

UK must lead call for lower international roaming charges

Dear Minister,

In the next few weeks a vote will be taken by Europe's communications ministers that will determine how much consumers pay for accessing mobile services when they are abroad until 2022.

The biggest risk surrounds the pricing levels that will be set for consumers using data on their phones when they are on holiday or away on business.

Although the European Commission's 'Roaming III' proposals that are due to be voted on will reduce the cost of data year on year, by 2014 they will still see a rate tantamount to £400 for 1GB of mobile data, compared to UK domestic prices of under £10.

At the root of high retail prices are the wholesale prices operators charge each other. If the maximum amount one operator can charge another at the wholesale level is limited, competition between operators will lead to lower retail prices for consumers.

Yet the Commission is proposing a wholesale cap more than 10 times higher than domestic retail prices. This means that if the proposals become reality, using the internet on your mobile phone in Europe could end up costing more than the trip itself. This is an issue for consumers and businesses alike. Large, and particularly small businesses, feel the effects of the cost of downloading data and many place tight restrictions on the use of mobile devices by their executives when travelling abroad. It is prohibitively expensive and, in the worst case scenario, stops firms from doing business abroad entirely.

Data usage on mobile devices is exploding and the Commission's proposals in their current form do not address the demand for data in 2012, never mind 2022. These pricing levels do not encourage competition and hence could put the brakes on growth and competition in the EU.

There is another way.

MEPs have tabled amendments that would see the wholesale price reduced to less than 10 euro cents per MB (down to around 5 euro cents per MB at the end of the three year glide path). We urge you to use your vote in the European Council to support an even greater reduction in data prices for people and businesses travelling abroad.

Yours sincerely,

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