



EU Roaming Regulation

*Regulatory Coordination and Users
Unit B.2
DG CONNECT
European Commission*



Roaming Regulation

- **Legal base: Article 114 TFUE**
 - Internal market based
 - Geographical limitation: EU+EEA
- **Evolution of scope**
 - 2007-2009 voice, SMS & transparency & bill-shock measures, 2012 data & extension of transparency & bill-shock measures to outside the EU roaming, structural remedies,
 - Regulation is a temporary measure, ECJ ruling, expiry in 2022
- **Market size:**
 - *5 BEUR/year*
 - *< 4%*
 - *~ 100 operators*





What is the mechanism of the regulation?

- Regulation is directly applicable, no transposition needed
- Regulation does not apply to operators which do not run a mobile telephone network in a Member State.
- Regulation only covers intra-Union roaming and not international roaming (it is an internal market instrument of one WTO member)
- The regulation does not prevent non-EU operators from freely negotiating tariffs for "international" (outside Union) roaming tariffs with their European counterparts.





Background – why the EU decided to act

- European Commission tried to avoid the need for regulation.
- Prices remained too high and could not be justified by underlying costs of providing this services.
- Regulatory intervention at EU level was required since the cross-border nature of the EU roaming market meant that the NRAs cannot tackle the problem of high retail prices at the national level.
- No incentive for individual Member States to regulate in a way that takes into account the possible effect of its regulation on the other Member States.
- A common approach for the whole of the EU avoid that individual Member States take divergent approaches for dealing with the problem of high prices, which would create obstacles to the Internal Market.





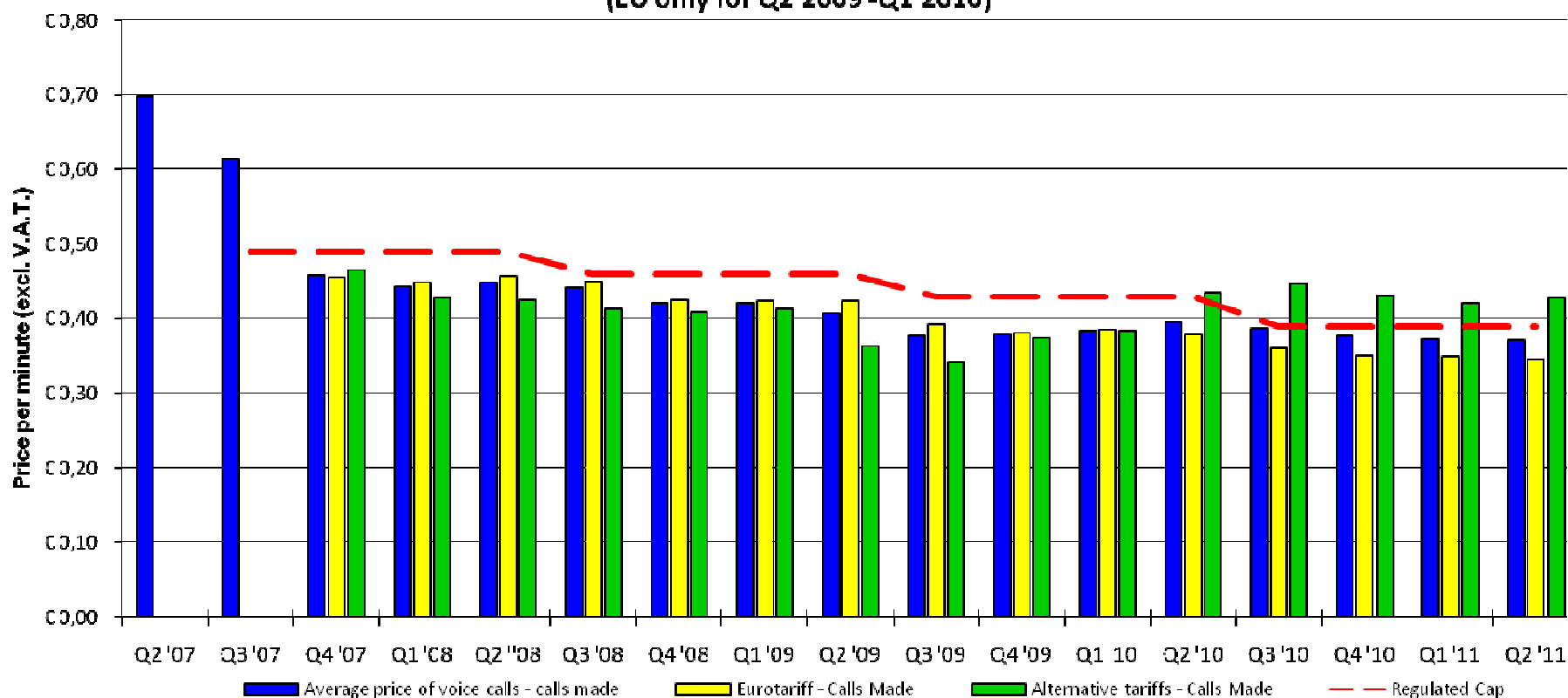
Main conclusions from our market review(s) in the lead of Roaming III

