

# Questionnaire on roaming market and regulation in the EEA area

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## 1. Introduction

The European Parliament has proposed to abolish retail roaming surcharges from 15 December 2015. Even though the Council has not formed its views yet, the European Commission has considered it necessary to already initiate the required work. Therefore, the Commission has requested BEREC to provide its advice in assessing the state of the wholesale roaming market and defining fair use criteria for the use of roaming services. Please find attached a copy of the original request from the Commission.

The BEREC International Roaming Expert Working Group (the EWG) would like to request the information to support the work on estimating the costs of wholesale roaming services, on assessing the wholesale roaming market and on defining the fair use criteria. The EWG considers that contribution from NRAs and operators are an important part of the required work referring to the obligations of BEREC, set out by Articles 16 and 19 of the Roaming Regulation (no 531/2012), to collect data from NRAs on the development of retail and wholesale charges for roaming services and contribute to the review regarding achievement of the objectives of the Regulation.

The EWG and BEREC Office will not publish answers at an operator level. In case the data include confidential material please mark the confidential data before sending. The EWG and BEREC Office will treat such material as confidential.

Please send any questions about completing the questionnaire to [int-roaming@berec.europa.eu](mailto:int-roaming@berec.europa.eu).

## 2. Assessment of retail (roaming) tariffs and fair use

The EP amendments require BEREC to issue guidelines on the fair use criteria, therefore BEREC would like to collect the following information.

### 2.1 Current RLAH offers

'Roam Like at Home' (RLAH) refers to tariffs, in which the domestic service price also applies to regulated roaming services, e.g. tariff options where a certain volume (minutes, SMS or MB) included in a bundle for a monthly fee could also be used for regulated roaming services.

Question 1: Do you currently offer RLAH tariffs? If yes, please give a short description.

Question 2: If yes, are there any RLAH limitations e.g. in terms of maximum number of days per year allowed on roaming, or limiting usage to a percentage of total domestic bundle? Please specify.

Question 3: Please give a short description of any limitation policies you apply to domestic tariffs.

Question 4: Do you offer any unlimited domestic tariffs (without any limitation)? Please give a short description.

## **2.2 Potential fair-use policies due to introduction of RLAH**

Question 5: Please, provide a short summary of any fair use criteria you would like to be entitled to adopt in order to accompany the introduction of the European Parliament's 'Roam Like At Home' proposals. Please, explain the extent to which, if at all, these would differ from the domestic and international fair usage policies discussed above.

Question 6: Do you think that for voice, SMS and data limitations in terms of number of days would be a suitable policy?

Question 7: Do you consider an additional limit in terms of volume advisable? Please distinguish between different types of offers and services (voice, SMS, data)?

Question 8: If yes, how should it be defined (based on average consumption of each customer/customer segment etc)? Please, specify.

## **2.3 Abroad consumption**

Question 9: Please provide the distribution of customers roaming within the EEA (in terms of days). If possible, please split by customers' type (prepaid/postpaid; business vs residential customers etc).

Question 10: In case you already offer RLAH tariffs, please provide data about increases in traffic because of the introduction of RLAH? Please split by service (voice, SMS, data). Please also compare the consumption abroad in RLAH tariffs to the average domestic consumption.

### 3. Possible impact of RLAH and roaming regulation on domestic markets

The main goal of the roaming Regulation is to enable European customers to keep on using their mobile phones when travelling to a different Member state, i.e. for “temporary roaming”. Nevertheless, in some instances, providers may seek access or use granted access for applications which could be considered to be “permanent roaming” uses in the visited Member state. Such situations exist today (e.g. for M2M), as a result of negotiations.

In implementing the EP proposal to offer regulated roaming services on a ‘Roam Like at Home’ basis, a possible accompanying measure is a reduction in the wholesale caps for voice, SMS and data services currently set in the Roaming 3 Regulation.

It has been suggested that if wholesale caps are reduced to a too low level, foreign providers might have an incentive to enter the domestic market based on ‘permanent roaming’ and it might also lead to other challenges in the wholesale and retail markets. BEREC would like to learn more about that to provide input to part b) *the need for appropriate criteria for the use of wholesale roaming access so that the provision of regulated roaming services does not result in distortion of competition in domestic mobile markets* of the EC request.

Question 11: Do you currently experience permanent roaming on your network? If yes, please specify how it is currently used, whether it is contractually arranged or whether this is a problem for you.

Question 12: Do you already implement measures (either at the wholesale level or otherwise) to discourage non-agreed permanent roaming? If yes, please describe the measures you take and the effects that you want to avoid.

Question 13: Do you anticipate that permanent roaming will arise or increase with the introduction of RLAH and accompanying reductions in wholesale caps?

