European Commission - Fact Sheet



Roaming charges and open Internet: questions and answers

Brussels, 30 June 2015

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What is this agreement about?

The European Parliament, Council and Commission have reached an agreement on key elements for a single market in telecoms, which will:

- 1. end roaming charges when travelling in the EU in June 2017
- 2. introduce for the first time rules safeguarding the open Internet in the EU

The Regulation also increases related consumer protection. It notably ensures that users are informed about their roaming rights and consumption and that they are empowered to detect possible breaches of open Internet rules.

Roaming

What does the end of roaming charges mean?

It means that from 15 June 2017 you can use your mobile device when travelling in the EU **paying the same prices as at home** (domestic prices). For instance, if you pay for a monthly volume of minutes, SMS and data in your country, any voice call, SMS and data session you make while travelling abroad in the EU will be deducted from that volume as if you were at home, **with no extra charges**. This means the end of roaming charges as Europeans experience them today in their daily life.

The rules prevent abusive uses: for example, if the customer buys a SIM card in another EU country where domestic prices are lower to use it at home; or if the customer permanently stays abroad with a domestic subscription of his home country. This is not the usual use of roaming as the vast majority of Europeans experience it. These unusual behaviours are also called 'permanent roaming' and could have a negative impact on domestic prices, and ultimately on consumers. This is why there is a fair use safeguard. Once that limit is reached while being abroad, a small basic fee can be charged. This will be much lower than current caps (maximum prices that operators can charge consumers for roaming in the EU) and is likely to decrease even further. The Commission has been mandated to define the details of the fair use limit.

What happens until then? What will happen this summer, will the prices go down again as it happened every summer since 2007?

No, this summer the retail roaming caps will remain as they have been since 1 July 2014, as set out in the <u>current EU roaming rules</u> (\in 0.19 per minute of call made, \in 0.06 per SMS sent, and \in 0.20 per MB of data, excl. VAT). These rules are still in force.

As from April 2016, prices will be even cheaper: operators will be able to charge a small additional amount to domestic prices up to €0.05 per minute of call made, €0.02 per SMS sent, and €0.05 per MB of data (excl. VAT).

This maximum roaming charge is about 25% of the current roaming caps for calls made and data, and 33% of the current roaming cap for SMS.

Will the end of roaming charges increase domestic prices?

Since EU regulations have been introduced to reduce roaming charges, domestic mobile prices have been decreasing as well.

Roaming charges currently teach users to switch off their mobile phone when abroad. If they are not afraid of their bills anymore, they will use their devices more regularly when they are travelling – this means more opportunities for online businesses and start-ups to provide services to consumers when they travel in the EU.

The fair use safeguard also prevents, when necessary, abusive use of roaming services, such as 'permanent roaming', which otherwise could undermine domestic markets.

Why was it not possible to have an earlier date to end roaming charges?

Because a number of steps have to be taken in order to make the end of roaming charges sustainable throughout the EU. The wholesale roaming market (the prices that operators charge each other for the use of their networks) needs to be thoroughly reviewed before the end date.

Have the roaming prices fallen significantly since the EU took action?

Yes, since the EU took action in 2007, prices that consumers pay for roaming across calls, SMS and data have decreased of <u>over 80% since 2007</u>. Data roaming is now up to 91% cheaper compared to 2007. And the volume of the data roaming market has grown by 630%.

Will only those who travel benefit from the new rules?

The increasing number of Europeans who travel in the EU are the primary beneficiaries. The measure will also create a better environment for businesses and for innovation. The new rules will notably promote the cross-border use of connected devices and services (e.g. connected cars) and boost the evolution of mobile apps.

What will be the role of the national regulation authorities?

Like under existing roaming rules, national regulation authorities will monitor and supervise compliance of mobile operators with the new rules.

Net Neutrality

Why do we need rules for net neutrality?

Net neutrality is crucial for users and businesses. It ensures that Europeans have access to the online content and services they wish without any discrimination or interference (like blocking or slowing down) by Internet access providers. This is also very important for start-up businesses that commercialise their products and services via the Internet and need to be able to compete on an equal footing with larger players.

Until now, there have been no clear rules on net neutrality at EU level, leaving most Europeans without legal protection for their right to access the open Internet. Some EU countries have adopted national laws on net neutrality. However, in a Digital Single Market, we cannot afford that 28 Member States adopt 28 different approaches on that issue. The freedom of European citizens to access or distribute Internet content must not depend on the country in which they are. Having an EU law on net neutrality will avoid further fragmentation of telecoms regulation in Europe.

What has been agreed?

The rules enshrine the principle of net neutrality into EU law: **no blocking or throttling** of online content, applications and services. It means that there will be truly common EU-wide Internet rules, contributing to a single market and reversing current fragmentation.

- Every European must be able to have access to the open Internet and all content and service providers must be able to provide their services via a high-quality open Internet.
- **All traffic will be treated equally**. This means, for example, that there can be no paid prioritisation of traffic in the Internet access service. At the same time, equal treatment allows reasonable day-to-day traffic management according to justified technical requirements, and which must be independent of the origin or destination of the traffic.

How does this agreement balance out the interests of industry and consumers?

The agreed rules establish a right of all Internet end-users (consumers and businesses) to access and distribute legal content, services and applications of their choice. The agreement allows efficient network management by Internet service providers, subject to clear and strict rules. This means that consumers will have no obstacles to access any online services and applications over their Internet access, now and in the future, when faster Internet access and new applications will be available.

The rules also enable continued network and service innovation by defining the principles underpinning the relationship between Internet access services and innovative services with specific quality requirements. The rules will ensure that the quality of the open Internet access service will not be hampered by the provision of services such as IPTV or telemedicine which share the same infrastructure. These innovative services may only be offered where and if sufficient capacity for Internet access remains available.

