The economic consequences of cross border barriers to on-line business processes

Nick White
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- A “taxing” problem since the 1990s
A bill shock horror story

• A South Florida woman got the shock of a lifetime when she opened her mobile phone bill to find she owed $201k, due to roaming charges after holiday texting.

• She said, “My life is over - it’s like buying a nice house”

• Texting was the only way for her to communicate with her two deaf and dumb brothers.
Suppose it applied to cars?

“Driven from abroad sir? That’s a 300% petrol roaming surcharge! And an extra 3p per mile insurance, and a 100% mark up on spare parts while you’re here!”
“Hilton Honours member, sir? Oh, you live abroad! That means a 250% surcharge, as you’re roaming!”
Or it applied to Banks?

“You wish to withdraw £100, sir? As your account is in France, that’s £200, including the roaming charge!”
Or it applied to power?

“You wish to use your portable iron, madam? You do not have an electricity account here, so that’ll be €0.90 per Kwh roaming charge!”
“Broadband Internet, sir - that will be $39.99 per month - Oh, you have a .ch email address, sorry that’s $99.99 per month, with the roaming charge!”
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As we approach the 20th anniversary of “roaming”, it is time to eradicate this costly mobile communications disease
Short term approaches

• Regulation – price caps, transparency and awareness, bill shock safeguards
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• Commercial – contracts, tariffs, bundles
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• Tariffs – flat rates, bundles
• Avoidance – multiple SIMs, multiple contracts, call back, gateways
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- Structure – separation, local break out, international operators, MVNOs
Multinational MVNOs
Local Breakout/Gateways

- CORPORATE NETWORK
- MNO
- LBO
- Gwy
- MNO
- MNO
- Gwy
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Just stop gaps - undesirable, costly, inconvenient, complex – not a solution
On-Line Business Future

- International public and private clouds
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• International public and private clouds
• Ubiquitous mobile broadband access
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- Ubiquitous mobile broadband access
- Multi-operator extended supply chains
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But the “roaming” debate should not be simply about prices.

There is another issue which demands a long term solution to the problem
The Spectrum Challenge

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- Growing global acceptance of problem
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- Multiple duplicated infrastructures
  - Unaffordable and unjustifiable
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Next generation (4G/LTE) mobile spectrum licensing is an opportunity for a long term solution to the problem
Long Term Approach

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- Adopt Internet style traffic exchange
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This will reduce capital expenditure, eliminate notspots, improve service, increase speed, obsolete price caps
Let’s make it an opportunity to make progress, not a problem

Thank You

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