



**COMMENTS ON  
MOBILE TERMINATION RATES DRAFT DECISION  
PAPER:**

**DOCUMENT NO: OUR 06/19**

**12<sup>TH</sup> JANUARY 2007**

## 1 INTRODUCTION

The OUR has issued its draft decision paper on Mobile Termination Rates 06/19 and has asked for responses by 5.00 pm on Friday 12<sup>th</sup> January 2007.

This paper provides Wave Telecom's ("Wave's") comments on the draft decision paper.

## 2 COMMENTS ON DRAFT DECISIONS

2.1 Wave agrees with the DG's proposal that Guernsey Airtel should be deemed to be dominant (for the same reasons as apply to C&WG and Wave) on its own network for the purposes of regulating MTRs.

2.2 The draft decisions paper proposes that the same MTR rates are applied to all market operators. Wave have a number of questions regarding this proposal:-

- Is the DG proposing that each operator apply their own network usage gradients to the standard MTR rate of 6.75 ppm to get to the time of day MTR rates or is the DG proposing a flat rate MTR at all times?
- If the DG is proposing that network operators set time of day rates using network usage gradients, how does the DG propose that Guernsey Airtel set their rates, as they have no historic traffic data available?
- If time of day gradients are applied by network operators does the DG propose to introduce a check process to ensure that the gradients proposed by the network operators are correctly calculated to reflect their network usage?
- Does the DG propose to allow the MTR to change on an annual basis based on network usage over the previous period of X months?

2.3 Wave would like to raise the issue that mobile networks (i.e., Wave and Guernsey Airtel), which interconnect with C&WG to terminate traffic on C&WG's mobile network, interconnect at the fixed network level and are required to pay a transit charge of:-

Peak	0.248 ppm
Off-Peak	0.189 ppm

to transit the C&WG fixed network. This consequently increases the effective termination rate that OLO networks pay to terminate mobile traffic on C&WG's network.

Wave believes that C&WG have an obligation to ensure that the same transit charges are paid by its own mobile network business to the fixed network business and this should be detailed in its separated regulatory accounts. However, Wave is not certain that these charges are being passed on from C&WG's fixed business to its mobile business. Wave is also uncertain whether the transit charges currently applied have been cost justified and are based on the network elements used during the transit from the fixed to the mobile network.

Wave proposes that the fixed to mobile network transit charges that are charged by C&WG to OLOs terminating on their mobile network be taken into consideration by the OUR when they make a decision on whether the same MTR rates should be applied to all mobile operators. Wave suggests that the MTR rate applied to C&WG should be based on the formula:-  $X \text{ minus (fixed network transit charge) = standard MTR rate 6.75 ppm.}$