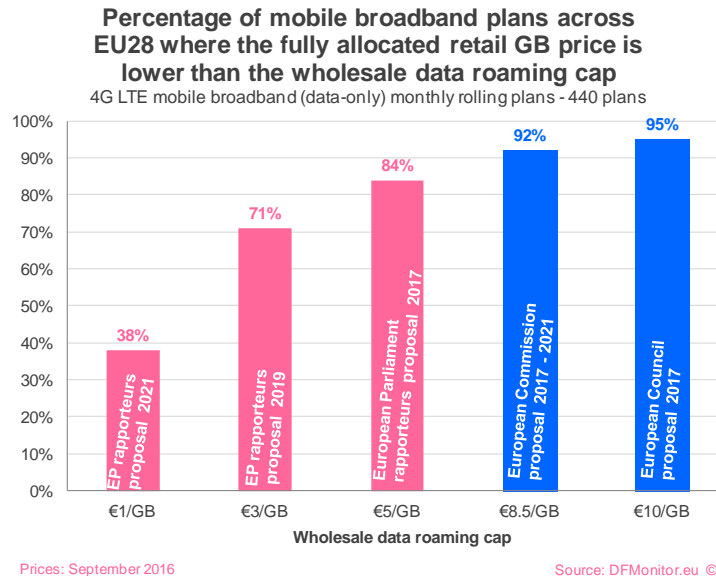


The Commission proposed wholesale data roaming cap of €8.5/GB is anomalous and will distort competition in North-Eastern mobile markets where retail gigabyte prices are competitive

Rewheel / Digital Fuel Monitor-PRO research note, 25th October 2016

UPDATED 27.10.2016 with Response of EU Commission DG Competition (letter dated 27.10.2016) to Rewheel's concerns.

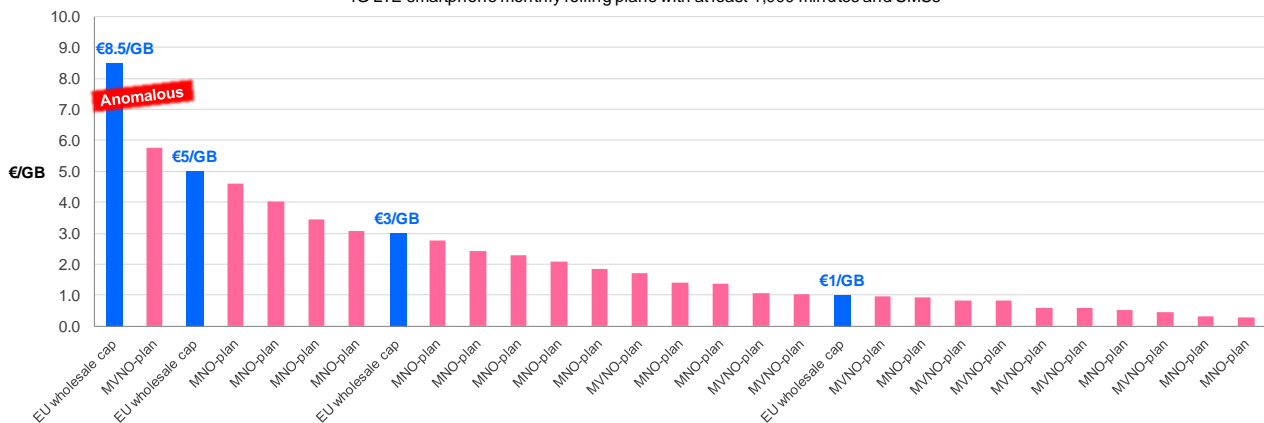


Key questions answered

- How low should the wholesale data roaming cap be in 2017 to avoid the distortion of competition in North-Eastern domestic mobile markets where retail gigabyte prices are competitive?
- Why the European Commission's cost modelling methodology is dubious (produces fictitious high gigabyte costs)?
- Why the Spanish regulator cost model (different consultant) produces five times higher gigabyte cost than the Commission's model?
- Does seasonality significantly affect the cost of data roaming services? A South European mobile operator questioned the claimed size of the calculated data roaming cost per gigabyte!
- What is the financial impact challenger MNOs and MVNOs will face with the anomalous 8.5/GB wholesale cap?
- Why BEREC, MVNO Europe and a number of North-Eastern mobile operators warned the Commission that the proposed wholesale data roaming cap will raise domestic prices, weaken competition and increase consolidation?
- Why the Commission proposed wholesale data roaming cap appears to be carefully calibrated to €8.5/GB?

Fully allocated retail price per gigabyte in smartphone plans in Poland versus the Commission (€8.5) and Parliament (€5 - €1) proposed wholesale data roaming caps

4G LTE smartphone monthly rolling plans with at least 1,000 minutes and SMSs



Fully allocated GB price = tariff retail monthly price (incl. VAT) divided by included gigabyte allowance. Operator main, sub-brands and MVNOs included. In some plans tethering/hotspot functionality is not allowed. Unlimited plans were assigned a finite volume of 60GB

Prices: September 2016 Source: DFMonitor.eu ©

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