



# REVIEW OF MOBILE TERMINATION RATES IN GUERNSEY

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## STATUTORY NOTICE OF A DECISION

**Guernsey Competition and Regulatory Authority**

**Document No: GCRA 20/01**

**7 July 2020**

Guernsey Competition and Regulatory Authority

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## *CONTENTS*

1. Executive Summary .....	3
2. Structure of this document.....	3
3. Basis for GCRA role in setting mobile termination rates .....	3
4. Responses received to the Statutory Notice of a Proposed Decision .....	6
5. Summary.....	14

# 1. EXECUTIVE SUMMARY

- 1.1 The Guernsey Competition and Regulatory Authority (the **Authority**) is issuing this Statutory Notice of a Decision (the **Decision**) which sets out the revised price control applicable to Guernsey MTRs so as to bring MTRs down to a level that, based on the available evidence, is likely to be a much closer approximation of Guernsey Mobile Network Operator (**MNO**) costs of terminating calls on their respective mobile networks and is more closely aligned with the prevailing level of MTRs in neighbouring jurisdictions.
- 1.2 This Decision sets out the decision of the Authority following the process outlined in section 5 of *Telecommunications (Bailiwick of Guernsey) Law 2001* (the **Telecoms Law**).

# 2. STRUCTURE OF THIS DOCUMENT

- 2.1 This document sets out the conclusions which the Authority has reached, having taken account of the comments provided to CICRA 19/31 – Mobile Termination Rates – Draft Decision – Guernsey - 4 July 2019, to CICRA 19/41 – Mobile Terminations Rates – Final Decision – Guernsey – 23 September 2019, to CICRA 20/12 – Mobile Termination Rates – revised Final Decision – 9 April 2020 and to CICRA 20/13 – Mobile Termination Rates – Statutory Notice of a Proposed Decision – Guernsey – 9 April 2020.
- 2.2 The document is structured as follows:

Section 3	Outlines the background and legislative basis for this Decision
Section 4	Sets out the responses received to Statutory Notice of a Proposed Decision and the Authority’s response to those comments
Section 5	Sets out the summary conclusion and the Direction

# 3. BASIS FOR GCRA ROLE IN SETTING MOBILE TERMINATION RATES

## *Legal Background*

- 3.1 The Regulation of Utilities (Bailiwick of Guernsey) Law, 2001 (the **Regulation of Utilities Law**) provides that one of the functions of the Authority is “to monitor, enforce, modify, suspend, revoke or consent to the surrender of licences in a manner consistent with States’ Directions and the provisions of this Law and any relevant Sector Law.”<sup>1</sup>
- 3.2 The specific powers of the Authority to operate a telecommunications licensing regime in Guernsey are set out in the Telecoms Law.

<sup>1</sup> Regulation of Utilities Law, section 4(1)(c)

- 3.3 The Authority must exercise its functions and powers under Regulation of Utilities Law and the Telecoms Law in accordance with the principles for economic regulation specified in the Regulation of Utilities (States' Directions) (Bailiwick of Guernsey) Ordinance, 2012<sup>2</sup>.
- 3.4 When exercising its functions and powers under the Telecoms Law, the Authority has a duty to promote, and where they conflict, to balance, the objectives set out in section 2 of the Regulation of Utilities Law.
- 3.5 Section 5(1) of the Telecoms Law provides that the Authority may include in licences such conditions as it considers necessary to carry out its functions. The Telecoms Law specifically provides that such conditions can include conditions regulating the prices, premiums and discounts that may be charged or (as the case may be) allowed by a licensee which has a dominant position in a relevant market<sup>3</sup>.

### *Regulatory Framework*

- 3.6 Mobile Network Operators (**MNOs**) in Guernsey are licensed by the Authority under the Telecoms Law.
- 3.7 Condition 28.2 of the telecommunications licence issued by the Authority to each of JT (Guernsey) Limited (**JT**), Sure (Guernsey) Limited (**Sure**) and Guernsey Airtel Limited (**Airtel**) allows the Authority to determine the maximum level of charges that those MNOs may apply in markets where they are dominant:

*“The GCRA may determine the maximum level of charges the Licensee may apply for services within a relevant market in which the Licensee has been found to be dominant. A determination may:*

- a) Provide for the overall limit to apply to services or any combination of services;*
- b) Restrict increases in any such charges or to require reductions in them whether by reference to any formula or otherwise; or*
- c) Provide for different limits to apply in relation to different periods of time falling within the periods to which the determination applies.”*

### *Authority's approach to the regulation of MTRs*

- 3.8 On 2 October 2017, the Authority published a Final Decision on Market Definition and Dominance in the MCT market<sup>4</sup>. That Decision found that each of Sure, JT and Airtel held a 100% share of the market for termination of voice calls to mobile numbers on its own network in Guernsey and that each was therefore dominant on the market as defined.

