



# HOUSE OF LORDS

European Union Committee

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Ed Vaizey MP  
Minister for Culture, Communications and Creative Industries  
Department for Culture, Media and Sport  
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13 March 2012

## **12666/11 & 12639/11: ROAMING ON PUBLIC MOBILE COMMUNICATIONS NETWORKS**

Thank you for your letter of 24 February 2012 informing the Committee of recent developments. On 5 March 2012 the Committee heard evidence on this proposal from Everything Everywhere, Three UK, the Communications Consumer Panel and the European Competitive Telecommunication Association. We would like to inform you of the conclusions emerging from this session.

At the outset we reaffirm our view that current roaming charges are unacceptably high, particularly in the case of data. In order to avoid expensive roaming charges, many people feel they need to turn their mobile phones off when travelling abroad and are thus prevented from accessing important digital services. As we stated in our letter of 11 October 2011, reduced roaming charges represent a visible success of the Single Market, itself the most prominent benefit of membership of the European Union. We welcome the continuation of measures to reduce roaming charges, as well as the introduction of new measures which will drive down the costs to consumers even further in an area in need of robust regulation.

In the short-term, roaming price caps are still required to achieve a better deal for service users. The European Parliament Committee on Industry, Research and Energy recently voted in favour of amendments lowering the price caps set in the original Commission proposal. We support these amendments in principle, given their potential to further improve protection for consumers.

However, it is important, as our evidence highlighted, to strike the correct balance between wholesale and retail price caps. In the final months of negotiations on this proposal, we urge you to press for price caps which push costs down, whilst maintaining an adequate margin

between wholesale and retail prices to allow room for innovation and competition amongst mobile operators.

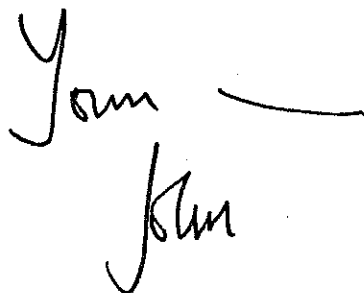
In the long-term, we want to see regulation on retail rates reduced so that true competition can thrive. This point has been stressed previously by the Government, and was a central feature of our oral evidence. The structural solutions proposed by the Commission could help to achieve this. However, given the complexity of these measures, it will be important to give consumers all the information they need to make the marketplace a competitive one.

Indeed, public awareness is crucial across this complex area. During the course of our session, it was very clear why many customers continue to be confused about the charges that apply, and why "bill shock" remains prevalent. Efforts must be made to ensure better clarity and understanding of roaming charges, and the onus should be on mobile phone network operators to achieve this. For instance, users must be informed as to how to make the most of wi-fi services where possible, rather than expensive mobile network services.

Overall, the approach of the proposal is right: continued intervention through price caps in the short-term, and the stimulation of a truly competitive marketplace that can operate without intrusive regulation in the longer-term. This can ensure that the consumer is always at the heart of developments.

We would ask you to continue to provide updates on negotiations as they progress, as the Committee considered this proposal to be of the utmost importance. We would also be interested in your views on whether increased supply relative to demand could be an alternative method of increasing competition. The timing you suggest in your letter (in advance of the second COREPER meeting to discuss this issue) would seem to be appropriate. In the meantime, we continue to hold this proposal under scrutiny.

I am copying this letter to William Cash MP, Chair of the Commons European Scrutiny Committee, Alistair Doherty, Clerk to the Commons Committee, Paul Hardy, Legal Adviser to the Commons Committee, Les Saunders (Cabinet Office) and to Rick Holyomes, Departmental Scrutiny Co-ordinator.

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The Rt Hon the Lord Roper  
Chairman of the European Union Committee

CMS 200086/DC



department for  
culture, media  
and sport

Lord Roper  
Chairman  
European Union Select Committee  
House of Lords  
LONDON  
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24 February 2012

*Dear J.L.*

**12666/11 COM (2011) 407: Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the outcome of the functioning of Regulation (EC) No 717/2007 of the European Parliament and Council of 27 June 2007 on roaming on public mobile communications networks within the Community, as amended by Regulation (EC) No 544/2009**

**12639/11 COM (2011) 402: Proposal for a Regulation of the European Parliament and of the Council on roaming on public mobile communications networks within the Union**

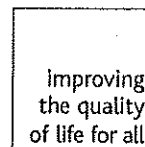
The purpose of this letter is to provide you with an update on the progress of the proposed Regulation of mobile roaming (Roaming III) since the issuing of the above EM and our exchange of letters in October 2011 and January 2012.

