

## Welcome to Teligen's Tariff Outlook Newsletter

### Message from the Editor

Welcome to the fourth edition of Tariff Outlook, our fortnightly newsletter brought to you free-of-charge by Teligen's team of tariff analysts and consultants.

Our continuing aim is to provide you with up to the minute pricing news and tariff developments. That being said, Tariff Outlook not only serves as an opportunity for us to communicate with you on a regular basis but equally for you to tell us what you think. As such, we would really appreciate any feedback you may have that will help us deliver a newsletter that provides you with real value, so feel free to contact us - we've put our numbers and emails at the foot of each article.

We look forward to hearing from you.

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## This Week's Top Stories...

- [\*Fixed to Mobile Call Reductions in Spain and Portugal\*](#)
- [\*ROMTELECOM rebalances tariffs\*](#)
- [\*New VoIP services in the UK on the increase\*](#)
- [\*3 UK announce two new price plans\*](#)
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## PSTN

### Fixed to Mobile Call Reductions in Spain and Portugal

In March 2005 the incumbent operators in Spain and Portugal, Telefonica and PT Comunicações, reduced the cost of calling mobile phones from the fixed network. Telefonica actually increased the cost of calling the two largest networks in Spain, TME and Vodafone, but a substantial reduction in the cost of calling Amena, the third largest Spanish operator, meant an overall average reduction of around 1.2%. In Portugal the reductions were more significant: PT cut the cost of calling all of the Portuguese mobile networks by an average of

16% from previous rates. These reductions are in line with European trends in 2005 - since the beginning of the year Belgium, France, Greece and Italy have all reduced the cost of fixed to mobile calling.

*In Europe we have seen several operators make such reductions in fixed to mobile calling, particularly over the past year or so. This can be primarily attributed to changes in mobile termination rates between operators. Mobile termination rates are fixed by the regulation in each country and can account for around 70%, on average, of the total retail cost of these calls from fixed to mobile networks. As a result of pressure from the European Commission and subsequent regulation reviews and cost-orientation requirements by the national regulators, the price of mobile termination has been coming down consistently over the last few years, as the respective markets for call termination become more competitive.*

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## **ROMTELECOM rebalances tariffs**

On 1st February 2005, the telecommunications company ROMTELECOM rebalanced their tariffs. While monthly subscription prices increased, the tariffs for long distance and international calls decreased by 10%. Tariffs for calls to mobile networks were reduced by 0.5 Eurocents per minute.

ROMTELECOM customers have a choice of five new types of subscription and can switch between them free of charge if necessary. The social subscription is still available but only for existing customers.

For further details of these tariff changes, please contact Teligen:

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## **Broadband Internet**

### **New VoIP services in the UK on the increase**

Here in the UK Voice over Internet Protocol (VoIP) services are becoming more commonplace, with new services being launched on a regular basis. VoIP provider Vonage, a US company that is already taking their home market by storm, launched its service in the UK in January this year and is now expanding its service to 100 UK cities. The company says of its new UK service that it is aiming to match the 550,000 customers it has in the US within a year. The service offers residential customers unlimited calls to UK and Ireland fixed lines for £9.99 a month, with a similar deal for small business customers, plus a fax line with 500 local and national minutes, for £18.99 a month.

In response to the growing number of VoIP offerings, BT launched its equivalent service in 2004 - using Yahoo! Messenger as a platform, the

service offers its customers the opportunity to make VoIP calls either via their PC, or by using their phone over their Internet connection. Both options offer call charges at the same rate as standard BT landline calls (the latter option incurs a 1 pence set-up charge per call). Wanadoo have also started offering a VoIP service called "Wireless & Talk", incorporating a wireless modem and cheap online calls made via a broadband connection for an additional £4 per month, on top of the broadband Internet service charge - with this service Wanadoo customers can make unlimited evening and weekend calls to UK landlines and other Wireless & Talk users.

*The growth of VoIP in the UK is indicative of the shift in voice call services in Europe as it struggles to keep up with North America. In the last week Microsoft launched the latest version of its MSN Messenger service, which includes VoIP and full screen video calling as standard features. In the US, AOL has finally made the step into the VoIP market and it is only a matter of time before it launches a similar service in the UK and Europe, while speculation is also mounting that search giant Google will announce the launch of an IP based voice service in the near future. Coupled with the current surge in uptake of broadband Internet services it is clear that this type of innovative new voice service requires a strategy rethink on the part of the telco, particularly incumbents like BT that rely so heavily on revenue from traditional fixed voice services. We are already seeing partnerships developing between such telcos and ISPs but to avoid the risk of cannibalising existing voice products a compromise is necessary - it is only a matter of time before the traditional repackaging of fixed voice products is replaced by simple but substantial price reductions.*

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## Mobile

### 3 UK announce two new price plans

3 UK have launched two new price plans: Off Peak 3000, the operators first off peak plan and Talk, Text and Video 600.

Off peak 3000 is charged at £25 a month offering customers 3000 off peak voice minutes to any network. The free minutes can be used between 7pm and 7am weekdays and at any time over the weekend. This is the largest offering of residential off peak minutes in the UK market to date.

Talk, Text and Video 600 is charged at £35 per month and offers customers 500 anytime, any network voice minutes, 100 text messages, 20 video calling minutes and 20 video messages between 3 UK customers.

3 UK have also announced that all their price plans are now available on 18 month contracts.

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## Telenor lowers mobile prices for business customers

Telenor have announced that they will lower their mobile prices for business customers from 1st May. The affected tariffs are Bedrift and Bedrift Basis. The price reduction will apply to monthly rentals for both tariffs and call charges for Bedrift Basis. Bedrift customers will see a 7.75% reduction in their monthly rental, whereas Bedrift Basis customers will enjoy a 6.78% reduction in their monthly rental and a 7.75% reduction in their calls to both fixed networks and Telenor mobiles. When these reductions come into action they are expected to provide considerable annual savings to Telenor's business customers. Prices shown below are exclusive of 25% VAT.

### Monthly Rental - Price Changes

Tariff	Current Monthly Rental	New Monthly Rental
Bedrift	NOK 129	NOK 119
Bedrift Basis	NOK 59	NOK 55

### Call Charges (fixed and on-net) - Price Changes

Tariff	Current Call Charges	New Call Charges
Bedrift Basis	NOK 1.29	NOK 1.19

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## Vodafone Netherlands unveils family plan

Vodafone Netherlands has launched the Vodafone Familiekaart (Family Card), which is an additional SIM card tied to an existing Vodafone subscription. The Family Card is a SIM card with a separate mobile number, which allows users to make calls for €0.10 per minute to other users on the same account. This reduced call charge also applies to the main account holder. The cost per card is €5, which is a consumable subscription, i.e. up to €5 spent on monthly calls is included in the price, after which additional call charges become payable. Up to three Family Cards can be purchased per account. For other call charges, please contact Teligen.

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## SFR France introduces new tariff options

On March 30th 2005, SFR introduced new Forfaits tariffs, called Forfait Essentiel and Forfait Evolution Pro, where customers can choose between four options:

- Unlimited calls to three SFR numbers of their choice, 24 hours a day 7 days a week.
- Or 50% extra on their chosen packages to call SFR and fixed, Monday to Friday from 21:30 to 08:00 and at all times over the Weekend.
- Or unlimited calls, SMS and MMS 24 hours a day, 7 days a week to four SFR numbers of their choice (Option available only to students).
- Or Unlimited calls all week from 08:00 to 18:00, excluding public holidays, to five SFR numbers of their choice (Option available only to business customers.)

Prices vary from €25 to €140 per month, depending on package. Please contact Teligen for further details.

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