



Cost of Providing Roaming Wholesale Services

Presentation of Results

April 2024

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Introduction

- ▶ **Engagement**: Axon Partners Group Consulting (hereinafter, 'Axon') has been commissioned the study "*Cost of Providing Roaming Wholesale Services – CNECT/2022/OP/0065*" (the 'Project') by the European Commission (hereinafter, 'EC').
- ▶ **Objective of the study**: Estimate the cost of providing wholesale roaming services and wholesale voice call termination by mobile network operators in each EU/EEA country, needed for the Roaming review planned for 2025 as well as for any other further review where termination costs are relevant (i.e., future update of the Euro Rate for mobile termination).
- ▶ **Purpose of this document**: Illustrate the results per country produced by the model submitted to the second consultation round, under different scenarios, for the key relevant services, namely: Data roaming (Traditional and M2M), Voice roaming and Voice termination.

Interpretation of the results shown in this presentation

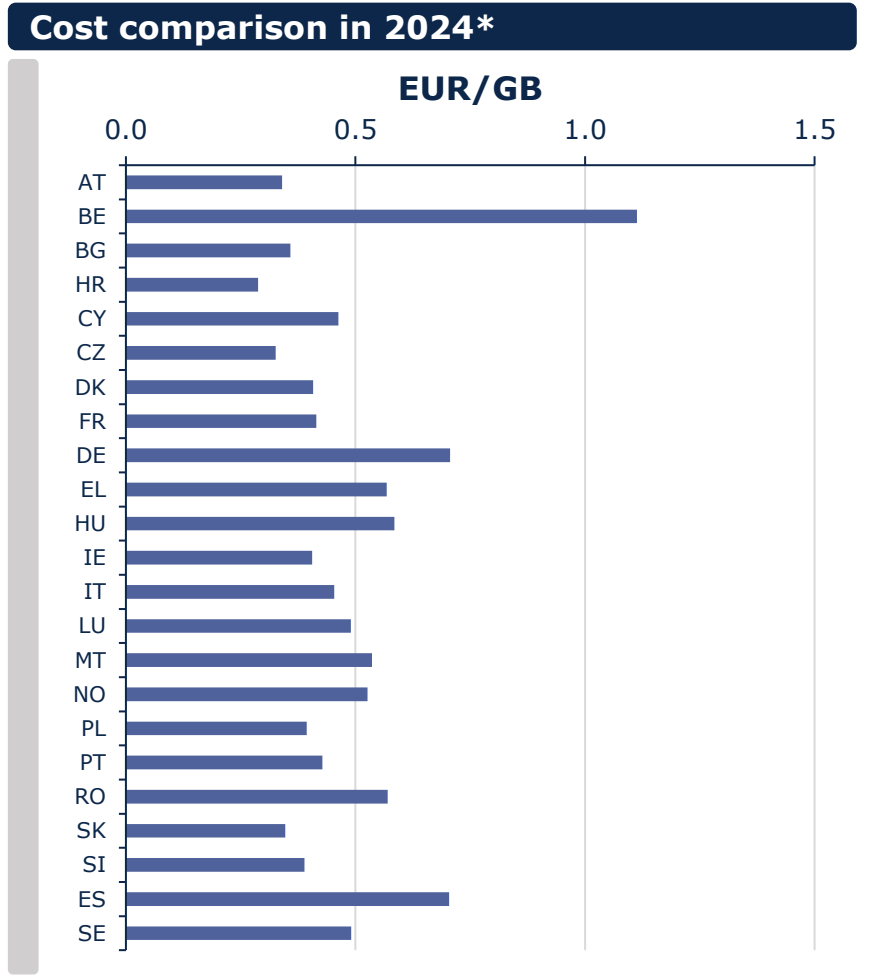
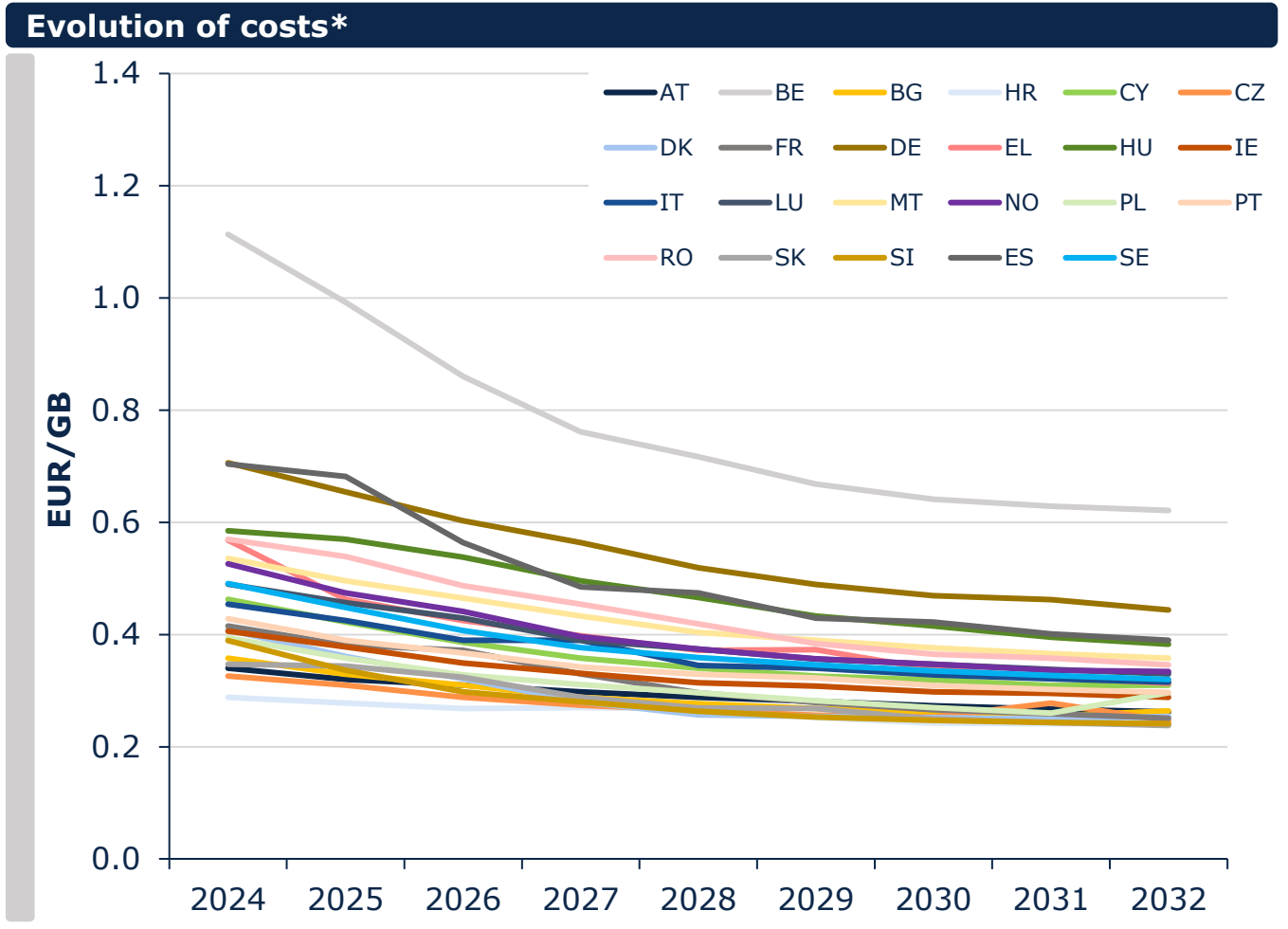
- ▶ The EC/Axon team are sharing the following slides as part of the 2nd consultation on the mobile cost model. The **results shown in the following slides are provisional** pending the comments during this 2nd consultation and any potential changes that may be made to address them.
- ▶ Once the mobile cost model is in its final form, the EC/Axon team will hold a public Workshop with stakeholders to gather stakeholders' final views.
- ▶ The Commission will use the results from this mobile cost model as one of the inputs in the 2025 review of the roaming rules and its delegated act on a single maximum mobile termination rate.
- ▶ The results presented in the following slides show the service unit cost estimates in each country under different cost modelling scenarios. At present, the Commission does not attach any greater weight to specific scenarios and, therefore, **none of the scenarios and results presented should be interpreted as having greater weight on the Commission's future legislative proposals (if any).**