With discussions in the Council and European Parliament nearing completion, I believe that it is now time for a review of the Regulation as it stands and assess it against HMG's negotiating objectives, examine the remaining risks and opportunities and offer a view on whether the Regulation is 'fit for purpose'. I also provide an update on timetable for progression of the Regulation.

### **1. Review of the latest Presidency Against HMG Negotiating Objectives**

With regard to successes thus far, the latest Presidency text:

- Generally meets HMG's negotiating objectives by ensuring that:
  - consumers continue to enjoy protection through the mechanism of price caps until the proposed structural solutions have had an opportunity to introduce competition into this market;



- that the proven induction of competition into this market will ultimately result in a reduction in the level of regulation in this market through the cessation of price caps;
- by increasing the scope of the Regulation to include retail data prices, UK consumers will enjoy a price reduction of around 80%, with further drops in price through the mechanism of price caps in Years Two and Three of the Regulation; with further potential price drops through competition effects later in the life-span of the Regulation. This market is seen as especially important as it is regarded as having major growth potential, with the view that data prices are largely elastic, and with the advent of the use of smart phones by the majority of mobile telephony users;
- consumers enjoy further protection by extending the transparency and 'alert' SMSs on spending whilst roaming to all consumers who roam outside of the EU;
- further consumer protection is given through extending the current transparency requirements to all 'pre-pay' (also known as 'pay as you go') customers, although this does carry some costs that I detail below;
- Has retained a technology and service neutral approach, with the technical details of the structural solutions to be contained in separate BEREC guidance and supported by the necessary comitological processes rather than within the text of the Regulation;
- Generally meets 'Better Regulation' principles, with one exception that I will detail below; and
- Includes improvements to the Review mechanism that ensure that:
  - Several criterion, rather than a single metric as originally proposed, are considered when determining whether competition has been engendered and maintained in the market as a result of the introduction of structural solutions;
  - That price caps, in terms of duration and specific levels, can be reviewed in order to ensure that consumers can enjoy continued protection if the structural solutions have yet to take an effect or have been judged to have failed. This facility also seeks to ensure that wholesale caps in the latter part of this ten-year regulation can be altered to ensure that they are not set below costs to protect the mobile operators;
  - Introduce further structural solutions and adjust those already in place to take into account any competition effects or their lack, along with any technological changes, over the duration of the Regulation;
  - The first Review will now take place in 2016 (rather than 2015) ie two full years following the introduction of the structural solutions to ensure that any competition effects have had a greater period to take hold before being reviewed and one year before the first potential cessation date of retail price caps.

I noted above that one proposal contained in the latest text may not meet 'Better Regulatory' principles and had some costs associated with it. This is the extension of alert SMS and cut-offs (as detailed in Article 15 & 16) to all pre-pay customers.

I understand that whilst this may initially be attractive in terms of consumer protection, especially considering that many pre-pay customers are those within the lower socio-economic groups, there is some anecdotal evidence from operators that the vast majority of such customers will not benefit from these changes as they do not 'top-up' by, or maintain balances near, the €50 limit that will trigger such alerts.

During negotiations, HMG raised its concerns on the basis of proportionality and avoiding excessive costs for operators, however we were unsupported by other Member States on this issue and there appears to be no other evidence provided by operators regarding costs.

Given that this proposal first arose from the European Parliament (EP) and can be considered to be totemic for them, acceptance of this outcome is very likely to gain Council some negotiating capital with the EP when it comes to the matter of price caps, an issue to which I turn later.

## **2. Remaining Issues: Risks and Opportunities**

I now turn to issues that have been largely unresolved and present a number of risks and opportunities as negotiations progress.

### **2a – Currency Fluctuations**

The first is a new issue that has arisen since I last wrote to you and no doubt has its genesis in the on-going Eurozone crisis and the current turbulent economic climate. It is a proposal to introduce a mechanism that mitigates against roaming prices actually increasing when the price caps drop due to severe local currency devaluations when compared to the Euro.

