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INTUG

Roaming Guidelines for Business Users
following elimination of international
roaming charges throughout the European
Union (EU) and European Free Trade
Area (EFTA) on 15 June 2017

About INTUG

INTUG is a global association, which has represented business users of communications services since 1974. With members and contacts in all five continents, INTUG uses its reach to actively promote professional customers' interests at the international level.

INTUG's aim is to bring down all barriers that private companies and public institutions face when introducing new and innovative on-line processes, to enhance investment in improved communications technologies, and to ensure open access and connectivity to enable a fully inclusive and connected information society.

For more information, please access INTUG's web site at www.intug.org

1 Introduction - the History of International Roaming Charges - Why it matters

INTUG first identified the excessive charges being made for use of mobile devices outside their home contracted country in 1998/99. By publishing the charges levied by mobile network operators for a call back to the home country, and comparing this with an identical call in the reverse direction, it was clear that charges were not cost based. Further data collection, comparing call and text costs between a Country A and a Country B exposed inconsistencies between operators, and the existence of an effective cartel of pricing, based on arbitrarily agreed wholesale charges between MNOs, which were then “passed on”, with mark up, to unsuspecting customers.

Anecdotally, it is claimed that this practice first arose to provide a method of charging for mobile devices inadvertently connecting across the border between Northern Ireland and Eire. Having established the principle, this was developed into a fairly significant revenue and profit generator for MNOs. Whilst this was manageable for infrequent movement by individuals for voice calls and texts, even this became a problem when holidaymakers travelled for a longer period and used their phones to contact their home country. The “bill shock” consequences of this became a major news item when mobile data roaming became more prolific, and huge bills occurred.

Perhaps of greater significance was the impact on users of mobile devices when they travelled more frequently as an integral and necessary part of business operations. For companies with dozen, hundreds and even thousands of devices, it became prohibitively expensive and roaming was often suppressed as a policy as a matter of routine. This had the consequence of blocking investment in international online applications, preventing efficiency and productivity improvements, which would otherwise be possible using mobile devices. Companies using mobile applications across the United States chose to continue using paper based applications in Europe as a result, thus damaging the EU economy. This increased pressure not just to reduce but to eliminate international roaming charges throughout Europe.

The final nail in the coffin of international roaming charges was probably the growth in the Internet of Things (IoT) and mobile devices engaged in M2M applications. Autonomous devices like cars, connected to mobile networks, are unaware of crossing national borders. The growth of such applications, bringing associated economic and social welfare benefits could not possibly tolerate an ecosystem burdened with international roaming charges. The implications are clear. What has happened in Europe will inevitably be replicated around the globe. This is already being seen regionally in areas whereas there is active international online trade.

The European legislation

The European “Roam like at Home” legislation ended international mobile roaming costs across the EU and EFTA on 15 June 2017. This will stimulate growth in the use of mobile business applications throughout Europe. Travelers will no longer turn off roaming and limit connection to WiFi, as they travel between Member States. There are, however, some pitfalls to avoid. For this reason, INTUG has developed these guidelines to assist the business user. These recommendations are based both on EU documentation and user input.

Please keep in mind that these guidelines refer specifically to international roaming charges, and do not apply to national roaming charges where these are in force.

2 Frequent Questions and Advisory Guidelines

1 Will current contracts be automatically adapted?

Yes. Every current mobile contract will be adapted to a Roam like at Home contract, without the need for contract modification. Companies should, however, contact their mobile operator to review the consequences, since most contracts cover more than the EU and more than roaming. The impact on the whole contract must be clarified.

2 Will all “roaming” be free?

No. The end of international roaming charges in the EU does not mean that mobile communications are free, but rather that the price paid for a mobile communication originating in a country other than the home country will be charged the same as one originating from the home country. This applies to national and international calls.

3 Will receipt of calls be charged when roaming?

No.

4 How will abuse be avoided?

Certain safeguards have been set up to protect operators from potential abuse by customers, who might take out a contract in a country which has lower contract prices than the home country, and use the device mostly or entirely in the home country. These safeguards are based on the “fair use” principle.

