

EU court rejects challenge to cell phone cap

June 8 2010, By AOIFE WHITE , AP Business Writer

(AP) -- The European Union's highest court rejected a challenge Tuesday by four British cell phone companies to a Europe-wide price cap on fees for using a phone abroad.

The British branches of [Vodafone](#), Telefonica O2, T-Mobile and Orange had argued against the EU's imposing maximum price limits for "roaming" charges or extra fees for making or receiving calls outside the user's home nation.

The European Court of Justice dismissed their arguments, saying the EU's executive commission did not abuse its powers when it fixed limits for roaming fees across the 27-nation bloc in 2009.

Europeans have long complained about high roaming fees they were being charged.

"That high level of retail charges had been regarded as a persistent problem by public authorities and [consumer protection](#) associations," the court said in a statement.

It said the average level of roaming charges in the European Union was euro1.15 (\$1.37) per minute, more than five times the actual cost that telecommunications companies paid to transfer the calls to each other.

The court also backed the maximum price set by EU regulators, saying they had carefully examined the economic impact.

EU moves to curb [roaming charges](#) have reduced European travelers' cell phone bills by about 35 percent to euro20 (\$23.80) a month, according to EU data. A four-minute call from Cyprus to Belgium used to cost more than euro12.

Beginning July 1, the EU roaming law will decrease charges again, setting a maximum price of euro0.39 (\$.46) per minute for making a mobile phone call when abroad and euro0.15 (\$.18) for receiving one, plus value-added tax.

The [European Commission](#) has also set caps on prices for sending text messages and using mobile Internet.

Also beginning July 1, customers will have to set a limit on how much they want to pay for using [mobile Internet](#) abroad - or be set a default of euro50 (\$60). They will get a warning when they come close to that limit and will be cut off when they go beyond it to prevent them racking up massive fees.

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