The UK has spoken against this proposal on a number of grounds, including: on 'better regulation' grounds (whereby although the impact of this risk is high, the probability of such an event is extremely small ie it would require year-on-year currency devaluations in the order of at least 20%); that it would create a precedent in EU legislation; and that it would be inappropriate to legislate on a macro-economic issue within the Roaming Regulation. Thus we have made UK's position on this matter clear and our view is supported by a number of other Member States. It is my intention to seek that the new Regulation continues with the existing provisions ie those used in Roaming I and II.

The risk that the Presidency text produced on 29<sup>th</sup> February contains this proposal is low.

### 2b – Levels of Wholesale and Retail Price Caps

The second issue is that of the specific levels of the price caps. I believe it is worth recalling at this point that the UK's main objectives at the beginning of negotiations were that:

- The levels of the wholesale caps should not be set at levels below cost, with a real risk this situation would develop in the latter part of the ten-year life-span of the Regulation;
- The differential between the wholesale and retail caps should be set at a margin that guarantees sufficient profitability for new market entrants offering roaming services under the 'wholesale access' structural remedy detailed in Article 3.

However, since I last wrote, a third pricing issue has become apparent, that being:

- The levels of data wholesale caps as proposed may be set at unjustifiably high levels when compared to current domestic retail prices.

Thus far, whilst discussions at Working Party level have not largely covered the issue of specific levels of price caps, HMG has been very clear in its negotiating objectives and it would appear that we enjoy the support of majority of Member States in terms of principle, although views on specific levels may differ. Those Member States that have opined on levels appear to favour a reduction, with wholesale and retail data being a focus of later comments.

The general pricing landscape shows the EP favouring lower prices and price differentials, BEREC (including Ofcom, our regulator) striking the middle ground and the Commission proposals being the highest.

An analysis shows that the levels of price caps will be subject to continued downwards pressure from the EP and I am anticipating that BEREC (in a Report to be adopted at their Plenary) will propose a reduction of the levels of wholesale prices caps – specifically data. Indeed I anticipate that the BEREC figures will not only catalyse the necessary discussion on the specific levels but any specific levels recommended by BEREC will also act as crystallisation points for some Member States and possibly the EP, on the basis of the technical credibility of BEREC's data; the data on which the Commission's levels was published around two years ago.

One possible outcome will be that the values favoured by EP and BEREC will become aligned and this places an excellent opportunity for Council, and the UK who has not stated any specific values thus far, to influence the outcome of this debate.

I remain very much open to further evidence and am pleased to note that your committee are holding a hearing and look forward to reviewing the evidence given. As such, this matter remains very much a live issue, with the debate on specific levels expected to begin very shortly and I welcome your views.

### 2c – The Opt-out/Derogation Proposal

A final major issue that I believe is worth noting is a proposal that Council Working Group have now rejected but is contained currently in an EP amendment, is the 'opt-out' or derogation proposal.

In effect, the proposal would mean that if a mobile operator moves their roaming charges as close as possible to domestic prices, the provisions of being subject to the provisions in Articles 4 and 5 – the separate sale of roaming – no longer apply to them. Whilst this proposal may be initially attractive in terms of deregulation, there were some serious concerns about the negative impacts on both competition and consumer choice and how this would result in a patch-work effect of the Regulation across the Union that would be likely to cause confusion amongst consumers. HMG's analysis agreed with these points and we also put forward the view that such provision would introduce a *de facto* price cap, something we were keen to avoid.

This proposal did enjoy some support at Council Working Group but this has now evaporated and the proposal has been removed from the current Presidency text.

Whilst the risk that this proposal will be reappear in the Presidency text is now low, there is a risk that the EP may vote through the necessary amendments for it to reappear, although the current indications are that this specific amendment does not enjoy wide support across all the political groupings of the EP.

