



Mr J Curran
Director General
Office of Utility Regulation
St Peter Port
Guernsey

10th January 2007

Dear Mr Curran

Mobile Termination Rates – comment on Draft Decision Paper

I am grateful for the opportunity to comment on the Draft Decision Paper on Mobile Termination rates prior to publication of your final document.

Guernsey Airtel is pleased that our comments on the initial discussion document have been taken into account and is broadly in favour of the proposed decision to set Target Average Charges at 6.75ppm, set for a period of 3 years.

Whilst being supportive of the rate proposed and acknowledging that it represents a significant reduction on previous rates; we remain concerned that the rate is still in excess of what we believe to be reasonable and achievable and with MTR rates falling globally would prefer to see the rate reviewed annually.

As previously stated, we are of the opinion that a further reduction to levels of 5.50ppm – 6.25ppm would be more beneficial to the market through creating a greater incentive for operators to improve efficiencies.

We are also of the view that new entrants to the market place (such as Guernsey Airtel) should be incentivised during the first few years of operation. This could be achieved through the provision of a lower rate for calls that originate on the new entrants network and terminate on the networks of established operators locally.

We recognise this is likely to be a contentious issue and would not suggest that any research into this area causes any delay to the implementation of the rates proposed in your document.

Once again, thank you for the opportunity to comment on this important area of our business.

Yours sincerely,

S. Le Maitre
Chief Operating Officer

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(A Bharti Enterprise)

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