5 Do all Operators have to offer Roam like at Home?

No. If an operator can show that this creates a loss of more than 3% of total mobile revenue, it can request derogation from the regulator. In Belgium, VOO has obtained a waiver in 2017 from BIPT, and is authorized to continue to charge roaming rates.

6 Will there be usage limits for contract bundles including unlimited data?

Yes. Users with a bundle that includes unlimited voice calls and SMS will be able to use this in other European countries. But a contract, which includes unlimited data, can trigger international roaming charges for usage over a defined limit. The limit is calculated as twice the volume equivalent of the maximum wholesale rate at the time. The mobile operator must warn the user in advance when they are reaching the limit. Above the limit, the employee can continue to roam, with a maximum charge equal to the maximum wholesale rate, which is €7.70 + VAT per GB in 2017, reducing to €6 in 2018, €4.50 in 2019, €3.50 in 2020, €3 in 2021 and €2.50 in 2022. So in 2017, an operator providing unlimited data for €35 per month must provide at least $2 \times (35 / 7.7) = 9.1$ GBytes before data roaming charges (of €7.70 per GB) apply.

7 How will contract bundles with fixed data allowances be charged?

The data allowance can be used at home or roaming, and when the limit is reached the operator must charge the same when roaming as for out of bundle use at home.

8 How will bundles with reduced rate data be charged?

If the charge for mobile data is less than €3.85 per GBytes in 2017, or €3 in 2018 or €2.25 in 2019, operators can charge extra for roaming consumption, limited by the wholesale rate and based on double the equivalent volume as above. So a contract with 10GB for €25 (€2.5 per GB) in 2017 must provide at least $2 * 25 / 7.70 = 6.1$ GB before roaming charges can be applied.

9 How will shared bundles be handled?

Contracts with mobile data bundles shared between colleagues pose some serious problems for the Roam like at Home rules. For example, the total use of roaming could be limited to 70MB per user per month, above which usage is billed at high out-of-bundle rates. International roaming charges might apply to shared bundles. Companies must discuss with operators how any such contracts will be charged. There are options for limiting/not using shared bundles for EU v non-EU countries.

10 Will Bill Shock protection continue?

Yes. In order to continue to protect users against unplanned and unanticipated bills, a roaming limit of €50 in addition to the price of the bundle can be applied. Other limits may be agreed upon with the operator. Many companies may not want employees to experience a blocked mobile device, so the operator must send a message when 80% of the individual user's data-roaming bill limit has been reached.

11 Are there any hidden traps?

Yes. The disadvantage of bundles is that when a user exceeds the limits, prices rise steeply. Thus, it is important to pick appropriate bundles. A low fixed cost per month may be accompanied by very high out of bundle charges. Companies may find it advantageous to stipulate user bundle maxima to facilitate budgeting.

12 Will prices be subject to frequent fluctuation?

Yes. Companies should check regularly to see if their rates still match the market price and consider including a contract clause enabling increased volume if market prices drop. It is also a good practice to check bills carefully to ensure accuracy and to identify trends in usage, which might suggest a change of bundle content. It is also advisable to monitor trends in mass market residential pricing, to ensure that any reductions in the retail mass market are reflected in business contracts.

13 How will Fair Use apply to employees working in multiple countries?

The “fair use” rules require a strong link with the country with the SIM card. As long as the employee uses the mobile device more at home than abroad, they can roam at domestic prices when travelling in the EU/EFTA. If a user spends most of their time abroad and consumes more data abroad than at home over four months, the operator can ask for a clarification of the situation. If the employee continues roaming more than use at home, the operator may apply a charge to roaming consumption. This will be capped at €0.032 pm voice, €0.01 per SMS and €7.70 per GB plus VAT.