### 3. The Next Stages

The Danish Presidency have now produced a roadmap and key dates of note are:

28 <sup>th</sup> February	ITRE Committee Vote on EP Amendment	The ITRE committee is the lead EP committee on this dossier
29 <sup>th</sup> February	Presidency to seek mandate to enter in Trialogue with Compromise text	The mandate will be formalised through COREPER
6 <sup>th</sup> March	Triologue I	First discussions with EP
8 <sup>th</sup> March	Council Working Group	Potential examination of text with EP amendments
15 <sup>th</sup> March	Triologue II	Further discussion with EP
20 <sup>th</sup> March	Council Working Group	Potential examination of text & agreement for COREPER mandate
21 <sup>st</sup> March	Production of updated Presidency text & second mandate to continue Trialogue with this text	The mandate will be formalised through COREPER
27 <sup>th</sup> March	Council Working Group & Trialogue III	
29 <sup>th</sup> March	Triologue IV	

The text will then move through the formal co-decision process, with a final EP plenary vote due in May 2012. I believe it is important to recall at this point that it is currently anticipated that the Regulation will be taken as an 'A Point' at a Council other than the Telecommunications Council - that is due to take place on 8<sup>th</sup> June 2012 - as agreement then would be too late for the new Regulation to be in place in time for the expiration of the current Regulation; my officials continue to work to identify the most likely Council.

An analysis of the dates shows that there are a number of opportunities for Council to continue to review and influence the text over the next 6 weeks as it progresses at a rapid pace in an attempt to secure a First Reading deal so that the new Regulation is in place as the existing one expires on 30<sup>th</sup> June 2012 so that consumers continue to enjoy the protection from regulation.

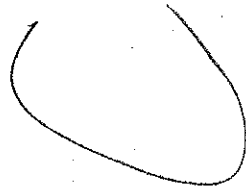


#### **4. Conclusion**

In summary, I am content that the current draft of the Presidency Compromise text is an improvement over the original proposals, that it generally meets HMG's overarching negotiating objectives and can be considered to be a robust fit-for-purpose Regulation. However, this view is caveated that HMG is able to secure a successful outcomes for those remaining issues detailed above.

With this timetable in mind, I am keen for us to continue to work together and I propose that I write again in advance of the second COREPER associated with this issue - due to take place on Wednesday 21<sup>st</sup> March 2012 – further reporting on progress, a further assessment of the new Presidency text that will then largely reflect the changes introduced by the EP and updating you on the outcomes of the specific issues detailed above. In the interim, please do not hesitate to contact me if you have any further queries on this important dossier.

I am writing in similar terms to the William Cash MP (Chair of the House of Commons European Scrutiny Committee) and have copied this letter to the Clerks of both Scrutiny Committees, Les Saunders (Cabinet Office) and Roger Higginson (DCMS).

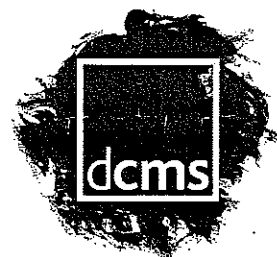
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**Ed Vaizey MP**  
**Minister for Culture, Communications and Creative Industries**

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JR  
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department for  
culture, media  
and sport

Lord Roper  
Chairman  
European Union Select Committee  
House of Lords  
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11 January 2012

Rec'd 16/01/12

Dear Jim

**12666/11 COM (2011) 407: Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the outcome of the functioning of Regulation (EC) No 717/2007 of the European Parliament and Council of 27 June 2007 on roaming on public mobile communications networks within the Community, as amended by Regulation (EC) No 544/2009**

**12639/11 COM (2011) 402: Proposal for a Regulation of the European Parliament and of the Council on roaming on public mobile communications networks within the Union**

The purpose of this letter is to provide you with an update on the progress of the proposed regulation of mobile roaming (Roaming III) since the issuing of the above EM and my exchange of letters with you in October 2011. It also further supplements my Post-Council Statement which contained detail of the exchange of views between Ministers during the December 2011 Telecommunications Council.

Following an initial analysis of the original text proposed by the Commission, consultation with stakeholders, and initial discussions at Working Party level, it became apparent that there would be concerns in four main areas.

They were:

- **The levels of the wholesale caps** may be set at levels below cost, particularly in the latter part of the ten-year life-span of the Regulation;
- **The differential between the wholesale and retail caps** should be set at a margin that guarantees profitability for new market entrants offering roaming services under the 'wholesale access' structural remedy detailed in Art 3;
- **Issues relating to the Review of the Regulation**, in particular when the first Review was to take place, the metric(s) used to determine if competition has been established through the effects of the proposed Structural Solutions, and the assumption that retail prices would be lifted in 2016, regardless of the outcome of the 2015 Review; and
- **The Regulation should be service and technology neutral** especially those Articles that deal with the proposed structural solutions.

