



BoR (14) 152

Looking for the future model for roaming

2nd BEREC Stakeholder Forum Meeting

16 October 2014, Brussels

Restricted - Confidential Information

© GSM Association 2013

All GSMA meetings are conducted in full compliance with the GSMA's anti-trust compliance policy

RLAH shall not entry into force before mid 2017



- Legal certainty has been constantly undermined, as since 2007 we've had four Roaming' Regulation reviews
 - Roaming III imposed new obligations to develop competition, with costly and complex implementation; the market is currently evolving
 - now new paradigm: the end of roaming surcharges
- RLAH/FUP is such a disruptive proposal that details should be known well in advance due to enormous complexities, challenges and impacts.
- Fast track procedures should be avoided. Before RLAH is implemented, both wholesale and retail markets should be analysed to avoid arbitrage.
- Imposing RLAH and FU will require substantial changes in IT and contracts, which calls for a sufficient migration period (cf past regulatory precedents).
- December 2015, as proposed by European Parliament is unachievable
 - implementation subject to definition of all parameters (regulation, FUP, etc);
 - followed by a reasonable migration period – 12/18 months;
 - in any event entry into force cannot occur before mid 2017.

RLAH has enormous implementation challenges



- Need first the adoption of the Regulation and FU definition before impact for implementation can be assessed
 - the scope is uncertain;
 - important not to be forced to implement RLAH for all existing tariffs

- The main technical, commercial and legal impacts are:
 - IT/billing provisioning will be costly and time consuming
 - Deep commercial portfolios that should be adapted to RLAH
 - Impact on current customers commercial commitments

- Costs of roaming are higher than domestic and have not been considered in retail prices levels for domestic in the whole portfolio.

- Flexible and “keep it simple” approach (important not be forced to implement roam like home on all tariffs, e.g. introduction of Euro tariff as in 2007) is needed to limit unnecessary implementation costs.

- Avoid another LBO/decoupling experience.

Fair Usage Policy definition should be flexible



- Absolutely necessary in RLAH context to avoid national market distortions.
- Principles to be defined at EU level and flexible enough to allow MNOs to
 - implement them according to local markets specificities.
 - compete, differentiate themselves and adapt to end user needs.
- Transparent, simple to explain and understandable for customers.
- Consistent and suitable with all types of tariff structures.
- Easy to track the compliance with regulatory requirements.

-
- Across EU28 markets we have seen increasingly more roaming innovative offers, with operators offering affordable roaming add-ons, in-allowances.
 - Operators should keep the commercial ability to have alternative offers as not all customers travel abroad and use roaming. i.e. offers to non-roamers.
 - Commercial experiences with small daily fees have been really positive as usage has increased and subsidies between roamers and non-roamers have been limited.
 - Possibility to introduce a small and fixed fee while roaming is consumed at domestic prices. This “access right” could be regulated taking into account national circumstances and monitored by NRA’s.

Careful consideration must be given to wholesale



- Operators should be able to recover their investments and costs.
- There are large differences in costs between EU countries, therefore this has to be taken into consideration.
- Should prices be further reduced, the combination of a RLAH obligation with wholesale roaming access obligation risks impacting competitive domestic markets (arbitrage).
- Operators should remain free to commercially deal with permanent roaming in bilateral negotiations, although shouldn't be used as a regulated by-pass of a domestic wholesale or MVNO business model.
- BEREC should demonstrate that their proposals at wholesale level effectively mitigate against these risks before RLAH is implemented.
- Any report/legislative proposal on the wholesale market should be justified by a robust impact assessment and prior stakeholders public consultation on the draft measures.

-
- The two decoupling obligations should be deleted due to inconsistencies, Single IMSI and LBO
 - Cut-off facilities should be left as they are today. No ad-hoc approach especially for traffic beyond fair use