (SG3RG-RCC/CIS)**
- 4 December 2015 (Baku, Azerbaijan)
- 3-4 August 2016 (Saint Petersburg, Russian Federation)

**ITU-T SG3 Regional Group for the Arab Region (SG3 RG-ARB)**
- 29-30 October 2013 (Manama, Bahrain)
- 24-25 November 2014 (Kuwait City, Kuwait)
- 30 November – 2 December 2015 (Manama, Bahrain)
- 26-29 July 2016 (Tunis, Tunisia)
Study Period (2017-2020)

Future work
### SG3: Agreed new structure with 4 Working Parties (1/2)

#### WP1/3  Charging and accounting/settlement mechanisms

**Q1/3**  Development of charging and accounting/settlement mechanisms for international telecommunications services using the next-generation networks (NGNs), future networks, and any possible future development, including adaptation of existing D-series Recommendations to the evolving user needs.

**Q2/3**  Development of charging and accounting/settlement mechanisms for international telecommunications services, other than those studied in Question 1/3, including adaptation of existing D-series Recommendations to the evolving user needs.

**Q13/3**  Study of Tariff, Charging Issues of Settlements Agreement of Trans-multi-country Terrestrial Telecommunication Cables.

#### WP2/3  General economic and policy factors related to provision and cost of ICT services

**Q3/3**  Study of economic and policy factors relevant to the efficient provision of international telecommunication services.

**Q4/3**  Regional studies for the development of cost models together with related economic and policy issues.

**Q8/3**  Alternative calling procedures and misappropriation and misuse of facilities and services including calling line identification (CLI), calling party number delivery (CPND) and origin identification (OI).

**Q12/3**  Tariffs, Economic and Policy Issues Pertaining to Mobile Financial Services (MFS).
<table>
<thead>
<tr>
<th>WP3/3</th>
<th>General economic and policy factors related to the enablers of ICT services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q6/3</td>
<td>International Internet connectivity including relevant aspects of Internet protocol (IP) peering, regional traffic exchange points, cost of provision of services and impact of transition from Internet protocol version 4 (IPv4) to Internet protocol version 6 (IPv6)</td>
</tr>
<tr>
<td>Q11/3</td>
<td>Economic and policy aspects of big data and digital identity in international telecommunications services and networks</td>
</tr>
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<table>
<thead>
<tr>
<th>WP4/3</th>
<th>General economic and policy factors related to the regulatory aspects of mobile communications, competition and convergence</th>
</tr>
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<tbody>
<tr>
<td>Q7/3</td>
<td>International mobile roaming issues (including charging, accounting and settlement mechanisms and roaming at border areas)</td>
</tr>
<tr>
<td>Q9/3</td>
<td>Economic and regulatory impact of the Internet, convergence (services or infrastructure) and new services, such as over the top (OTT), on international telecommunication services and networks</td>
</tr>
<tr>
<td>Q10/3</td>
<td>Definition of relevant markets, competition policy and identification of operators with significant market power (SMP) as it relates to the economic aspects of the international telecommunication services and networks</td>
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</tbody>
</table>
Key Topics for upcoming meetings

Economic Impact of OTT
- Work items: OTT bypass, OTT-MNO partnership
- Base Text for a draft Recommendation
- Baseline text for a technical Report

Mobile Financial services
- Work items: Guidelines for MFS Agents and E-money issuers, Consumer Protection, cost-model for transactions, Interoperability for Competition,
- Text for a draft Recommendation

Significant Market Power
Work items: Quantifying Cross-border market power, Impact of Dynamic Tariffing on Market Competitiveness
Key Topics for upcoming meetings

Guidelines for digital identity

IoT and M2M Roaming

Economic and policy aspects of Big Data

IIC Cost model

Shared use of spectrum and infrastructure

Mechanisms for pricing of licenses
### SG3: Meetings over the next 11 months (1/2)