It became clear during discussions at Council Working Party level that these concerns were shared by a number of other Member States.

Following the initial reactions by Member States at Working Party level, a Progress Report was presented to, along with an exchange of views between Ministers at, the Telecommunications Council on 13<sup>th</sup> December 2011. This exchange of views was based around three questions provided by the Presidency and reported in detail in my Pre- and Post-Council statements. It was clear that the majority of Ministers were of the view that:

- Negotiations of the Regulation should be completed in good time before the current Regulation expires, ie 30<sup>th</sup> June 2012;
- That the new Regulation should strive to be as service and technology neutral as possible, with technical and implementation detail of the structural solutions being contained in the associated BEREC guidance; and
- The provision of transparency on prices through the use of SMS detailing the price of voice, SMS and data services should be extended to those EU citizens who use mobile roaming services outside of the EU.

During this discussion; a number of Ministers also stressed the importance that there should be positive evidence of competition in this market before price caps were removed.

In parallel to this activity, discussions have been taking place in the European Parliament (EP), with the Industry, Research and Energy (ITRE) Committee in the lead on this dossier producing, in December, a draft Report, and the Internal Market and Consumer Protection (IMCO) Committee producing a draft Opinion; both containing a number of amendments to the original Commission proposal.

An analysis of the draft documents showed that MEPs were very much focussed on issues relating to consumer protection, with proposed amendments covering:

- **Reductions in retail price caps** for voice, SMS and data service for the duration of the Regulation;
- **Seeking extension of transparency provisions** to non-EU mobile roaming;
- **Ensuring a service and technology neutral approach;**
- **Prevention of 'bill shock'** for Pre-Pay customers;
- **Removal of retail price caps to be delayed until 2017**, with no provision to remove earlier;
- **Delaying the time of the first Review** of the Regulation from 2015 to 2016; and
- **Time limits for switching providers.**

A hearing on the draft Report and Opinion took place in the EP on 20<sup>th</sup> December 2011 and I can confirm that UK MEPs who are members of both committees were provided with briefing setting out HMG's views on the draft Regulation and proposed amendments.

The next milestones for EP business are:

- IMCO vote on draft Opinion – 6<sup>th</sup> February 2012;
- ITRE vote on draft Report – 28<sup>th</sup> February 2012; and
- Plenary vote of EP on draft ITRE Report – 18<sup>th</sup> April 2012

I am of the view that the EP will continue to primarily focus on the absolute levels of both wholesale and retail price caps, with the risk that margins will be squeezed and thus reducing the viability of the wholesale access structural solution (Article 3). Meetings with UK MEPs to discuss this issue, and further briefing provided at key points before the votes, are planned to attempt to mitigate this risk.

In parallel to the activity taking place within the EP, work continues within the Council Working Party. The incoming Danish Presidency produced a new compromise text early in January and this is being considered by Member States and will be discussed at four consecutive Working Parties taking place in January. The first of these took place on 10<sup>th</sup> January and the current text was generally welcomed by Member States.

An initial analysis of this text indicates that it addresses the majority of HMG's concerns with the notable exceptions of matters relating to the timing of the Review and the suspension of retail price caps in 2016, regardless of the outcome of the Review. It is worth noting that the levels of both wholesale and retail price caps remain unchanged (but for discussion) in the Presidency text.

It is then intended that the Presidency will seek a mandate to negotiate through Trialogues with the EP; most likely at the COREPER meeting that is due to take place on 29<sup>th</sup> February 2012 ensuring that an agreed text is adopted by the EP at the Plenary vote in April.

As such, it is currently anticipated that the Regulation will be taken as an 'A Point' at a Council other than the Telecommunications Council - that is due to take place on 8<sup>th</sup> June 2012 - as agreement then would be too late for the new Regulation to be in place in time for the expiration of the current Regulation; my officials are currently working to identify the most likely Council.

