



Clear Mobitel (Guernsey) Limited

2018 Call for Information on the Review of Mobile Termination Rates (MTRs) in Guernsey

January 2019

Introduction

This is the Clear Mobitel (Guernsey) Limited ('CMG') response to the call for information on call termination in the mobile sector - CICRA 18/52.

Response to Questions

Question 1: Does the respondent agree that the SMP decision contained in the Final Notice - Mobile Call Termination 2017 - Market Definition and Dominance is still valid? If the respondent has alternative views or evidence the respondent is asked to explain those and provide all of its analysis and assessment relating to this matter to inform CICRA's considerations and next steps.

For terminating traffic on any telephone network the operator has total control over incoming traffic since there is no alternative connection to the final call destination. While there may now be alternative connection facilities for end users this has no impact on the termination of telephone traffic terminating on individual networks.

CMG therefore concludes that the definition remains valid.

Question 2: Does the respondent agree with CICRA's provisional views that ex-post competition law would be insufficient to address the lack of effective competition in the markets defined and prevent the problems identified in this consultation? If the respondent does not agree with CICRA's provisional view the respondent should provide all of its analysis and assessment.

Without *ex-ante* regulation MNOs would be able to set termination charges with disregard to the possible harmful effects on consumers. The mobile market in the Channel Islands has a dominant operator on each island and thus terminating traffic is asymmetric. This would disadvantage smaller operators and cause consumer harm by distorting competition. This is not easily addressed with *ex-post* remedies as the timescales required to implement such remedies could result in serious economic harm to one or more of the smaller MNOs.

CMG therefore concurs with CICRA's view.

Question 3: Does the respondent agree with CICRA's provisional views on ex-ante remedies? If the respondent does not agree with CICRA's provisional views the respondent should provide all of its analysis and assessment.

The nature of the MNOs in the Channel Islands means that there is no significant cost differential in operating since effectively only one switch is required by each operator and the number of antennae sites is more or less identical for each provider. Therefore there is little opportunity for the larger operators to claim additional operational costs. In addition the the dominant MNOs would also receive the largest portion of terminating traffic.

Therefore CMG agrees with CICRA's *ex-ante* proposals.

For the avoidance of doubt, this document may be published in its entirety.

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