We provide results for two sets of scenarios that illustrate the range of services' unit costs produced by the model

Scenario	Alternatives	Scenario 1. Base Case Demand Scenario	Scenario 2. Conservative Demand Scenario
Annualisation criteria	<ul style="list-style-type: none"> Economic depreciation based on ARPU Economic depreciation based on demand 	Economic depreciation based on demand	
Roaming increment	<ul style="list-style-type: none"> Specific roaming increment Joint roaming and domestic increment 	Specific roaming increment	
Specific cost allocation	<ul style="list-style-type: none"> Allocation based on GB Allocation based on drivers 	Allocation based on drivers	
Threshold to identify seasonal patterns	<ul style="list-style-type: none"> 10% 30% 50% 	50%	
Demand	<ul style="list-style-type: none"> Conservative Base-case Aggressive 	Base-Case	Conservative
Common costs allocation	<ul style="list-style-type: none"> Common costs allocated based on traffic Common costs allocated based on customers 	Common costs allocated based on traffic	

Results per Service

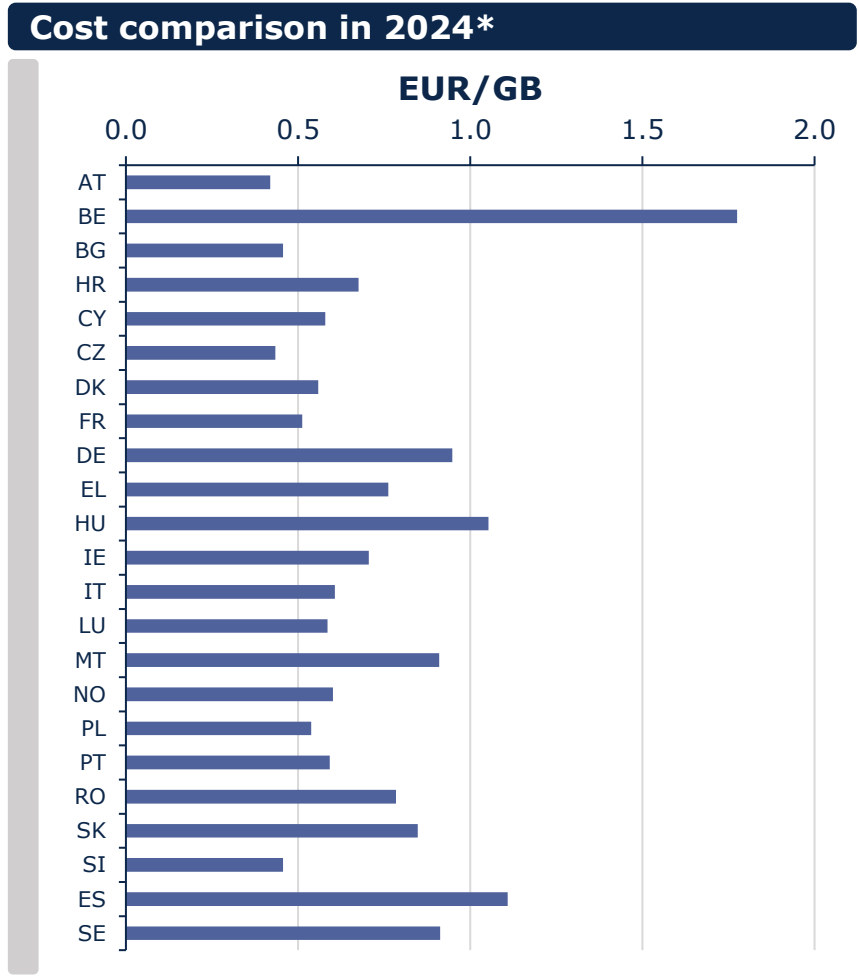
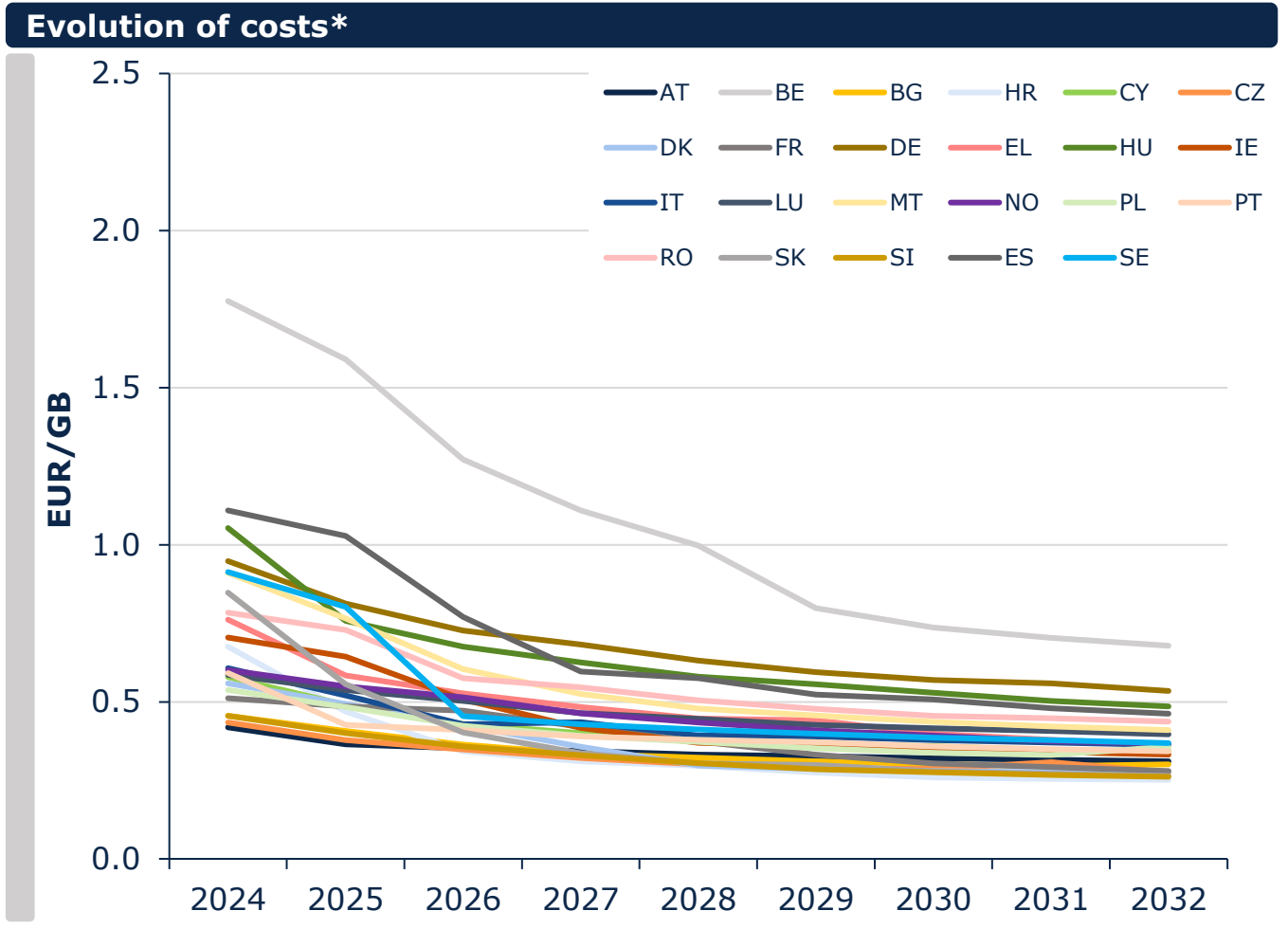
Data Roaming (Traditional services provided to end-customers) – Base Case Demand Scenario



* These cost references include 0.095 EUR/GB of transit costs, as per the draft figure estimated by the EC.

