Commission for
Communications Regulation

Implementation of EU Roaming Regulation by Irish Mobile Companies

11th wave of Irish and EU aggregated data

Information Notice

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Content

Section Page

1. Introduction

Background

1. The third EC Regulation on international roaming services, Regulation (EU) No. 531/2012, effective on 1 July 2012, was published on 13 June 2012[1]. The main provisions of this regulation, "Roaming Regulation III" are outlined in section 4 of this document.

2. The Body of European Regulators for Electronic Communications (BEREC) published guidelines on Roaming Regulation III in February 2013[2]. The BEREC Guidelines on the Roaming Regulation III present an update of the former ERG Guidelines on the second Roaming Regulation and are designed to explain the Regulation and are complementary to the provisions set out in the Regulations.

3. The Commission Implementing Regulation (EU) No. 1203/2012 on the separate sale of regulated retail roaming services within the European Union was published on 14 December 2012. This lays down technical rules for the separate sale of regulated retail roaming services. From 1 July 2014, domestic service providers must inform their existing roaming customers about the possibility to opt for the separate sale of roaming services.

Publication of Data

4. The collection of data for monitoring purposes by National Regulatory Authorities (NRAs) is a requirement of the EU roaming regulations[3]. The Commission for Communications Regulation ("ComReg") was designated as the National Regulatory Authority for this purpose by the Minister for Communications, Energy and Natural Resources[4].

5. Individual NRAs are required *"to monitor developments in wholesale and retail charges*" for voice calls, SMS and data charges. BEREC coordinates the regular data collection exercise from all NRAs. BEREC's 11th International data roaming report was published in October 2013[5].

6. This is the 11th information notice published by ComReg in relation to roaming. It spans the data collection period 1 July 2012 to 31 March 2013. Data from previous periods are included for comparative purposes.

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[1] Regulation (EU) No 531/2012 of the European Parliament and of the Council of 13 June 2012

[2] BoR (13) 15 - BEREC Guidelines on the Roaming Regulation (EC) No 531/2012 (Roaming Regulation III) (Excluding articles 3, 4 and 5 on wholesale access and separate sale of services).

[3] Article 16 of Regulation (EU) No 531/2012

[4] Communications (Mobile Telephone Roaming) Regulations 2013, S.I. No. 228 of 2013

[5] BoR (13) 125 - International Roaming BEREC Benchmark Data Report: July 2012 – March 2013

2. Key Points

7. A comprehensive set of data was requested by all NRAs from national operators. The following key points relate to the data collected for the periods 1 July 2012 to 31 March 2013. For comparison, the periods April 2011 to 30 June 2012 are also included in each chart in this document. Figure 12 provides information on retail data volumes spanning Q1 2008 to Q1 2013.

   Note: all prices displayed exclude VAT

Voice calls

8. Irish average retail roaming prices[6] for calls made and received continue to indicate compliance with the regulatory price ceilings, (Figures 1 and 2).

9. Ireland's average "Eurotariff[7]" price per calls made and received and price for the rest of the world (calls made while outside the EU/EEA) have been lower than the EU/EEA average over all of the reported periods, (Figures 3 and 4).

10. The surcharge for Ireland's billed prices for retail "Eurotariff" calls made has increased (from 7.7% in Q4 2011 to 11.3% in Q1 2013) and is significantly above the EU/EEA average (5.3% in Q1 2013), (Figure 10). This is a reflection of the billing practice provided for by the Regulation for calls made.[8] The increase is attributed to an increase in the number of calls made with duration of less than 30 seconds.

Text Messages (SMS)

11. The average retail price, during the reported period, for sending a text message has decreased and is now 1 cent below the regulated cap of 9 cents, (Figure 5).

Data

12. Following the introduction of a regulated price cap of 70cents in July 2012 Ireland's pre-paid retail non-group data prices decreased significantly and are now lower than the EU/EEA average. Ireland's post-paid prices are also below the EU/EEA average.

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[6] All retail prices reflect the charges applied to Irish consumers while using roaming services.
[7] This is any tariff not exceeding the maximum charge provided for in Article 8 of the Roaming Regulation (Retail charges for regulated roaming calls), which a roaming provider may levy for the provision of regulated roaming calls.
[8] Article 8 of the Regulation refers. While the Regulation allows for per second billing for calls received, an initial 30 seconds charge is incurred for calls made irrespective of duration. Per second billing applies thereafter. Data received from Irish operators indicates that a substantial number of calls made with their networks are less than 30 seconds which, compared to the EU/EEA average, results in a higher disparity between the prices that one would pay for actual calls compared to their billed calls.

13. Ireland's average pre-paid retail non-group data prices decreased significantly per megabit (MB) (from €0.97 in Q1 2012 to €0.06 in Q1 2013) and are now lower than the EU/EEA average (€0.56 in Q1 2013), (Figure 6).

14. Ireland's average post-paid retail non-group data prices decreased significantly per MB (€0.94 in Q2 2012 to €0.09 in Q1 2013) and are also below the EU/EEA average (€0.29 in Q1 2013), (Figure 6).