- Commission's review and report on the functioning of the Roaming Regulation to the European Parliament and Council:
 - Public consultation
 - Impact Assessment
 - Commission report, new proposal, new Regulation
- Good compliance with price caps
- Prices down but clustered around the regulated caps
- Competition is not yet effective and structural problems of roaming market remain



Roaming prices still very close to the caps

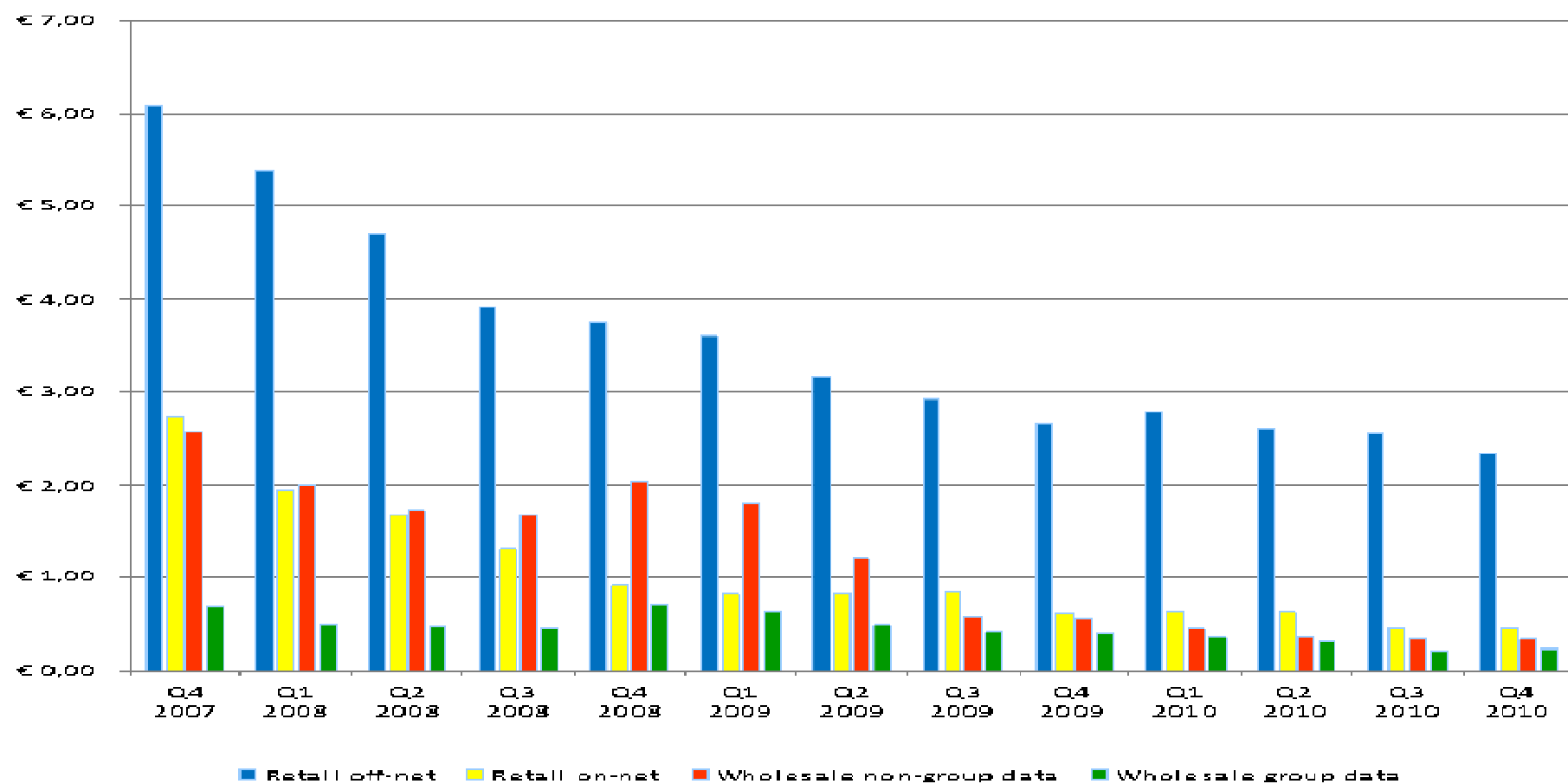
Figure 3: EU/EEA EFTA average prices per minute for retail voice calls made (based on billed minutes) (excluding special corporate) (EU only for Q2 2009 -Q1 2010)*



