



Commission for
Communications Regulation

Information Notice

Implementation of EU Roaming Regulation by Irish Mobile Companies

3rd Wave of Irish and EU aggregated roaming data

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1 Background

On 30 June 2007 the Roaming Regulation - (EC) No 717/2007¹ roaming on public mobile telephone networks within the Community and amending Directive 2002/21/EC came into effect. The Roaming Regulation lays down rules on charges that may be levied by mobile operators for the provision of roaming services for voice calls originating and terminating within the European Union at both wholesale and retail level. The Regulation also sets out pricing transparency obligations on mobile operators.

The collection of data for monitoring purposes by National Regulatory Authorities (NRAs) is a requirement of the Roaming Regulation. ERG coordinates the actions of individual National Regulatory Authorities (NRAs) and the data collection exercise has made use of a commonly agreed data model and timing for collection periods. Information gathered by the ERG in their third benchmark data report ² shows compliance with the Regulation by all EU mobile operators.

This Information Note provides an overview of roaming pricing including voice calls made and received, rest of world voice calls, pricing for SMS (text messaging) data roaming and surcharges for billed voice calls. ComReg's Information Notice is published every six months in line with the ERG data collection timeframes. This is the third report to be published by ComReg regarding Irish roaming data and it reflects aggregated Irish and EU mobile roaming data covering the period April 2008 to September 2008. This information notice covers the first full peak travel season with the Regulation in force and provides previous rounds of data collection periods for comparison purposes.

In September 2008 the European Commission published a proposal to review the functioning of the Regulation including the extension of the Regulation in scope and duration³. This followed a public consultation to which the ERG responded ⁴ as Regulation (EC) 717/2007 contemplated the possibility that it might need to be extended to cover SMS data and to ensure that its objectives were met.

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:171:0032:0040:EN:PDF>

² [http://www.irg.eu/streaming/ERG%20\(09\)%2001_intern_roaming_rep3_090107.pdf?contentId=545744&field=ATTACHED_FILE](http://www.irg.eu/streaming/ERG%20(09)%2001_intern_roaming_rep3_090107.pdf?contentId=545744&field=ATTACHED_FILE)

³ http://ec.europa.eu/information_society/activities/roaming/docs/regulation/reg_en.pdf

⁴ http://erg.eu.int/doc/publications/erg_08_35rev1_resp_intern_roaming_cons_080729.pdf

2 The Review of Regulation (EC) 717/2007

The objective of the current review is to amend Regulation (EC) No 717/2007, in order to further strengthen the single market for electronic communications by ensuring that prices paid by users of public mobile networks for roaming in the EU are not unjustifiably higher than the charges payable when calling, sending SMS messages or transferring data within their home country and that users have the information they need to understand and control their expenditure on roaming services. Currently the following proposals are being considered by the European Parliament and the Council of Ministers.

2.1 Voice calls proposal Art 3 & 4

Regulation 717/2007/EC to be extended beyond 30 June 2010 – (period 3 years), includes voice roaming calls at both a wholesale and retail level.

- **Wholesale cap** - 2010 - €0.23, 2011 - €0.20, 2012 - €0.17
- **Retail cap** - 2010 calls made and received - €0.40/€0.16, 2011 - €0.37/€0.13, 2012 - €0.34/€0.10 VAT Excl.

2.2 Bill unitisation proposal, Art 3 & 4

- Mobile operators required to bill for the wholesale provision of regulated roaming calls on a per second basis.
- Mobile operators at the retail level required to bill their customers on a per second basis for all calls subject to a “Eurotariff”; operator may apply a minimum set up charge no more than 30 seconds for calls made.
- No set up charge in the case of “Eurotariff” calls received - July 2009.

2.3 SMS – proposal, Art 4 a & b

- Regulatory obligations imposed with regard to regulated roaming SMS services at both retail and wholesale level, Wholesale ceiling - €0.04, Retail ceiling - €0.11 VAT Excl.
- A Euro-SMS tariff should automatically apply to any roaming customer, new or existing, who has not deliberately chosen or does not deliberately choose a special SMS roaming tariff or a package for roaming services.

2.4 Transparency of retail charges - SMS proposal, Art 6

- Transparency measure to be introduced to alert a roaming customer to the charges associated with sending a text message while roaming. This will be free of charge.

2.5 Data cap and transparency proposal, Art 6A

- Mobile operators to provide their roaming customers with personalised tariff information on charges applicable to them for data roaming services when they first initiate a data roaming service on entering another Member State.
- Measures to be introduced to improve the transparency of retail prices for data roaming services, in particular to eliminate the phenomenon of "bill shock".
- In order to avoid bill shocks, mobile operators to offer their roaming customers, free of charge, an opportunity to specify in advance a maximum financial limit (cap) for data roaming services.
- The wholesale charge (cap) for regulated data roaming services shall not exceed limit of €1.00 per megabyte of data transmitted.

3 Current Price Ceilings

Noted below is the average wholesale charge that a mobile service provider of a visited network may levy on the mobile service provider of a roaming customer's home network for the provision of a regulated roaming call originating on that visited network.

