

Why act now?

- Over 2.5 billion SMS sent per year by EU citizens while roaming.
- In 2007, the European Parliament called on Commission and national regulators to monitor prices for SMS and data roaming.
- "Review clause" in EU Roaming Regulation: In 2008, the Commission must propose whether regulation for these services is required (Article 11).





1 year to bring prices down

- EU Roaming Regulation: EU will come back to SMS and data roaming in 2008.
- Single market: prices should not be more expensive than at home.
- Expectation that industry would act voluntarily.
- Mobile Congress in Barcelona in February: Commissioner Reding calls on industry to bring down prices for SMS and data roaming credibly.
- Benchmark: 12 cent per roamed SMS.
- Deadline: 1 July 2008.





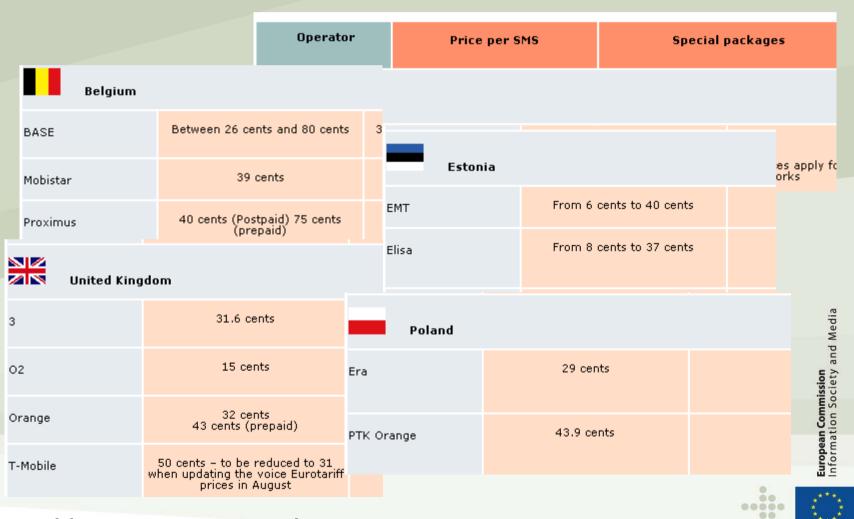
How much do consumers pay for SMS and data from abroad?

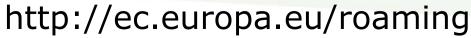
Have prices been lowered?

Findings of the ERG Commission findings



Text prices from abroad - 1 July Operators' letters - Commission website





Text prices from abroad - 1 July

- Prices unchanged: SMS average is around 29 cent
- Price abroad can be 10 times higher than domestic prices
- Prices abroad have no relation to the real cost for the operator of sending an SMS
- Not a single operator has met SMS benchmark of 12 cent

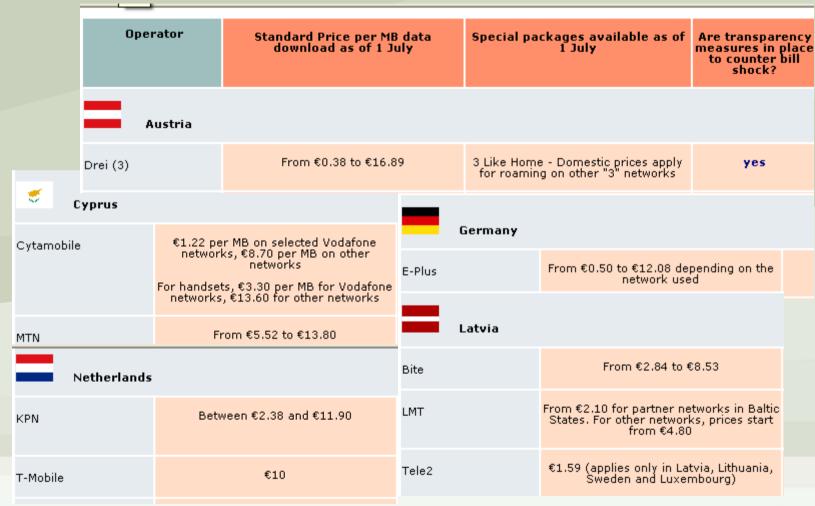


Text prices from abroad - 1 July

- Cheapest offer according to operators:
 6 cent per roamed SMS (Estonia).
- Most expensive offer according to operators: 80 cent (Belgium).
- a Polish tourist in Spain could pay up
 45 cent (1.50 ZL) for 1 roamed SMS.
- A UK tourist in Spain as much as 63 cent (£0.40 GBP).



Data prices from abroad - 1 July Operators' letters - Commission website



European Commission Information Society and Media



Data prices from abroad - 1 July

- Prices started falling but still high
- Many operators now offering flat-rate offers
- Prices for data services while roaming still range from €0.25 per MB to over €16 per MB
- "Bill shock" main problem





SMS: Political conclusions

- Regulation of SMS roaming required to bring prices down.
- ERG recommends wholesale and retail regulation.
- Danish telecoms regulator: 4.2 cent per roamed SMS.
- ERG proposes retail cap between 11 and 15 cent per roamed SMS.



Data: Political conclusions

- "Too early to exclude price regulation" (ERG).
- Transparency measures indispensable to avoid "bill shocks".
- Wholesale regulation: could be necessary to promote competition and protect smaller and newer operators
- Retail prices: Market needs to be closely watched over the summer.



Road map for the "Roaming II" Regulation

 Formal Commission Proposal: early autumn (September/October)

 Political Agreement: under French presidency

Adoption: Before EP elections

Entry into Force: 1 July 2009