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<sup>2</sup> Accountability, focus, predictability, coherence, adaptability and efficiency.

<sup>3</sup> Telecoms Law, s.5(1)(f)

<sup>4</sup> CICRA 17/27 <https://www.cicra.gg/cases/2016/t1236gj-mobile-termination-rates/t1236gj-final-decision-mobile-call-termination-2017-market-definition-and-dominance/>

- 3.9 In their responses to the Call for Information on the Mobile Termination Rate market in Guernsey<sup>5</sup>, each of Sure, JT and Airtel confirmed that they considered that the market definition set out in the Authority's Final Decision on Market Definition and Dominance in the MCT market remained valid.
- 3.10 Given the dominant position held by each of the MNOs described above, under licence condition 28.2 the Authority may determine the maximum level of charges that each may apply in respect of mobile termination services supplied on that market. When considering the appropriate methodology for calculating the appropriate level at which such charges should be set, the Authority notes the EC Recommendation<sup>6</sup> which expects that termination rates are set based on the costs incurred by an efficient operator, and that this is based on bottom-up modelling using Long Run Incremental Cost (**LRIC**) as the most appropriate costing methodology.
- 3.11 In determining the appropriate costing methodology for the relevant markets in Guernsey, the Authority will adopt a proportionate approach bearing in mind the comparatively small scale of the regulated markets and the resources available.

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<sup>5</sup> CICRA 18/51 <https://www.cicra.gg/cases/2018/t1394gj-mobile-termination-rates-2018/t1394gj-mobile-termination-rates-2018-call-for-information-guernsey/>

<sup>6</sup> Commission Recommendation of 7 May 2009 on the Regulatory Treatment of Fixed and Mobile Termination Rates in the EU

## 4. RESPONSES RECEIVED TO THE STATUTORY NOTICE OF A PROPOSED DECISION

- 4.1 On 9 April 2020, the Authority published a non-statutory Final Decision on Mobile Termination Rates for Guernsey<sup>7</sup> (**MTR Final Decision**) and a Statutory Notice of a Proposed Decision on Mobile Termination Rates for Guernsey<sup>8</sup> (**MTR Statutory Notice of a Proposed Decision**).
- 4.2 The MTR Statutory Notice of a Proposed Decision set out the proposed revised price control to be applied by the Authority to MTRs applied in Guernsey so as to bring those MTRs down to a level that, based on the available evidence, was likely to be a much closer approximation of Guernsey’s MNO LRIC costs and would be more closely aligned with the prevailing level of MTRs in the UK and other European countries.
- 4.3 The Authority invited responses from MNOs on the MTR Statutory Notice of a Proposed Decision.
- 4.4 Responses were received from Sure and from Airtel.
- 4.5 Sure made the following points.
- a. If the Authority proceeds to make the direction set out in the MTR Statutory Notice of a Proposed Decision, it will have failed to balance the objectives set out in section 2 of the Regulation of Utilities Law in that that direction will lead to adverse consequences for the Bailiwick of Guernsey in the form of:
    - i. Increased local call charges;
    - ii. Job losses;
    - iii. Reduced local telecoms investment and less tax revenue for the States;
    - iv. Increased profiteering by UK operators.
  - b. The Authority has limited its decision to voice calls. Because it has not extended the scope of the proposed direction to data calls, Sure may consider raising the price of data calls to offset any losses caused by lower MTRs;
  - c. The Authority has “chosen to ignore” international best practice and to reinterpret section 10 of the Telecoms Law because of a “current fixation on an outcome that will benefit only those outside of its regulatory jurisdiction”.

