Wholesale roaming markets

2016/0185(COD) - 15/06/2016 - Legislative proposal

PURPOSE: to regulate the functioning of national wholesale roaming markets in order to abolish retail roaming surcharges by 15 June 2017.

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

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: abolishing retail roaming surcharges is an essential step towards ensuring that telecom rules support the establishment and functioning of a digital single market across the Union. This target was also stressed in the Digital Single Market Strategy set out by the Commission.

In 2015, the European Parliament and the Council adopted Regulation (EU) 2015/2120, which entered into force on 29 November 2015 and amended Regulation (EU) No 531/2012 (the Roaming Regulation).

Regulation (EU) 2015/2120 requires **retail roaming surcharges to be abolished in the Union from 15 June 2017**, subject to fair usage of roaming services and the possibility of applying a sustainability derogation mechanism of the abolition of retail roaming charges. These new rules for retail roaming services in the Union are referred to as the '**roam-like-at-home**' (RLAH) rule.

While necessary, the regulation at retail level alone is not sufficient to implement RLAH. **National wholesale roaming markets need to be competitive** and deliver wholesale roaming prices that enable operators to sustainably offer retail roaming services without any additional charges.

In this regard, the Commission has undertaken a **review of the wholesale roaming market**, with a view to assessing measures necessary to enable the abolition of retail roaming surcharges from 15 June 2017.

The review shows in particular that wholesale roaming markets do not always function properly. The impact of these **market failures** on the functioning of wholesale markets results in prices substantially above estimated costs, in particular for data.

Another conclusion of the review is that it is not possible to anticipate with certainty the impact of the future RLAH obligation, and in particular the expected increase of roaming traffic, on competition on national wholesale roaming markets.

In light of the problems identified, the Commission considers that the **current measures applicable on the wholesale roaming markets should be amended** to ensure that the level of wholesale roaming charges enables the sustainable provision of RLAH in the Union.

IMPACT ASSESSMENT: amongst the 4 options considered, the preferred option consisted of **setting EU-wide wholesale roaming charges caps at a lower level than today**. Under this option, legislation would reduce the current wholesale roaming charges caps and would also ensure that RLAH enters into force.

CONTENT: this proposal for a regulation is meant to **complete the rules on roaming, in particular with regard to wholesale roaming markets**, in order to abolish retail roaming surcharges by 15 June 2017 without distorting the domestic visited and home markets.

The Commission proposed to make the following amendments to the Roaming Regulation:

- add the possibility for the parties to a wholesale agreement to **waive the application of maximum wholesale caps** provided in Articles 7, 9 and 12 of the Roaming Regulation;
- reduce the current wholesale roaming charges caps to **EUR 0.04** per minutes of call made, **EUR 0,01** per SMS and **EUR 0,0085** per megabyte of data transmitted;
- ensure consultation of the Body of European Regulators for Electronic Communications (BEREC) in disputes concerning inputs necessary for the provision of regulated wholesale roaming services;
- ensure that the Commission submits a **report** to the European Parliament and the Council every two years after 15 June 2017;
- **clarify BEREC's data-gathering powers**: BEREC shall regularly collect data from national regulatory authorities on developments in retail and wholesale charges for regulated voice, SMS and data roaming services, including wholesale charges applied for balanced and unbalanced roaming traffic respectively.