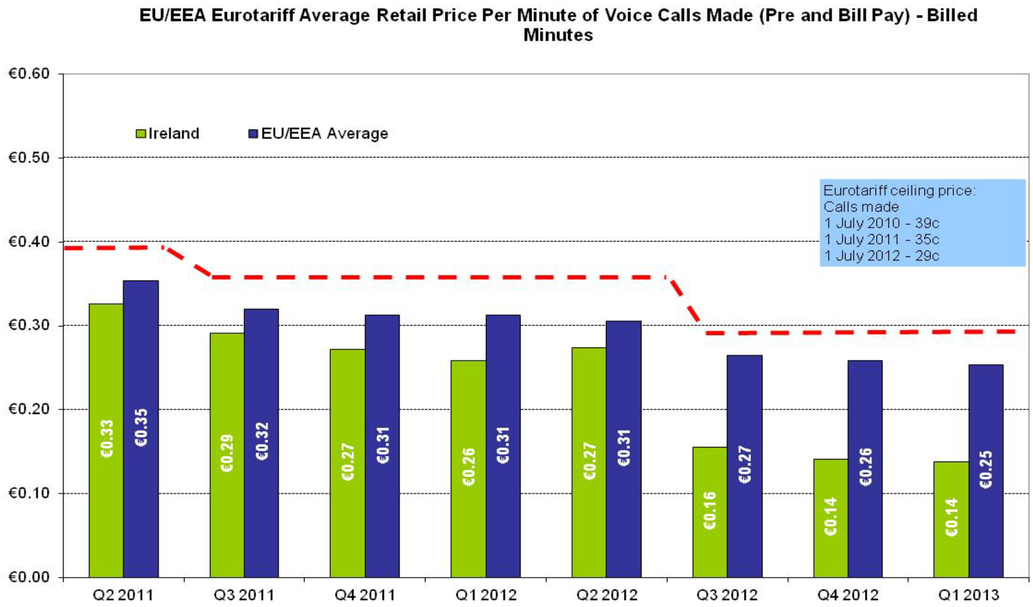
15. Volumes of retail data traffic have grown strongly over the reported periods. Volumes for Ireland were over 3.4 times higher in Q1 2013 compared to Q1 2009, (Figure 12).

16. Ireland's average aggregate wholesale price per MB of data among non-group companies remains below the regulated price cap of 25 cents but is higher than the EU/EEA average, (Figure 9).

