

## **Draft INTUG Response to TRAI Consultation International Mobile Roaming Charges**

### **Background to imposition of International Mobile Roaming Charges on customers**

INTUG first identified the excessive charges being made for use of mobile devices outside their home contracted country in 1998/99. By publishing the charges levied by mobile network operators for a call back to the home country and comparing this with an identical call in the reverse direction, it was clear that charges were not cost based.

Further data collection, comparing call and text costs between a Country A and a Country B exposed inconsistencies between operators, and the existence of an effective cartel of pricing, based on arbitrarily agreed wholesale charges between MNOs, which were then “passed on”, with mark up, to unsuspecting customers.

Anecdotally, it is claimed that this practice first arose to provide a method of charging for mobile devices inadvertently connecting across the border between Northern Ireland and Eire. Having established the principle, this was developed into a fairly significant revenue and profit generator for MNOs. Whilst this was manageable for infrequent movement by individuals for voice calls and texts, even this became a problem when holidaymakers travelled for a longer period and used their phones to contact their home country. The “bill shock” consequences became major news when mobile data roaming became more prolific and huge bills occurred.

Perhaps of greater significance was the impact on users of mobile devices when they travelled more frequently as an integral and necessary part of business operations. For companies with dozen, hundreds and even thousands of devices, it became prohibitively expensive and roaming was often suppressed as a policy as a matter of routine. This had the consequence of blocking investment in international online applications, preventing efficiency and productivity improvements, which would otherwise be possible using mobile devices. Companies using mobile applications across the United States chose to continue using paper-based applications in Europe as a result, thus damaging the EU economy. This increased pressure not just to reduce but to eliminate international roaming charges throughout Europe.

The final nail in the coffin of International roaming charges was probably the growth in the Internet of Things (IoT) and mobile devices engaged in M2M applications. Autonomous devices like cars, connected to mobile networks, are unaware of crossing national borders. The growth of such applications, with associated economic and social welfare benefits, could not possibly tolerate an ecosystem burdened with international roaming charges. The implications are clear. The complete elimination of charges in Europe must inevitably be replicated around the globe. This is already being seen regionally in areas whereas there is active international online trade.

INTUG has worked with national, regional and international regulators and with the OECD and other co-operative bodies to inform policy makers of the urgent need to address this issue. An ITU workshop was planned for June 2020 to advance policies and principle with this aim.

### **About INTUG**

INTUG is a global association, which has represented business users of communications services since 1974. With user group contacts in all five continents, INTUG uses its reach to actively promote professional customers’ interests at the international level.

INTUG’s aim is to bring down all barriers that private companies and public institutions face when introducing new and innovative on-line processes, to enhance investment in improved communications technologies, and to ensure open access and connectivity to enable a fully inclusive and connected information society based on digital technology.

## Detailed Response to Consultation Questions

### **Question 1: Shouldn't the IMR service remain inactive at the time of issue of the SIM till the same is activated by the subscriber as part of the IMR tariff-selection exercise?**

Users must remain in contact when crossing national borders and hence the SIM must remain active to enable calls to be received, but outgoing calls, text and data should only be enabled once positive acceptance of applicable tariffs has been obtained from the customer. Until IMR charges are eliminated, the costs for initiating calls whilst roaming must be made clear to the user in advance via a text message immediately. If options are available in advance, for example for bundles or daily rates, these should be made clear as part of the basic contract. The option to include roaming must be an opt in decision by the customer.

### **Question 2: Shouldn't it be mandatory to communicate the details of activation and the applicable tariff immediately, by SMS or email, on completion of the tariff selection exercise by the subscriber?**

The applicable tariff options should be made clear immediately by SMS (not by email since this would require data roaming to be active). If a tariff has been preselected by the user, they must still be reminded of the cost implications of the tariff immediately they are in a roaming situation. They should have the option of opting out from roaming on each occasion.

### **Question 3: Shouldn't tariff details and related terms and conditions be communicated to subscribers of IMR service by SMS and/or email as soon as the phone is switched on in the visiting country by the subscriber?**

The applicable tariff options should be made clear immediately by SMS (not by email which would require data roaming to be active). If a tariff has been preselected by the user, they must still be reminded of the cost implications of the tariff immediately they are in a roaming situation. They should have the option of opting out from roaming on each occasion.

