

Office of Utility Regulation

Media Release – 7th December 2006

Regulator to cut cost of making calls between mobile networks

The Office of Utility Regulation (OUR) is proposing to reduce the fees that mobile operators charge other telecoms companies to connect calls. Known as mobile termination charges, they are one of the key components of the cost of mobile calls. The OUR is proposing to reduce these charges significantly by setting an average charge of 6.75p per minute for this service. Currently the peak charge is 12.60p per minute.

“The mobile termination charge forms 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 and having consulted with the three mobile operators in Guernsey, we believe this proposed rate is appropriate”, said Jon Buckland, Director of Policy at the OUR. “While this is an operator-to-operator charge I would hope that fixed and mobile consumers will benefit from the reduction by way of reduced call charges.”

A detailed benchmarking exercise carried out by the OUR, shows that the existing peak termination rates charged by C&WG and Wave are the third highest charges of the 31 countries surveyed. The two companies also have the ninth highest charges for off-Peak termination rates.

“Experience in other markets has demonstrated the need for regulators to intervene directly in the setting of mobile termination charges and this proposed decision should see rates in Guernsey become much more closely aligned with those in other jurisdictions. We believe this is a proportionate means of achieving a good outcome for

consumers and I would hope that mobile operators respond accordingly” said Jon Buckland.

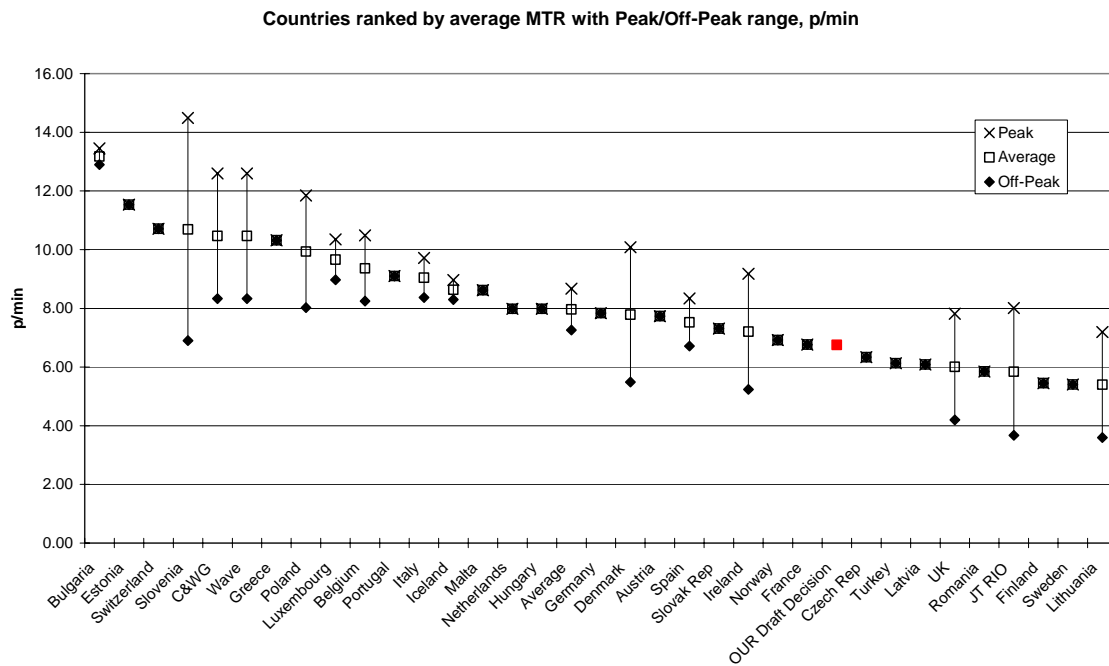
The OUR’s Draft Decision (OUR 06/19) is available on the OUR website – www.regutil.gg – or from the OUR office at Suite B1&B2, Hirzel Court, St Peter Port, Guernsey GY1 2NH, Tel 01481 711120. Interested parties have until Friday 12th January 2006 to comment on the OUR’s proposals.

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Information for Editors

Peak termination rates for a number of jurisdictions are shown in Figure 1 below. This shows the current peak MTR charges for C&WG and Wave and the proposed average charge.

Figure 1 Comparison of 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.