Results per Service

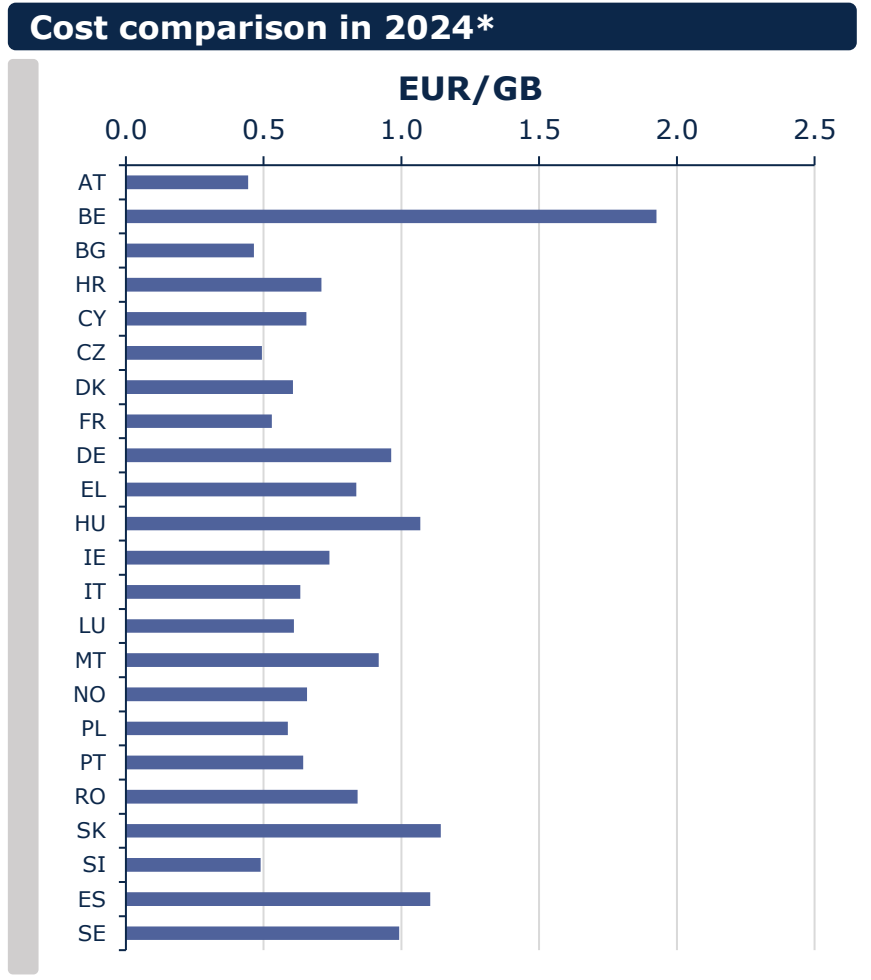
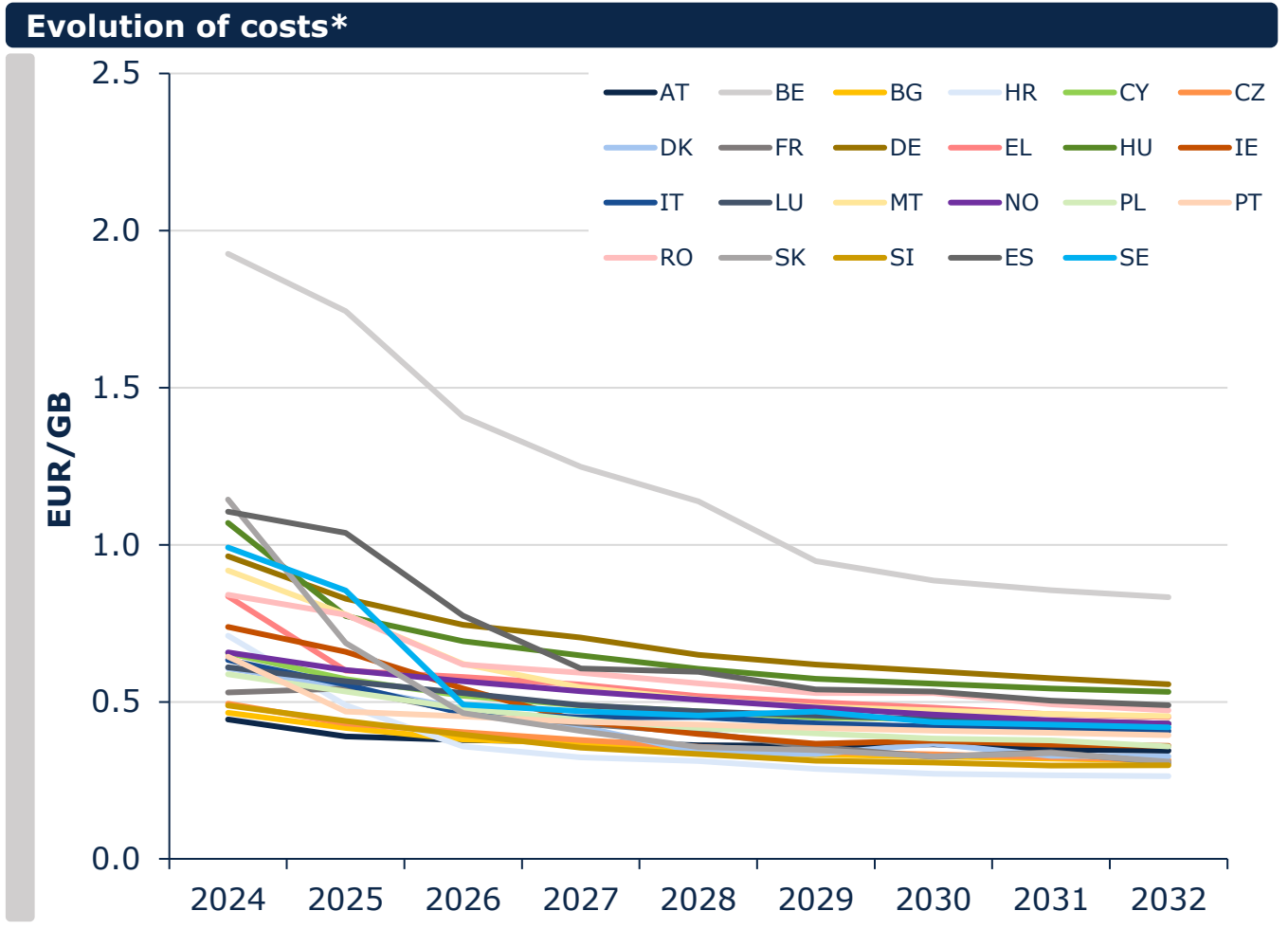
Data Roaming (M2M services) – Base Case Demand Scenario



* These cost references include 0.095 EUR/GB of transit costs, as per the draft figure estimated by the EC.

