

Cra international completes analysis of eu roaming

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Study Shows Implementation Of The European Commission's Proposal To Regulate Mobile Roaming Services Would Be Counterproductive.

CRA International, Inc. (NASDAQ: CRAI), a worldwide leader in providing economic, financial, and management consulting services, today announced that a team of its experts led by Dr. Mike Walker, has completed a study for the GSM Association (GSMA), a global trade association representing more than 690 mobile phone operators across 213 territories and countries of the world.

The GSMA commissioned the CRA team to evaluate the European Commission's proposal to regulate international roaming services, which allow people to use their mobile phones abroad. According to the study, the regulation could create major market distortions and may force consumers across Europe to pay higher prices for domestic services or switch to mobile accounts that prevent them from roaming. CRA's consultants concluded that the adoption of the Commission's Home pricing principle; - regulating the retail price of roaming services so they do not exceed the retail price of comparable domestic services - could lead to a situation where mobile operators would likely have to price roaming services below the cost of supplying those services. Similarly, the study found the Commission's proposal to abolish charges for receiving calls while roaming would prevent mobile operators from recovering the costs associated with providing this service. To avoid selling these services at a loss, the study envisages that

operators would have to raise the retail price of domestic services for customers who wish to make calls while roaming.

Instead of encouraging roaming usage, the study suggests that the European Commission's proposal could have the opposite effect. The ultimate impact of the Commission's proposal may be that regular travelers would have an incentive to set up two mobile accounts - one with new, higher domestic call charges that will allow them to roam and another with today's lower domestic call charges that will not allow them to roam,; said Dr. Mike Walker, a Vice President within CRA's Competition Practice in London. Running two mobile accounts with different phone numbers is cumbersome and inconvenient for the consumer, and more costly for the operator. A regulation that results in travellers having to juggle two SIM cards would clearly undermine the European Commission's vision of simple, seamless communications across the European Union.;