Wholesale Cap

| Effective Date | 30 Aug 08 - 30 Aug 09 | 30 Aug 09 - 30 August 10 |
|--------------------------|------------------------------|---------------------------------|
| Wholesale Rate VAT Excl. | 0.28 cent | 0.26 cent |

Retail Cap

The Roaming Regulation requires mobile service providers to offer all customers a tariff, sometimes called the "Eurotariff" while using their mobile phone in the EU. The price ceiling will reduce at 12 monthly intervals in accordance with the details outlined in the table below.

| Effective Date | 30 Aug 08 - 30 Aug 09 | 30 Aug 09 - 30 August 10 |
|---|------------------------------|---------------------------------|
| Retail Rate Vat Incl. "calls made". | 0.56 cent | 0.52 cent |
| Retail Rate VAT Incl. "calls received". | 0.27 cent | 0.23 cent |

Transparency

Irish mobile operators have revised the EU roaming pages on their websites to highlight to their consumers the price for making and receiving a call while roaming in the EU, as set out in Article 6 of the Roaming Regulation.

The Roaming Regulation also requires mobile service providers to send a free personalised pricing text message (SMS) to an individual's mobile phone while roaming in the EU. In addition, service providers are required to provide a freephone number where detailed price information may be obtained.

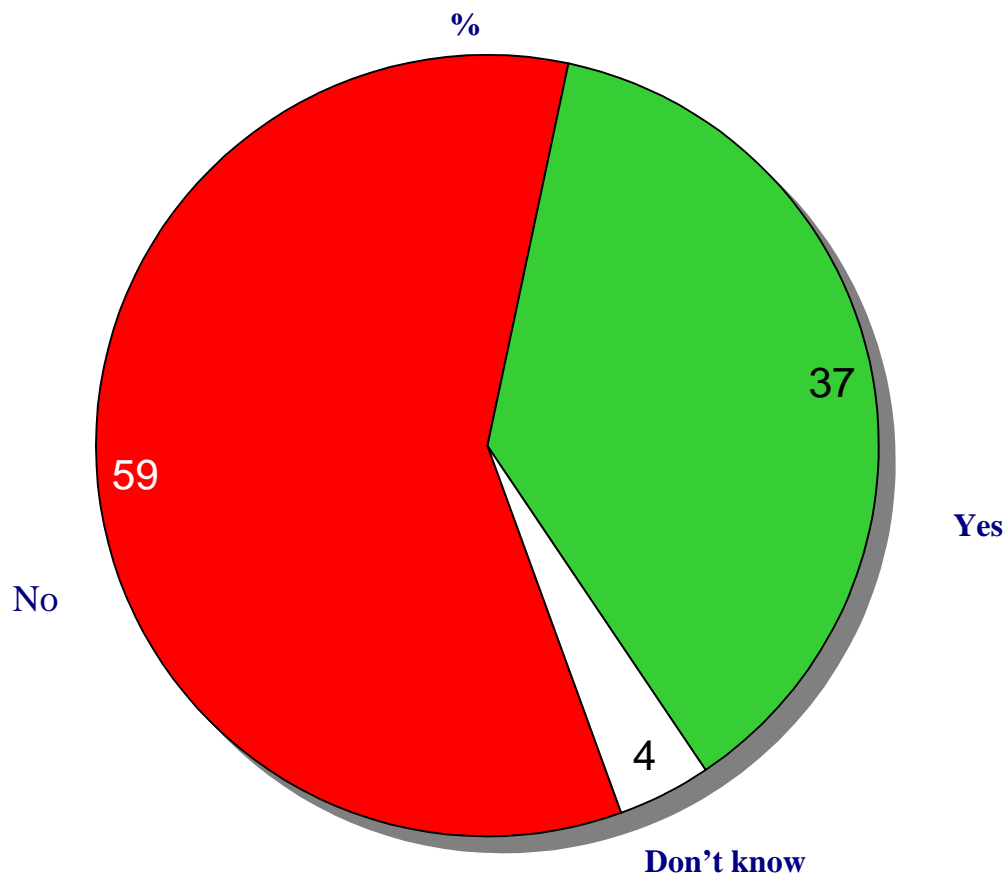
ComReg's interactive price comparison website www.callcosts.ie has been updated to add a mobile roaming price comparison section. Consumers who are planning to travel within the EU can log onto the website, enter their planned mobile roaming usage, and get an estimate of their mobile roaming costs for that trip. ComReg has also issued a note on our consumer website www.askcomreg.ie advising consumers on how to prevent "bill shock".

4 Consumer Awareness

Results from ComReg's Consumer ICT Survey Q4 2008 highlight that one in three consumers surveyed are aware of the EU price ceilings while roaming. This survey is a face to face survey conducted on over 1000 consumers; the results shown below are based on 940 mobile phone users. One in three Prepay customers were aware of the caps, compared to over half (52%) of Post-pay subscribers.

The findings from the survey also indicated similar results on awareness of the proposed price ceiling on SMS charges while roaming in the EU.

Question: Are you aware that charges for making and receiving calls on your mobile phone travelling in the EU were capped in 2007 as a result of EU Regulations?