<table>
<thead>
<tr>
<th>Meetings</th>
<th>Location</th>
<th>Dates and Duration</th>
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<tbody>
<tr>
<td><strong>SG3RG-AO</strong> Regional Group for Asia and Oceania</td>
<td>Seoul, Korea (Rep.of)</td>
<td>October 2017 4 days</td>
</tr>
<tr>
<td><strong>SG3RG-ARB</strong> Regional Group for the Arab Region</td>
<td>Riyadh, Saudi Arabia</td>
<td>November 2017 3-4 days</td>
</tr>
<tr>
<td><strong>SG3RG-AFR</strong> Regional Group for Africa</td>
<td>TBD</td>
<td>January 2018 4-5 days</td>
</tr>
<tr>
<td><strong>SG3RG-LAC</strong> Regional Group for Latin America and the Caribbean</td>
<td>TBD</td>
<td>February or March 2018 3-4 days</td>
</tr>
<tr>
<td><strong>SG3RG-EECAT</strong> Regional Group for Eastern Europe, Central Asia and Transcaucasia</td>
<td>Moscow</td>
<td>March 2018 (TBC) 3-4 days</td>
</tr>
<tr>
<td><strong>SG3</strong> (To include a Workshop on economic and policy aspects of Artificial Intelligence)</td>
<td>Geneva, Switzerland</td>
<td>9-18 April 2018 8 days</td>
</tr>
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## SG3: Meetings over the next 11 months (2/2)

<table>
<thead>
<tr>
<th>Meetings</th>
<th>Location</th>
<th>Dates and Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapporteur Group Meeting for Q9/3</td>
<td>Geneva, Switzerland</td>
<td>4 December 2017</td>
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<tr>
<td>Rapporteur Group Meeting for Q11/3</td>
<td>Geneva, Switzerland</td>
<td>5 December 2017</td>
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<tr>
<td>Rapporteur Group Meeting for Q12/3</td>
<td>Geneva, Switzerland</td>
<td>6-7 December 2017</td>
</tr>
<tr>
<td>Rapporteur Group Meeting for Q13/3</td>
<td>Geneva, Switzerland</td>
<td>30 November 2017</td>
</tr>
<tr>
<td>Rapporteur Group Meeting for Dispute Resolution</td>
<td>Geneva, Switzerland</td>
<td>1 December 2017</td>
</tr>
<tr>
<td>Rapporteur Group e-Meeting for Q3/3</td>
<td>E-Meetings (TBC)</td>
<td>December 2017</td>
</tr>
<tr>
<td>Rapporteur Group e-Meeting for Q7/3</td>
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<tr>
<td>Rapporteur Group e-Meeting for Q9/3</td>
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Future work
Study Period (2017-2020)
SG3 Online Resources
Introduction to ITU-T Study Group 3

Tackling the cost of international mobile roaming
The ITU-T SG3 Collaboration Site focuses on economic and policy issues. It is designed to facilitate discussions and collaborations among ITU-T Study Group 3 (SG3) members to address tariff and accounting principles and telecommunication/ICT economic and policy issues.

The list of work items under study in SG3 can be consulted in the ITU-T Work Programme for SG3. Each work item (WI) is identifiable by a Question. For the 2017-2020 Study Period, ITU-T SG3 has 13 questions under study (Q1/3 to Q13/3). The list of Rapporteurs and Associate Rapporteurs can be accessed here.

This Sharepoint site provides each Working Party, Rapporteur Group and Ad-Hoc Group with a shared workspace in which to engage in discussions and share documents. There is also a space for the SG3 Management Team. The Chairman of SG3 is Seiichi Tsugawa (KDDI, Japan). Please scroll down to see the full list of management team members and TSB staff and how you can contact them.

ITU-T Study Group 3 provides a unique global forum to improve the understanding of the financial and economic aspects of modern telecommunications services, to develop principles for regulating those services, and to identify and implement regulatory solutions that promote affordable and accessible telecommunications services.
SG3 at a glance:

www.itu.int/tariffs

Mailing Lists and Informal FTP Area (IFA)

https://www.itu.int/en/ITU-T/studygroups/2017-2020/03/Pages/ifa-structure.aspx

For more information, please contact us at tsbsg3@itu.int
“ITU’s technical standardization work is predominantly industry-driven, with business requirements forming the main fuel to standardization. ITU-T Study Group 3 is taking action in response to the perception among ITU members that the alignment of technology, business and policy will see significant improvement if technical standardization grants equal weight to technical innovation, business needs and policy requirements.

Chaesub Lee, TSB Director

Click [here](http://www.itu.int) for the ITU Press Release 09.03.16