

EU lawmakers approve new price cap on text message

22 April 2009, By AOIFE WHITE , AP Business Writer

(AP) -- EU lawmakers voted Wednesday for a new price cap that will cut the cost of sending text messages from abroad by nearly two-thirds.

Phone users will pay a maximum of 11 euro cents (14 cents) for sending text messages from another European Union nation starting July 1, down from the current average cost of 28 euro cents (36 cents).

The European Parliament also approved new, lower caps for "roaming" calls that set a ceiling of 43 euro cent (56 cents) per minute for making a call and 19 euro cents (25 cents) for receiving one.

Mobile Internet users could also see cheaper fees as the Parliament fixed a one-euro (\$1.29) limit per megabyte on how much operators could charge each other to use their networks.

"Today's vote marks the definite end of the roaming rip-off in Europe," said EU Telecoms Commissioner Viviane Reding, who had pushed hard for the lower charges.

"Just in time for the summer holidays, European citizens will now be able to see the single market without borders on their phone bills," she said.

The Parliament vote was the final approval needed for the price caps after EU telecoms ministers said they were in favor.

Telecoms companies' association GSMA said they were unhappy with price regulation and hoped the price caps would expire - as intended - in mid-2012. They say regulation could hurt the new investments that have cut mobile prices by more than a third since 2004.

Consumers' group BEUC said it would start pushing in 2011 for the price caps to be extended again.

Text messages are wildly popular in Europe, especially among people under the age of 25. Some 2.5 billion were sent in 2007 at a total cost of 800 million euros (\$1 billion).

The cost of sending a message from abroad varies widely in different nations. Latvians on vacation in Spain can pay as much as 70 euro cents (91 cents) per message, while Germans would pay just 32 euro cents to 37 euro cents (41 cents to 48 cents).

The European Union's executive first took on mobile phone operators two years ago, claiming they were charging tourists and business travelers excessive prices for calls when they are outside their home nation.

But they only moved against roaming charges for text messages and mobile Internet late last year - and set a new schedule for price caps on voice calls to drop by 2013.

Customers will now also be billed per second after the first 30 seconds of a call. Regulators had claimed that billing in one-minute increments meant customers were paying nearly a quarter more than they should.

Mobile Internet users will also get more warnings on how much data they are downloading to avoid unexpected "bill shocks" like the 46,000-euro (\$59,600) charge for one German customer who downloaded a TV program in France.

Beginning next March, users can cap monthly data fees at 50 euros (\$65). This will be the default limit for all users unless they choose another maximum.

Operators will also have to warn customers when they have downloaded 80 percent of their agreed limit and tell them again when they've hit the limit and how they could keep on downloading if they want. If the customer doesn't respond, the roaming connection will be cut.

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