3. Analysis of Irish Data

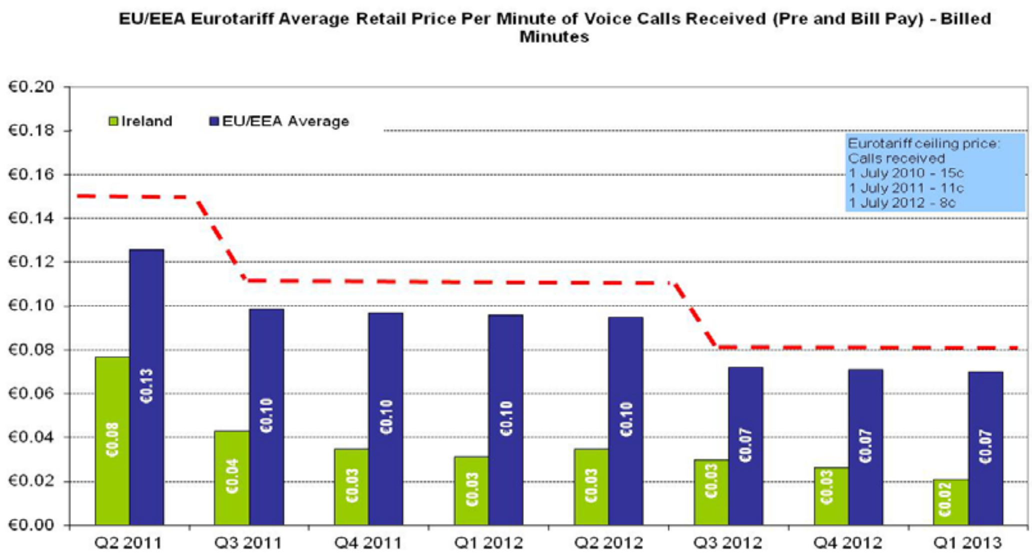
Note: All prices displayed exclude VAT

Figure 1



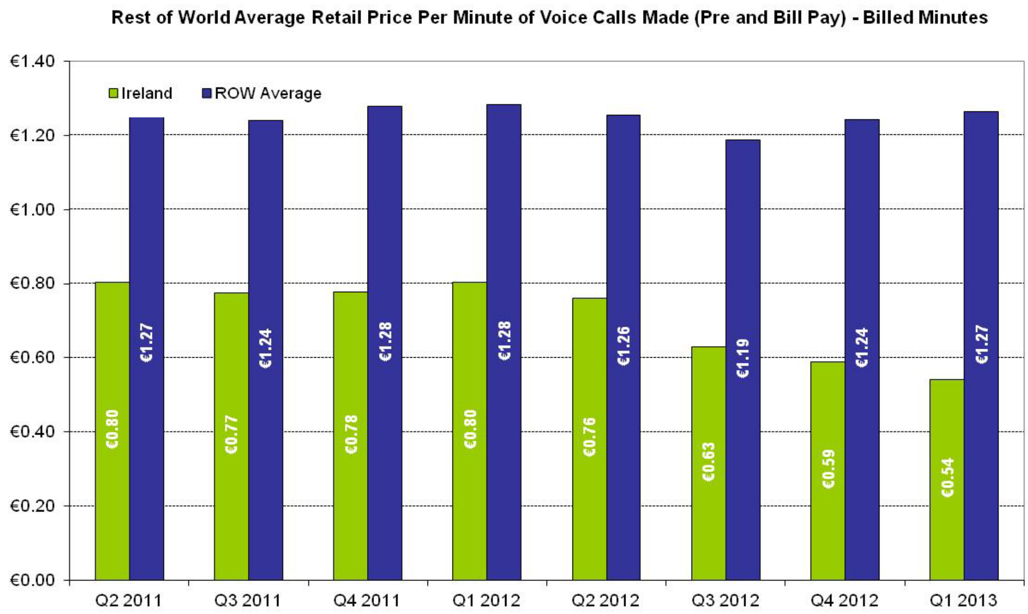
Ireland's "Eurotariff" for calls made is now well below the regulated tariff. These prices were also below the EU/EEA average for all periods.

Figure 2



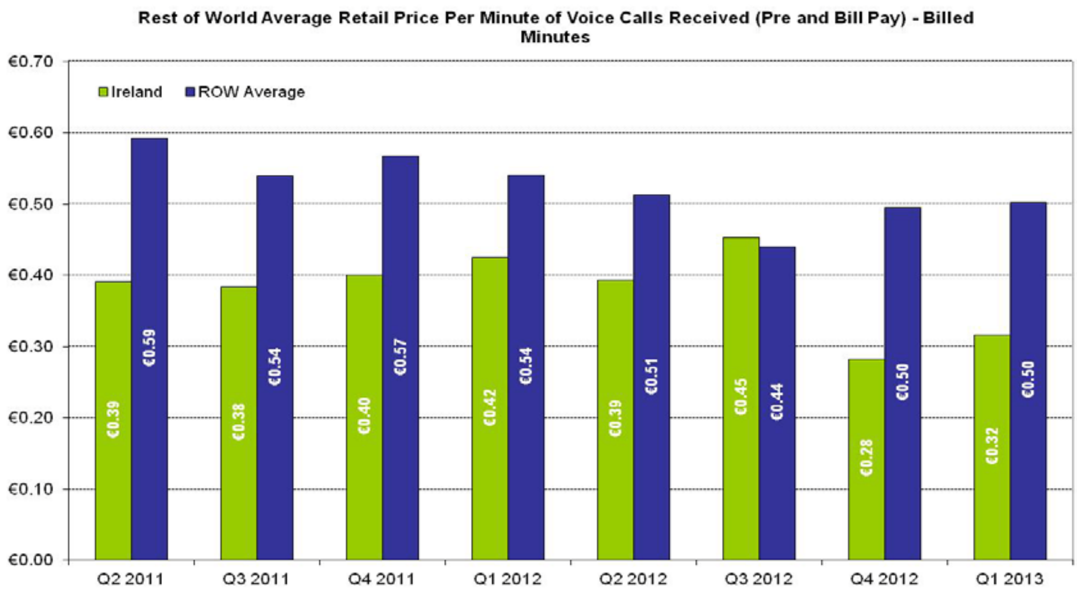
Ireland's "Eurotariff" for calls received is well below the regulated tariff and the EU/EEA average price. This is, in part, a reflection of favourable price tariffs in some of these countries.

Figure 3



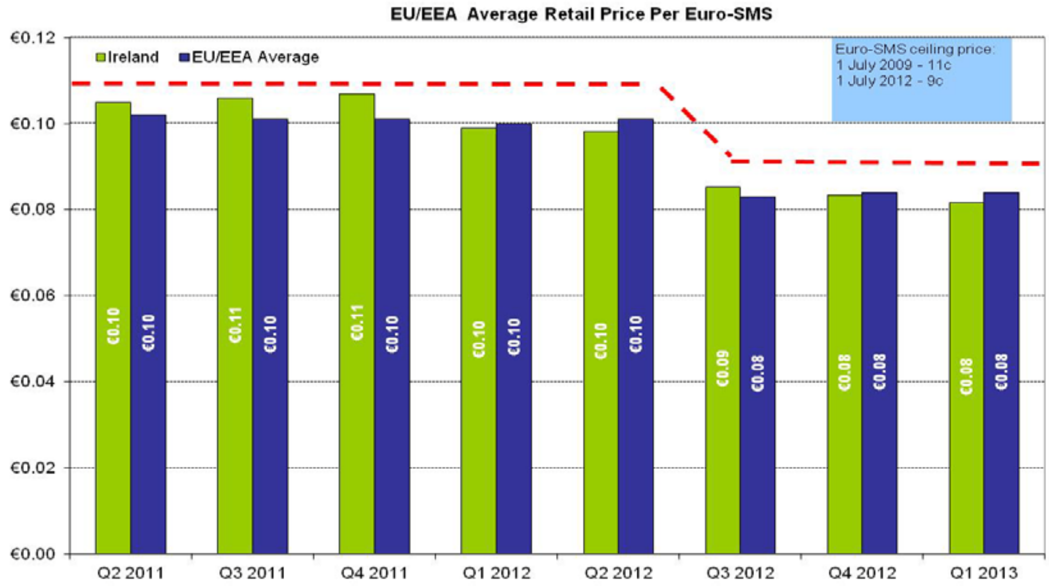
Ireland’s average price for making calls outside the EU/EEA (ROW) is cheaper than the EU/EEA average to ROW. Ireland’s price was approximately 57% cheaper than the EU/EEA average for making calls to ROW in Q1 2013.

