

Recommendation of the Arab Regulators' Network on the international mobile roaming rates applied among Arab countries

April 8, 2007

Telecommunications regulatory authorities of the Arab countries, members of the Arab Regulators' Network, (hereinafter – AREGNET) after:

- Reviewing Resolution No. 187 of the Arab Telecommunications and Information Council of Ministers taken in its 10th Ordinary Session held in June 2006, that states:

- 1- *“It is important to stress that the telecommunications regulators in Arab countries shall obligate the operators in their countries to reduce roaming rates in Arab countries to the appropriate and reasonable level which is in line with the international average roaming, with the possibility to bilaterally agree on lower roaming rates, provided that this shall be implemented starting from January first, 2007.*
- 2- *It is important that all operators inform the roamer once he/she arrives the country of destination of the actual roaming rates by an SMS”.*

- Considering the observations of the 11th Ordinary Session of the Arab Telecommunications and Information Council of Ministers, held in July 2007, with regard to the previous recommendation of AREGNET adopted on May 24, 2007;

- Upon working on the basis of the proposal of the AREGNET's Working Group on roaming;

- Regarding from one part input from experts and industry stakeholders on international roaming regulation as well as analysis of various models for roaming regulation;

- Upon Meeting with senior representatives of the mobile operators, including the GSM Association, at the AREGNET Plenary Meeting on April 8, 2008 and considering their suggestions for alternative steps in the field of the international mobile roaming rates through Arab countries;

Hereby issue the following Recommendation:

Introduction:

First: AREGNET considers that it is important to ensure that consumers of Arab countries are effectively protected from unduly high prices for international roaming.

Second: AREGNET stresses that lower rates for international roaming will enhance tourism and communication of people of the Arab countries within the Region.

Third: AREGNET recognizes that regulation should take into account the level of development of the mobile markets in the Region, as well as differences in network costs in the different Arab countries and the necessity for operators to obtain a reasonable return on investment.

Recommendation:

First: AREGNET, having carefully analysed issues related to international roaming in the Region, hereby considers that:

1. It is important that all operators of Arab countries actually implement actions promoting transparency with respect to international roaming rates, including such actions as:
 - a. Publication of clearly understandable final rates that will have to be paid by customers for international roaming services, edited on an actively promoted and user friendly website. Publication of website will be in the Arabic language. The website should also contain data for all the operators updated on a timely basis;
 - b. Informing individual subscribers about roaming rates via SMS upon connection to a network of a visited country.
2. The prices of international roaming should be regulated as follows:

A. In case of outgoing calls to home country or to a third Arab country.

- a. Operators of a visited country must not charge the operator of the subscriber's home country a wholesale rate higher than the rate calculated according to the following formula:

*Wholesale rate = Local operator's retail rate in visited country for international calls to a country of reception * x, where x equals:*

- 1) 1.5 – during the first year beginning on date of enforcement of the price regulation ;
- 2) 1.4 – during the second year after the price regulation has become effective ;
- 3) 1.3 – subsequently.

- b. operators in subscriber's home country should not charge their subscribers a higher retail rate r than the rate calculated according to the following formula:

*Retail rate = Wholesale rate * 1.3.*

- c. For the purpose of calculation of the wholesale rate, the visited country operator's retail rate for international calls is considered as an annual average of the various retail rates for international calls to country of reference, applied by the operator of visited country. This average is calculated as total revenue divided by total minutes.

B. In case of outgoing calls within borders of a visited country.

- a. An operator of a visited country must not charge the operator of the subscriber's home country a wholesale rate higher than a rate calculated according to the following formula:

*Wholesale rate = Local operator's retail rate for local calls * x, where x equals:*

- 1) 1.5 During the first year beginning the day price regulation becomes effective;
- 2) 1.4 –r During the second year after the price regulation has become effective;
- 3) 1.3 – subsequently.

- b. operators in subscriber's home country should not charge their subscribers a retail rate higher than the rate calculated according to the following formula:

*Retail rate = Wholesale rate * 1.3.*

- c. For the purpose of calculation of the wholesale rate, the visited country operator's retail rate for local calls is calculated as the annual average of various retail rates for local calls, applied by the operator in the visited country,. This average is calculated as total revenue divided by total minutes.

C. In case of incoming calls.

- a. An operator, as well as any international facilities intermediate operator of a visited country may not charge an operator of a subscriber's home country or any intermediate operator of international facilities of home country a wholesale rate that would be higher than the normal rate applied for end connecting an international call originated in a home country, to a visited country.
- b. An operator of a subscriber's home country should not charge its subscriber a retail rate higher than the retail rate it applies to such a subscriber for international calls towards the visited country, .

3. Both operators in a pair should both apply the highest one of wholesale rates as calculated separately for everyone of them .
4. AREGNET members should monitor the retail rates of international roaming services, after the Recommendation is implemented, to ensure that the general average of the retail rates does not increase.

Second: AREGNET holds back the right, upon request from at least 5 members of AREGNET, to further consider whether it is appropriate to examine any final proposals from the mobile sector, represented by the GSM Association, knowing that such proposals should be received no later than April 24, 2008.

Third: Without prejudice to the legal authority pertaining to each member of AREGNET to adopt the requested regulation, AREGNET considers that the Recommendation should be implemented according to the laws of the respective Arab countries, regarding the powers of the involved AREGNET members.

Fourth: AREGNET members will endeavour to review the Recommendation in two years as from the date of the Recommendation.

Fifth: AREGNET kindly requests the Arab Telecommunications and Information Council of Ministers to:

1. Support the above Recommendation and, if necessary, take all actions in order to achieve implementation and monitoring of the Recommendation in the Arab countries in accordance to the laws of every Arab country;
2. Encourage liberalization of international gateways;
3. Encourage and support review of the taxation of telecommunication services, to ensure that such regulations are fair and reasonable and will not be undue burden for telecommunications operators and consumers.