

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...

- [*Esat becomes BT Ireland and reduces rental*](#)
- [*Iceland Telecom introduces price changes to national digital leased lines*](#)
- [*UK broadband price war intensifies*](#)
- [*Cegetel launches new ADSL technology*](#)
- [*Telenor offers IP telephony service*](#)
- [*T-Mobile Germany introduces two new tariffs*](#)
- [*Wind launches Mega No Limit 3G tariff*](#)
- [*Vodafone K.K.in Japan announces three new tariffs*](#)

PSTN

Esat becomes BT Ireland and reduces rental

Earlier this month, the Irish operator Esat BT changed its name to *BT Ireland*, and with this announced a reduction in residential monthly land line rental of 50% when customers sign up for broadband and land line together. BT Ireland is offering 1MB broadband combined with line rental for €49 per month, and this is available to customers immediately. Irish consumers have suffered a sharp increase in monthly line rentals over the last 2 years when Eircom (the

incumbent) introduced 3 separate price increases representing an overall increase of 22.5%. Since 2004, Irish consumers have had a choice of providers from whom they can rent their landlines. Over 74,000 consumers now receive their phone service from BT Ireland.

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Iceland Telecom introduces price changes to national digital leased lines

On April 15th Iceland Telecom introduced new prices for their national digital leased lines. The price changes affect the monthly rental of local area lines either within a local exchange area or between local exchanges.

These price increases vary from between 4.4% and 4.7% depending on the speed. Please see tables below for examples of price changes. Full details of the changes will be available in T-World's April update.

Local area line within the same local exchange

	Monthly Rental New Tariff	Monthly Rental Old Tariff	Increase %
64 and 128 Kbit/s	ISK 4330	ISK 4144	4.488%
256Kbit/s	ISK 7421	ISK 7102	4.492%

Local area line between local exchanges

	Monthly Rental New Tariff	Monthly Rental Old Tariff	Increase %
64 and 128 Kbit/s	ISK 6244	ISK 5975	4.502%
256Kbit/s	ISK 9355	ISK 8933	4.724%

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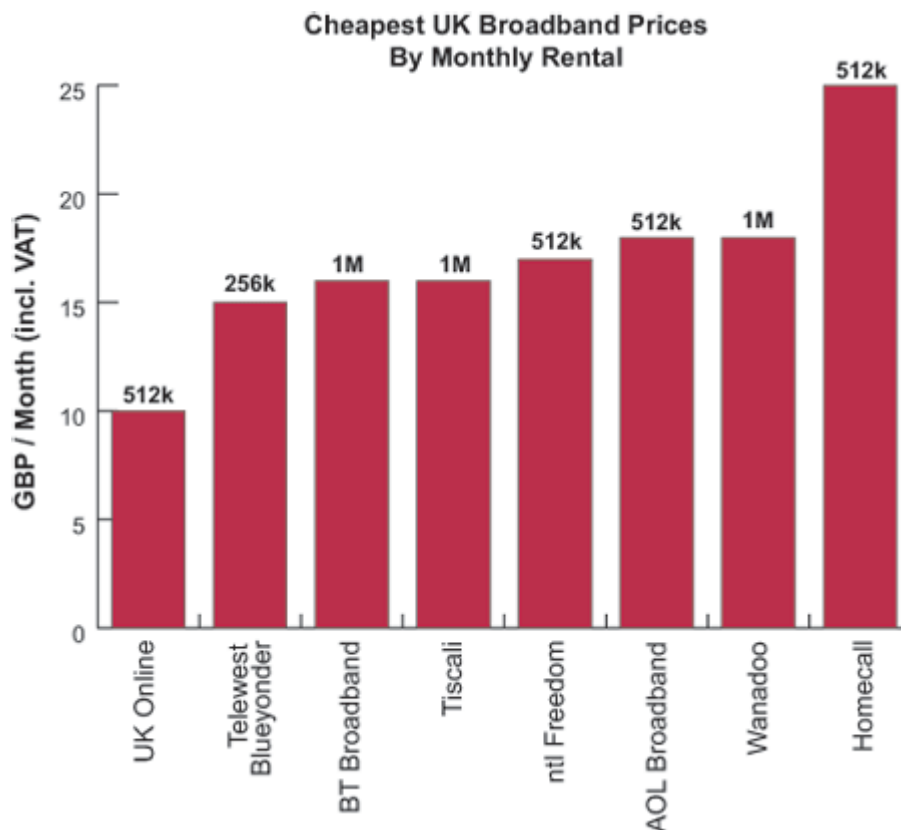
Broadband Internet

UK broadband price war intensifies

Here in the UK the race to sign up new customers in the current broadband revolution is hotting up, with the price of the basic entry-level package falling to a new low. In the last few weeks, UK Online has launched a basic 512 Kb service at £9.99 (incl. VAT), which is significantly cheaper than any other service currently on offer. The only drawback to this is that the service is only offered in certain cities, restricted by the extent of UK Online's network roll-

out. There is a pre-registration scheme that allows people to request an upgrade to their local exchanges, but in the mean time the service can be accessed through BT's network, albeit at a higher price. There are no download caps – applications are accepted online only, and customers are required to sign up for a minimum of 12 months.

