



GSMA Comments on BEREC's Analysis of the European Commission's Proposal for a Regulation on Roaming (COM (2011) 402 of 6 July 2011

1. BEREC's first assessment of the European Commission's legislative proposals on roaming is a timely contribution to helping clarify some of the key issues for discussion during forthcoming deliberations in Council and Parliament. It suggests growing alignment on the need to take a different approach to regulating the roaming market. We share the consensus view that stimulating competition with a combination of structural reforms and safeguard price caps will be more effective than restricting the market with stringent and indefinite price controls.
2. The proposed structural measures can only be effective if retail price caps are set at genuinely safeguard levels that incentivise market entry rather than discourage it. In this context we believe that the caps currently considered by BEREC do not strike the right balance and risk being self-defeating. We think that legislators need to be particularly cautious regarding any introduction of tight retail caps for the fast growing data roaming market. As BEREC recognises, the market is showing signs of healthy competition, and increasing numbers of innovative and competitive price offers are becoming available. This trend is confirmed and highlighted in the latest edition of our Data Roaming Price Basket Index (www.gsmworld.com/documents/20110901_GSMA_Data_Roaming_Price_Basket_August.pdf).
3. As part of its structural reforms the Commission has proposed to decouple roaming from domestic markets by 2014. This is a significant and resource intensive measure that must not be undertaken as a try-it-and see approach, but we believe that it can be delivered to that timeline. Our members are in the process of assessing the exact costs, feasibility and effectiveness of different implementing solutions and we are optimistic that, through close co-operation with BEREC and the Commission, a solution will be enabled. It is important that its implementation be limited to the roaming market, be easy to use for customers, and maintain existing levels of security, data protection and fraud prevention.



4. GSMA shares BEREC's reservations about a 2015 review as this will be too early to determine the effectiveness of the decoupling reforms introduced just a year earlier, particularly as any assessment would be based on 2014 prices. If a review is to take place then, it should focus on collecting interim data and assessing industry's compliance with the new rules. As highlighted above the decoupling of roaming and domestic services will represent a substantial investment in time and resources and must be given time to prove its worth .

5. Competitive opportunities and incentives released through decoupling may be undermined if there is uncertainty surrounding the future of retail price caps following a 2015 review. Legislators should look to provide the clarity and certainty required to allow the structural reforms the best chance of success. If industry is to be asked to commit seriously to a structural solution, it has to be given a serious chance to work. In the meantime safeguard caps will provide the guarantee that consumers will not be impacted by any outlying or legacy roaming tariffs. No move to tougher caps should be envisaged until 2017 at the earliest.

6. Despite the difficult macro-economic environment and downward pressure on our industry's stocks and revenues, the European mobile industry remains committed to supporting delivery of the European Digital Agenda. Balanced and proportionate EU policies and regulations can facilitate this as industry reaches a critical phase in its investment cycle. It is important that we find the right balance between the market mechanism and regulatory intervention to ensure the necessary investments in future networks. This will be essential to cater for explosive growth in mobile data traffic.

About the GSMA

The GSMA represents the interests of mobile operators worldwide. Spanning 219 countries, the GSMA unites nearly 800 of the world's mobile operators, as well as more than 200 companies in the broader mobile ecosystem, including handset makers, software companies, equipment providers, Internet companies, and media and entertainment organisations. In the European Union the GSMA represents over 100 operators providing more than 600 million subscriber connections across the region The GSMA also produces industry-leading events such as the Mobile World Congress and Mobile Asia Congress.

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