

EU's promise to end roaming charges

BRUSSELS, BELGIUM: The European Union (EU) presents a radical telecommunications industry shake-up this week, aimed at creating a single, fully connected European market and removing unpopular mobile phone roaming charges it claims are unjustified.



The plans are controversial, however, and last-minute wrangling over the details led the European Commission on Tuesday (10 September) to reschedule a planned announcement for Wednesday (11 September).

"Everything is postponed to Thursday (12 September)," Commission spokesman Olivier Bailly said.

Bailly did not give a reason for the delay and downplayed the issue, insisting the Commission package would serve the "general interest" and that the reforms had been worked on for years in Brussels.

An EU source said the delay was largely due to the complexity of the issues involved in this package.

The source cited in particular 'net neutrality' - the principle that the Internet should be an open system - with companies barred from deals, for example on higher data transmission speeds, which could in practice restrict access by their rivals.

In July, EU anti-trust officials launched probes of several firms suspected of abusing their positions in Internet services, including Orange, Deutsche Telekom and Telefonica.

Roaming charges to end

The main proposal is to end roaming charges, the hugely unpopular extra costs incurred when customers use their mobile phones or portable devices while out of their home country.

EU Digital Agenda Commissioner Nellie Kroes has managed to reduce the levies but her plans to abolish them altogether from 2014 have been knocked back, with 2016 now the Commission's target date.

Telecommunications companies say the charges are crucial for profits and so help fund the huge investments needed in new technology.

Kroes says it is essential the EU make the changes now or risks losing out on economic benefits estimated at €110bn annually that a fully liberalised single market offers.

Last month, a Kroes report showed that the cost of making mobile phone calls in the EU was like a lottery, with huge discrepancies across the 28 member states.

Cost variances

The average cost per minute for national mobile calls in 2011 varied from 1.9 euro cents in Lithuania to 14.7 cents in The Netherlands.

"As these numbers clearly show, the 28 national markets in Europe are not benefiting consumers like a single market should," Kroes said, lamenting how far it was from being a truly connected continent.

To address the problem, the Commission wants companies to offer mobile deals covering more than one country and to encourage them to form alliances like those in the airline industry aimed at sharing resources to cut costs.

A key option in the roaming charge campaign will be to allow clients to freely switch operators when abroad.

The long-anticipated package will range widely - regulation is likely to be simplified to set up a 'one-stop' shop for operators to boost market efficiency.

Connectivity will be improved by better co-ordination of access to frequencies, controlled by governments, so as to better develop next generation 4G services.

4G operates five times faster than the current 3G network and allows users to download large e-mail attachments quickly, watch live television without buffering, make high-quality video calls and play live games on the go.

It is seen as the next essential step in the telecommunications revolution and Kroes has repeatedly lambasted EU countries for lagging behind.

"The aim is that you no longer deal with 28 markets but that you benefit from the size of our internal market and the business opportunities that will follow," Bailly said.

Source: AFP via I-Net Bridge