



Office of Utility Regulation

Media Release – 11th August 2006

Regulator looks at cost of making calls between mobile networks

The Office of Utility Regulation, Guernsey’s utilities regulator, is opening a consultation on whether there is a need to intervene in the charges set by mobile telephone companies for making calls to their network and if so, what form any regulation should take. The fees that mobile operators charge other telecoms companies to connect calls on their mobile networks are called mobile termination charges.

“The mobile termination charge is often a significant part of the costs of making fixed-to-mobile and mobile-to-mobile calls. These charges have been the subject of a fair amount of scrutiny in most countries over recent years”, said John Curran, Director General of the OUR. “It is timely therefore to review the rates which are currently being charged by mobile operators in Guernsey.”

Based on analysis undertaken by the OUR, peak termination rates charged by the two local mobile operators are the third highest charges of 31 countries surveyed by the OUR. For off-Peak termination rates C&WG and Wave have the ninth highest charges.

“Experience in other markets has demonstrated the need for regulators to intervene directly in the setting of mobile termination charges. This consultation discusses whether such intervention is required in Guernsey and if so what that regulatory intervention should look like to reflect the need for any approach to be proportionate,” said John Curran.

The OUR's consultation paper (OUR 06/14) is available on the OUR website – www.regutil.gg – or from the OUR office at Suite B1&B2, Hirzel Court, St Peter Port, Guernsey GY1 2NH, Tel 01481 711120.

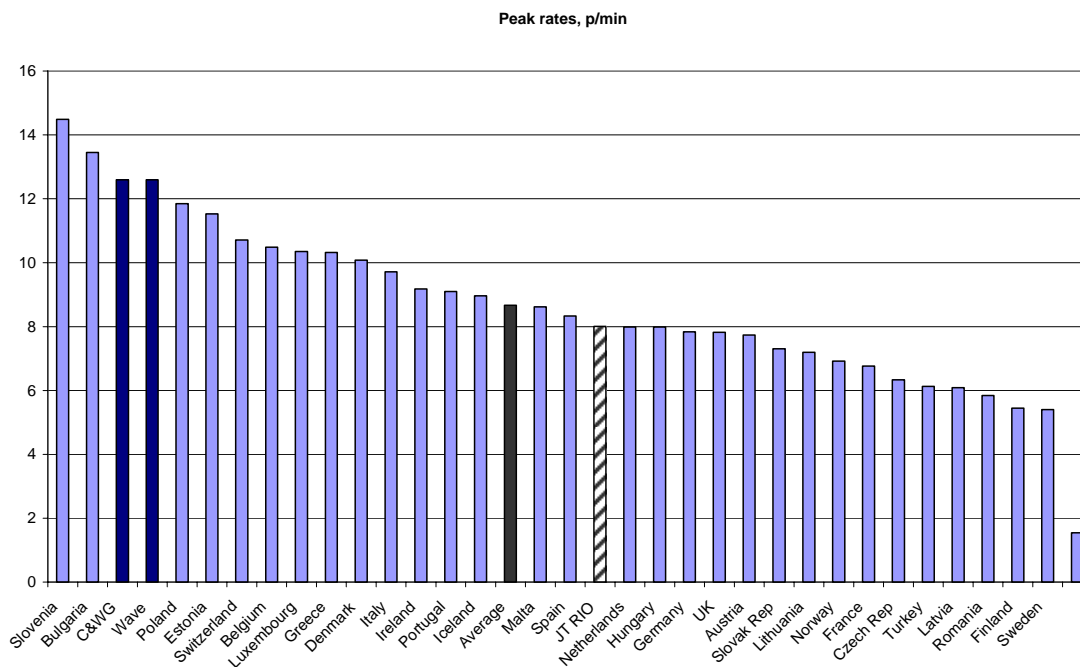
Interested parties have until 15th September to comment on the OUR's proposals.

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Information for Editors

Peak termination rates for a number of jurisdictions are shown in Figure 1 below. This shows that for peak charges, C&WG and Wave have the third highest charges of the countries surveyed.

Figure 1 Comparison of Peak MTRs



About the OUR

The Office of Utility Regulation was established in 2001 to regulate the three utilities of post, telecommunications and electricity in the Bailiwick of Guernsey. The Office is headed up by Director General, John Curran and has four staff.

The role of the OUR is to protect the interests of Guernsey consumers and the economy. It does this by ensuring that customers receive the best in price, choice and quality services in the three regulated sectors, while at the same time ensuring that those sectors are vibrant and robust so that they can positively contribute to and underpin a successful Guernsey economy.

The OUR licenses and regulates telecommunications operators, Guernsey Electricity Ltd and Guernsey Post Ltd. Wherever possible, the OUR promotes the introduction of competition by ensuring that there is fair play and a level playing field between the operators. Where competition is not yet effective or where it is not feasible, the OUR regulates prices and quality of services to end customers.

More information is available from the OUR website www.regutil.gg, or by contacting the Office of Utility Regulation on 01481 711120.