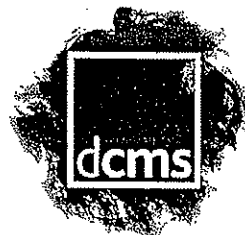
With this in mind, I am keen for us to continue to work together so that you are content to lift the existing scrutiny reserve in good time and I will write again once the text has become more fixed and the most likely date for agreement has been identified. In the interim, please do not hesitate to contact me if you have any further queries on this important dossier.

I am writing in similar terms to William Cash MP (Chair of the House of Commons European Scrutiny Committee) and have copied this letter to the Clerks of both Scrutiny Committees, Les Saunders (Cabinet Office) and Catherine Rees (DCMS).



**Ed Vaizey MP**  
**Minister for Culture, Communications and Creative Industries**

CMS 190578/mk



department for  
culture, media  
and sport

Rt Hon Lord Roper  
House of Lords  
London  
SW1A 0PW

2 November 2011

Dear Lord Roper

**12666/11 COM (2011) 407: Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the outcome of the functioning of Regulation (EC) No 717/2007 of the European Parliament and Council of 27 June 2007 on roaming on public mobile communications networks within the Community, as amended by Regulation (EC) No 544/2009**

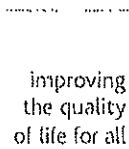
**12639/11 COM (2011) 402: Proposal for a Regulation of the European Parliament and of the Council on roaming on public mobile communications networks within the Union**

Thank you for your recent letter of 14 October.

I have noted your committee's support regarding the extension of retail price caps for data charging. I have also noted the Committee's view that the reduction of roaming costs represents one of the visible successes of the Single Market and that the Single Market itself is regarded as the most prominent benefits of membership of the European Union. I can confirm that these are views that I share with the Committee.

#### Confirmation of HMG's Negotiating Lines

I can confirm that the Government has now formulated a general negotiating line and that this line has been cleared by Cabinet European Affairs Committee (EAC) and I detail this below.



Clearance from the EAC was sought because I shared the concern of the European Commission that data roaming prices have remained stubbornly high, that the current regulatory regime appeared to inhibit the development of a competitive Single Market, and that the use of structural solutions should be pursued with the specific purpose of addressing the perceived lack of competition within this specific market.

Thus, I can confirm that the Government's general negotiating stance is:

- HMG has yet to indicate a firm view of any preferred structural solution, but an initial view is that there appears to be a greater potential benefits associated with the proposed obligation on network operators to allow wholesale access for the provision of roaming services. (I am aware that there is some limited precedent of this already happening in some Member States);
- HMG remains unconvinced of the potential efficacy of the second proposed structural solution ie the mandating of separate providers for the provision of roaming services. While we see that such a solution could have competition benefits we continue to have some concerns over the technical implementation of such a solution, along with the potential costs the network operators will incur when implementing such a solution, whether consumers will be able to make an informed choice when presenting with this option and whether it will be relevant to the majority of consumers who may roam a very limited number of times each year;
- HMG will seek to ensure that any changes made under a new Regulation are fair to businesses and consumers alike. HMG will seek to ensure that any outcome does not impose costs that may jeopardise investment decisions for the network operators nor that any outcomes are detrimental to the most vulnerable consumers, many of whom use expensive pre-paid services ie 'pay as you go';
- HMG is concerned that the proposed review date of 2015 may be too soon after the implementation of any structural solutions to ascertain if sufficient competition dynamics are been created and stabilised to warrant the automatic removal of retail price caps in 2016; and
- In the absence of any evidence to the contrary, that an extension of price caps should be extended to retail data roaming as a short-term measure, along with a continuation of the existing price caps whilst the structural solutions are put into place and begin to have an effect on both prices and competition.

I can confirm that we have undertaken a stakeholder consultation, with early views generally aligning with HMG's and sharing the same concerns, especially the cost and effectiveness of the mandating of separate roaming provision.

### **Update on Negotiations and EU Procedural Issues**

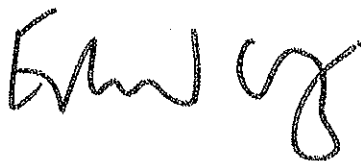
Discussions have begun at Council Working Party level with a first read-through nearly complete; with a number of Member States beginning to provide specific changes to the text. HMG has yet to suggest specific changes. Rather it is setting out general headline objectives that it believes that the text should achieve and will then suggest textual changes once the first read-through is complete and we are fully aware of the positions of other Member States.

