



Office of Utility Regulation

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MTRs TO BE REDUCED BY 40% IN 2010

The Utilities Regulator today welcomed the commitment by the three mobile operators – Sure, Wave Telecom and Airtel-Vodafone – to reduce their Mobile Termination Rates (MTRs) from the beginning of April 2010 by 40%. MTRs are the fees charged by mobile operators to terminate calls from other operators on their own networks.

The reduction follows discussions led by the OUR with the three mobile operators and will see a flat rate of charge of 4.11 pence per minute (ppm). The current average charge is 6.75ppm. The OUR believes that these measures should ultimately bring benefits to both fixed and mobile customers through reductions in their call charges.

The OUR Director General, John Curran, said “The commitment by the three mobile network operators to introduce significant reductions in their mobile termination rates is a very sensible and vital decision towards a more competitive environment in the mobile market in Guernsey. This move should see further price reductions for calls to and from mobiles and we will be monitoring how the telecoms operators implement this to ensure consumers do see the benefit being passed on to them.”

These rates will be applied for a period of three years to the termination of voice calls on both the 2G and 3G networks of the three operators. Since 2007, MTRs have fallen from a peak of 12.6ppm to the new lower charge.

Ends

Information for the Editor

1. Mobile termination charges affect consumers indirectly because they are factored into the prices consumers pay at the retail level for fixed-to-mobile and mobile-to-mobile calls.
2. The OUR review follows a previous review in 2007 which resulted in a significant reduction at that time. The new MTR rate will be on a par with the lowest in Europe.
3. 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 six staff.
4. 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. More information is available from the OUR website www.regutil.gg, or by contacting the Office of Utility Regulation on 01481 711120.