Base: All Mobile Phone Users (n=940)

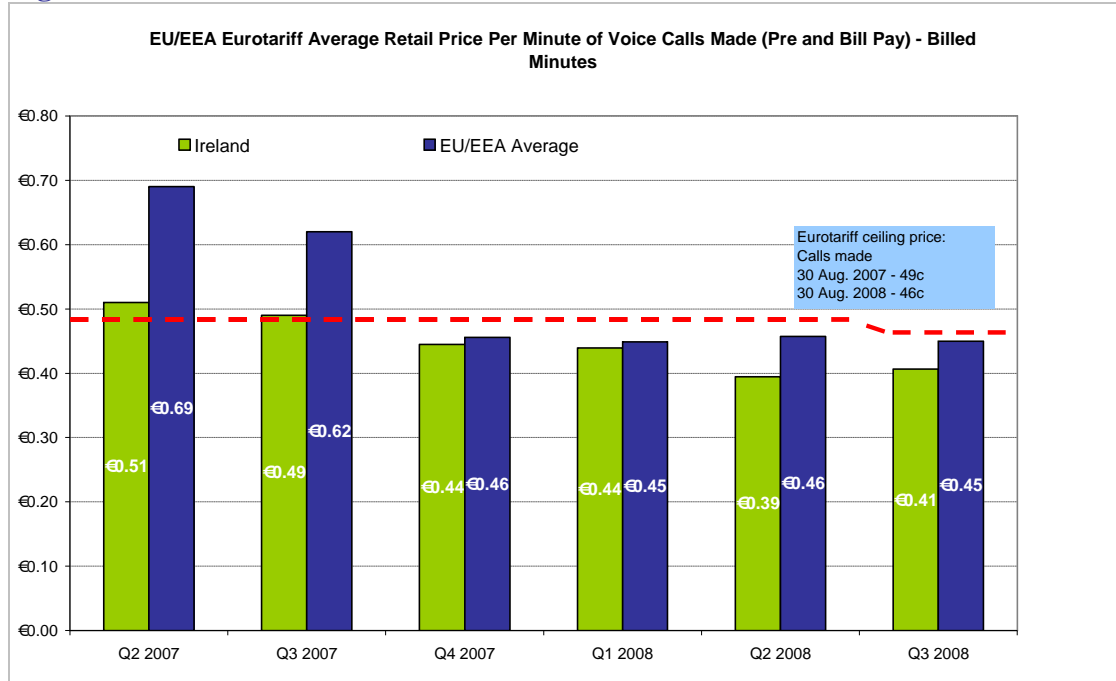
5 Key Points

- Irish retail roaming prices for calls made and received indicate compliance with the regulatory price ceiling of €0.46 and €0.22 Exclu.VAT respectively.
- Ireland's price for calls made and received for the rest of the world (while outside the EU/EEA) has been lower than the EU/EEA average over the reported periods.
- The retail price for sending a text message, in general, has been in line with the EU/EEA average but was below the EU/EEA average in Q2 and Q3 2008. However, these prices are still above the price incurred for sending a text message at home.
- The retail price per megabit of data has varied over the reported quarters reflecting customer movements to bundled tariffs. The price per megabit of data for group companies is substantially lower than for non-group companies and below the EU/EEA average. These prices are not representative of all operators, but rather due to one operator's particular data roaming tariff structure, which limits data roaming to group networks but at domestic rates. This has encouraged high volumes of data roaming with comparatively low associated revenues.
- Ireland's aggregate wholesale price per megabit of data among non-group companies is significantly higher than the EU/EEA average, though prices moderated slightly since Q4 2007.
- As per the EU/EEA average, due to the effect of billing unitisation, Ireland's billed prices for "Eurotariff" and wholesale calls are over 20% higher than actual usage would suggest. However, the surcharge for Irish "Eurotariff" prices for calls received is lower than the EU/EEA average and closer to actual usage charges. This is a reflection of per second billing for calls received by a number of operators.

6 Irish Data Analysis

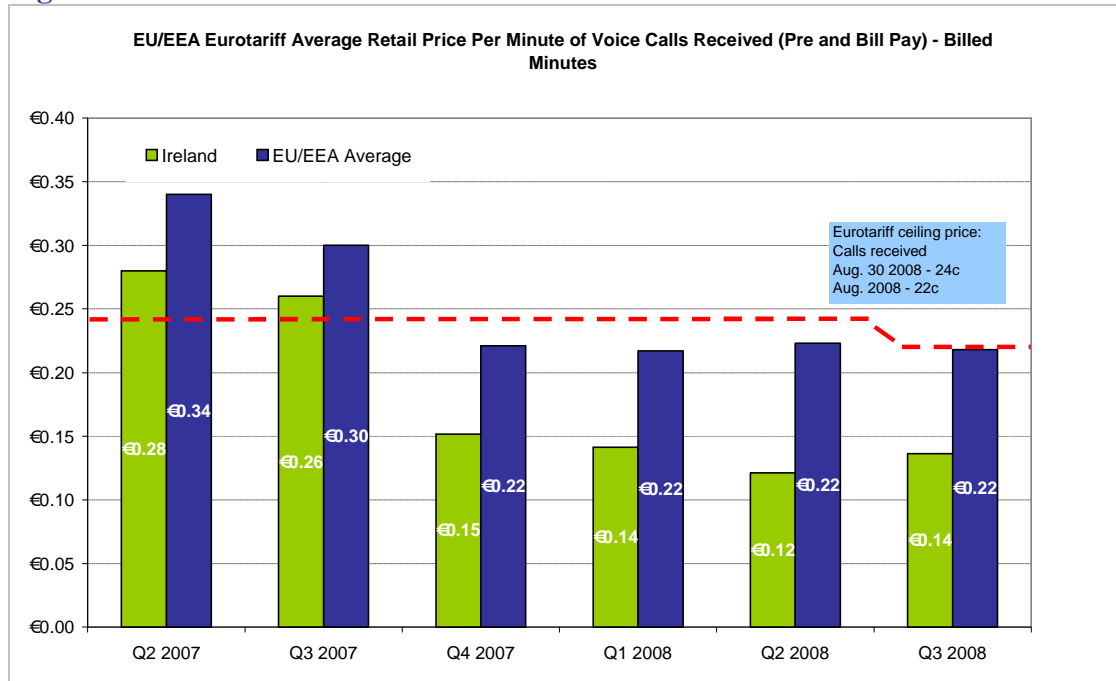
All prices exclude VAT Note: In a number of charts data may slightly differ in this publication to previous publications for periods Q4 2007 and Q1 2008. This is a reflection of revised data received from operators. This is applicable to figures: 1, 3, 4, 6, 8 and 9.

