

# BEREC Workshop on Intra-EU communication services

Ioanna Choudalaki  
Elisabeth Dornetshumer  
BEREC Roaming WG Co-chairs

Body of European Regulators  
for Electronic Communications

**BEREC**

- **General Guidelines on Intra-EU Communications**

*Structure, Scope, Implementation*

- **Derogation**

*Benchmark, Tests, Surcharge and Procedural Issues*

- **Monitoring by NRAs and BEREC**

*Indicators, Timing, Reporting*

- 15 May 2019: any **retail price** (excl. VAT) charged to consumers for regulated (metered) intra-EU communications **shall not exceed**:
  - 0.19€ per minute for calls
  - 0.06€ per SMS message

*(Article 5a (1) of TSM regulation)*
- **NRAs can grant derogation** from the above price-caps if provider can demonstrate, against a relevant benchmark established by BEREC, that:
  - it is significantly more affected than most other providers in the Union
  - that impact would significantly weaken that provider's capacity to maintain its charging model for domestic communications

*(Article 5a (6) of TSM regulation)*
- **BEREC shall publish guidelines** on the parameters to be taken into account by NRAs in their derogation assessments.

*(Article 5a (6) of TSM regulation)*

- Operators can offer **alternative tariffs** covering all or some third states including intra-EU communications where the prices of intra-EU communications can exceed the price caps.

*(Article 5a (2) of TSM regulation)*

- NRAs shall monitor the market and price developments for regulated intra-EU communications and shall report to the Commission.

*(Article 5a (6) of TSM regulation)*

Taking into account the legal provisions, the questions received from stakeholders and the relevant experience from the roaming regulation, the following topics are considered:

- The scope of the regulation: clear definitions and geographical scope
- Details regarding the price-caps (eg. set-up fees, charging intervals) and value added services
- Alternative intra-EU communication tariffs
- Sustainability assessment
  - Benchmark
  - Impact on domestic pricing model
  - Procedure and deadlines
  - Surcharges

- Services covered:
  - fixed voice services
  - mobile voice services
  - SMS services
- Not covered
  - MMS
- Types of tariffs
  - only for consumers
  - services charged wholly or partially based on actual consumption
- Geographical scope
  - applies to EU member states including the outermost regions which are part of EU Single Market (according to EU Treaty)
  - applies to Iceland, Norway and Liechtenstein when the regulation is incorporated in the EEA agreement.

- Other issues to discuss
  - Charging intervals
  - Tariffs including set-up fee for calls
  - Value-added services

- Definition of Alternative tariff
- Consumers should opt-in for these tariffs.
- Consumers before opting for alternative tariffs should be informed about the nature of the advantages that would be lost.
- Consumers already having an alternative tariff:
  - Keep this tariff if lower than price caps
  - Transitional period of 2 months to inform their operator that they want to keep this tariff if this tariff higher than price cap
- Switching: a switch from or to a regulated tariff for international communications has to be made free of charge, within one working day.



- Two step assessment:
  - Benchmarking comparison.
  - Impact on the domestic pricing model.
- BEREC benchmark:
  - Basis for its definition: revenues/margins/volumes
  - Separate benchmark for fixed calls/mobile calls/mobile SMS or a common benchmark for calls and a benchmark for SMS
  - Kind of benchmark: proportion (share) or absolute value
  - Defining the threshold for the comparison
  - Regular updates of the benchmark

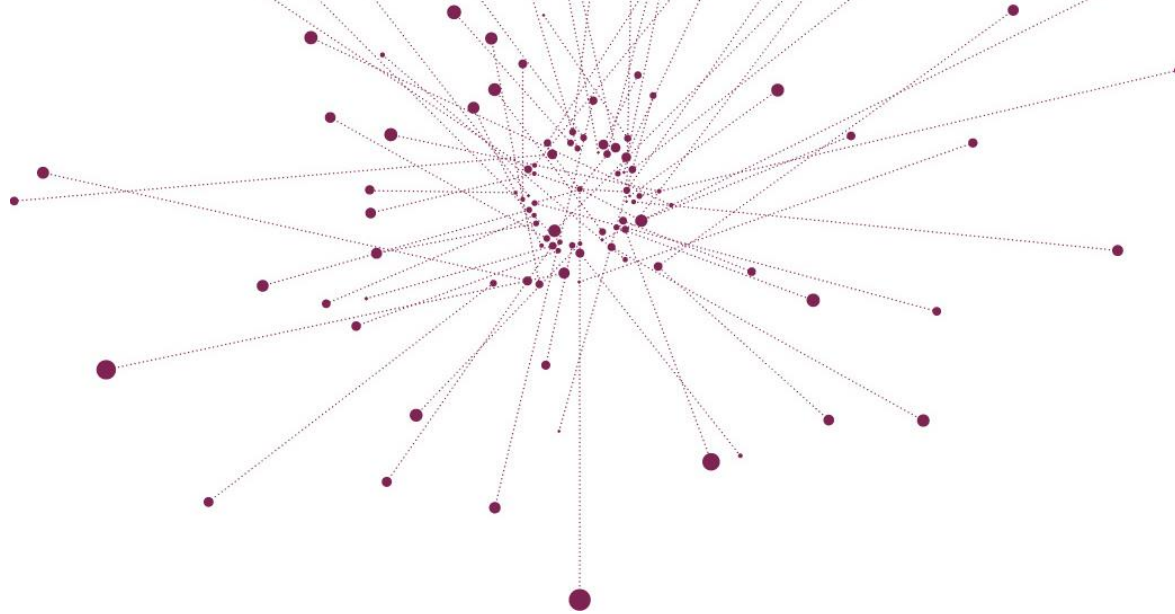
- Impact on domestic charging model test:
  - Roaming derogation as a starting point
  - Definition of threshold for negative/positive margin from regulated intra-EU communication services
  - Operators have the burden of the proof
  - BEREC will provide templates

- Maximum price level in excess of the price-caps:
  - Definition of the level of surcharges and for which intra-EU communication services it can be applied
- Procedure/Deadlines:
  - Similar approach like the roaming derogation
  - 12-month derogation subject to a new application for renewal
  - In case of an authorisation, operators should comply with any of their national rules regarding transparency or changes in terms and conditions (e.g. advanced publication of price changes, contractual issues that require an extraordinary right to terminate contracts).

- Indicators to be collected from fixed and mobile operators:
  - The number of subscribers (consumers or businesses)
  - Volumes per service (voice and SMS) for domestic and intra-EU communications services (regulated and alternative tariffs, bundles).
  - Revenues from intra-EU communications services (regulated and alternative tariffs)
- Frequency of data collection
- Common template
- BEREC will aggregate the data and publish a report on the findings of this exercise.

Guidelines will be finalized by taking into account the comments received today

Publication is planned on 13 March 2019



Thank you!

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