- a. What is, in your view, the wholesale roaming charge level that may trigger unwanted permanent roaming?
- b. What problems (economical or technical) might this cause and to what services (voice, SMS, data)?
- c. Do you see a need to implement measures that discourage or prevent unwanted permanent roaming when RLAH is introduced? What form might these measures take (e.g. in contracts or in the roaming regulation)?

### 4. Impact on mobile termination rates on wholesale roaming market

The maximum average per-minute charge at wholesale level for outgoing voice should take account of the different elements involved when making a Union-wide roaming call, in

particular the cost of originating and terminating calls over mobile networks. The retail Eurotariff for incoming voice could cover the difference of mobile termination rates in the EEA area. So, BEREC would like to have your position on the mobile termination rates situation in the EEA area for the purpose of giving feedback to the EC with regard to point c) *the need for settlement arrangements for termination of regulated roaming calls in case the lack of necessary convergence of mobile termination rates across the Member States creates a risk of competitive distortions.*

Question 14: Please explain, from your point of view, the impact of a variation in mobile termination rates in the EEA area on the wholesale and retail market for regulated outgoing and incoming roaming calls if RLAH will be implemented?

Question 15: Please explain the impact of high mobile termination rates in the EEA area on the wholesale and retail market for regulated outgoing and incoming call if RLAH will be implemented?

Question 16: If you are of the opinion, that there is a negative impact due to a variation of mobile termination rates, do you have any proposal how the problem could be solved? Do you think that an exclusion of MTRs (operators may apply a charged tariff based on the MTR of the destination country) from the regulated wholesale cap for outgoing voice would be a possible solution?

Question17: Please provide the percentage of total outgoing calls for 2013 of outgoing voice calls made by customers roaming in the EEA area, that terminate in the home country, in the visited country and in a third EU/EEA country ?

Regulated outgoing voice calls terminating in (in percentage of total outgoing call)		
Home country	Visited country	Third country in the EEA

**5. Assessment on wholesale structures**

To answer d) *the need for fair remuneration from traffic imbalances to underpin related investments in network capacity* and e) *the economies of scale legitimately derived by roaming providers from multi-territorial network investments within the internal market* of the EC request, BEREC would like to learn more about the wholesale structure and the wholesale agreements (including prices) between operators.

## 5.1 General questions on wholesale contracts

Question 18: What components (e.g. traffic balances, volume commitments, coverage etc.) are essential when negotiating the price for roaming services?

Question 19: Do you negotiate your roaming agreements annually with a potential change of preferred partners? If not annually, please specify the usual contract duration.

Question 20: Have you signed alliance agreements (see definition below) with other European operators covering inter alia roaming tariffs? In that case, do you benefit from the best wholesale tariffs on the members of the alliance?

Question 21: Please list in the table below the operators that belong to the same group or preferred operator and all other operators with which you have signed an International Roaming Agreement.

Definitions:

Group: entities which are fully-owned or majority-owned by the group

Alliance (entities which are not fully or majority owned – but with which you have long term special agreements – e.g. preferred networks, co-branding, buying syndicates etc.)

Country	Other operators of the same group	Alliance / Preferred operator outside the group	All other operators with International Roaming Agreement (non-group/alliance)
Austria			
Belgium			
Bulgaria			
Croatia			
Cyprus			
Czech Republic			
Denmark			
Estonia			
Finland			
France			
Germany			
Greece			
Hungary			
Iceland			
Ireland			
Italy			
Latvia			
Liechtenstein			
Lithuania			
Luxembourg			
Malta			

Country	Other operators of the same group	Alliance / Preferred operator outside the group	All other operators with International Roaming Agreement (non-group/alliance)
Netherlands			
Norway			
Poland			
Portugal			
Romania			
Slovakia			
Slovenia			
Spain			
Sweden			
United Kingdom			

## 5.2 Questions about financial terms wholesale roaming agreements - direct access

### 5.2.1. Current contracts

Question 22: Please summarize the financial terms on which you sell wholesale voice roaming for calls originating on your network. Please specify, per example, if you apply pure variable tariffs, bundles (total fix + variable or fix per SIM + variable), threshold prices, a minimum of volume or revenues... and in which case? Do you apply different terms for group companies, companies within an alliance or other operators? If yes, please specify.

Question 23: Please summarize the financial terms on which you buy wholesale voice roaming for calls originated on a foreign network. Please specify, for example, if your preferred operators apply mainly pure variable tariffs, bundles (total fix + variable or fix per SIM + variable), threshold prices, a minimum of volume or revenues... and in which case? Do your roaming partners distinguish whether your company is part of the same group or alliance? If yes, please specify.

Question 7: When negotiating the prices for wholesale roaming services, to what extent do specific additional investments in touristic spots influence the price? Do you expect that this issue might change if RLAH will be introduced?

