



Ministry of Science
Technology and Innovation

Denmark's response to the European Commission's public consultation: Review of the functioning of Regulation (EC) No 717/2007 (the "Roaming Regulation") and of its possible extension to SMS and data roaming services

Introduction

The Commission launched its public consultation *Review of the functioning of Regulation (EC) No 717/2007 (the "Roaming Regulation") and of its possible extension to SMS and data roaming services* on 7th May 2008. It invited comments on the functioning of the current Regulation on voice services, but also on the possibility of including SMS and data roaming services within the scope of the Regulation. Denmark (through the Ministry of Science, Technology and Innovation) welcomes the opportunity to comment on the important matter of international roaming.

Voice roaming services

Generally, the Regulation on voice services has turned out to work as intended: Prices have gone down and consumers benefit from improved transparency. However, data from European Regulators Group (ERG) indicates that retail prices remain clustered just below the price cap. This is a clear sign of lack of competition which, in turn, leads Denmark to the conclusion that the current Regulation on voice services needs to be extended beyond 2010.

Furthermore, the issue of billing units is an area of great concern. Judging from the latest figures, Danish consumers pay at least 30 per cent more than the actual call duration indicates. This is a result of the common European practice of per minute billing. Denmark finds that this problem calls for urgent regulatory action at EU level in order to secure that consumers do not pay for more than they use.

Finally, the mobile termination rates have dropped considerably more than anticipated when the current Regulation was drafted. Therefore, from a Danish point of view it is justified to adopt price caps that are lower than the existing ones in order to reflect the reduced cost levels.

SMS and data roaming services

The National IT and Telecom Agency recently carried out a study of the prices and costs for SMS and data roaming services with a view to assess whether regulatory intervention is needed. The study includes an analysis of cost estimates for SMS, MMS and other data services. It is Denmark's hope that the study will provide a valuable input to the Commission's further review process. Therefore, please find enclosed an English version of the study.

Generally, the study shows that the prices for sending an SMS, an MMS, or using other data services when located in another EU country are very high, both in relation to national prices and the real costs of providing the services. Both at the wholesale level and the retail level, the prices charged by far exceed the costs.

In short, the study shows that retail prices for SMS roaming are 9 times higher than the actual costs. Moreover, the roaming prices for MMS and other data services are up to 6 times higher than the costs.

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From a Danish point of view there is a strong case for regulation for SMS, MMS and data services. Even though some positive trends have been observed in the market, the efforts made by the operators are far from sufficient to secure fair prices for the consumers.

Conclusion

Denmark strongly recommends that the Regulation should remain in force after 2010. Furthermore, additional provisions to deal with the issue of billing units and adjustments of the price caps to reflect lower mobile termination rates ought to be inserted in the Regulation. Furthermore, SMS, MMS and other data services should be included within the scope of the Regulation in order to secure reasonable prices for the consumers.

Annex: The National IT and Telecom Agency's '*Analysis of prices and costs for mobile data services abroad*'.

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