UK Online is also the first UK service provider to offer an 8 Mb service, four times the speed of the fastest on offer from BT. The cost of this 8 Mb service has recently been reduced to £29.99 (incl. VAT), again with no download limits, which puts it in the same price band as many other high end offerings that can only offer 2 Mb speeds. The service of most interest though has to be the cheaper 512 Kb service, which is tipped to attract a new set of high-speed surfers that have until now resisted the switch to broadband. The table below shows a simple comparison of the cheapest broadband offerings in the UK by monthly subscription:



This table does not consider any other factors such as connection or modem/router charges, additional bundled services such as e-mail and webspace, or any other promotional services that may have a bearing on the price. The speed of the service is shown above each bar.

The launch of UK Online's new basic broadband offering at such a low price is likely to encourage a reduction in other operators' basic prices, at least at the 512 Kb level. This is good news for the customers, especially as price decreases are periodically accompanied by free speed upgrades, as the network capacities are improved. Local Loop Unbundling (LLU) enables service providers such as UK Online to pass on cheap costs to their customers, as they don't have the cost of physically rolling out their own network. The large capacities that improved technology gives service providers enable not only high download capabilities for the customers, but the prospect of new additional services such as IP television and voice calling.

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Cegetel launches new ADSL technology

On April 18th 2005, Cegetel became the first French operator to use ADSL 2+ technology, launching 'ADSL MAX', which offers up to 20MB for €14.90/month (including VAT). There is no connection fee and no minimum contract but there is a €40.00 cancellation fee. This "ADSL MAX" offer answers new Internet usages needs such as share connections between several computers in the same location, file exchange, data storage on a server, video on demand, video-telephony and legal music downloading.

Cegetel also launches a new Voice over IP (VoIP) service with unlimited calls to local and national destinations for €10.00/month (including VAT). This new option is available to subscribers of the new "ADSL MAX" service, and the two can be combined to allow unlimited calls to local and national numbers and unlimited Internet access for only €24.90/month (including VAT).

In order to benefit from these two new offers, customers must be equipped with a new triple play modem, the C-BOX.

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IP Telephony

Telenor offers IP telephony service

Telenor has launched its IP Telephony service, available for customers using the company's Online ADSL service. Establishing the service is free, but the customer will need to buy a telephone adapter, available from Telenor at NOK 569. The monthly charge is NOK 49 and call charges vary with call destination:

Charges in NOK, including VAT	IP Telephony	Standard Telephony
Call set-up	0.59	0.59
Calls to national fixed line phones	0.15	0.22/0.15
Calls to Telenor IP telephony phones	0.00	0.22/0.15
Calls to Telenor mobil	1.19	1.19
Calls to Netcom (mobile)	1.63	1.63
Calls to Tele2 mobil	1.85	1.85

The service is marginally cheaper than the basic telephony offering from Telenor. Savings on the call charges can only be made if the customer used to make a significant amount of calls during the daytime. However, the customer will save on the monthly line rental (NOK 159 for a basic telephony service). Other providers of IP Telephony services in Norway offer services

with lower or zero call charges to fixed line phones.

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Mobile

T-Mobile Germany introduces two new tariffs

T-Mobile has added two new tariff options to the Relax Family: Relax eco and Relax Start.

Relax eco:

By signing up for one of the Relax tariffs for 24 months without purchasing a T-Mobile phone at the same time, the monthly rental of the respective Relax tariff is reduced by up to 50% for the duration of the contract.

Relax Start:

This tariff offers 20 free minutes per month for a monthly rental of €7.50. Thereafter calls to T-Mobile and fixed networks are charged at €0.40/min and to all other networks at €0.60/min. The minimum contract duration is 24 months.

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Wind launches Mega No Limit 3G tariff

Wind has launched a UMTS tariff called Mega No Limit, which offers unlimited data traffic, up to a fair usage of €3000, for a monthly charge of €20. The price plan will be on offer to new customers until the end of December and the monthly bundle will be available until the end of January 2006. Data traffic can be either UMTS or GPRS. Handset as well as laptop users are able to subscribe to the tariff.

Wind's previous 3G tariff, Mega UMTS, included €1000 worth of data per month. This would be sufficient for most users, including heavy users of I-mode. It could be said that the new Mega No Limit tariff is effectively a price increase, as the lower priced Mega UMTS tariff will no longer be available and its users will be asked to pay the full €20 charge from 1st July. In comparison, TIM is offering two 3G tariffs, both of which have a monthly charge of €20 per month. Maxxi Web Time offers unlimited data between 1800 and 0800 weekdays and during weekends and public holidays. Users also receive 20MB worth of data for use at peak times. Alternatively, also for €20, customers can buy 400MB worth of data each month.

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Vodafone K.K. in Japan announces three new tariffs

Vodafone K.K. has announced three new tariffs which will be introduced over a period of time, starting 1st June. They are: Mail Flat rate, Dual Packet Flat rate and Family Call Flat rate.

Mail Flat rate will allow customers to send and receive as much mail as they like whilst in Japan for 840 Yen per month.

Dual Packet Flat rate is a name change of the Packet Free package. This new plan will start off with a monthly charge of between 1,050 Yen and 3,900 Yen, depending on the amount of data used. This plan is an add-on to other service plans. Customers who are already on the Packet Free subscription will be automatically changed onto the new Dual Packet Flat rate from 1st June 2005.

Family Call Flat rate is charged at 315 Yen per month. This plan is for people who are on the Family discount plan and allows them to call each other as much as they like by paying an additional fixed monthly charge. This plan will become effective from 1st November 2005.

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