

Texting Without Borders



European Commission
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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).

<http://ec.europa.eu/roaming>



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**.

<http://ec.europa.eu/roaming>



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

Have prices been lowered?

Findings of the ERG
Commission findings

<http://ec.europa.eu/roaming>



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Text prices from abroad - 1 July

Operators' letters - Commission website

		Operator	Price per SMS	Special packages
Belgium				
	BASE		Between 26 cents and 80 cents	3
	Mobistar		39 cents	
	Proximus		40 cents (Postpaid) 75 cents (prepaid)	
Estonia				
		EMT	From 6 cents to 40 cents	es apply for networks
		Elisa	From 8 cents to 37 cents	
United Kingdom				
	3		31.6 cents	
	O2		15 cents	
	Orange		32 cents 43 cents (prepaid)	
	T-Mobile		50 cents - to be reduced to 31 when updating the voice Eurotariff prices in August	
Poland				
		Era	29 cents	
		PTK Orange	43.9 cents	

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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

Operator	Standard Price per MB data download as of 1 July	Special packages available as of 1 July	Are transparency measures in place to counter bill shock?
Austria			
Drei (3)	From €0.38 to €16.89	3 Like Home - Domestic prices apply for roaming on other "3" networks	yes
Cyprus			
Cytamobile	€1.22 per MB on selected Vodafone networks, €8.70 per MB on other networks For handsets, €3.30 per MB for Vodafone networks, €13.60 for other networks		
MTN	From €5.52 to €13.80		
Germany			
E-Plus		From €0.50 to €12.08 depending on the network used	
Latvia			
Bite		From €2.84 to €8.53	
LMT		From €2.10 for partner networks in Baltic States. For other networks, prices start from €4.80	
Tele2		€1.59 (applies only in Latvia, Lithuania, Sweden and Luxembourg)	
Netherlands			
KPN	Between €2.38 and €11.90		
T-Mobile	€10		

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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

<http://ec.europa.eu/roaming>



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.

<http://ec.europa.eu/roaming>



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.

<http://ec.europa.eu/roaming>



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**

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