

Welcome to Teligen's Tariff Outlook Newsletter

Message from the Editor

Welcome to the second edition of Tariff Outlook, a new 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, but Tariff Outlook also serves as an opportunity for us to communicate with you on a regular basis - and vice versa. 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 story.

We look forward to hearing from you.

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This Week's Top Stories...

- [*Deutsche Telekom launches new PSTN tariffs as of March 1, 2005*](#)
- [*Hungarian incumbent Matáv launches new tariff package called Teleperc*](#)
- [*New Hong Kong licensing encourages tariff reductions*](#)
- [*Time-metered broadband Internet access returns to the UK*](#)
- [*Mobilcom in Germany introduces SIM-only tariff*](#)
- [*TeliaSonera in Sweden launches new service under its Halebop brand*](#)
- [*Tele 2 Sweden launches new online pre-paid service*](#)

PSTN

Deutsche Telekom launches new PSTN tariffs as of March 1, 2005

Deutsche Telekom has introduced a completely new structure for its residential PSTN tariffs, effective as of March 1st 2005. Customers are able to keep their existing tariffs, but a change to a new one is free of charge. All tariffs listed below are inclusive of VAT:

Call Plus

This new basic tariff replaces the old T-Net Standard and T-ISDN Standard. The Call Plus monthly rental is 29 cents more expensive, costing

€15.95/month (analogue) or €23.95/month (ISDN), but the call charges are cheaper.

	€min	
	Peak	Off-Peak
Local	0.039	0.015
National	0.049	0.029

Call Time

The new Call Time tariff includes 120 minutes of anytime calling per month, with monthly rentals of €19.95 (analogue) and €27.95 (ISDN) respectively.

	€min	
	Peak	Off-Peak
Local	0.031	0.015
National	0.046	0.026

Call XXL

Call XXL costs €24.94/month (analogue) and €32.95/month (ISDN) and includes free local and national calls over the weekend.

	€min		
	Peak	Off-Peak	Weekend
Local	0.029	0.015	Free
National	0.039	0.025	Free

Call XXL Freetime

For a monthly rental of €29.94 (analogue) and €37.95 (ISDN), Call XXL Freetime offers free local and national calls over the weekend and at off peak times during the week.

	€min	
	Peak	Off-Peak
Local	0.029	Free
National	0.039	Free

XXL Local

XXL-Local is an "add-on" option, offering free calls within the same area code number for an additional €9.95/month. It can be combined with any of the above tariffs.

With this new tariff structure Deutsche Telekom is attempting to compete with the many cheap Call-by-Call operators. The new tariffs have higher monthly rentals than the old ones, but with cheaper call charges. The advantages that come with these new offerings are likely to benefit only those with medium to high usage and it may therefore be more appropriate for existing customers to keep their current tariffs.

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Hungarian incumbent Matáv launches new tariff package called Teleperc

On February 1, 2005 Matáv introduced a new residential tariff package called Teleperc ("Teleminute"), available across the whole of Hungary. Of all Matáv's tariff packages, this minute-based tariff offers the cheapest overall tariffs per minute for local, national long-distance, mobile and international calls.

It is possible for both Matáv customers and users outside Matáv's service area to use this new tariff package. Customers wishing to make use of it outside Matáv's service area need to dial the appropriate Matáv prefix (1515) before the telephone number. Local calls cost HUF 10 during peak hours and HUF 4.90 during off-peak hours. National long-distance calls cost HUF 18 during peak hours and only HUF 9 during off-peak hours (all prices include VAT). All calls are billed by the minute. Teleperc also offers significant price reductions for international calls to the most popular countries, such as Germany, Austria and Italy for HUF 35 and the USA for HUF 45 (including VAT). Additional services available with the Teleperc tariff package, within Matáv's service area, include calling line identification presentation, call waiting and call forwarding services, all of which are offered free of charge. Also, the "Home Billing" calling card service can be used free of charge, with which customers can make phone calls both from Hungary (in Matáv's service area) and abroad.

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New Hong Kong licensing encourages tariff reductions

City Telecom, the Hong Kong Broadband Network (HKBN) fixed telecoms division, has reduced its monthly rental by 19% in a bid to counter moves made by the incumbent PCCW to win back its customers. The Hong Kong Government recently granted PCCW, the incumbent dominant fixed network telecoms operator, a new licence. This licence permits it to set its prices without having to gain prior approval from the telecoms regulator.

PCCW has been using its newly gained autonomy to set low tariffs. These are designed to encourage customers back from the alternative providers to which it has recently lost out. It currently offers new customers a 24-month contract under which they pay nothing for the first six months and HKD88 per month thereafter. PCCW has a market share of around 70% (2.1 million users), while HKBN has around 260,000 fixed line subscribers.

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Broadband Internet

Time-metered broadband Internet access returns to the UK

Bulldog, the Cable & Wireless-owned telephone and broadband service provider, has recently launched two new 4 Megabit broadband service-plus-phone packages that are charged by time spent online, rather than the fixed monthly fees charged by other UK service providers.

