

Roaming on public mobile communications networks within the Union. Recast

2011/0187(COD) - 06/07/2011 - Legislative proposal

PURPOSE: introduce structural measures to boost competition by allowing customers from 1 July 2014, if they so wish, to sign up for a cheaper mobile roaming contract, separate from their contract for national mobile services, whilst using the same phone number.

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

BACKGROUND: Regulation (EC) No 717/2007 on roaming on public mobile telephone networks within the Community has been substantially amended. Since further amendments are to be made, it should be recast in the interests of clarity.

A report adopted by the Commission on the current roaming Regulation indicates that it has temporarily reduced prices for roaming phone calls and text messages but has not remedied the lack of competition in the roaming market, with prices remaining stubbornly close to the retail caps.

The Commission's proposal would tackle the current lack of competition and consumer choice by:

- making it easier for alternative operators, like mobile virtual network operators, to enter roaming markets by requiring network operators in other Member States to give them access to their networks at regulated wholesale prices. This would create more competition between operators on roaming markets, and so increase the incentives for them to offer customers more attractive prices and services;
- letting consumers choose an alternative provider for roaming services, irrespective of their national provider. Each time the customer crossed a border, they would automatically switch to their chosen roaming provider, without any further action on their part, while keeping the same number and subscriber identity module (SIM card). This would enhance transparency and allow customers to shop around for the best roaming offers and encourage operators to offer more competitive roaming deals.

The proposal aims to meet the objective set in the [Digital Agenda for Europe](#) that differences between roaming and national telecoms tariffs should approach zero by 2015.

IMPACT ASSESSMENT: no impact assessment was carried out.

LEGAL BASIS: Article 114 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: to cover the period until structural measures become fully effective and competition drives retail prices down, the proposal would progressively lower current retail price caps on voice and texting (SMS) services and introduce a new retail price cap for mobile data services. By 1 July 2014, roaming consumers would pay no more than:

- 24 cents per minute to make a call,
- a maximum 10 cents per minute to receive a call,
- maximum 10 cents to send a text message and maximum 50 cents per Megabyte (MB) to download data or browse the Internet whilst travelling abroad (charged per Kilobyte used).

More specifically, until these structural solutions fully delivered their results the proposal would:

- introduce a new retail price cap for data roaming (which would remain in force until mid-2016). This would ensure that users of smart phones, tablets and other devices to access the Internet through mobile networks could go online whilst abroad without running up huge bills. The Commission proposes that consumers would pay no more than 90 cents per Megabyte (MB) downloaded from 1 July 2012, falling very steeply to 50 cents per MB by July 2014 (such prices would be charged on a Kilobyte basis, taking into account effective use). The current Regulation does not foresee retail price caps for data roaming. Wholesale price caps for data roaming have been in place since July 2009, but savings have not been passed on to the consumer. The overall average retail price of EUR 1.06 to download data in another Member State at the end of 2010 masks a wide variation in retail prices. For example, it costs consumers an average of EUR 2.23 per MB when downloading abroad on another mobile group's network and in some cases charges reached much higher levels (even as high as EUR 12 per MB). It is important to note that the proposed retail caps serve as a mere safety-net for consumers, while the Commission expects that the proposed competition-enhancing structural measures would deliver innovative pan-European offers and cheaper prices, significantly below the safeguard caps;
- keep retail price caps for roaming voice and text message (SMS). These would gradually decrease for all roaming services and would also remain in force until mid-2016;
- keep data roaming "bill shock" protection ? consumers' and business travellers' monthly bills for data access over mobile networks when abroad would continue to be limited to EUR 50 unless the customer explicitly agreed otherwise;
- retain caps on wholesale prices between operators for all roaming services until 2022 (voice, SMS and data) in order to create a predictable investment environment for alternative operators. Wholesale price caps could be removed before 2022 if market data indicated that competition had developed sufficiently;
- under the new Regulation, operators would still be obliged to provide information on roaming prices to consumers when crossing into another Member State, but customers would be able to easily opt out of receiving this information.

BUDGETARY IMPLICATIONS: this proposal has no implications for the EU budget.