Figure 4



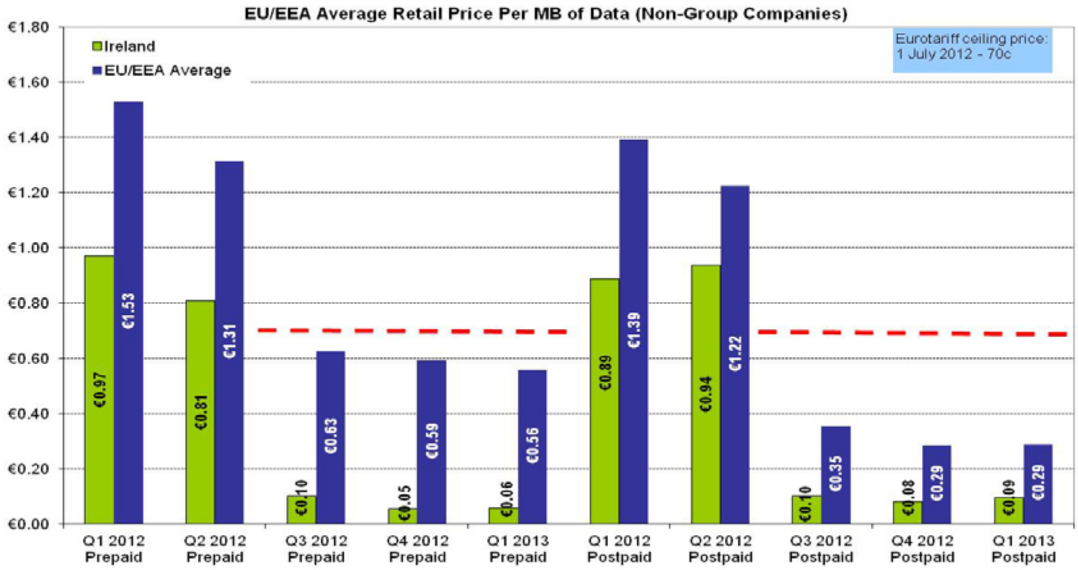
As per calls made, the average price in Ireland for receiving a call from outside of the EU/EEA is cheaper than the EU/EEA average for receiving calls from ROW. Prices for received calls in Ireland were approximately 36% cheaper than the EU/EEA average for receiving calls from ROW in Q1 2013.

Figure 5



Ireland's average price for sending a Eurotariff text message has remained below the regulated cap of 9 cents and is slightly lower[9] than the EU/EEA average. A regulated cap of 11 cents introduced as of 1 July 2009 and was lowered to 9 cents in July 2012.

