



HOUSE OF LORDS

European Affairs Committee

5th Report of Session 2022–23

**Scrutiny of
International
Agreements:
Amendments to the
EEA EFTA-UK Free
Trade Agreement
with respect to Mobile
Roaming Rates**

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The European Affairs Committee

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<u>Lord Jay of Ewelme</u>		

Declarations of interest

See Appendix 1.

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SUMMARY

This report addresses the following international agreement, laid before Parliament in accordance with section 20 of the Constitutional Reform and Governance Act 2010:

Decision No. 2/2022 of the EEA EFTA-United Kingdom Joint Committee (Adopted on 21 September 2022) “Amendments to Annex XX to the Agreement on International Mobile Roaming Rates” under the Free Trade Agreement between Iceland, the Principality of Liechtenstein and the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland (CP 821, 2023)

The purpose of this amendment is to specify a cap on wholesale rates mobile operators are allowed to charge one another for international mobile roaming.

We report this amendment to the EEA EFTA-UK Free Trade Agreement to the House for information.

Scrutiny of International Agreements: Amendments to the EEA EFTA-UK Free Trade Agreement with respect to Mobile Roaming Rates

AGREEMENT REPORTED FOR INFORMATION

Decision No. 2/2022 of the EEA EFTA-United Kingdom Joint Committee (Adopted on 21 September 2022) “Amendments to Annex XX to the Agreement on International Mobile Roaming Rates” under the Free Trade Agreement between Iceland, the Principality of Liechtenstein and the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland (CP 821, 2023)¹

1. Decision No. 2/2022 of the EEA EFTA-UK Joint Committee (“Amendments to Annex XX to the Agreement on International Mobile Roaming Rates”; the Amendment) was published on 23 March 2023 and laid before Parliament with effect from the same date. The scrutiny period prescribed under the Constitutional Reform and Governance Act 2010 (CRAG) is due to end on 17 May 2023.
2. International agreements are typically scrutinised by the House of Lords International Agreements Committee. This Agreement has been scrutinised by the European Affairs Committee. This is in line with the amendment’s subject matter and previous work on the item’s parent Agreement (the EEA EFTA-UK FTA) by the committee². The Amendment was considered by this committee at its meeting of 25 April 2023.

Free Trade Agreement

3. As an EU Member State, the UK was also part of the European Economic Area, or EEA. Under the EEA Agreement, Norway, Iceland, and Liechtenstein participate in the EU’s Single Market. As a Party to the EEA Agreement by virtue of EU membership, the UK’s withdrawal from the EU resulted in a simultaneous withdrawal from the EEA.
4. On 8 July 2021, the UK signed a free trade agreement (FTA) with Iceland, Liechtenstein, and Norway. Setting out the future trading relationship between the UK and three EEA members, the FTA covered trade in goods

1 Department of Business and Trade, *Decision No. 2/2022 of the EEA EFTA-United Kingdom Joint Committee (Adopted on 21 September 2022) “Amendments to Annex XX to the Agreement on International Mobile Roaming Rates” under the Free Trade Agreement between Iceland, the Principality of Liechtenstein and the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland*, CP 821 (September 2022): <https://www.gov.uk/government/publications/decision-no-22022-of-eea-efta-uk-joint-committee-amendments-to-annex-xx-to-agreement-on-international-mobile-roaming-rates-under-free-trade-agreement> [accessed 28 April 2023]

2 European Affairs Committee, *Free Trade Agreement between Iceland, the Principality of Liechtenstein and the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland* (3rd Report, Session 2021–22, HL Paper 69)

and services, investment, and a range of other commitments including on customs, procurement, digital, and telecoms. At the time, the Government stated it had developed new, post-Brexit bilateral agreements that “replicate[d], as far as possible, the effects of the UK’s existing trade agreements with existing partners.”³

5. The FTA was laid before Parliament under CRAG on 16 July 2021. The Agreement was considered by this Committee on 14 September 2021. In its accompanying report, the committee welcomed the Government’s successful negotiations on the FTA but regretted a lack of transparency compared to other trade agreements; the poor quality of accompanying material; and the omission of any reference to the Protocol on Ireland/Northern Ireland considering the Protocol’s complex interaction with the Agreement.⁴ The Committee concluded its report by drawing special attention to the Agreement. On 14 October 2021, the House of Lords debated a motion by the Earl of Kinnoull to take note of the Agreement.⁵

Background to the Amendment

6. Article 3.69 of the FTA covers international mobile roaming services. Among other things, the Article caps wholesale roaming rates to “provide greater accessibility and connectivity for consumers and businesses while travelling and working”.⁶ This provision currently applies only to the UK, Norway, and Iceland.⁷ Under the Article, a Sub-Committee on Services and Investment is responsible for making recommendations to the Joint Committee on “appropriate rates within a reasonable period of time [...], every two years, unless it otherwise decides, with a view to determining whether those rates are still appropriate”.⁸
7. Accordingly, the UK, Iceland, and Norway undertook technical discussions to update Annex XX of the FTA on international mobile roaming services rates. On 21 September 2022, the Joint Committee of the FTA adopted Decision No2/2022 to amend this Annex.

The Amendment

8. As described in the Explanatory Memorandum (EM) accompanying the Amendment to the Agreement, “Annex XX specifies the cap on wholesale charges for operators. This means that wholesale rates will reciprocally cap the costs mobile operators are allowed to charge each other for international mobile roaming. This cap is the gateway to allowing surcharge-free roaming

3 Department for International Trade, *Continuing the United Kingdom’s Trade relationship with Iceland and the Kingdom of Norway* (December 2020): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945225/ccs1220699560-trade-iceland-norway-parl-report-accessible.pdf [accessed 28 April 2023]

4 *Free Trade Agreement between Iceland, the Principality of Liechtenstein and the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland*, paras 53–60. Officials confirmed that this Amendment will not impact or be impacted by the Northern Ireland Protocol or Windsor Framework.