Results per Service

Data Roaming (M2M services) – Conservative Demand Scenario

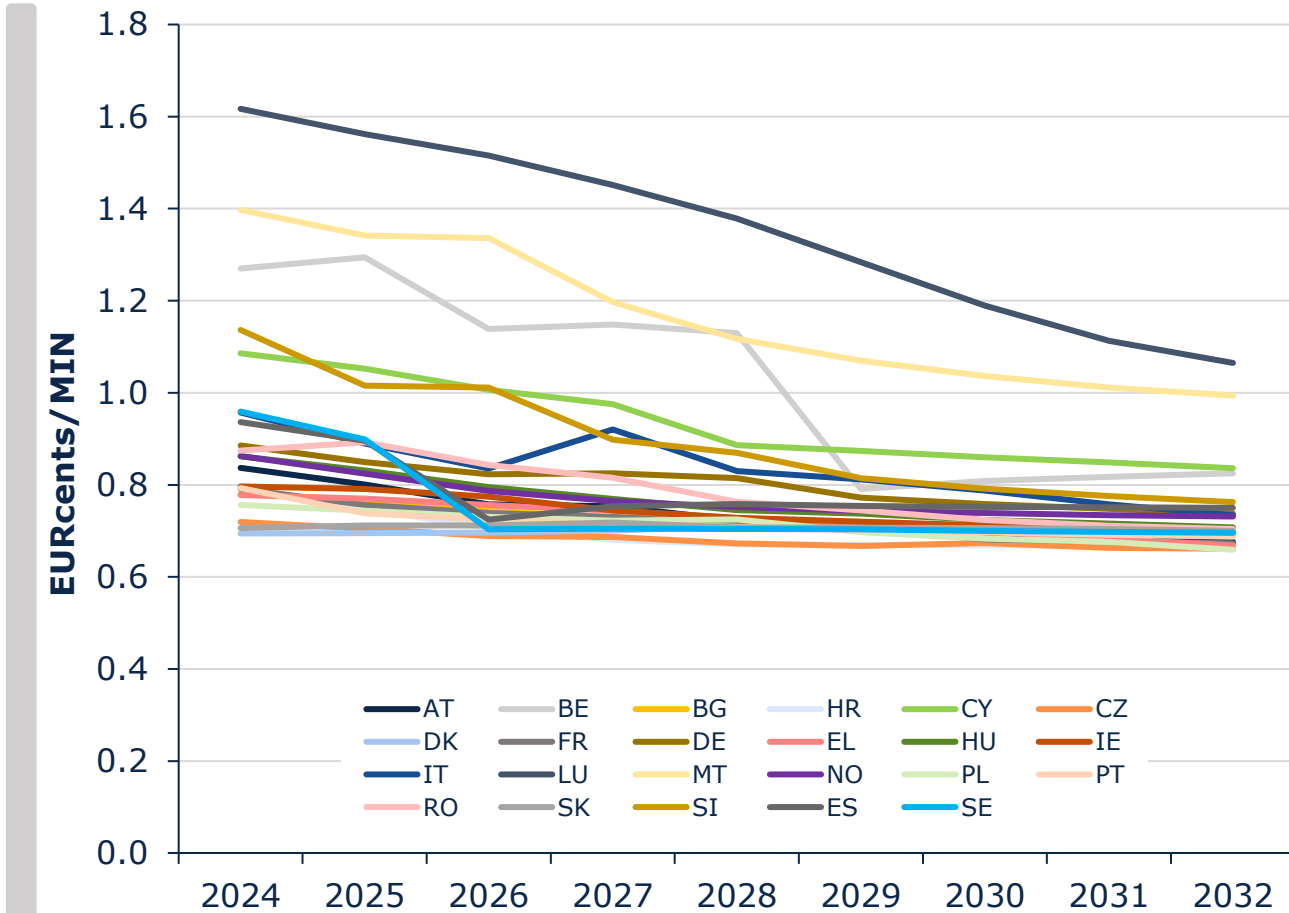


* These cost references include 0.095 EUR/GB of transit costs, as per the draft figure estimated by the EC.