Will there be paid prioritisation services in the open Internet?

Under today's agreement, paid prioritisation in the open Internet will be banned. Based on this new legislation, all content and application providers will have guaranteed access to end-users in the open Internet. This access should not be dependent on the will or particular commercial interest of Internet service providers. These providers will not be able to block or throttle traffic in their networks or give priority to some particular content or services in exchange of payment. At the same time, end-users

and providers of Internet access will continue being able to agree on different access speeds and data volumes as they do today.

What are the exceptions in the open Internet for traffic management?

The rules will prohibit any blocking, throttling, degradation or discrimination of Internet traffic by Internet service providers. This general prohibition is subject to a limited number of tightly defined exceptions:

- to comply with Union or national legislation related to the lawfulness of content or with criminal law, or with measures implementing this legislation such as a decision by public authorities or a court order, for instance if a judge or the police have ordered blocking of specific illegal content;
- to preserve the security and integrity of the network, for instance to prevent misuse of a network and combat viruses, malware or denial of services attacks;
- to minimise network congestion that is temporary or exceptional. This means that operators cannot invoke this exception if their network is frequently congested due to under-investment and capacity scarcity;
- to filter spam, if users want to avoid such unsolicited communications, as well as to allow parents to set up parental filters that block pornography or gratuitous violence, with the prior request or consent of end-users and the possibility to withdraw the consent, and thus such filters, at any time.

What are specialised services (innovative services or services other than Internet access services)?

The new EU net neutrality rules guarantee the open Internet and enable the provision of specialised or innovative services on condition that they do not harm the open Internet access. These are services like IPTV, high-definition videoconferencing or healthcare services like telesurgery. They use the Internet protocol and the same access network but require a significant improvement in quality or the possibility to guarantee some technical requirements to their end-users that cannot be ensured in the best-effort open Internet. The possibility to provide innovative services with enhanced quality of service is crucial for European start-ups and will boost online innovation in Europe. However, such services must not be a sold as substitute for the open Internet access, they come on top of it.

By allowing the provision of innovative services, are we not promoting a two-tier Internet?

No. Every European must be able to have access to the open Internet and all content and service providers will be able to provide their services via a high-quality open Internet. But more and more innovative services require a certain transmission quality in order to work properly, such as telemedicine or automated driving. These and other services that can emerge in the future can be developed as long as they do not harm the availability and the quality of the open Internet.

Therefore it is important to have future proof rules which, while fully safeguarding the open Internet, allow market operators to provide services with specific quality requirements in order to provide them in safe manner. It is not a question of fast lanes and slow lanes - as paid prioritisation is not allowed, but of making sure that all needs are served, that all opportunities can be seized and that no one is forced to pay for a service that is not needed.

What is zero rating?

Zero rating, also called sponsored connectivity, is a commercial practice used by some providers of Internet access, especially mobile operators, not to count the data volume of particular applications or services against the user's limited monthly data volume.

Zero rating does not block competing content and can promote a wider variety of offers for price-sensitive users, give them interesting deals, and encourage them to use digital services. But we have to make sure that commercial practices benefit users and do not in practice lead to situations where end-users' choice is significantly reduced. Regulatory authorities will therefore have to monitor and ensure compliance with the rules.

What is the role of national regulatory authorities?

National regulatory authorities shall monitor and enforce the open Internet rules. These authorities will thus have the power and obligation to examine the traffic management practices of Internet service providers and the effect of their commercial practices on the end-users' (consumers and businesses) rights to access and distribute content, applications and services of their choice. They will further have to ensure that the quality of the open Internet access service reflects advances in technology and that it is not degraded by traffic discrimination through Internet service providers or by the provision of specialised or innovative services.

Regulators are also empowered to set minimum quality of service requirements on Internet access

providers and other appropriate and necessary measures to ensure that all end-users enjoy an open Internet access service of good quality.

What will happen if a service provider will not respect open Internet rules?

The regulation will oblige Member States to set rules on the penalties applicable to infringements of the net neutrality provisions. These penalties have to be effective, proportionate and dissuasive. This means that providers infringing the net neutrality rules will face significant pecuniary and administrative sanctions.

Does the agreement respect existing EU data protection and privacy legislation?

The Commission has paid high attention to the importance of protecting privacy and personal data. The agreement explicitly limits the processing of data to what is necessary and proportionate to achieve the objectives of traffic management. And the processing of this data has to be done in accordance withexisting EU data protection and privacy legislation.

Why are the new net neutrality rules the strongest in the world?

The EU rules to guarantee the open Internet are a comprehensive set of measures that ensures flexibility for innovation and at the same time empowers subscribers to know transparently if they get the internet quality that they pay for and to terminate their contracts if this is not the case.

Why have net neutrality and roaming rules only been agreed today? What happened to the other elements of the Commission's initial proposal?

The European Commission presented its proposal for a telecoms single market ('Connected Continent') in September 2013 (press release). The European Parliament voted on its first reading of the draft legislation in April 2014 (press release). The Council adopted a mandate to negotiate in March 2015 (press release).

Following the adoption of the Digital Single Market Strategy by the Commission on 6 May, Heads of State and Government <u>agreed</u> on 26 June on the need to strengthen the EU telecoms single market, as part of the Digital Single Market.

After 18 months of negotiations, today the European Parliament, Council and Commission reached two milestone agreements on an end to roaming charges and on the first EU-wide rules on net neutrality.

These measures will be completed by an ambitious overhaul of <u>EU telecoms rules</u> in 2016. This reform will include a more effective EU-level spectrum coordination. Creating the right conditions for digital networks and services to flourish is a key objective of the Commission's plan for a <u>Digital Single Market</u>.

See also: IP/15/5265

MEMO/15/5275

General public inquiries:

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