Figure 6

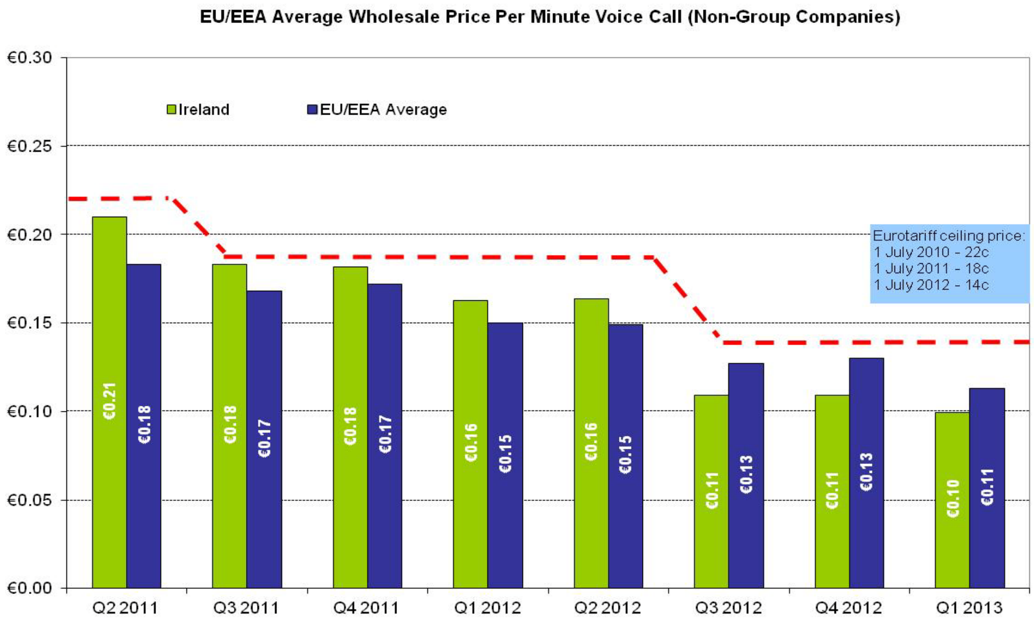


Following the introduction of a regulated price cap in July 2012, the average retail price per MB of data has declined significantly in both Ireland and the EU/EEA. Ireland's pre-paid price is below the EU/EEA average and the regulated cap of 70 cents. Ireland's post-paid price is also lower than the EU/EEA average and the regulated cap.

Note: Non-group traffic means traffic between entities that are not within the same group where such entities are fully-owned or majority-owned by the group.

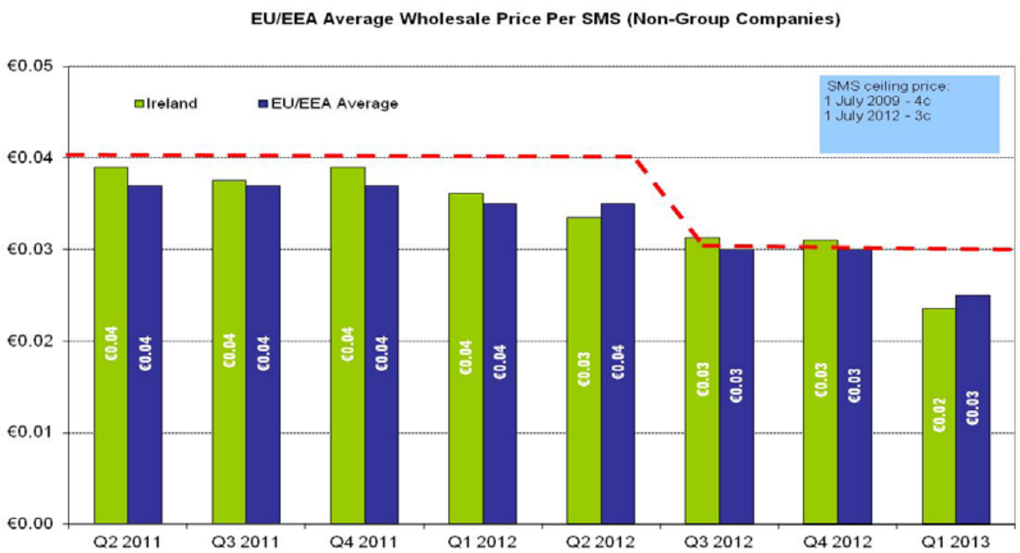
[9] Rounding applied.

Figure 7[10]



Ireland's wholesale price per call made is below the regulated tariff and marginally below the EU/EEA average.

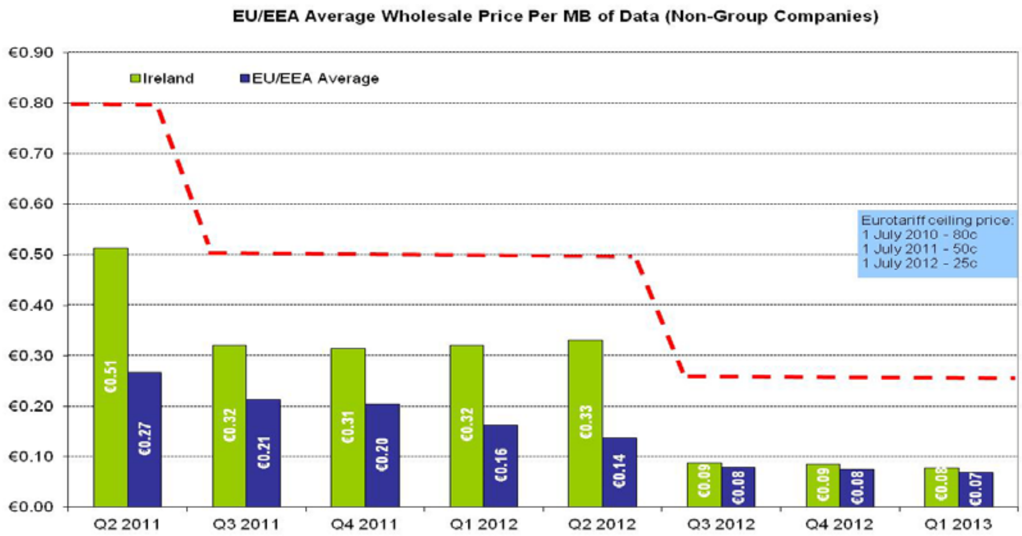
Figure 8[11]



Ireland's wholesale price per SMS has been at similar levels to the EU/EEA average over the reported periods. A regulated cap of 4 cents was introduced as of the 1st of July 2009 and was lowered to 3 cents in July 2012.