Figure 1



Since Q4 2007, Ireland's "Eurotariff" for calls made has been consistently below the regulated tariff. These prices have also been below the EU/EEA average over these periods.

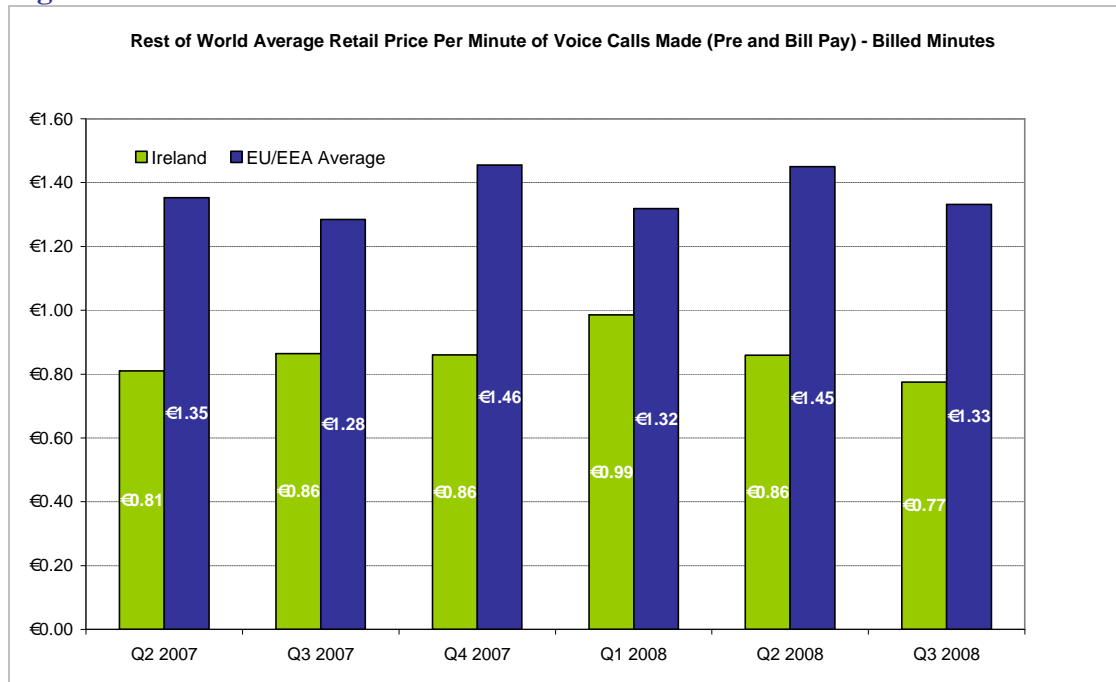
Figure 2



Ireland's "Eurotariff" for calls received has also been below the regulated tariff since Q4 2007 and substantially below the EU/EEA price. This is likely to be, in part, a reflection of per second billing by a number of operators for these calls.

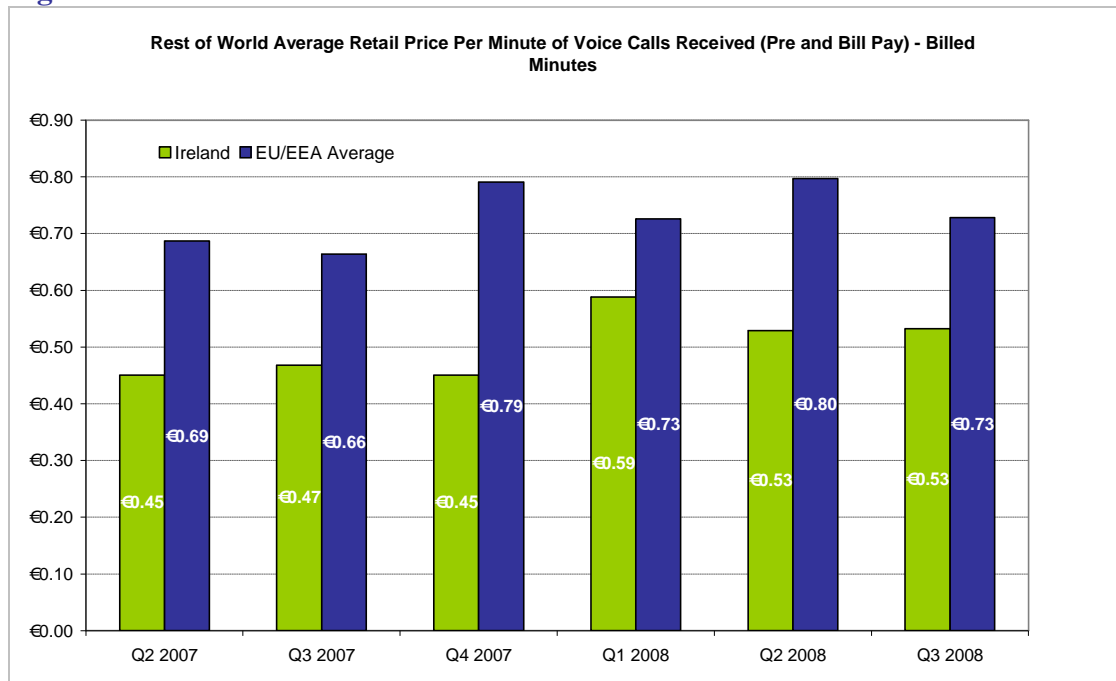
Note: While Q3 2007 data for Ireland shows average prices in excess of the permitted maximum, the data includes 2 months in which the regulation had no effect.

