



European Commission Call for Comments on a Proposed Regulation on International Roaming

Comments by COSMOTE Group

1. This is the COSMOTE Group's response to the European Commission's consultation on a proposed regulation on international roaming, launched by the Commission on 20 February 2006.
2. COSMOTE Group operates in one EU25 member state – Greece – and owns smaller mobile operators in four other South-East Europe countries – Bulgaria, Romania, FYROM and Albania. COSMOTE Group provides wholesale and retail roaming services in the five countries in which it operates.
3. COSMOTE believes that it is important that roaming charges are transparent and that subscribers understand the basis for charging. We are compliant with the GSMA Code of Conduct on international roaming and our roaming tariffs are published on our website and are available from our Customer Services centre. We have also recently restructured our tariffs into a simpler "zonal" system. We are supporting the current work of the Greek regulator, EETT, to publish a roaming website which will compare the tariffs of the Greek operators.
4. We welcome consultation and dialogue with the European Commission on the issue of international roaming and our response to the Commission's "Call for Comments" is set out below.

The Commission's Approach

5. Under the 2002 telecoms regulatory package, the National Regulatory Agencies have been given the task of analysing 18 recommended markets, determining whether these markets are effectively competitive, and in cases where a lack of effective competition is identified, imposing appropriate remedies. Based on the experience of the market analysis and notification process over the first three years, the Commission published a Communication on "Market Reviews under the EU Regulatory Framework", on 6 February 2006. It commented that "the system of market reviews has ensured that regulation is based on a thorough economic analysis and is strictly limited to markets in which there is persistent market failure".
6. Against this background, COSMOTE would question the rationale for the Commission's proposal in effect to suspend this market analysis process in the case of the wholesale international roaming market (Market 17). In the case of every other market, the Commission is following the procedure provided for in the 2002 package and allowing the NRAs to undertake the necessary market analyses.



7. So far only the Finnish NRA has notified Market 17 and its conclusion that this market was effectively competitive was accepted by the Commission. We would assume that following the May 2005 publication of ERG's "Common Position" on the analysis of Market 17, the other NRAs have been examining this market and will also be soon be making Notifications. If an NRA were to find that Market 17 is not effectively competitive in its country, it would have the power to impose a range of possible remedies to deal with any resulting market problems.
8. In addition, the Commission, working with the European Regulators Group, is currently reviewing the effectiveness of the regulatory framework. If the Commission believes that, in some way, the Framework is not effective in the case of international roaming, this would surely be the right time to bring forward new proposals in this area.
9. As regards the Greek wholesale international roaming market, we believe that this market is effectively competitive. We are expecting the Greek Regulator, EETT, to publish a consultation document on its draft analysis of Market 17 and this would be an opportunity for us to present our evidence and arguments to EETT. However the proposed Regulation would in effect by-pass this process by taking the assessment of whether the market should be regulated out of the hands of EETT. This certainly seems to us to be against the spirit of the telecoms regulatory framework and can only act to increase regulatory uncertainty and business costs.

The Proposed Regulation

10. If the Commission intends to bring forward a Regulation on roaming, we would urge it to first publish for consultation a specific proposal in draft form. At present, we are not clear what form exactly the Regulation would take or what the legal basis would be, so are not able to offer detailed comments on the potential impacts of such a Regulation on operators and consumers.
11. However as a general comment, we would emphasise that the international roaming market – at both retail and wholesale levels – is very complex, with a large number of different products and prices. With more than one hundred mobile operators in EU25 and so thousands of bilateral roaming agreements currently in force, a single EU25-wide Regulation could have quite different impacts in different markets, possibly with some unforeseen or undesirable consequences for operators and consumers.
12. The Commission has said that it will be drawing up an impact assessment. This will need to take account of the wider impact of any Regulation. In our view, issues that would need to be examined include:
 - The potential adverse impact on the competitiveness of the European mobile industry, for example relative to the mobile sector in the United States where roaming is not regulated.
 - The possible impact on different types of subscriber and on the prices of other mobile products and services, including on roaming in non-EU25 countries.



- The differential impact across Member States and across different types of mobile operators. If the Regulation takes the form suggested in some media comments, it could be much more burdensome for smaller operators, compared to the impact on larger operators which operate in several EU25 countries or on operators which are members of roaming alliances.

Summary

13. We would urge the Commission to reconsider its proposal for a Regulation on international roaming, and allow the NRAs to complete the task set out for them in the 2002 Package. NRAs and operators are also working together to ensure there is as much transparency as possible in roaming services and we would like to see this cooperation continue.
14. If the Commission does proceed with a Regulation, we would like the specific proposal to be circulated as a draft for comment by operators and others. The potential impact of any Regulation would need to be appraised carefully, in order to assess whether it could in practice deliver overall benefits to subscribers, without harmful side effects on mobile markets across Europe.

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