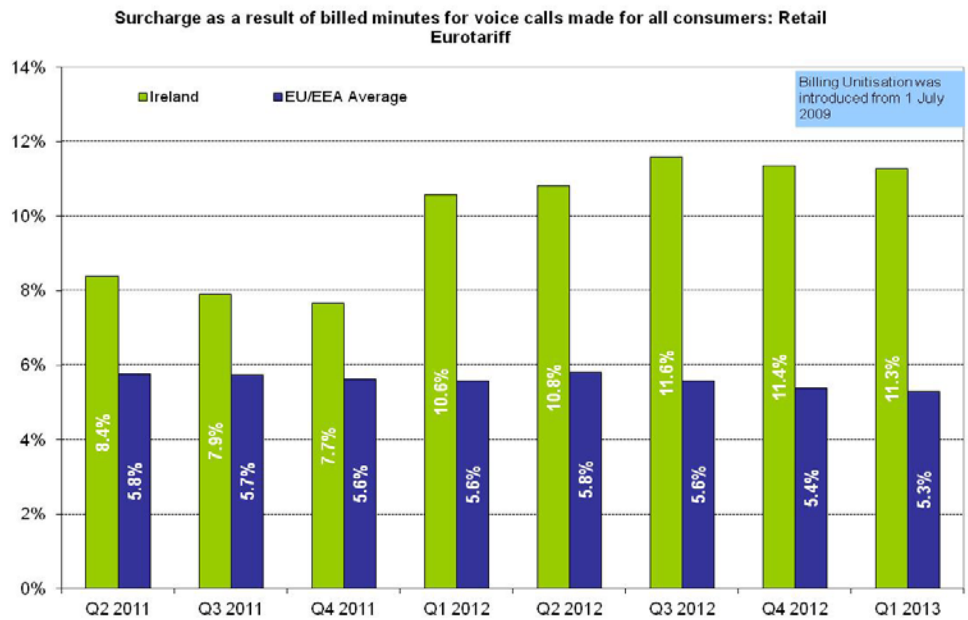
[10] Telefonica Ireland Ltd (O2) and Hutchison 3G Ireland Ltd (Three) data are excluded as the data were not submitted as specifically required.
[11] Telefonica Ireland Ltd (O2) data are not provided as specifically required and therefore incorrectly display Irish aggregate data as above the regulated cap.

Figure 9



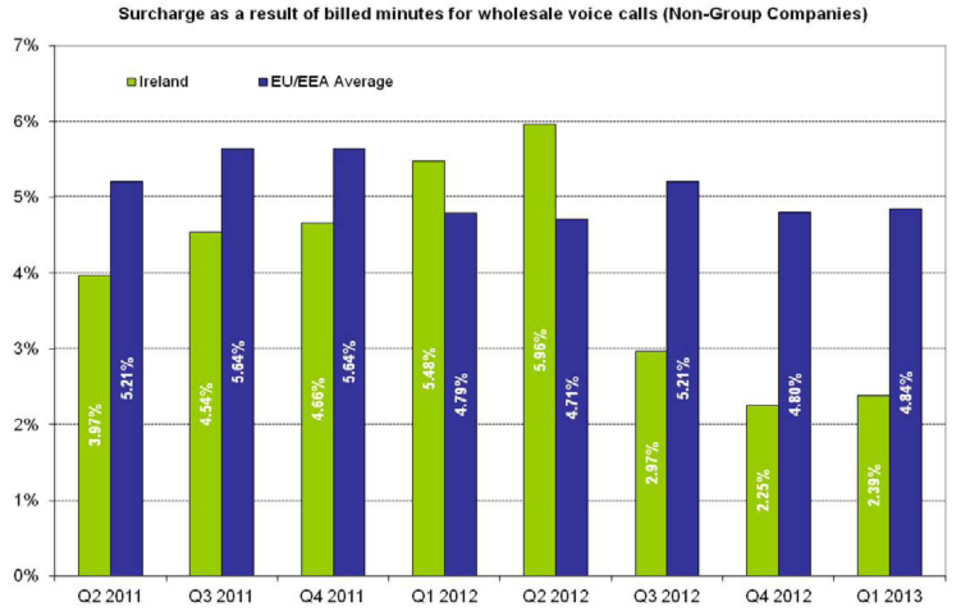
Following the introduction of a regulated price cap in July 2009, the average price per MB of data among Irish mobile operators has declined significantly. However the average price has remained marginally above the EU/EEA average.