Figure 3



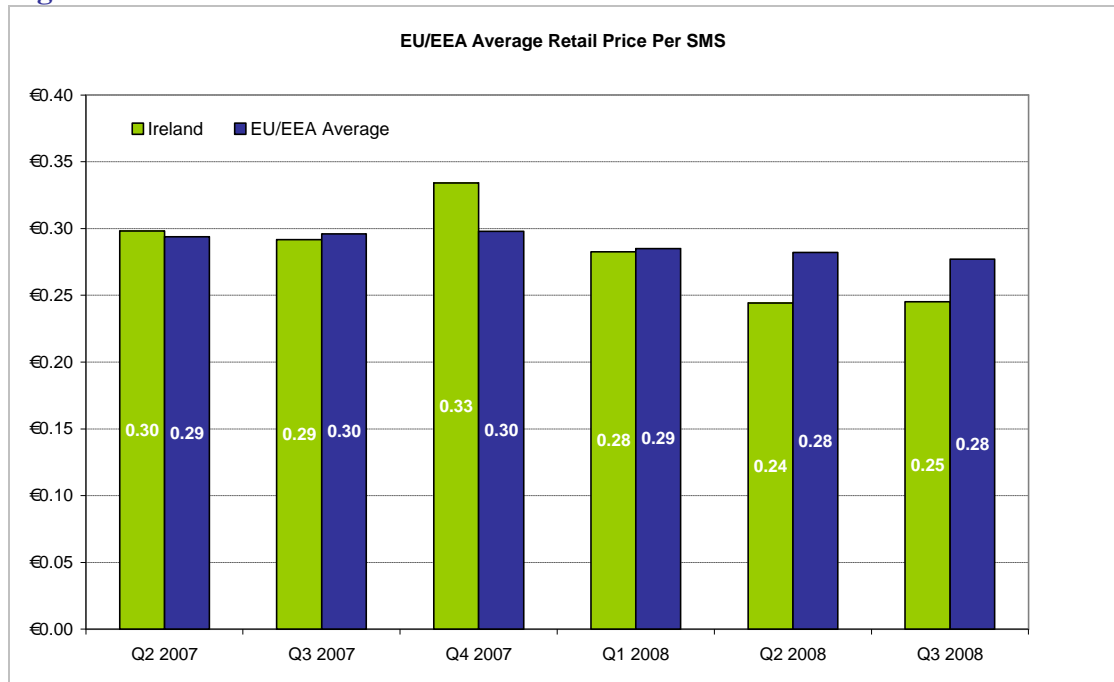
Ireland's average price for making calls outside the EU/EEA has been comparatively cheaper than the EU/EEA average. Prices showed a rise each quarter to Q1 2008 and subsequently declined.

Figure 4



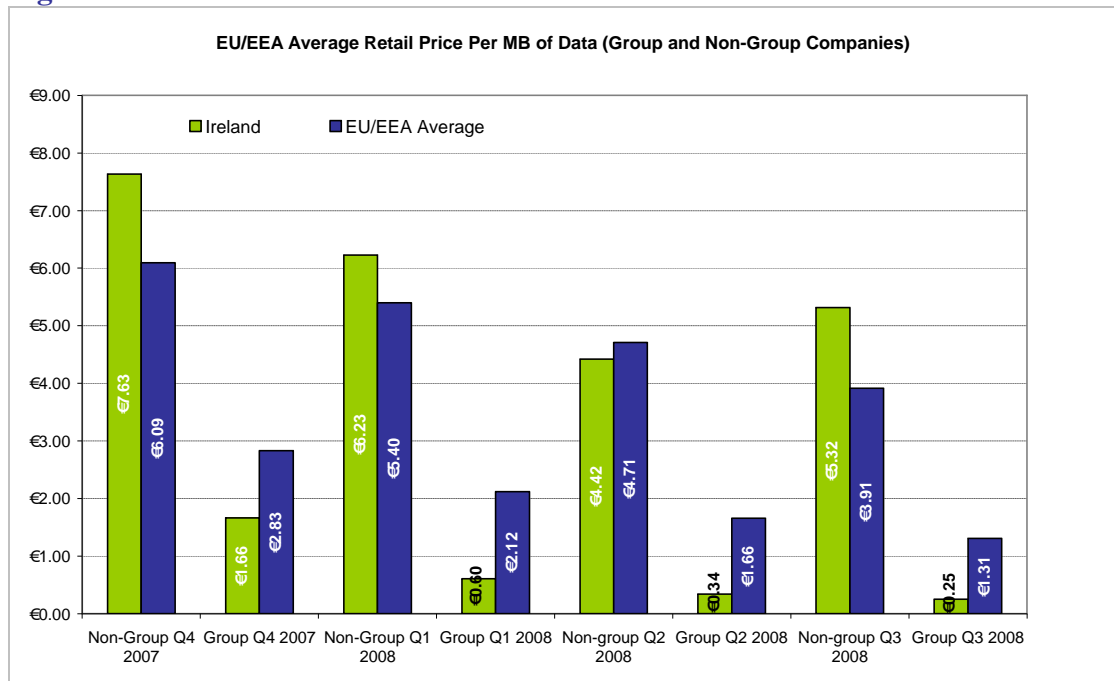
As with calls made, the average price in Ireland for receiving a call when outside of the EU/EEA has been much cheaper than the EU/EEA average.

