



# **Roam Like at Home (RLAH)**

## ***A step towards Telecom Single Market (TSM)***

**INFOFEST**  
*Budva, Montenegro*  
*26<sup>th</sup> of September, 2016*



# AGENDA

1

INTRODUCTION

2

EU ROAMING REGULATION

3

CONCLUSION



# AGENDA

**1** INTRODUCTION

**2** EU ROAMING REGULATION

**3** CONCLUSION



# INTRODUCTION

- ❖ *The Telecoms Single Market Regulation (TSM) entered into force in November 2015.*
  
- ❖ *The Regulation imposes:*
  - ❖ *Net neutrality rules at EU level from April 30, 2016;*
  - ❖ *Abolishment of retail roaming surcharges from June 15, 2017.*
  
- ❖ *Initial TSM proposal included: single EU authorisation, changes to market analysis procedure, EU wholesale broadband products, additional consumer protections measures and BEREC institutional changes:*
  - ❖ *They have been discarded during the negotiations.*
  
- ❖ *Net neutrality:*
  - ❖ *Net neutrality rules mandates the equal treatment of all traffic by internet access service providers;*
  - ❖ *ISPs may use reasonable traffic management measures and may also offer specialized services.*
  
- ❖ *Roaming:*
  - ❖ *Retail roaming surcharges should be abolished by June 15, 2017;*
  - ❖ *Operators can implement fair use policies and can retain surcharges if they can demonstrate that they cannot cover their costs of providing roaming.*



# AGENDA

1

BULLET

2

**EU ROAMING REGULATION**

3

CONCLUSION

# EU roaming Regulation

## Changes introduced by the Telecoms Single Market Regulation (TSM)



### Transitional price regulation\*

 A transitional regime as from April 30, 2016.

	Since July 1, 2014	From April 30, 2016	From June 15, 2017
<b>Voice – outgoing</b>	19 €cents/min	Domestic price + 5 €cents/min (but the total price can be no higher than 19 €cent/min)	Domestic prices, no retail roaming surcharges (except when the fair use limit is passed)
<b>Voice – incoming</b>	5 €cents/min	1.14 €cents/min	
<b>SMS – outgoing</b>	6 €cents/SMS	Domestic price + 2 €cent/SMS (but the total price can be no higher than 6 €cent/SMS)	
<b>Data</b>	20 €cents/MB	Domestic price + 5 €cents/MB (but the total price can be no higher than 20 €cents/MB)	

\*Cullen International


# EU roaming Regulation

## Changes introduced by the Telecoms Single Market Regulation (TSM)



### Abolition of retail roaming surcharges – Actions to be taken

Topic	Issues to be addressed	Instrument and procedure	Status
<b>Review of the national wholesale roaming markets</b>	<ul style="list-style-type: none"> <li>Are national wholesale roaming markets sufficiently competitive to enable RLAH, subject to a fair use clause?</li> <li>Prevention of permanent roaming</li> </ul>	Regulation Legislative procedure with European Parliament and the Council (co-decision)	<ul style="list-style-type: none"> <li>First discussion in lead Parliament Industry (ITRE) committee: September 5, 2016</li> <li>Commission proposal for a draft Regulation presented on June 15, 2016</li> </ul>
<b>Fair use policy</b>	Addressing “ <i>abusive or anomalous</i> ” roaming by end users, including permanent roaming	Binding Implementing Acts to be approved by the member states (comitology – examination procedure)	To be adopted by December 15, 2016
<b>Sustainability mechanism</b>	Allowing a surcharge if the provision of roaming services is not economically viable		













 *If the legislative proposals to resolve any wholesale issues are not applicable by June 15, 2017 → the date for the abolition **will be delayed**.*

