European consumers demand low wholesale roaming price caps

Dear Deputy Ambassador,

I write on behalf of The European Consumer Organisation (BEUC) to urge you to agree on a wholesale roaming market reform with low price caps and no additional derogatory measures for mobile providers.

Low wholesale price caps are necessary to fulfil the objectives of the EU’s roaming policy, in particular to put an end to retail roaming fees as it has been promised to European consumers.

European consumers expect the end of roaming fees in June 2017

For many years, consumers have denounced the unacceptable situation they are exposed to in the EU’s roaming markets, and now expect what has been promised to them: the abolition of retail roaming fees in June 2017. The roaming reform\(^1\) that was agreed in October 2015 puts much fine print under such a promise, including a necessary reform of wholesale roaming markets.

The end of retail roaming fees must be sustainable: ambitious wholesale reform is necessary

Without an ambitious wholesale market reform, there is a risk that consumers will pay for the negative consequences: mobile providers warn that they could increase domestic prices or stop providing roaming services altogether, hampering competition. All these scenarios gravely affect consumers’ interests and must be avoided by bringing wholesale caps as low as is economically feasible.

When reforming wholesale markets, the co-legislators’ objective should be to inject more competition, not less, into wholesale markets. Setting wholesale caps as low as possible would put pressure on national markets where wholesale competition is less efficient to boost competition so that real costs are brought down. This would be a win-win scenario for mobile providers (lower operational and wholesale costs), and for consumers (lower retail prices).

\(^{1}\) Regulation 531/2012 as amended by Regulation 2120/2015.
The lower the wholesale price caps, the more data consumers will have while roaming

The “Fair Use” rules adopted by the European Commission on 15 December 2016 enable providers that offer mobile connectivity at competitive prices to put a limit on the amount of data that consumers of those tariffs can use while they travel.

These volume limits will work in a way which in practice means that the lower the applicable wholesale price cap, the larger the amount of data that consumers will have while roaming.

**Real-life examples** speak for themselves:

1) A French consumer who pays 35 Euros per month for 20 GB in France would be able to consume only 7 GB while roaming if the wholesale price cap is set at 10€/GB (Council’s proposal) and 17.5 GB if the wholesale price cap is set at 4€/GB (Parliament’s proposal).

2) A Danish consumer who pays 16 Euros per month for 10 GB in Denmark would be able to consume only 3.2 GB while roaming if the wholesale price cap is set at 10€/GB (Council’s proposal) and 8 GB if the wholesale price cap is set at 4€/GB (Parliament’s proposal).

In order to guarantee the sustainability of the end of retail roaming fees and to allow European consumers to have as much data as possible available to them while they travel, **we urge you to agree to low wholesale price caps with a pre-defined timeline of further decreases of the caps, along the lines of the European Parliament’s proposal**.

**No further derogations should be enacted**

Mobile providers are already protected by a suite of safeguards such as the retail sustainability mechanism, the option to offer alternative roaming tariffs, and the possibility to use “Fair Use” Policies.

Adopting further derogatory measures that have not been properly assessed regarding their concrete market impact could create market fragmentation and undesired effects on competition in both wholesale roaming and domestic retail markets.

Yours faithfully,

Ursula Pachl
Deputy Director General