Figure 5



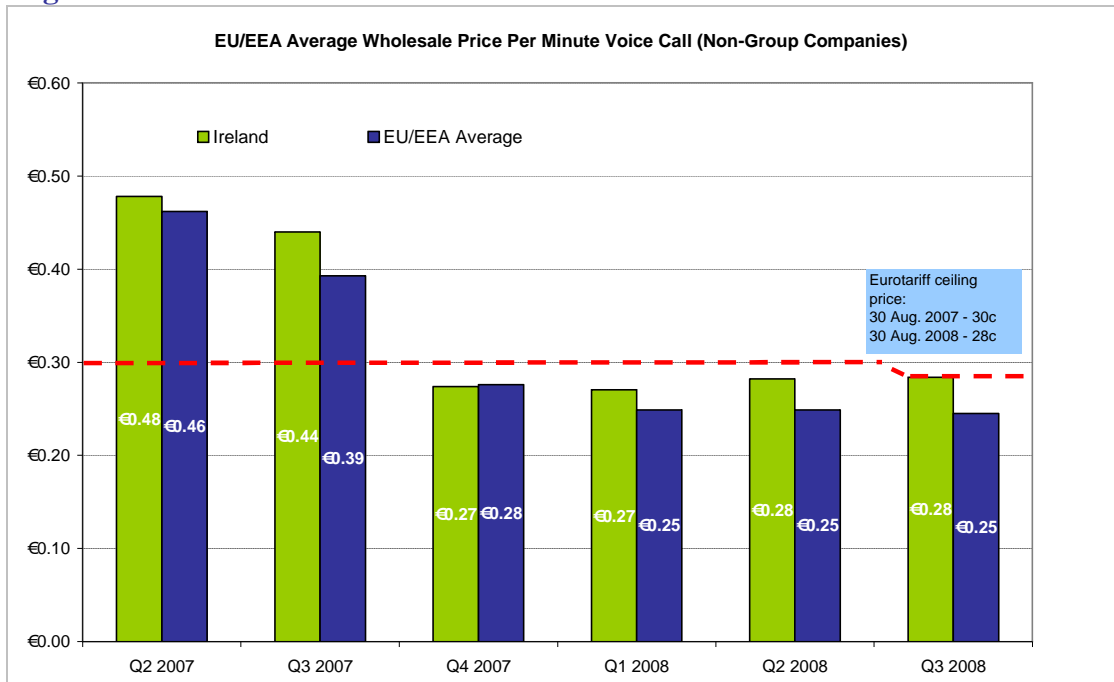
In general, Ireland's average price for sending a text message has been consistent with the EU/EEA average but fell below the EU/EEA average in Q2 2008 and Q3 2008.

Figure 6



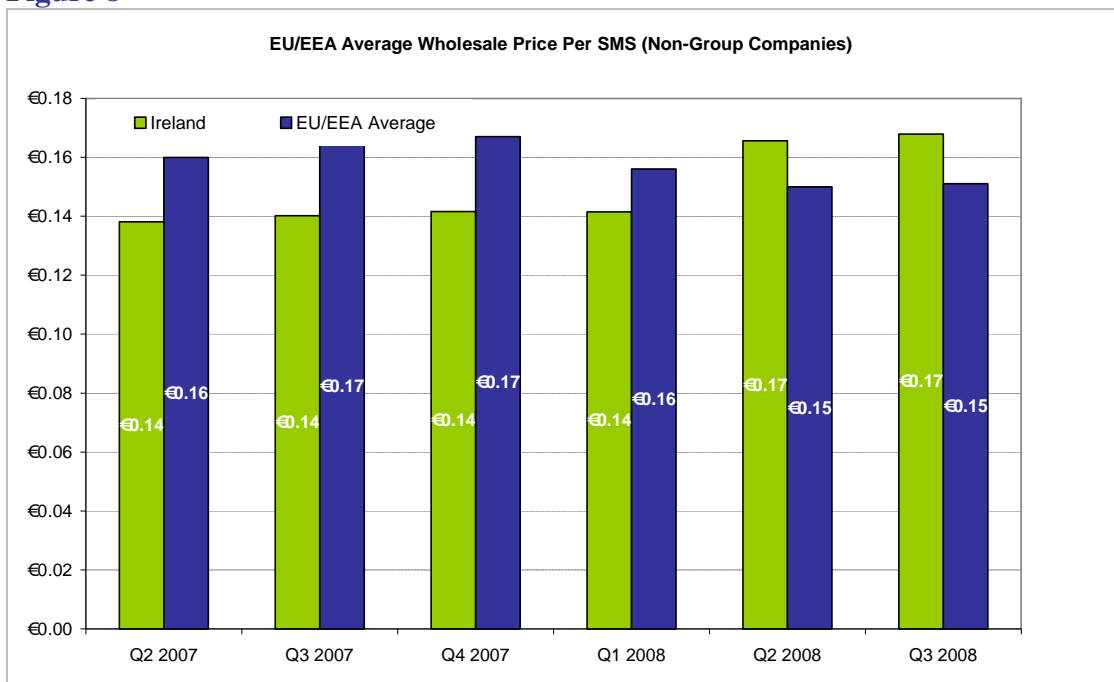
Ireland's retail price per MB of data has varied over the reported periods reflecting customer movements to bundled tariffs. While Ireland's non-group prices have been above the EU/EEA average, Ireland has apparently low aggregate group prices. These prices are not representative of all operators, but rather due to one operator's data roaming proposition, which allows data roaming on selected partner networks at domestic rates. This has encouraged high volumes of data with comparatively low associated revenues. (Note: Group traffic means traffic between entities within the same group where such entities are fully-owned or majority-owned by the group. Non-group traffic corresponds to all traffic that does not fall under the group definition).