Figure 10



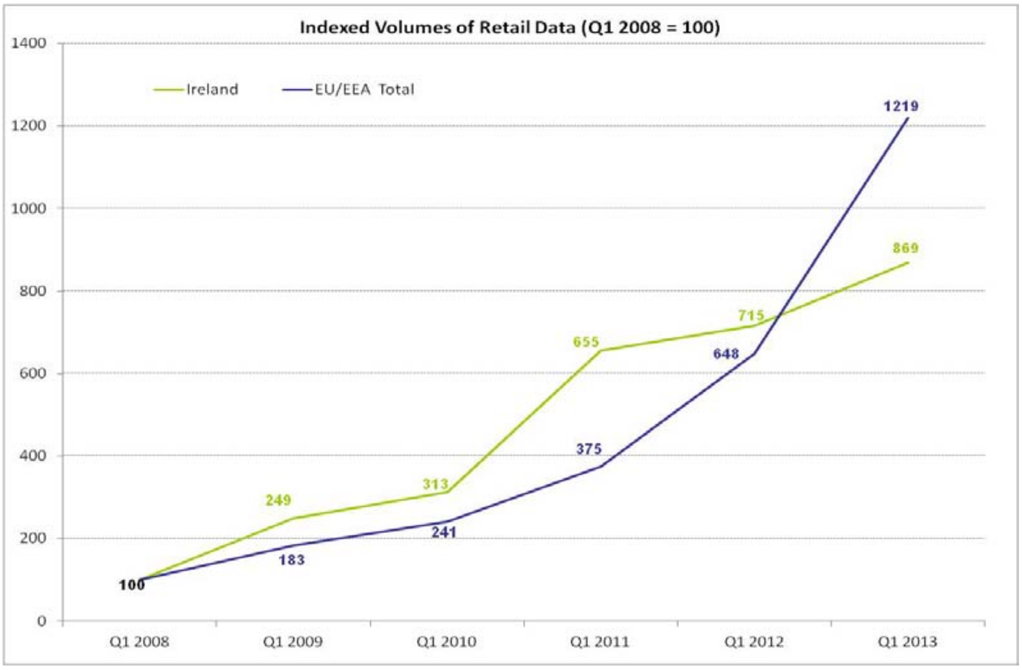
This chart shows the retail price percentage deviation arising from operator billing on a per minute basis as opposed to the price which would be incurred if billed on a per second basis (actual usage). The Irish percentage deviation for calls made is above the EU/EEA average and it has slightly increased in the last 9 months when compared to the first half of 2012. This is a reflection of the billing practice provided for by the Regulation for calls made, as Irish operator data suggests a substantial proportion of Eurotariff calls made are under the 30 seconds initial call charge. Per second billing applies thereafter.

Figure 11[12]



This chart is similar to figure 10 but reflects pricing disparities at a wholesale level. For Ireland, the surcharge has decreased and is below the EU/EEA average in the period between Q3 2012 and Q1 2013.

Figure 12



The volume of retail data on Irish mobile networks has been growing strongly over the reported periods. Retail data volumes were over 3.4 times higher in Ireland comparing Q1 2009 to Q1 2013.

[12] Telefonica Ireland Ltd (O2) data are excluded as data were not submitted.

4. EU Regulatory Requirements

Requirements 2007-2012

Note: All prices are quoted excluding VAT

<table>
<tr><th>Requirements by all mobile operators</th><th>30 Aug 2007</th><th>30 Aug 2008</th><th>1 July 2009</th><th>1 July 2010</th><th>1 July 2011</th></tr>
<tr><td rowspan="2">“Eurotariff” retail limit for voice calls made</td><td rowspan="2">0.49</td><td rowspan="2">0.46</td><td>0.43</td><td>0.39</td><td>0.35</td></tr>
<tr><td colspan="3">Per second billing applies with the option to apply a 30 second minimum charge for calls made.</td></tr>
<tr><td rowspan="2">“Eurotariff” retail limit for voice calls received</td><td rowspan="2">0.24</td><td rowspan="2">0.22</td><td>0.19</td><td>0.15</td><td>0.11</td></tr>
<tr><td colspan="3">Calls received are charged on a per second basis.</td></tr>
<tr><td>Wholesale limit for voice calls made</td><td>0.30</td><td>0.28</td><td>0.26</td><td>0.22</td><td>0.18</td></tr>
<tr><td>Pricing transparency</td><td colspan="2">Mobile operators to send a free SMS to their consumers with pricing details for making and receiving a call when roaming in the EU.</td><td colspan="3">From 1 July 2009 the free pricing transparency SMS will include pricing details for SMS, MMS and Data. The SMS will also include information on how to receive more detailed pricing information and information on the European emergency number 112.</td></tr>
<tr><td>“Eurotariff” SMS retail price limit</td><td>N/A</td><td>N/A</td><td>0.11</td><td>0.11</td><td>0.11</td></tr>
<tr><td>“Eurotariff” SMS wholesale price limit</td><td>N/A</td><td>N/A</td><td>0.04</td><td>0.04</td><td>0.04</td></tr>
</table>

Requirements by all mobile operators	30 Aug 2007	30 Aug 2008	1 July 2009	1 July 2010	1 July 2011
Wholesale data price limit (per megabyte)	N/A	N/A	€1.00	0.80	0.50
Data bill shock measures	N/A	N/A	N/A	**1 March 2010** Ability for consumers to opt in to €50.00 (ex VAT) data roaming limit.	**From 1 July 2010** Automatic opt in for all consumers to €50.00 (ex VAT) data roaming limit. Consumers can choose an alternative limit or no limit.
				Consumers will receive a warning message when they are near to reaching their roaming limit set for their account. Customers cannot use any more data when their limit has been reached unless they give their consent to continue data roaming.	
Voicemail	N/A	N/A	N/A	No charge to consumer to receive a voicemail message.	

