



## Response to CICRA Draft Decision

### On the Review of Mobile Termination Rates (MTRs) in Jersey and Guernsey

CICRA Document No: 19/32

12<sup>th</sup> August 2019

JT does not repeat the points made in its response to the Call for Information (CICRA document 18/52) however it believes these points are still valid and the Draft Decision has not altered JT's view.

While JT are generally supportive of lower MTRs for Jersey and Guernsey, we remain unconvinced that the consumer welfare benefits, that CICRA cites in pages 23 – 25 of the Draft Decision will occur as a result of a reduction in MTR. This is because the majority of mobile consumers purchase a bundle of minutes, text and calls and budget their mobile usage based on a fixed price per month, we do not therefore believe that many consumers break their bundle and experience out of bundle call rates. Consequently, we do not believe that the “deadweight loss” argument put forward at 4.15 is relevant.

We also believe that mobile operators that are currently net receivers of MTR revenue (or excess profits) are likely using that revenue to reinvest in their networks and to maintain competitive retail offerings and that excess profits are in fact being passed onto consumers through the retail offerings in the market. We therefore agree with the points made by Sure at section 3.63 of the Draft Decision.

As previously stated, JT do not believe a reduction in MTRs will have the effect of ensuring that calls to Channel Islands mobile numbers are included in the call bundles offered by UK mobile operators. CICRA seem to recognise this in the Draft Decision at point 3.56.