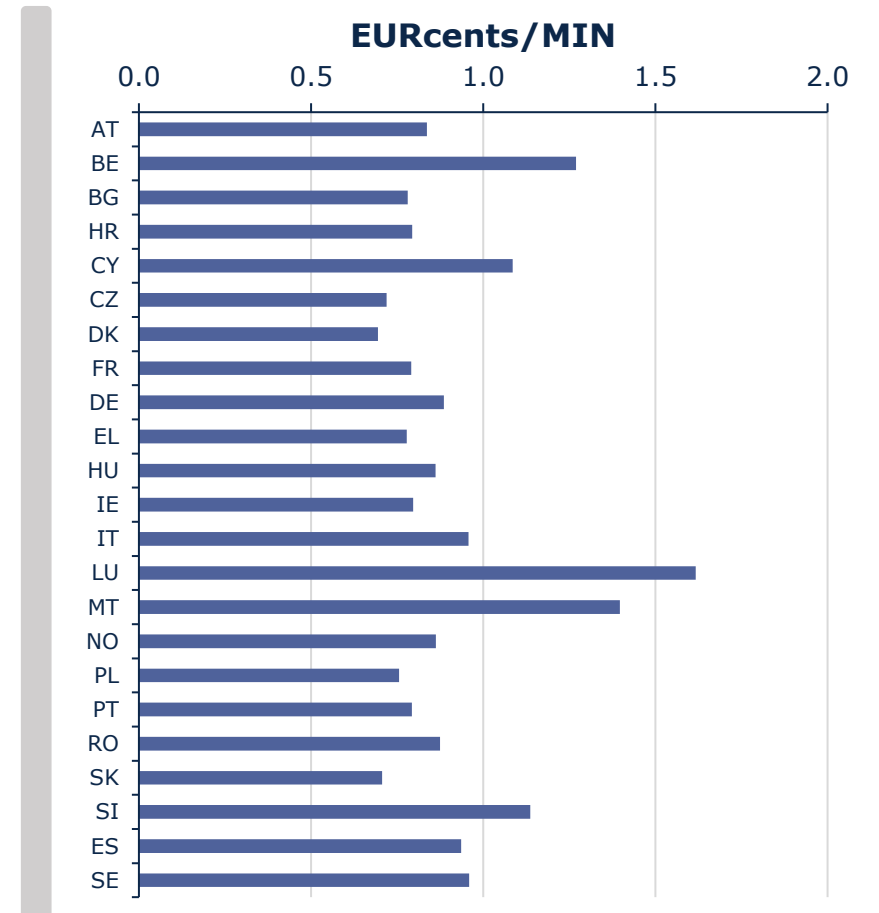
Results per Service

Voice Roaming– Base Case Demand Scenario

Evolution of costs*



Cost comparison in 2024*

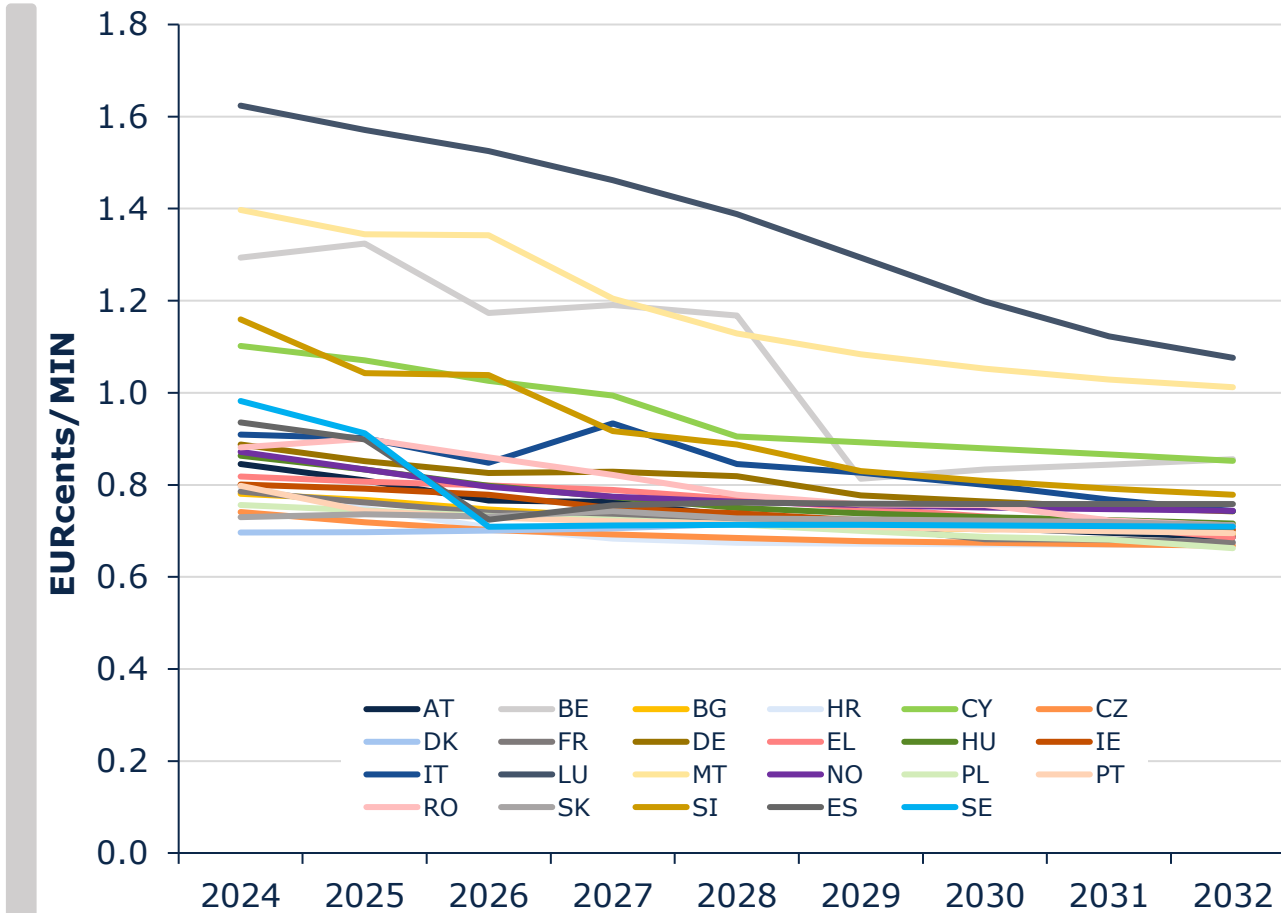


*These cost references include 0.4 EURCents/min of transit costs, as per the draft figure estimated by the EC, and 0.2 EURCents/min of termination costs, as per the COMMISSION DELEGATED REGULATION (EU) 2021/654 of 18 December 2020.

