

Electronic communications: roaming on public mobile telephone networks within the Community; regulatory framework for networks and services

2008/0187(COD) - 23/09/2008 - Legislative proposal

PURPOSE: to extend, in time and in scope, Regulation (EC) No 717/2007 on roaming on public mobile telephone networks within the Community so as to ensure that users of public mobile telephone networks do not pay excessive prices for Community-wide roaming services.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: in response to persistent concerns over the lack of competitive pressures in the market for international roaming services, Regulation (EC) No 717/2007 (amending Directive 2002/21/EC) introduced a common approach to ensure that users of public mobile telephone networks did not pay excessive prices for Community-wide roaming services, by imposing limits on the charges that may be levied by mobile operators, at wholesale and retail levels, for the provision of voice roaming calls originating and terminating within the Community. The Regulation also laid down rules aimed at increasing price transparency and improving the provision of customer information to users of Community-wide roaming services.

The Regulation entered into force in June 2007 and shall expire on 30 June 2010.

The Commission's Communication on its review of the functioning of Regulation (EC) No 717/2007 concluded that, while implementation of the Regulation has in general been smooth, the structural problems that constrain competitive forces in the roaming market have remained:

- data collected by the European Regulators Group (ERG), which includes all 27 EU national regulators (NRAs), show that prices for voice roaming calls at wholesale and retail level do not vary sufficiently below the maximum levels set by the Regulation to provide evidence of healthy competition;
- billing practices applied by mobile operators to voice roaming calls, whereby calls are often charged on the basis of units of up to 60 seconds, represent a hidden charge to the consumer which the ERG has estimated adds around 24% to a typical Eurotariff roaming bill for calls made and 19% for calls received;
- the analysis of the SMS segment of the intra-Community roaming market also shows that prices at both wholesale and retail levels are not justified by underlying costs and that, for the same reasons as apply to voice roaming, there is insufficient competitive pressure on operators to bring these prices down;
- the review of the data roaming segment of the market concluded that prices for this service were high when compared to the charges for equivalent domestic services or to underlying costs of provision and that this problem was compounded by lack of transparency.

The Commission deems it necessary to take measures to enable roaming customers to understand and control their expenditure on data roaming services more effectively and to prevent bill shocks, as well as to eliminate barriers to the utilisation of mobile data roaming services throughout the internal market and remove appreciable distortions of competition.

CONTENT: this proposal aims to amend Regulation (EC) No 717/2007, in order to further strengthen the single market for electronic communications by ensuring that prices paid by users of public mobile networks for Community-wide roaming services when travelling within the Community are not unjustifiably higher than the charges payable when calling, sending SMS messages or transferring data within their home country and that users have the information they need to understand and control their expenditure on roaming services.

In particular, the proposal:

- provides for the extension in time and scope of Regulation (EC) No 717/2007. As regards voice roaming, the proposal **extends the existing Regulation for three more years (until 2013)** and sets new maximum limits during the extended period for the charges that mobile network operators may levy for the wholesale provision of regulated roaming calls;
- establishes new maximum limits during the extended period for charges subject to a Eurotariff;
- stipulates that per second billing requirements should apply at wholesale as well as retail level subject to a minimum charging period at retail level of up to 30 seconds for roaming calls made;
- **extends Regulation (EC) No 717/2007 to cover intra-Community roaming SMS services**, by establishing a maximum limit for the charges that mobile network operators may levy for the wholesale provision of roaming SMS messages sent within the Community and by requiring mobile operators to offer their roaming customers a "Euro-SMS tariff" which must not exceed a maximum price limit per SMS;
- promotes price transparency by extending the obligation on mobile providers to give their roaming customers personalised price information when entering another Member State, to include information on the cost of sending a regulated roaming SMS message;
- bring forward the date provided for the decrease in the price limits for regulated roaming calls at wholesale and retail levels in 2009 from 30 August to 1 July, in order to ensure consistency with the obligations regarding the pricing of regulated SMS messages. In this way, users of both voice and SMS roaming services will be able to benefit from the new tariffs during the period when there is the greatest demand for those services;
- introduces **price transparency and safeguard mechanisms for data roaming services**, to enable customers better to understand and control their expenditure on these services and avoid bill shocks. In particular:
 - when roaming customers first initiate a data roaming session on entering another Member State, their operator will have to inform them that they are roaming and provide personalised information on the applicable tariffs for that service;
 - operators will also be required, within approximately one year of entry into force of the amendments contained in the proposal, to offer all roaming customers free of charge an opportunity to specify in advance a maximum financial limit for data roaming;
 - as a safeguard mechanism to give roaming providers a level of assurance as to the wholesale costs to be incurred and to avoid appreciable distortion of competition, given the persistence of high wholesale charges (in particular on non-preferred networks) and traffic steering limitations, the proposal sets a limit on the average wholesale charge which the operator of a visited network may levy from the operator of a roaming customer's home network for the provision of regulated data roaming services.