# EU roaming Regulation

## Fair use policies (FUP)



### *Fair use policies (FUP) – current EC proposal*

-  *FUP are intended to prevent abusive or anomalous usage - permanent roaming;*
-  *Time criterion: 90 days per year, 30 days consecutive usage*
  -  *Based on registration requirements in accordance with Directive 2004/38/EC*
  -  *Exemption for same day trips.*
-  *Volume criterion: only for open bundles*
  -  *Average monthly consumption of the specific tariff plan*
-  *Prepaid:*
  -  *Minimum volume of domestic consumption corresponding to the ARPU*
-  *Detection of risk of abusive or anomalous use:*
  -  *If there is evidence (observed for 45 days), a surcharge may be applied*
-  *Quality of service*
  -  *Operators shall be prevented from applying any clauses limiting the quality of roaming services*



# EU roaming Regulation

## Sustainability of the abolition of retail roaming surcharges



### *Sustainability of the abolition of retail roaming surcharges – current EC proposal*

- ❖ *Timing and provision of data*
  - ❖ *Assessment based on a period of 12 months including 45 days of actual RLAH data*
  
- ❖ *Costs:*
  - ❖ *Operators shall take into account roaming specific costs: costs for the purchase of wholesale roaming access and roaming specific retail costs*
  
- ❖ *Revenues:*
  - ❖ *Bundle revenues have to be allocated among the different services;*
  - ❖ *Specific allocation key based on wholesale costs for in-bundle revenues*
  
- ❖ *Assessing sustainability:*
  - ❖ *Roaming margin shall be compared to the domestic margin*
  - ❖ *Derogation can be granted if sustainability percentage is at least 5%*

# EU roaming Regulation

## Review of the wholesale international mobile roaming market



- ❖ *Draft Regulation on the review of the wholesale international mobile roaming market:*
  - ❖ *Wholesale international mobile roaming rates should be lowered to:*
    - ❖ *4 €cent/min (voice);*
    - ❖ *1 €cent/SMS;*
    - ❖ *0,85 €cent/MB for data as of June 15, 2017.*
  
- ❖ *The review of the wholesale roaming rates is a prerequisite to enable roaming at domestic prices (RLAH) from the same date*
  
- ❖ *Main dispute between „southern“ and „northern“ countries – price of wholesale roaming data caps*



### *Main actions:*

- ❖ *Implementing act on weighted average of maximum mobile termination rates*
  - ❖ *Roaming retail price cap for voice-incoming*
  - ❖ *December 2015 → 1.14 €/min*
  - ❖ *Next review → December 2016*
  
- ❖ *BEREC report on the review of the international mobile roaming market (February 2016):*
  - ❖ *Assessment of the principles to set wholesale international mobile roaming charges;*
  - ❖ *The aim is to achieve a balanced outcome to ensure that wholesale rates are not set too high or too low in any EEA country;*
  - ❖ *Cost can be seen as the "floor for any wholesale regulation" - operators need to be able to recover their costs;*
  - ❖ *BEREC: "at the same time, roaming markets can be seen as competitive where the rationale for imposing cost orientation is not necessary."*
  
- ❖ *BEREC roaming guidelines updated in accordance with the TSM Regulation (February 2016)*
  - ❖ *The updated guidelines focus on the transitional period from April 30, 2016 until June 14, 2017*



# AGENDA

1

INTRODUCTION

2







EU ROAMING REGULATION

3

CONCLUSION

# CONCLUSION



-  *As of April 30, 2016, the TSM Regulation applies to mobile international roaming;*
-  *Retail international mobile roaming surcharges will no longer apply from June 15, 2017;*
-  *Roaming wholesale market will have to be reformed first → by December 31, 2016 the latest;*
-  *Operators can implement fair use policies to prevent the abuse of regulated roaming services (FUP);*
-  *Operators can retain surcharges - they have to demonstrate to their NRA that they cannot cover costs of providing roaming (sustainability);*
-  *Main dispute between „southern“ and „northern“ countries – price of wholesale roaming data caps.*



*Mislav Hebel M.Sc.EE.  
Senior expert for communication networks*