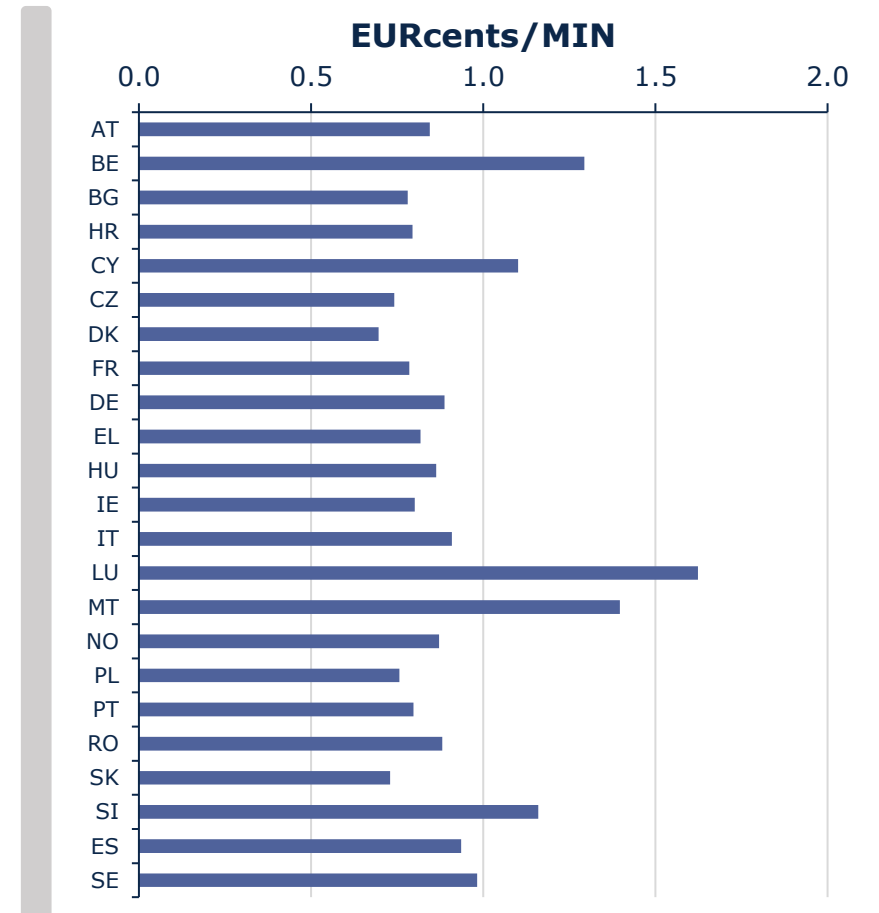
Results per Service

Voice Roaming – Conservative Demand Scenario

Evolution of costs*



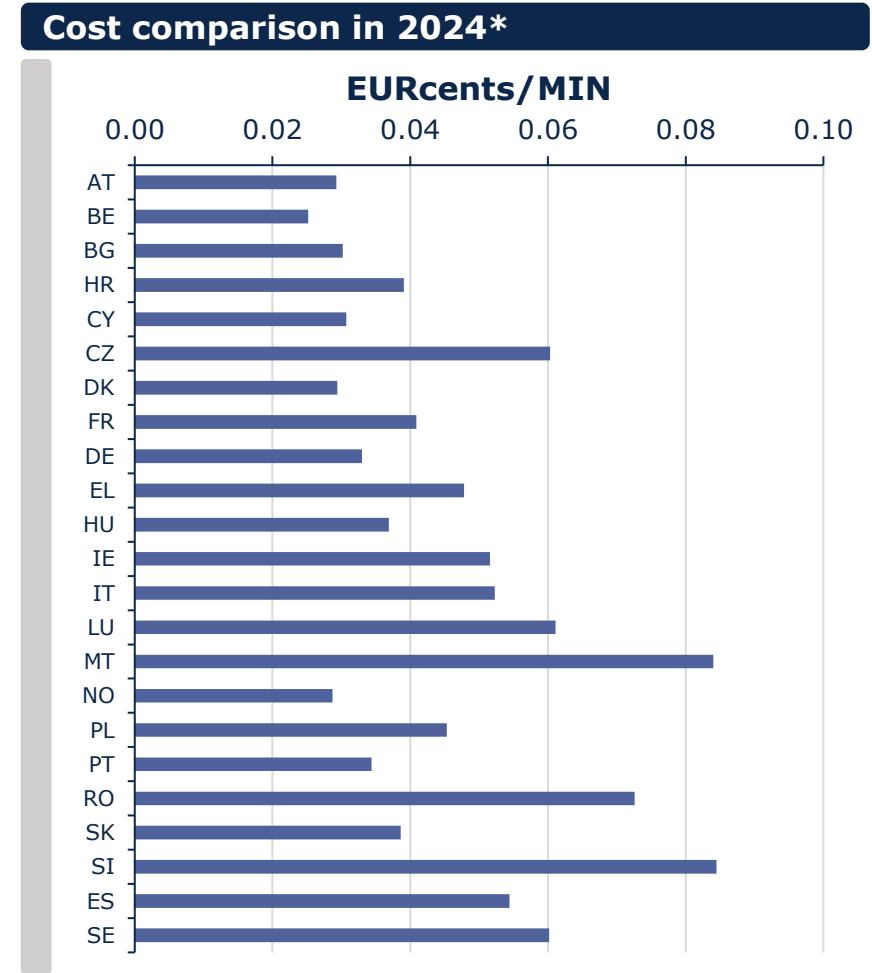
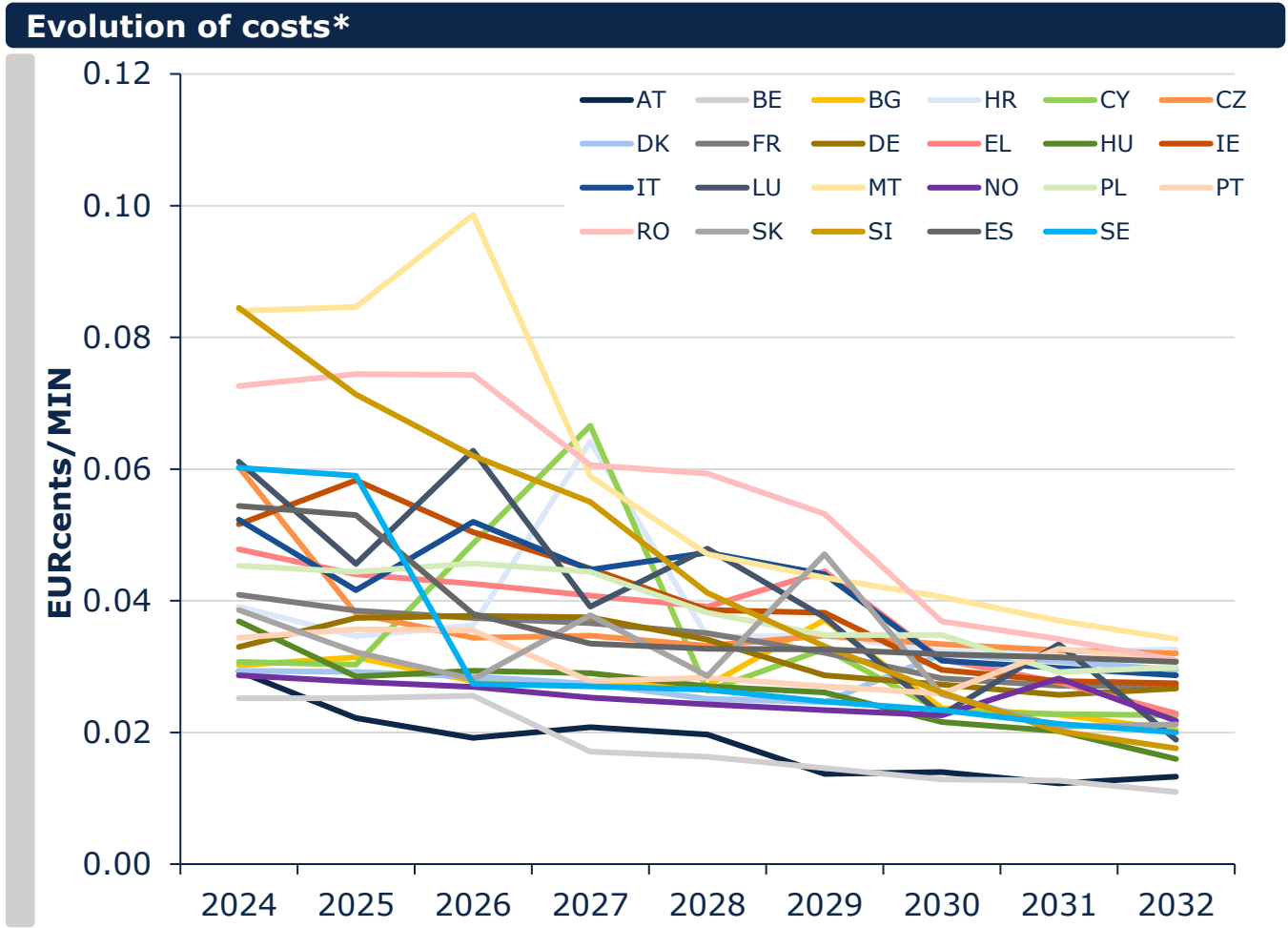
Cost comparison in 2024*



*These cost references include 0.4 EURCents/min of transit costs, as per the draft figure estimated by the EC, and 0.2 EURCents/min of termination costs, as per the COMMISSION DELEGATED REGULATION (EU) 2021/654 of 18 December 2020.