Requirements 2012-2014

Main Provisions of Roaming Regulation III

Voice Calls

<u>Wholesale price caps</u>

The glide path will end in 2014 and the cost will remain at 0.05 cent until 30 June 2022.

Wholesale voice caps (cent per min excluding VAT)							
20/8/07	30/8/09	1/7/09	1/7/10	1/7/11	1/7/12	1/7/13	1/7/14
30c	28c	26c	22c	18c	14c	10c	5c

Retail price caps

Per second billing applies; operators may charge a 30 second minimum set-up-fee. The glide path will end in 2014 and the cost will remain at 0.19 cent and 0.05 cent until 30 June 2017.

Retail voice caps (cent per min excluding VAT)								
	20/8/07	30/8/08	1/7/09	1/7/10	1/7/11	1/7/12	1/7/13	1/7/14
Calls made	49c	46c	43c	39c	35c	29c	24c	19c
Calls received	24c	22c	19c	15c	11c	8c	7c	5c

SMS

Wholesale price caps

The glide path will end in 2013 and the cost will remain at 0.02 cent until 30 June 2022.

Wholesale SMS caps (Cent per min excluding VAT)				
1/7/09	1/7/10	1/7/11	1/7/12	1/7/13
4c	4c	4c	3c	2c

Retail price caps

The glide path will end in 2014 and the cost will remain at 0.06 cent until 30 June 2017.

Retail SMS caps (cent per SMS excluding VAT)					
1/7/09	1/7/10	1/7/11	1/7/12	1/7/13	1/7/14
11c	11c	11c	9c	8c	6c

Data

Wholesale price caps

The glide path will end in 2014 and the cost will remain at 0.05 cent until 30 June 2022.

Wholesale data caps (cent per MB excluding VAT)					
1/7/09	1/7/10	1/7/11	1/7/12	1/7/13	1/7/14
€1.00	80c	50c	25c	15c	5c

Retail price caps

The glide path will end in 2014 and the cost will remain at 0.20 cent until 30 June 2017

Retail data caps (cent per MB excluding VAT)		
1/7/12	1/7/13	1/7/14
70c	45c	20c

More transparency of roaming charges for consumers

- Consumers to receive an SMS, pop-up window, etc when they are crossing borders within the EU and outside the EU to inform them of the price they are expected to pay for making and receiving calls for sending an SMS and for using mobile internet. Blind consumers to automatically receive the transparency message by voice call, free of charge, if requested. In addition a freephone number for additional information when roaming must be provided and the 112 emergency access number must also be provided in the EU message.

Measures to counter data roaming bill shocks

- As of 1 July 2012, travellers' data-roaming limit will be automatically set at €50.00 (excluding VAT) when they travel outside the EU (unless they have chosen another limit – higher or lower or opted out of the limit). The data roaming limit within the EU has been in place since 1 July 2009.

Other measures

- Roaming providers to make information available on how to avoid inadvertent roaming. Reasonable steps to be taken by operators to protect their consumers from paying roaming charges while situated in their member state.

- Roaming providers shall inform their customers, of the risk of automatic and uncontrolled data roaming connection and download. Roaming providers to provide information to their customers on how to switch off these automatic data roaming connections in order to avoid uncontrolled consumption of data roaming services.

Structural Measures

- Structural measures will be implemented to allow consumers to contract for roaming services with an alternative provider from 1 July 2014.

5. Legal Basis

17. Regulation (EU) No 531/2012 of the European Parliament and of the Council of 13 June 2012 repealed Regulation (EC) No. 717/2007 (as amended by Regulation (EC) No. 544/2009) with effect from 1 July 2012.

18. Regulation (EC) No. 717/2007 as amended by Regulation (EC) No. 544/2009 is an EC Regulation. Accordingly, its requirements are directly applicable in all Member States. In Ireland, ComReg is designated as the national supervisory and enforcement body for the purposes of Regulation (EC) No. 717/2007 (as amended).

19. The Communications (Mobile Telephone Roaming) Regulations 2013, S.I. No. 228 of 2013, designated the Commission for Communications Regulation ("ComReg") as the national regulatory authority to carry out the functions referred to in Article 16 of the Mobile Phone Roaming Regulation (Regulation (EU) No 531/2012).

20. Article 7 of Regulation (EC) No 717/2007 requires NRAs to monitor developments in charges and to report to the European Commission every six months. Article 7(2) requires NRAs to make up-to-date information on the application of Regulation (EC) No 717/2007 publicly available. This Information Notice is published for this purpose.