Using the pay-as-you-go principle that customers may have originally been accustomed to with dial-up Internet access packages, Bulldog claim that the new packages, called Start@ctive and Call@ctive, will benefit the cost-conscious home user that is looking for the benefits of very high speed broadband with the flexibility of a time-metered service. Another appealing feature is that there are no download caps imposed on the customer, as is the case with the vast majority of flat-rate offerings in the UK today. The new plans are offered over a Bulldog home phone line, which replaces the existing BT line and costs the same as the BT standard home phone option (BT Together Option 1). Voice calls are charged in addition. The tariffs for the new packages are shown below:

	Bulldog Start@active	Bulldog Call@active
Download Speed	Up to 4 Mbit/s	Up to 4 Mbit/s
Cost per month, for first 12 months	£10.75	£14.75
Cost per month thereafter	£15.50	£21.50
What's included	400 free online minutes per month	Unlimited local & national calls
Internet access charge	2.5 pence per minute	2.5 pence per minute
Other details	Free E-mail, 1 month minimum contract, Must have Bulldog Home phone line	

Time-metered broadband Internet access is new to the UK, although there are some ISPs in other European countries that have been offering such services (particularly AOL in Germany, Alice (Telecom Italia) in Italy and Terra in Spain). Bulldog is a Local Loop Unbundling (LLU) service provider, and it has installed the most broadband equipment in BT's exchanges of any competing service provider. These new PAYG ultra-high speed broadband offerings will undoubtedly enhance Bulldog's status and lead to further success in winning market share from BT. Overall, such cost effective ways to access high-speed services can only fuel the growth of broadband, an action which is necessary in a market that is already lagging behind the rest of Europe in terms of adoption.

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Mobile

Mobilcom in Germany introduces SIM-only tariff

German mobile service provider Mobilcom has unveiled its "13 cent" SIM-only tariff. The new tariff is subject to a 2 year contract, is exclusive to the service provider and is offered over the E-Plus network. Customers receive 100 anytime cross-network minutes for €13 per month (with each minute in the bundle costing 13 cents). Minutes outside the bundle are charged at €0.45,

with texts at €0.20 and MMS at €0.39. There is a one-off activation charge for this service of €24.95. Billing is charged in full for the first minute and per second thereafter.

SIM-only tariffs are becoming ever more popular, particularly where customers are looking to change service providers but are happy with their existing handset. Some may see the 2 year contract as a disadvantage, but these are becoming more common in exchange for cheaper call charges or other benefits. In general, this independent SIM-only tariff is comparable with other tariffs on the E-Plus network, while offering the advantage of not having to change handsets.

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TeliaSonera in Sweden launches new service under its Halebop brand

Halebop is a brand of TeliaSonera in Sweden. It targets young people, offering pre-paid cards and mobile related entertainment services such as games and chat. It has just launched a new service, offering its customers free calls between Halebop users, in the form of a pre-paid mobile card called Halebop Kontant. There is a condition of using this service: customers must call, send SMS, MMS or use GPRS totalling a minimum of SEK 49 per month. If a customer fails to reach this minimum usage three months in a row the Halebop Kontant card becomes inactive.

Price list for Halebop prepaid cards:

Price List	SEK
Calls to Halebop, 24 hours a day, 7 days a week	Free
Calls to all other operators, fixed and mobile, 24 hours a day, 7 days a week	0.99/min
Call set-up charge	0.66/call
Voicemail ("Mobilsvar")	1.45/call
SMS	0.49/message
MMS	1.99/message
WAP via GPRS	14.99/MB
WAP via GSM	0.99/min

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Tele 2 Sweden launches new online pre-paid service

Tele2 has launched "Prepaid Online" in the Netherlands. The MVNO claims this is the lowest price prepay tariff in the country, based on a comparison of standard prices for voice calls and text messages. On-net calls cost €0.09 per minute at any time. Calls to fixed lines and other mobiles cost €0.29 at peak times (08:00-19:00 on working days). At off-peak times, calls to the fixed

network are charged at €0.09 whereas cross-network calls will cost €0.16. Texts cost €0.08 at any time.

Tele2 Prepaid Online is a self-service tariff, which is entirely managed from the Tele2 website. This concept is fairly new to the Netherlands, but similar price plans have been around in the UK for a while - these are mainly aimed at the post-pay market, although O2 offer an online prepay plan as well as several contracts. Such plans are either available online only, or offer extra texts or minutes to customers signing up online instead of in store, as in the case of Orange UK. Other examples are Bouygues and Debitel in France, who recently launched "les Forfaits Online" and "Ma Puce" respectively. This type of plan is often aimed at price customers who are happy to use an older handset in return for lower call prices. The drawback is that these users have to be internet-savvy as online plans are based on self-service. If they do offer customer services by telephone, which is not always the case, access to this is usually charged at higher prices. For example, O2 UK Internet price plan users who speak to a customer services agent are charged £0.50 per minute for the call.

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