





## Research Brief no 3

## Roaming: The way forward

Some things seem to have recently changed, regarding the European Union roaming regulations. After several years of debate, between the European Parliament and the European Commission, the European Union has finally come to an overall solution. Fortunately the European citizens will be able to use their mobile devices abroad in the European Union without any roaming charges. This was officially announced by President Juncker (press release of the 21<sup>st</sup> of September 2016¹). The announcement stated that "there should be no limits in terms of timing or volume imposed on consumers when using their mobile devices abroad in the EU". So in order to achieve that goal, a new mechanism will be provided, which not only "will be based on principle of residence or stable links European consumers may have with any EU Member State ", but it will also "provide strong safeguards for operators against potential abuses".

The problem of overvalued communication was set for discussion more than a decade ago. European Union's will to rule the overcharging in roaming prices was first expressed at 2007. The primal legislative initiative was called "Eurotariff" and it was responsible for establishing "maximum prices for phone calls made and received while abroad". Although these prices should apply for everybody, the consumers still had the option to select special packages offered by operators. Moreover, to deal with the really expensive roaming costs which are "an excessive irritant to business and leisure customers" and also an irrational market distortion with no place in common market, a legislative package was adopted by the European Commission on 11 September 2013, referred to as "Connected Continent: Building a Telecoms Single Market". This package's aim was to build a "connected, competitive continent and enabling sustainable digital jobs and industries". Furthermore, in October 2015, new rules on roaming charges and open Internet adopted by the European Parliament and the Council<sup>2</sup>. In June 2016, "the

<sup>&</sup>lt;sup>1</sup> http://europa.eu/rapid/press-release\_IP-16-3111\_en.htm

<sup>&</sup>lt;sup>2</sup> https://ec.europa.eu/digital-single-market/en/news/new-rules-roaming-charges-and-open-internet

Commission proposed a maximum regulated wholesale roaming charges". The term "wholesale" is referred to those prices which will be charged by an operator to another for using their network. "As a result of the various analyses, the Commission proposed on 15 June 2016 to set maximum regulated wholesale roaming charges at € 0.04/min, € 0.01/SMS and € 0.0085/MB". In addition rules on the application of fair use policy on roaming at domestic price where formally adopted by the European Commission, on 15 December 2016<sup>3</sup>. Finally, in January 2017 the Council and the European Parliament came to a political agreement among the new rules to be applied by the operators, on the wholesale roaming market. This was the last part of the huge effort that took place in order to regulate roaming in the EU countries. As it was stated "the implementing rules on fair use policy make sure that all European travelers will enjoy the "Roam like at Home" opportunity by paying the same price for mobile calls, SMS or data when they travel away from their "home". The measure further clarifies consumer rights and introduces safeguards to ensure that the most competitive domestic offers remain attractive". So "Roam like at Home" was agreed to start on 15 June 2017. 45

"Roam like at Home" will be available not only at the territory of the 28 members of the EU, but also at Iceland, Liechtenstein and Norway. On the other hand, despite close relations with the EU in several fields, the regulations do not apply neither to Switzerland nor to Jersey or Greenland.

An unfortunate matter is that only roaming charges have been regulated. Despite the European's Commission proposal in 2013 to regulate charges for intra-EEA international calls, those are still unregulated and could be significantly higher than the prices while the user is roaming. "The European Commission proposed to change this situation. Its proposal for a Telecoms Single Market (TSM) Regulation (COM(2013)627), adopted on 11 September 2013, included a provision whereby providers of electronic communications to the public should not apply tariffs for intra-Union mobile communications terminating in another Member State which were higher than the Eurotariffs for regulated voice and SMS roaming communications established in Regulation (EC) No 531/2012, unless objectively justified (Article 21 of the proposal). This proposed article also provided that tariffs for fixed intra-Union communications terminating in another Member State should not exceed tariffs for domestic long-

<sup>&</sup>lt;sup>3</sup> http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016R2286

<sup>4</sup> https://ec.europa.eu/digital-single-market/en/roaming

<sup>&</sup>lt;sup>5</sup> http://europa.eu/rapid/press-release\_MEMO-15-5275\_en.htm

distance communications.— *Vesa Terava, Head of Unit*". Unfortunately the proposal was rejected be the European Parliament.<sup>6</sup>

Moreover, we should be referred to "strong safeguards for operators against potential abusers", which have been announced by President Juncker. Those will ensure that there will not be any roaming misuse and extra costs to mobile operators (i.e. western members' citizens, where tariffs are higher to use constantly eastern members' operators because of the cheaper tariffs available). To be more specific:

"1) Safeguards against abuses based on residence or permanent links to **an** EU country (note the singular "an" meaning - one country)

Roaming is for travelers. The new draft allows operators to check usage patterns to avoid the "Roam like at Home" mechanism is abused. A non-exhaustive list of criteria includes:

- insignificant domestic traffic compared to roaming traffic;
- long inactivity of a given SIM card associated with use mostly, if not exclusively, while roaming;
- subscription and sequential use of multiple SIM cards by the same customer while roaming.

In such cases, operators will have to alert their users. Only if these conditions are met, operators will be able to apply small surcharges (the Commission proposed a maximum of €0.04/min per call, €0.01/SMS and €0.0085/MB). In case of disagreement, complaints procedures must be put in place by the operator. If the dispute persists the customer may complain to the national regulatory authority which will settle the case.

Abuses could also be related to the mass purchase and resale of SIM cards for permanent use outside the country of the operator issuing them. In such cases, the operator will be allowed to take immediate and proportionate measures while informing the national regulator.

2) Safeguards in case of exceptional circumstances in the domestic markets:

In case of price increases on a specific market or other negative effects for their domestic customers, operators can get out of the "Roam like at Home" provision allowing them, if authorized by national regulators, to temporarily apply the same small surcharges (the Commission proposed a maximum of €0.04/min per call, €0.01/SMS and

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<sup>6</sup>https://www.thuejk.dk/eu\_non\_roaming.pdf

€0.0085/MB). Operators will have to provide evidence to demonstrate that "Roam like at Home" was putting their domestic charging model at risk"<sup>7</sup>.

We feel that a new era has begun for communications in the European Union. Travelers in the territorial extend of the roaming regulations will be benefited by using their phones while roaming without extra charges either for business or for leisure. This will emerge healthy competition among the members' states operators and better quality at communication services in general. It is an undeniable fact that a lot more need to be done, such as to regulate charges for intra-EEA international calls, but we feel confident that the European Union did another huge step towards integration and many more steps will take place in near future.

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<sup>&</sup>lt;sup>7</sup> http://europa.eu/rapid/press-release\_IP-16-3111\_en.htm