Figure 7



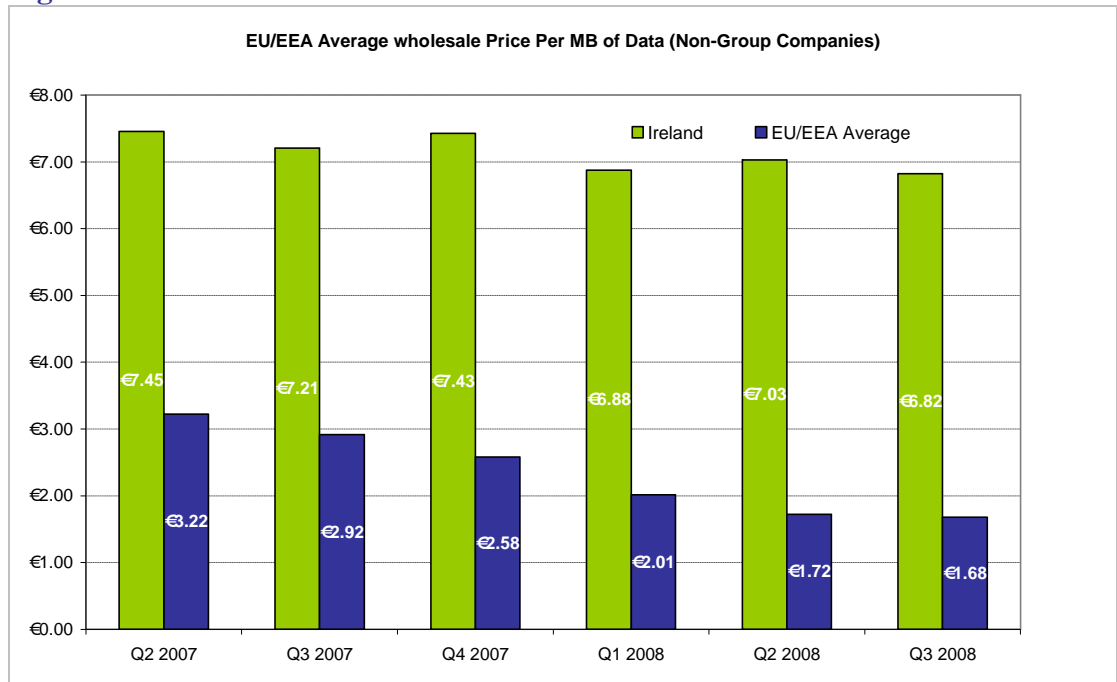
In general, Ireland's wholesale price per call made has been in tandem with the pattern of EU/EEA average prices over the reported periods. The wholesale cap of 30 cents has had an obvious effect, with prices falling below the cap in Q4 2007.

Figure 8



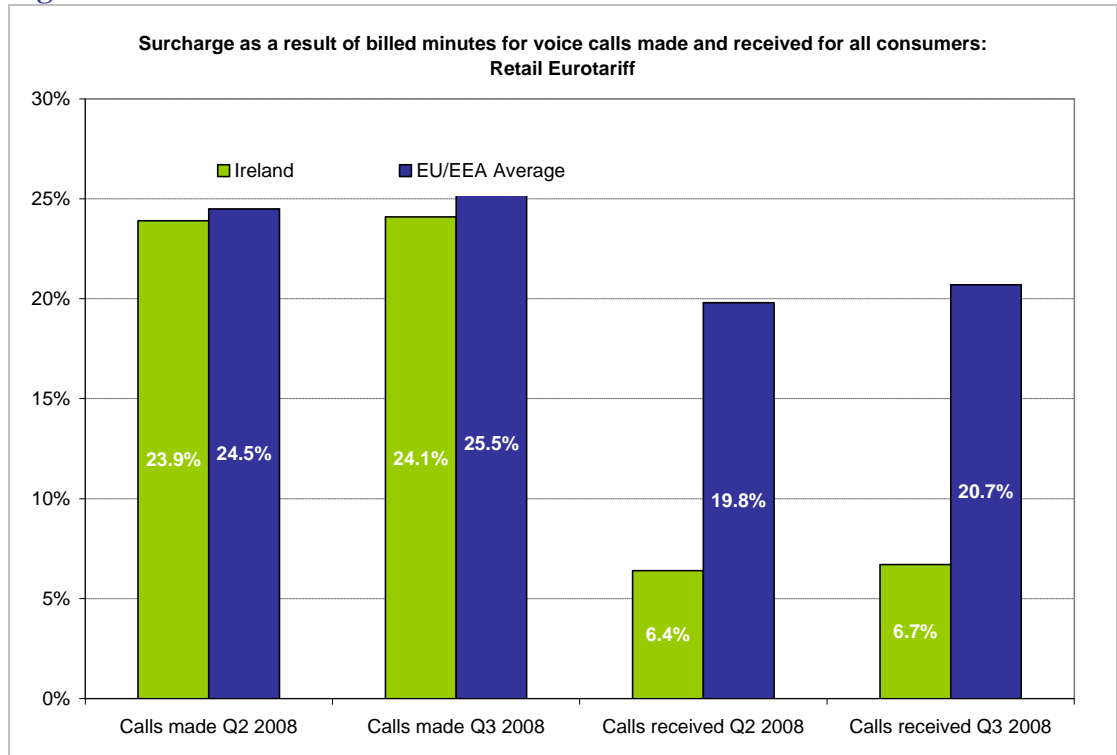
While the average price per SMS among non-group companies was below the EU/EEA average between Q2 2007 and Q1 2008, prices have risen above the EU/EEA average in the latest two quarters of study.