5 HL Deb, 14 October 2021, [cols 2005–2022](#)

6 *Continuing the United Kingdom’s Trade relationship with Iceland and the Kingdom of Norway*

7 *Ibid.*

8 *Ibid.*

for everyone travelling between these countries.”⁹ Officials from the Foreign, Commonwealth and Development Office told the Committee that the implementation of this cap will ensure that UK operators are protected from high wholesale charges from operators in Norway and Iceland. This is the first-time rates have been reviewed since the signing of the EEA EFTA-UK FTA in July 2021.

9. As a result of the Amendment, the maximum rates that a supplier of public telecommunications services of a Party may levy on the supplier of another Party for the provision of wholesale international mobile roaming services shall be:
 - Outgoing voice calls: €0.032 per minute
 - Incoming SMS message: FREE
 - Outgoing SMS message: €0.01 per SMS
 - Data: €2.50 per gigabyte¹⁰

Entry into force and future amendments

10. The Government’s accompanying EM states that the cap on the maximum wholesale rates was implemented domestically by the Trade (Mobile Roaming) Regulations 2023. This regulation was scrutinised by Parliament and made on 24 February 2023, and came into effect on 6 April 2023.¹¹
11. The Amendment will enter into force between the UK, Iceland, and Norway on the “first day of the first month following the date on which at least one of the concerned EEA EFTA States and the UK have completed their respective internal requirements and procedures”.¹² Officials from the Foreign, Commonwealth and Development Office anticipate that the amendment will enter into force on 1 June 2023.¹³
12. As per the parent FTA, the Sub-Committee will review the international mobile roaming services rates in Annex XX of the Agreement every two years. Following this review, the Sub-Committee may make a recommendation to the Joint Committee that rates be modified. Officials told the Committee that future changes agreed by the Parties to the cap on wholesale mobile roaming rates will undergo Parliamentary scrutiny through the secondary legislation required to implement the cap domestically.

Territorial scope and consultation

13. The territorial application of this Agreement is the United Kingdom of Great Britain and Northern Ireland. The Agreement includes a mechanism that allows further extension to any territories for whose international relations to the UK is responsible.

9 Foreign, Commonwealth and Development Office, *Explanatory memorandum: Decision No. 2/2022 of EEA EFTA-UK Joint Committee “Amendments to Annex XX to Agreement on International Mobile Roaming Rates” under Free Trade Agreement between Iceland, Liechtenstein and Norway and UK*: <https://www.gov.uk/government/publications/decision-no-22022-of-eea-efta-uk-joint-committee-amendments-to-annex-xx-to-agreement-on-international-mobile-roaming-rates-under-free-trade-agreement> [accessed 28 April 2023]

10 *Ibid.*

11 *Ibid.*

12 *Ibid.*

13 *Ibid.*

14. The EM states that “the United Kingdom has agreed a Joint Declaration with Iceland, Liechtenstein, and Norway, setting out our shared intentions to discuss the use of the extension mechanisms for services and investment provisions. The Department for Business and Trade is working to identify when and in which areas such an extension will be possible.”¹⁴
15. The EM states that as the policy content of the Agreement relates to a fully reserved matter, the “UK Government has not consulted the DAs” in respect to the Amendment.
16. **The Committee notes the amendments made to Annex XX to the Agreement on International Mobile Roaming Rates. In line with previous work of the EU Internal Market Sub-Committee¹⁵, the Committee welcomes this change as a gateway towards surcharge-free roaming.**
17. **We report this amendment to the EEA EFTA-UK FTA to the House for information. In particular, we highlight our comments at paragraph 16.**

14 *Ibid.*

15 European Union Committee, *Mobile Phone Charges in the EU: Curbing the Excesses* (17th Report, Session 2006–07, HL Paper 79-I) and European Union Committee, *Brexit: trade in nonfinancial services* (18th Report, Session 2016–17, HL Paper 135)

APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF INTEREST

Members

Lord Adonis
 Baroness Anelay of St Johns
 Baroness Blackstone
 Lord Hannay of Chiswick
 Lord Jay of Ewelme
 The Earl of Kinnoull (Chair)
 Lord Lamont of Lerwick
 Lord Liddle
 Baroness Ludford
 Baroness Nicholson of Winterbourne
 Baroness Scott of Needham Market
 Viscount Trenchard
 Lord Wood of Anfield

Declarations of Interest

Lord Adonis
No relevant interests declared
 Baroness Anelay of St Johns
No relevant interests declared
 Baroness Blackstone
No relevant interests declared
 Lord Faulkner of Worcester
No relevant interests declared
 Lord Hannay of Chiswick
Chair, European and International Analysts Group
Member, European Leadership Network
Advisory Board, Centre for European Reform
 Lord Jay of Ewelme
Chair, European Policy Forum Advisory Council
Member, European and International Analysts Group
 The Earl of Kinnoull (Chair)
No relevant interests declared
 Lord Lamont of Lerwick
Member, Advisory Board OMFIF
Director, European Opportunities Investment Trust
Official Monetary Financial Institutions Forum
 Lord Liddle
No relevant interests declared
 Baroness Ludford
No relevant interests declared
 Baroness Nicholson of Winterbourne
No relevant interests declared
 Baroness Scott of Needham Market
No relevant interests declared

Viscount Trenchard

Chairman and Director, Epic Investment Funds PCC Limited

Chairman and Director, Standon Calling Limited

Director, Jade Road Investment Limited

Lord Wood of Anfield

No relevant interests declared