Initially, it would appear that the majority of Member States are aligned with HMG's views but with some differences over some points of detail regarding the preferred technical solution for the provision of separate roaming services and its overall implementation. I believe that it is of note that many Member States share the UK's concerns regarding the proposed 2015 review date and the automatic removal of retail price caps in 2016, regardless of the outcome of this review. Many also share the view that one year is insufficient time for any impact on competition from the structural solutions to be having a full effect.

I am aware that European Parliament rapporteur has been appointed, drawn from the Committee on Industry, Research and Energy (ITRE), Angelika Niebler (Germany/EPP); that Internal Market and Consumer Protection (IMCO) committee opinions will be handled by Eija-Riitta Korhola (Finland/EPP); likewise for the Legal Affairs (JURI) committee by Antonio López-Istúriz White (Spain/EPP). Despite this early progress, there is a concern that the new Regulation may not have passed through the necessary final procedural stages in time to replace the outgoing Regulation (which expires on 30<sup>th</sup> June 2012).

As with all negotiations, the situation remains fluid and I propose that I write to you and William Cash MP once the first run-through of text has taken and the other Member States' positions, and how these may impact on HMG's negotiating objectives, have become clear. I anticipate that this will be by the end of November. The Presidency will make a progress report on the Regulation at council on 13<sup>th</sup> December 2011.

I am copying this letter to William Cash MP (Chair of the Commons European Scrutiny Committee); Alistair Doherty (Clerk to the Commons Committee); Paul Hardy (Legal Adviser to the Commons Committee); Les Saunders (Cabinet Office); and Catherine Rees (DCMS Departmental Scrutiny Coordinator).



Ed Vaizey MP  
Minister for Culture, Communications and Creative Industries





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11 October 2011

*Dear Ed,*

**12666/11 COM (2011) 407: Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the outcome of the functioning of Regulation (EC) No 717/2007 of the European Parliament and of the Council of 27 June 2007 on roaming on public mobile communications networks within the Community, as amended by Regulation (EC) No 544/2009**

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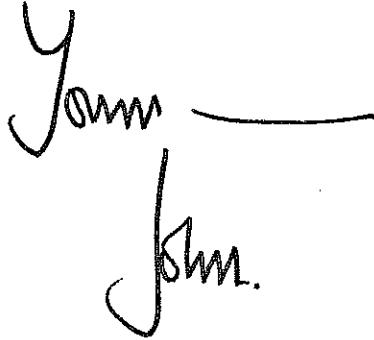
Thank you for your explanatory memorandum of 21 July, which was considered by the Sub-Committee on Internal Market, Energy and Transport at their meeting of 11 October.

We note that the Government have yet to formulate a final position on this proposal, which we consider to be significant in terms of its potential impact on this sector of the Single Market. During the previous Parliament, the Committee published two reports about the previous forms of the Regulation and therefore retain a strong interest on this matter. As a result, the Committee may consider taking oral evidence on the proposal or alternatively conducting a short inquiry as a follow up to the previous reports. In the meantime, they have decided to retain the document under scrutiny.

The document proposes the introduction of retail price caps for data charging. We believe that roaming cost reductions represent one of the most visible successes of the Single Market, itself the most prominent benefit of membership of the European Union. We

therefore welcome the extension of retail price caps to data. This proposal accords with views expressed at the recent Single Market forum in Krakow, which took place on 2 October to 4 October 2011, where the importance of a single market in telecommunications was stressed.

I am copying this letter to William Cash MP, Chairman of the Commons European Scrutiny Committee, Alistair Doherty, Clerk to the Commons Committee, Paul Hardy, Legal Adviser to the Commons Committee, Les Saunders (Cabinet Office) and to Elaine Barley, Departmental Scrutiny Co-ordinator. I would be grateful to receive a reply to this letter within the standard deadline of ten working days.

The image shows two handwritten signatures. The top one is a cursive signature that appears to be 'John' followed by a horizontal line. The bottom one is a more stylized cursive signature, also appearing to be 'John'.

The Rt Hon the Lord Roper  
Chairman of the Select Committee on the European Union