

Paul Smith gets on the **campaign trail** over the prices telecomms companies charge for net time.

CUT and dried



'Get with the program, or shut up,' writes a BIG fan, Mr Ian Westbrook, of the parish of Hotmail. He continues: 'Given that you're in the enviable position of having a column in a well-respected monthly magazine, maybe you should

use that platform to campaign for change, instead of just whingeing about how much Home Highway costs.'

Apart from the obvious flaws in his thinking — that I have an enviable anything — I'm unclear about the difference between 'campaigning for change' and 'whingeing about costs', whingeing being my favourite campaigning technique. Nevertheless, Westbrook, it seems, is a big fan of the work of CUT, the Campaign for Unmetered Telecommunications <www.unmetered.org.uk>, which has been 'campaigning' for free local calls for some time now.

And before I get buried in email, let me just be clear about what CUT means by 'free'. It means fixed, low-priced, local calls, although if 'low' meant 'zero', that would be okay too. But the main thrust is that it wants telecomms companies to stop charging for internet calls by time.

Ironically, as an aside, all the CUT committee members actually have free local calls. These were threatened when Cable & Wireless bought Videotron. But they won that battle and it's a testament, I presume, to their boundless altruism that they are now fighting the same battle on behalf of the rest of us.

Having helped launch a long-running free local calls campaign a couple of years ago — a campaign which CUT declined to support, for reasons about which I'm still not clear — I have been deeply involved in this issue for some time and have spoken to many people about it, which was how I got to break the news that BT was moving to untimed calls via ADSL. The current West London trial is being conducted on a flat £30-a-month basis.

CUT has many arguments about why unmetered calls are a good thing. One of the main reasons is that consumers want it. But I'm not sure that this is the strongest of reasons. I have, for example, many friends who are consumers of sex. Some of these friends have intimated to me that they wish, on occasion, to consume

more sex, ideally with strangers of the opposite sex with whom they have no current relationship. However, as an argument, this wish alone never seems to be a strong enough reason for the actual providers of the service. Perhaps BT would be more amenable to free local calls if CUT were to offer it six pints of beer first?

CUT confronts other issues but the one it fails to address is the fact that telephone calls have a marginal cost. As long as we have a switched network, where calls are physically routed, end to end, via physical switches, resources are being used and no-one else can use that switch-routing. ADSL doesn't use the switched network and so doesn't incur these costs.

It's a basic tenet of economics that scarce resources need to be allocated, and that attaching a cost to their use is a common way of doing this. Just because we want something free, doesn't mean that it *should* be free.

Now, let me be clear. I'm not a defender of BT, nor of its pricing levels. It's a difficult company with which to deal at the best of times and I think there's plenty of room for price cuts. I have proposed a 'Friends and Family'-type variation, where you select one ISP and get charged 0.5p a minute at all times with no minimum charge. But BT has no interest in this.

However, it now seems that events, or ISPs actually, are overtaking me. In early May, Tempo, the electrical retailer, desperate to catch up with Dixons in

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the high street, launched its challenge to FreeServe, adding to the bundle free off-peak calls. Then AOL let it be known that it was about to offer a 24-hour 0800 access number to its subscribers in another desperate attempt to stop the FreeServe juggernaut. This is all thanks to Britain's bizarre interconnect system of tariffs, where BT has to share its local-call revenues with other operators who can then pass on part of those revenues to their internet partners. The irony is that BT will probably be the last operator to offer free local calls here.

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