### **Question 4: Please give your views on the significant differences in tariffs for IMR Service under Standard Rates and IR Packs. Furthermore, your views are solicited as to how these two rates can be rationalized.**

As with bundled offering for other digital services, IR Packs may offer significantly different, i.e. lower tariffs than standard rates, which demonstrates that Standard Rates are not cost based. There shouldn't be an international roaming charge (there are no "roaming" charges for emails). Calls should be charged at the same rate as international calls made by a local domestic user. (Some TSPs in the EU made calls by roamers cheaper than international calls by residents on the same route by increasing international calls in an attempt to recover lost roaming charges).

### **Question 5: Shouldn't IR packs apply automatically the moment subscriber's expenses on IMR Services exceed the corresponding daily IR Pack rate unconditionally for all the countries for which the service provider is offering IR Packs?**

The European Union used bill caps and warnings during the phased process of elimination of international mobile roaming charges. This proved useful and effective, and if a phased approach is taken, it is recommended that a warning SMS is sent when the cap is approaching and that the cap cannot be overridden without specific authorisation from the customer. The use of IR Packs could be combined with this, provided the implications are communicated to the user with a reminder of the charges and confirmation to apply is received at the time.

**Question 6: Can IR Packs presently offered for one day duration be used to subscribe for multiple days to avail IMR Service? Should TSPs be mandated to permit combination of different IR plans as per requirement of the consumer?**

Market forces should influence whether TSPs offer single day, multiple day or other discounted offerings to reduce unit costs, but such offerings should always be clear and require the user to confirm acceptance on crossing a national border based on an SMS reminder of the costs.

**Question 7: Why shouldn't the IMR tariff be counted in 24 hour format on the first use of data, making or receiving a call or sending a text message, renewing the charges for only those 24-hour periods in which the services have been used rather than on a calendar day basis?**

Market forces should influence the basis on which TSPs apply IMR tariffs, but such offerings should always be clear and require the user to confirm acceptance at the time based on an SMS reminder of the costs involved.

**Question 8: In the interest of consumers, why shouldn't it be mandated for TSPs to send updates when data usage exceeds certain pre-established milestones such as 50%, 80%, 90% and 100% of the data entitlement?**

This should be mandated to avoid bill shock as indicated in the answer to Question 5 above.

**Question 9: Wouldn't it be advisable to mandate TSPs to inform the subscriber by SMS every time the subscriber lands in a country/area not covered by the IR Pack subscribed, of the fact of roaming in an uncovered zone, and the tariffs applicable thereto? Would the aforesaid requirement suffice or should the TSPs also be mandated to keep mobile data in inactive mode, activated only in accordance with the directions of the subscriber? Are there any other measures that can be taken to cover the situation as detailed?**

TSPs must inform customers by SMS in advance of any applicable charges which they will incur, not just when arriving in a country/area not covered by their IR Pack. The SIM should remain active to allow incoming calls to be received, but positive confirmation of acceptance of the charges should be obtained before allowing outgoing calls, texts or data transmission.

**Question 10: What are your views on the measures suggested in para 3.20 to protect the consumer from bill shocks due to usage of services beyond the pack entitlements?**

The risk of bill shocks can be significantly reduced, if not completely eliminated, by the measures proposed above involving caps, warnings to customers when approaching bill caps, and the obtaining of positive confirmation of acceptance by the customer based on a clear statement of the tariffs applying thereafter.

**Question 11: Please provide your views on each of the above measures and suggest additional measures, which in your opinion can be helpful in addressing the issue. Any other issue relevant to the subject in the consultation paper may be highlighted.**

A long-term approach should be established from the benefit of customers and TSPs providing a sliding scale of reducing maximum charges for voice, text and data for international roaming with a target date for complete elimination, i.e. zero mark-up. In many cases this will depend on multilateral and/or bilateral agreements with other countries and other TSPs, but complete elimination of all international mobile roaming charges should be set out as the end objective.