

# Telecommunications Carriers' Forum

## Project Scope: International Mobile Roaming Working Party

Date: 24 June 2010

### A. Issue Identification

Consumers need information standards to inform them of roaming costs and options. NZ operators already provide detailed pricing information to roaming customers and have - for example - moved to reduce the complexity of roaming plans by initiatives such as moving to zone based pricing.

Despite these efforts, operators are aware of continuing customer concerns about bill shock related primarily to international data roaming. Further, a recent joint Australia/NZ Government discussion paper (“discussion paper”) concluded that transparency of trans-Tasman prices in New Zealand is inadequate.<sup>1</sup>

### B. Background

At the March TCF Board meeting, TUANZ asked that the TCF consider how it might support reduced rates for international mobile roaming (“roaming”). The Minister has released the joint paper and asked for submissions by 2 July 2010.

While the TCF is not in a position to make pricing recommendations to members, it can show leadership in regard to consumer information standards that would enhance end user’s awareness of roaming options and their ability to make effective choices when it comes to roaming.

The objectives of any consumer information standard would be to ensure consumers are fully informed of the costs of using roaming services, to prevent “bill shock” and to make consumers aware of alternative services that allow them to better manage their overall costs.

### C. Project Scope

The discussion paper proposes a mix of transparency and consumer protection measures to prevent bill shock.

The working party, therefore, will develop a TCF submission, consider Officials proposals and develop a voluntary consumer information standard. The scope of this project is to:

1. Prepare a TCF submission on the discussion paper. If possible, this would be a joint (or aligned) submission with the relevant Australian industry groups.
2. Identify the objectives of a possible consumer information standard, and prepare a self-regulated Consumer Information Standard for International Mobile Roaming, which would be adopted by members of the TCF and other interested parties. The Code will:
  - a. Cover mass market international mobile roaming services, including mobile voice and data services;
  - b. Set out certain minimum consumer information requirements relating to

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<sup>1</sup> See discussion paper at [http://www.dbcde.gov.au/consultation\\_and\\_submissions/trans-tasman\\_mobile\\_roaming](http://www.dbcde.gov.au/consultation_and_submissions/trans-tasman_mobile_roaming)

- i. Measures to ensure consumers are aware of roaming prices and likely costs, including through the possible use of websites and device based notification;
    - ii. Measures so that customers are aware of charges being incurred and high usage alerts;
    - iii. Carrier guideline measures so that customers are able to manage their roaming spend;
    - iv. Measures that strive to present price information in a consistent manner, and that notify and encourage consumers to access the websites of their New Zealand carriers while travelling to obtain clarity on roaming charges and options;
  - c. Recommend carrier guidelines for measures that would better enable customers to manage their international mobile spend;
  - d. In meeting these requirements, the standard will
    - i. Set out recommended minimum standards/guidelines that meet the policy objectives - ensuring operators are able to offer innovative and competitive service;
    - ii. Promote end user confidence to use international mobile roaming services;
    - iii. Enhance the industry's reputation with consumer advocacy groups by promoting a common code of practice to minimise ambiguity and consumer risk;
    - iv. Reduce the level of uncertainty (risk) service providers may otherwise face in the delivery and support of roaming services, particularly data services.
- 3. Prepare a report for the TCF Board considering proposals set out in the discussion paper and recommending a way forward, in particular proposed initiatives to:
  - a. Raise awareness of alternatives to using roaming while overseas perhaps - for example - through central government funded initiatives similar to those provided in Australia;
  - b. Facilitate consumer comparisons of roaming prices through - for example - a possible centralised website where customers can compare the roaming offers of the relevant home networks.
- 4. To the degree possible, seek to align the NZ approach to that adopted by the Communications Alliance in Australia.

#### **D. Exclusions from scope**

The discussion paper recommends specific services relating to the delivery of a personalised SMS on arrival in another country and availability of bucket plans.<sup>2</sup>

The provision of mobile services to New Zealanders is highly competitive market and carriers expect to develop and offer features that allow customers to better manage roaming costs. The working party will consider - in the context of this market dynamic - what industry action is appropriate in this area. For example, it may be that guidelines set out desirable customer outcomes, but not specify the technology or specific service that meets that requirement.

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<sup>2</sup> See list at para 52, Trans-Tasman mobile roaming Discussion document May 2010.  
<http://www.med.govt.nz/upload/72460/TTMR-discussion-document.pdf>

Pricing and transparency of pricing are outside of scope, as are the other issues raised in the MED report which are not specifically included in this scope.

#### **E. Proposed next steps**

The working party will review the approach taken in overseas jurisdictions to inform the NZ approach, particularly that taken by the Communications Alliance in Australia.

With Officials, develop draft transparency principles/objectives and then tentative consumer information standard. Test with the Australian industry with a view to developing a trans-Tasman approach.

#### **F. Expected Deliverables**

The deliverables from this project are:

1. A TCF submission to the discussion paper.
2. A self-regulated Consumer Information Standard.
3. A report to the TCF Board recommending possible initiatives and mechanisms to raise awareness of alternatives to roaming and consumer price comparisons.
4. Providing an ongoing forum for discussion on issues related to international mobile roaming.

## G. Working Party membership

	Name	Organisation
<b>Project Leader:</b>	Andrew Cushen	Vodafone
<b>Working Party Members:</b>	Niki Chave (Telecom Lead)	Telecom
	Nick Haywood	Telecom
	TBA	TelstraClear
	Andrew Davis	2Degrees
	Representatives of MVNO's	MVNO's
	<i>plus for the purposes of the consumer information standard</i>	
	Ernie Newman	TUANZ
	MED representative	MED
	Commerce Commission representative	Commerce Commission
		Such other Organisations as the TCF CEO approves.

## H. Consultation

The consultation phase will include consultation with the Ministry of Consumer Affairs and the Consumers Institute. Existing and potential MVNO's in New Zealand are encouraged to participate as members of the Working Party in the development of the Code and would also be included in any public consultation.

## I. Proposed Project Timeline

The timeline for this working party will be as follows:

What	By
Scope approved by Board	2 July 2010
Identify transparency outcomes	30 July 2010
TCF submission	2 July 2010
Preparation, Consultation and final draft Code to Board for approval	5 November 2010
Report recommending initiatives to raise consumer awareness	28 January 2011

**J. Resources**

The TCF budget includes an allowance of up to 85 hours of Forum Administrator time.

**K. Recommendation**

That the TCF Board:

- a) **approve** this project scope.