14 How many user profiles should be established?

The new environment gives companies an opportunity to limit the profiles, for example distinguishing between employees who travel frequently outside Europe, those who don’t or only travel within Europe, and those who travel only occasionally, perhaps to predictable destinations. It is no longer necessary to distinguish between employees who don’t travel for work and those who travel only in Europe. This will reduce complexity and confusion in administration.

15 Is it worth negotiating?

Yes. This is especially true for companies with large fleets of mobile devices and big data volumes. Economies of scale should be reflected in large volume contract prices. Beware however, that increased volumes for the same price do not trigger surcharges due to the reduced rates formula for data referenced in 8 above.

16 Is competition producing new types of offering?

Yes. There are interesting new offers on the market, for example those which enable purchase of large volumes of mobile data for a fixed amount per month, either globally or for specific countries. Similarly, there are formulae that include a fixed price per day for roaming around the world (or part of it), but these may be for 24 hrs of continuous use, rather than a few hours per day aggregated over several days.

17 Is there a risk of increased billing errors?

Yes. Communications bills are notoriously prone to error already. Operators have adapted their billing systems to the new rules. These include complex changes, and several measures that impact the implementation of these rules were decided quite late. It is likely that errors will occur. Companies should check their bills.

18 How will users near a border (e.g. Frontaliers) be handled?

As long as the employee's mobile phone logs on to the contracted network once a day, they will be considered at home that day and not roaming. Any employee who lives and works in two different countries may choose either as the "home" country. Any day that they log on at least once on the network of their contracted operator counts as a day of presence (even if they also go abroad that day).

19 What about roaming outside the EU/EFTA?

Elimination of international roaming charges applies to all 28 EU countries (Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK) and the 3 EFTA countries (Iceland, Lichtenstein and Norway). Switzerland is not subject to European legislation and roaming rates vary greatly and can be up to 12€/MB. Prices elsewhere also vary greatly and operators may seek to recoup lost revenues by increasing international roaming charges in other countries (known as the waterbed effect). Companies should seek to fix their international roaming rates at the same time as adapting their contracts for Roam like at Home.

20 Can bundles be obtained for other countries?

Yes, but the rates and countries covered should be checked carefully. Operators divide non-European countries into zones to determine roaming rates. Classification varies by operator and rates can be as high as €15 per MB in some countries. Many rates outside the EU have changed and companies should do usage simulations.

21 Is a single rate plan for roaming throughout the World possible?

Yes. Some companies have a plan that includes good rates for other countries, and can retain this situation, but should define the specific agreements with the operator.

22 Would local SIM card/mobile data cards be cheaper?

For employees who regularly travel to a specific country outside of Europe, a SIM card from that country could still be a good idea. The inconvenience for the end user of changing the card might be worth it due to lower costs for data communications. There are also devices that can integrate 2 SIM cards.

23 How will shared billing for personal and work use be handled?

Where employees receive a separate bill for private usage, the impact of the new conditions should be checked carefully. Depending on choices made, the additional bill for roaming outside the EU can be addressed to the company, or its employee. Each situation should be assessed individually, including for roaming outside the EU/EFTA.

24 How should employees be briefed on the new Roam like at Home?

These guidelines have been produced as a contribution to the briefing process. The general message should be positive encouragement to exploit the new flexibility to introduce or increase use of efficiency and productivity improving working practices, which can now be embraced throughout the EU/EFTA countries. Employees need not switch off roaming or use flight mode when working abroad in the EU/EFTA, improving convenience. It is important to avoid confusion between roaming and making international calls. International communication rates are not regulated. For an SMS or communication from a mobile number starting from its home country to a number in another country, the cost will still be billed as stated in the contract.

The end of roaming in the EU does not necessarily mean the end of bill shocks. Employees must be kept informed of the cost of mobile communications and the scope and risks of the new regulation. It might be helpful to invite employees to verify the accuracy of their consumption, thus making them aware of the costs. Out-of-bundle costs and countries not covered should be highlighted, especially for holiday periods when employees abroad may use their mobile telephone for work. Some popular holiday destination countries have very high roaming charges. Navigation apps, which avoid use of mobile network access, should be promoted.

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