Question 25: In general, do you sign bilateral contracts? If you have unilateral contracts (where you do not have the balanced/ unbalanced effect), how does it affect the wholesale roaming prices?

Question 26: Please provide the average tariff you charge and you pay for balanced and imbalanced traffic voice, SMS and data in the table below.

Question 27: Please provide the proportion of inbound and outbound unbalanced traffic on total traffic in the table below.

Question 28: Please provide examples for international roaming contracts with different kind of operators (group, non-group, alliance etc).

Definitions:

Group: entities which are fully-owned or majority-owned by the group

Alliance (entities which are not fully or majority owned – but with which you have long term special agreements – e.g. preferred networks, co-branding, buying syndicates etc.)

**Price Charged for inbound traffic (in Eurocent)**

Average price 1 <sup>st</sup> Jan – 30 <sup>th</sup> Jun 2013	Group		Alliance / Preferred networks		Other operators	
	Voice (per min)	Data (per MB)	Voice (per min)	Data (per MB)	Voice (per min)	Data (per MB)
Balanced Traffic						
Unbalanced Traffic						
Average price 1 <sup>st</sup> of July – 31 <sup>st</sup> December 2013	Group		Alliance / Preferred networks		Other operators	
Balanced Traffic						
Unbalanced Traffic						

**Price Paid for outbound traffic (in Eurocent)**

Average price 1 <sup>st</sup> Jan – 30 <sup>th</sup> Jun 2013	Group		Alliance / Preferred networks		Other operators	
	Voice (per min)	Data (per MB)	Voice (per min)	Data (per MB)	Voice (per min)	Data (per MB)
Balanced Traffic						
Unbalanced Traffic						
Average price 1 <sup>st</sup> of July – 31 <sup>st</sup> December 2013	Group		Alliance / Preferred networks		Other operators	
Balanced Traffic						
Unbalanced Traffic						

**Percentage of unbalanced inbound traffic on total inbound traffic (in%)**

	Group		Alliance / Preferred networks		Other operators	
	voice	data	voice	data	voice	data
For 2013						

**Percentage of unbalanced outbound traffic on total outbound traffic**

	Group		Alliance / Preferred networks		Other operators	
	voice	data	voice	data	voice	data
For 2013						

### 5.2.2. Future contracts and regulation in case of introduction of RLAH obligation

Question 29: Do you consider the current agreements and the wholesale roaming charges sufficient for the implementation of RLAH obligation?

Question 30: In case of introduction of RLAH obligation, do you think that the current wholesale roaming regulation should be modified? If yes, please specify.

Question 31: If, for example, a fixed price per SIM + low variable tariffs instead of just variable tariffs are applied as a different charging regime at the wholesale level, would you consider it relevant to set a different price per SIM for voice and SMS and for data?

Question 8: With expected volume increase in a RLAH environment, especially for data, do you think that a wholesale regulation based on capacity and not anymore on a price per unit is relevant, in a technical point of view and economics terms?

## 6. Specific wholesale roaming costs

In relation to international roaming inside EEA, BEREC would like to better estimate the wholesale costs of regulated voice, SMS and data services. In that context, BEREC would like to get more information on specific costs used for roaming purpose. Some equipments are considered as fixed costs and some depend on the traffic volume.

Question 33: Do you agree with the cost list below? Could you please modify it, if there are costs that are not taken into account?

Question 9: Please provide an estimation of 2013 total roaming specific costs (based on the list of cost items below), and per service, if available, as a proportion of your total costs of mobile operations.

Question 35: Please provide data, if available, on specific wholesale roaming costs in 2013 per fixed cost per service and on a per unit basis according to the type of cost.

Question 36: Please provide an estimation of costs for transit for voice (per minute) and data services (per MB) separately.

Cost item	Cost description	Fixed cost (in €)	variable cost (per unit) (in Eurocent)		
			voice	SMS	Data (per MB)
Roaming negotiation/agreement/regulation	Costs that are incurred when a MNO decides to expand its geographic coverage by entering into roaming agreements				



Cost item	Cost description	Fixed cost (in €)	variable cost (per unit) (in Eurocent)		
			voice	SMS	Data (per MB)
Route opening/Testing/Monitoring	Costs that are incurred when communication links and billability of roaming services are tested				
Operation and maintenance (accounting, payment, revenue assurance, fraud prevention, dedicated staff costs)	This cost component includes dedicated staff costs, software and systems for roaming operations, fraud prevention, accounting, and payments that are incurred periodically				
Data clearing (TAP record)	Costs are incurred for outsourcing the data clearing function – this function includes TAP record generation and clearing				
Financial clearing	Costs are incurred for bilateral invoicing – processing of invoices received and invoices sent – this function is often outsourced				
other costs?					

## 7. Any other comments

If you have any further input or comments on the TSM proposals you would like to share with the EWG, please insert them here.