Source: BEREC



**EU/EEA average price per Mb for retail and wholesale data
(EU only for Q2 2009 onward)**



Source: BEREC



What is new in Roaming III?

- An **integrated solution**, combining measures on wholesale and retail levels:
 - Access obligation (structural measure on wholesale level) combined with decoupling (structural measure on retail level)
 - Experience shows that wholesale measures alone are not sufficient - need to be accompanied by retail measures to be fully effective
- **Extended scope** – retail data, international transparency and bill-shock, duration



Roaming III– a pro-competitive approach

- An extension in scope and duration (till 2022) both for legal and investment certainty
- A new hybrid approach:
 - Structural elements that enhance the range of consumer choice for roaming services and which should be stable over time.
 - Safeguard price caps until the structural solutions become effective, including data.





Roaming III – a safety-net for consumers

- Structural measures will take time to be implemented
- Need to ensure stability and predictability for operators and continued consumer protection.
- Wholesale caps to be kept until the market exhibits sufficient competition and safeguard retail caps until 2017
- Full review in 2016, including assessment of structural measures effectiveness



Price caps

Retail caps

<i>in EUR (excl. VAT)</i>	1 July 2007	1 July 2008	1 July 2009	1 July 2010	1 July 2011	1 July 2012	1 July 2013	1 July 2014
Voice-calls made (per minute)	0,49	0,46	0,43	0,39	0,35	0,29	0,24	0,19
Voice-calls received (per minute)	0,24	0,22	0,19	0,15	0,11	0,08	0,07	0,05
SMS (per SMS)	-	-	0,11			0,09	0,08	0,06
Data (per MB)	-			0,70			0,45	0,20

Wholesale caps

<i>in EUR (excl. VAT)</i>	1 July 2007	1 July 2008	1 July 2009	1 July 2010	1 July 2011	1 July 2012	1 July 2013	1 July 2014
Voice (per minute)	0,30	0,28	0,26	0,22	0,18	0,14	0,10	0,05
SMS (per SMS)	-	-	0,04			0,03	0,02	0,02
Data (per MB)	-	-	1,00	0,80	0,50	0,25	0,15	0,05



NRA and BEREC role

- **Article 16 (former 7)**
 - Central role both for NRAs and BEREC in market supervision and ensuring compliance with the Regulation
 - Data collection and update, making it publicly available;
 - Role in the review process;
 - Specific issues – inadvertent roaming, etc;
 - Power to require to supply all relevant information
- **Article 3 – BEREC guidelines**
- **Articles 4 and 5 – BEREC advice and guidance**