Figure 9



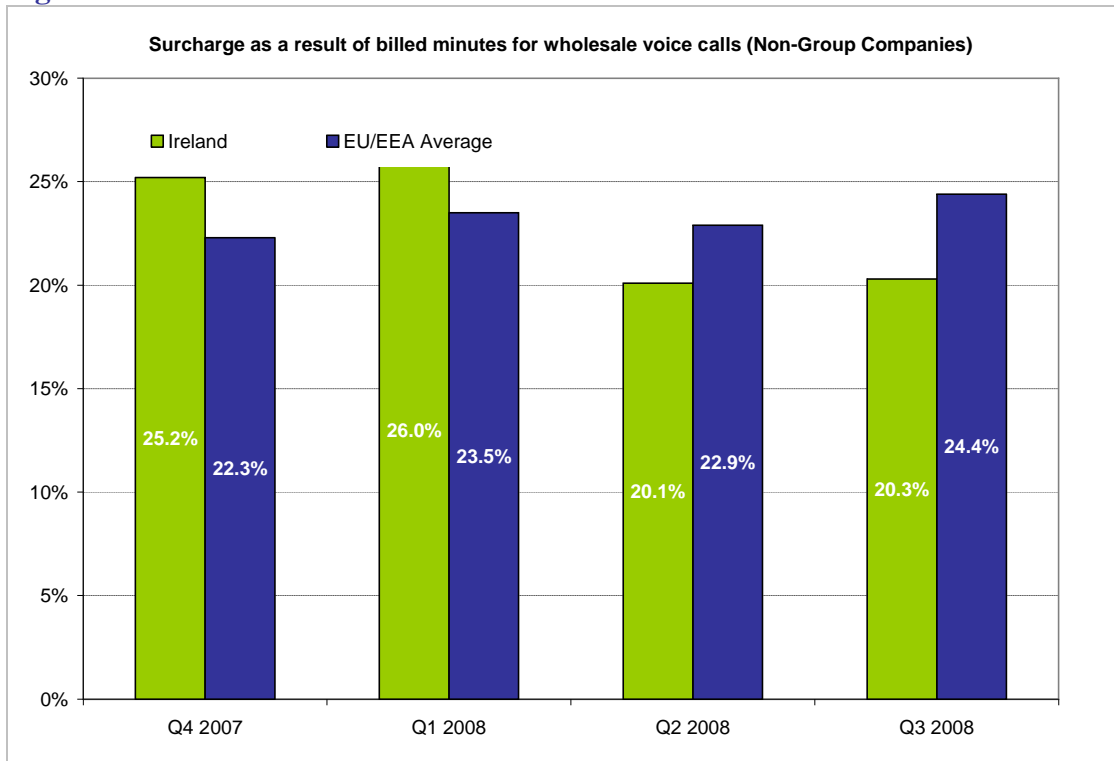
At a wholesale level, the average price per MB of data among Irish mobile operators is well above the EU/EEA average. Prices have declined slightly since Q4 2007.

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). While the Irish percentage deviation is in line with the EU/EEA average, billed prices for calls received are more in line with actual usage. This is a reflection of a number of operators billing on a per second basis for these calls.

Figure 11



This chart is similar to figure 10 but reflects pricing disparities at a wholesale level. For Ireland, the surcharge was above the EU/EEA average in Q4 2007 and Q1 2008 but fell below the EU/EEA average in Q2 and Q3 2008.

7 Legal Basis and Methodology

Article 7 of the Roaming Regulation (EC) No 717/2007 requires NRAs to monitor developments in charges and to report to the European Commission every six months. While this obligation is addressed to individual NRAs, the ERG has acted as a central point for collating aggregated national data.

The third ERG data benchmark report was published on 12 January 2009. This report provides an overview of implementation in all Member States. This and subsequent reports will describe the evolution of the roaming market in the EU.

Article 7(2) of the Regulation requires NRAs to make up-to-date information on the application of the Regulation publicly available. This Information Notice is published for this purpose. As a Regulation of the European Parliament and the Council of the European Union, the requirements are directly applicable. In addition, the Minister for Communications, Energy and Natural Resources made regulations in December 2007 designating ComReg as the National Regulatory Authority for the purpose of the Regulation⁵.

⁵ <http://www.dcenr.gov.ie/NR/rdonlyres/3921AE72-2DA0-4A26-96D9-971035ED491E/0/MobileTelephoneRoamingRegulationsSI792of2007doc.pdf>