

International mobile roaming

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This has been a very, very long story and one that might be coming towards an end. Perhaps the Churchillian, the beginning of the end, is more appropriate.

It is almost ten years since the European Commission first undertook to forgive the competition law violation that is in the framework for inter-operator roaming agreements.

It is almost seven years to the day since the European Commission adopted its decision to launch a sector inquiry in 1999 that examined the excessive prices charged for international mobile roaming. An inquiry that had no discernible effect on the behaviour of the operators.

It is almost three years to the day since all the National Regulatory Authorities (NRAs) in the European Union came under a binding legal obligation to analyse roaming markets. Though few NRAs have bothered to do so and none has reached any helpful conclusions.

In a few days time the European Commission will adopt the Reding Roaming Regulation (3R) which, many of us hope, will put some nails into the coffin of international mobile roaming abuses and overcharging for voice, text messages and data.

Commissioner Reding spoke last week at the EVUA conference in Brussels about the importance of reducing roaming charges for European business.¹

It was business users who first complained about roaming charges and who sustained the argument for almost a decade. This was because, despite their imagined buying power, they have been unable to negotiate roaming prices down to a level that is either acceptable or reflects cost.²

This has never been just about consumers and holiday-makers for whom the burden of roaming charges can be considerable, it is also about completion of the European internal market. It is about ensuring that European business has access to the ICTs at reasonable prices across the twenty-five member states.

Some people, including it seems Commissioners Mandelson and Verheugen, appear to believe that wholesale regulation will suffice. This appears to be based on the belief that wholesale price reductions will be passed on by mobile operators.

Such views can have no basis in experience of the mobile markets over the last decade. Indeed, it goes against everything we have learned. Such views can only arise from the propaganda of the mobile operators.

If retail roaming markets worked, then users would not have been complaining about them, not since the last European Commission, but the one before. We are going back to the days of Commissioners Bangemann and van Miert!

¹ <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/06/427>

² <http://www.evua.org/EVUA%20International%20Mobile%20Roaming%20news%20release%20final%20-%20June%202006.pdf>

What has worked and remarkably effectively, has been the political pressure exercised by Commissioner Reding on the operators. If that pressure is now lifted, then the special offers and the discounts will pass like the fading of the suntans and romances of the summer.

The example of the European Commission has already seen action being taken in Asia. The Indian regulator has been work to lower roaming prices.³ The Commission must maintain its position of leadership.

There appears to be some concern in the financial community that this is to be the first of many initiatives outside the main thrust of the regulatory framework. This is an ancient complaint and one that the mobile operators ignored, considering it to be mere political froth from the European Parliament and the Brussels press corps. There are no other complaints outstanding and unresolved for a decade. Madam Reding has correctly identified a logjam and is taking action to remove it. We will not see a similar move for very many years.

That said, competition law continues to apply to mobile operators. In that there might lie a few regulatory surprises.

For the moment, we need to see continued and robust pressure to remove these enduring abuses. The European economy and indeed holidaymakers cannot afford to have the European Commission pander to a bunch of mobile operators.

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³ http://www.trai.gov.in/ConsultationPapers_content.asp?id=88