Results per Service

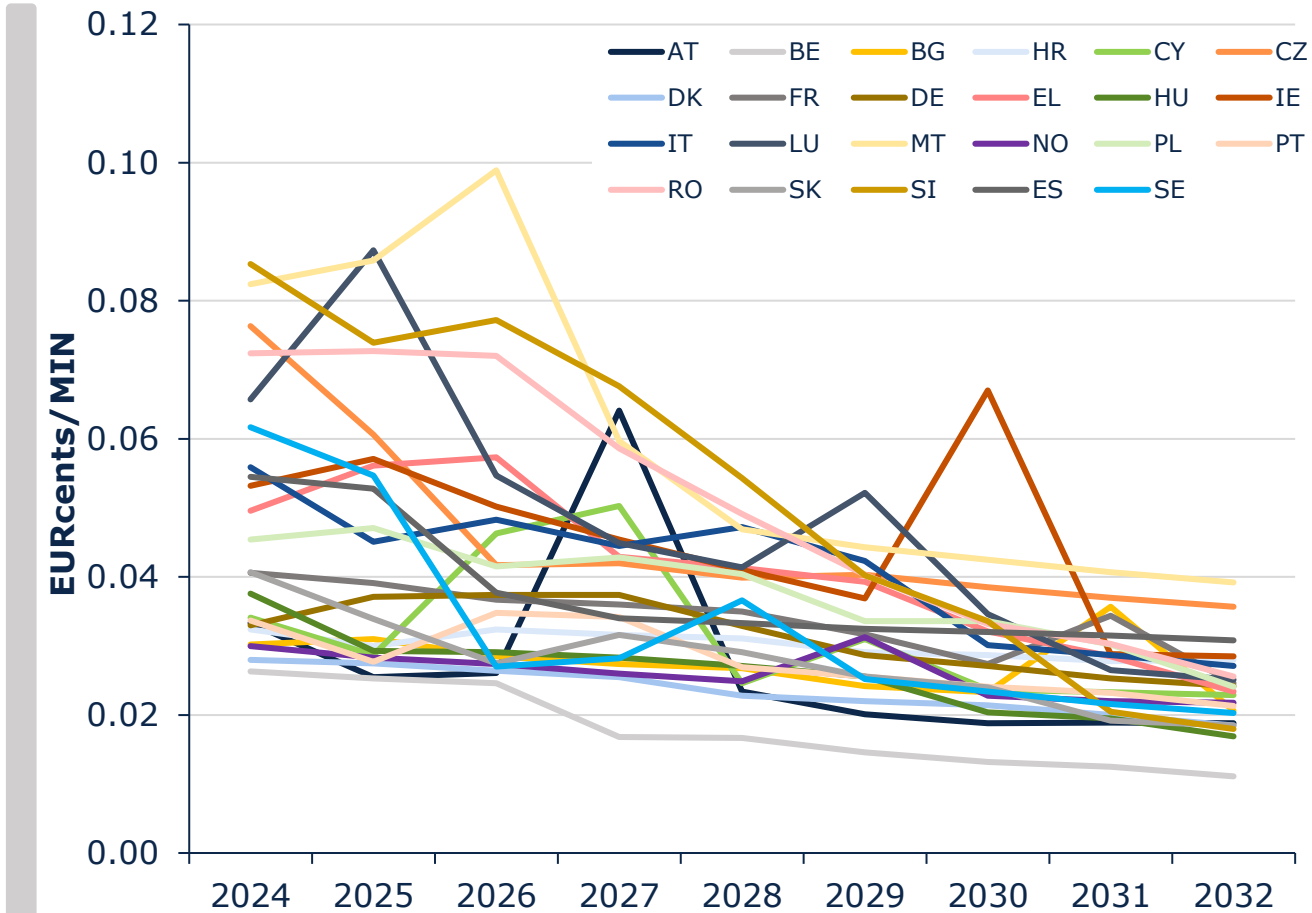
Voice Termination – Base Case Demand Scenario



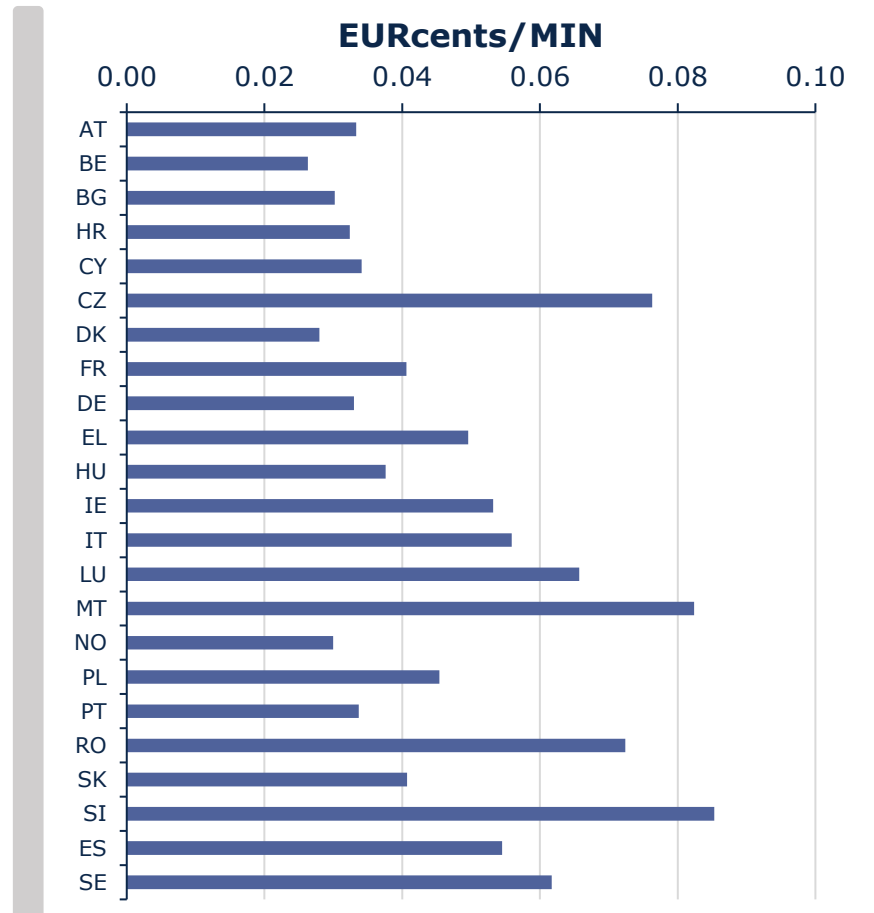
Results per Service

Voice Termination – Conservative Demand Scenario

Evolution of costs*



Cost comparison in 2024*



MADRID (HQ)

Sagasta, 18 – 3º
28004, Madrid

BRUSSELS

91, Avenue du Roi, 1190
Brussels

ISTANBUL

Buyukdere Cad. No. 255 Nuroi
Plaza B.04 34450 Maslak
Istanbul

RIYADH

3141 Anas ibn Malik Road
Building B, 2nd Floor Al Malqa
Riyadh

BOGOTA

Calle 100 # 13 – 95, Torre
Empresarial FD 100 Piso 6,
Bogota

Any questions? Please, contact:



Jorge Martínez

jorge.martinez@axonpartnersgroup.com



Carlos Gómez

carlos.gomez@axonpartnersgroup.com