Electronic communications: regulatory framework for networks and services, reductions on mobile roaming charges across the Community

2006/0133(COD) - 12/07/2006 - Legislative proposal

PURPOSE : to amend the existing regulatory framework for electronic communications to provide the necessary legal basis for effective and timely action to bring about substantial reductions in the level of

mobile roaming charges across the Community in a harmonised manner.

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

CONTEXT : the ability of customers of mobile electronic communications services to use their mobile handsets to make and receive calls while travelling abroad ('international roaming') is an important component of the service, and contributes to the social and economic welfare of the Community as a whole. However, the high prices that mobile users pay for this service has been identified as a persistent problem by consumer organisations, regulators and policy makers across the Community.

The Commission has been working on reducing mobile roaming charges for several years, with consumer warnings and calls for self-regulation, competition law investigations and by empowering national regulators to take action at national level. However, because of the cross-border nature of roaming, the results of these initiatives have so far been limited. It is now time for Europe to take serious action. Very high international mobile “roaming” charges currently affect 147 million EU citizens (37 million tourists and 110 million business customers).

CONTENT : the proposal provides for the establishment, on the basis of the ‘**European Home Market Approach**’, of common, Community-wide maximum price limits on the charges that mobile network operators may levy for the wholesale provision of mobile roaming services for mobile voice telephony calls made from a visited network in the Community and terminating on a public telephone network also located within the Community.

The **maximum price limits** take account of the differences in the underlying costs of providing international roaming services for calls made to a destination within a visited country, on the one hand, and calls made back home or to a third country within the Community, on the other. The proposal therefore provides for a **lower wholesale price limit** for the former category of calls (set at twice the Community average mobile termination rate for mobile network operators designated as having significant market power) and a higher price limit for the latter category (set at three times the Community average mobile termination rate for such operators). In order to ensure that there is no price squeeze in the provision of mobile roaming services at retail level, the proposal also provides for safeguard price limits at the **retail level** for the same categories of roaming call, set at 130% of the applicable wholesale limit.

In accordance with the ‘European Home Market Approach’ and in order to ensure that charges payable by roaming customers for receiving calls while roaming abroad in the Community more closely reflect the underlying costs incurred by their home mobile provider in providing this service, the proposal also provides that those charges should not exceed a maximum price limit.

The price limits provided with regard to the retail charges for the making of regulated roaming calls will take effect as a matter of law six months after the entry into force of the proposed measure.

The proposal promotes transparency for retail charges by introducing an obligation on mobile providers to give personalised information on retail roaming charges to their roaming customers on request and free of charge. Each customer may choose whether to receive the information by means of an SMS (Short Message Service) or orally over their mobile telephone. In addition, mobile providers are obliged to give information on roaming charges when subscriptions are taken out, on a periodic basis and when there are substantial changes to roaming charges.

The proposal also gives national regulatory authorities the power and responsibility to enforce compliance, in line with their existing roles under the Community regulatory framework for electronic communications. It also gives them the task of monitoring developments in retail and wholesale prices for the provision of voice and data communications services, including SMS and MMS (Multimedia Message Service), to mobile customers when roaming in the Community.

Finally, the proposal amends the provisions of the existing regulatory framework, notably the Framework Directive (2002/21/EC), to recognise the specific status of the measures contained in the proposal within that framework and to ensure that the general provisions of the framework continue to apply to roaming services regulated by the proposal (subject to its specific requirements).