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<sup>7</sup> CICRA 20/12 <https://www.cicra.gg/cases/2018/t1394gj-mobile-termination-rates-2018/t1394gj-mobile-termination-rates-final-decision-guernsey-1/>

<sup>8</sup> CICRA 20/13 <https://www.cicra.gg/cases/2018/t1394gj-mobile-termination-rates-2018/t1394gj-mobile-termination-rates-notice-of-a-proposed-decision-guernsey/>

4.6 Airtel made the following points:

- a. The Authority has not produced any empirical evidence to show how reduced MTRs will benefit Guernsey consumers and a challenger telco like Airtel;
- b. MTRs are a zero sum game for the industry as a whole because the volume of outgoing calls is the same as the volume of incoming calls. This means that a reduction in the cost of MTRs will not lead to a cost reduction for MNOs but the costs of running a network continue to increase;
- c. Local retail tariffs include all calls to any mobile number and Airtel also offers unlimited bundles;
- d. The proposed MTR changes will only benefit UK operators;
- e. Reduction in the MTR would adversely affect profitability, affecting local charges, jobs and investment;
- f. The COVID 19 pandemic has highlighted that Guernsey has an excellent telecommunications network which has allowed people to work from home. There is a need to rethink whether MTRs should be lowered with no benefit to the local economy and consumers while harming Airtel's ability to invest;
- g. The Authority has not explained why it withdrew CICRA 19/41 and CICRA 19/43.

4.7 The Authority responds to each of these points below.

*Responses to the points raised*

Failure to balance objectives

4.8 The functions of the Authority are set out in section 4 of the Regulation of Utilities Law. One such function is:

“to monitor, enforce, modify, suspend, revoke or consent to the surrender of licences in a manner consistent with States’ Directions and the provisions of this Law and any relevant Sector Law.”<sup>9</sup>

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<sup>9</sup> Regulation of Utilities Law, section 4(1)(c)

- 4.9 The Authority must exercise its functions under the Regulation of Utilities Law and the Telecoms Law in accordance with the applicable principles of economic regulation, these being accountability, focus, predictability, coherence, adaptability and efficiency<sup>10</sup>.
- 4.10 Within the parameters of its duty to carry out its legal functions and the applicable principles of economic regulation, the Authority must balance the objectives set out in section 2 of the Regulation of Utilities Law. In other words, the Authority has no free-standing ability to promote the section 2 objectives. The Authority's ability and duty to promote the section 2 objectives is engaged when exercising its functions and it does so in accordance with the principles of economic regulation.
- 4.11 Applying those principles, the Authority is satisfied that it has acted within the bounds of its legal functions and according to the applicable principles of economic regulation, and that, within those parameters, it has balanced the section 2 objectives appropriately.
- 4.12 First, the Authority has found, and the MNOs have not disputed, that each MNO holds a dominant position for the termination of mobile voice calls on its own network in Guernsey<sup>11</sup>.
- 4.13 Second, the Authority has found that irrespective of the origin of the call and/or the geographic location of the customer/operator instigating the call, the mobile termination service in respect of which the MNO holds a dominant position is always provided in Guernsey<sup>12</sup>.
- 4.14 Third, the Authority has the power to impose a maximum charge that an MNO may apply in respect of that service (see paragraph 3.7 above).
- 4.15 Fourth, the Authority must exercise that power in accordance with the principles of economic regulation (see paragraph 3.3 above). In the present context, the Authority considers that the principles of focus and predictability are particularly relevant and, for ease of reference has reproduced these, in material part, below:

“(b) **Focus**

The role of the [Authority] should be concentrated on protecting the interests of end users of infrastructure services by ensuring the operation of well-functioning and

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<sup>10</sup> Regulation of Utilities (States' Directions) (Bailiwick of Guernsey) Ordinance, 2012

<sup>11</sup> CICRA 17/27 <https://www.cicra.gg/cases/2016/t1236gj-mobile-termination-rates/t1236gj-final-decision-mobile-call-termination-2017-market-definition-and-dominance/>

<sup>12</sup> CICRA 17/27 <https://www.cicra.gg/cases/2016/t1236gj-mobile-termination-rates/t1236gj-final-decision-mobile-call-termination-2017-market-definition-and-dominance/>

contestable markets where appropriate or by designing a system of incentives and penalties that replicate as far as possible the outcomes of competitive markets.”

“(c) **Predictability**

The framework of economic regulation should provide a stable and objective environment enabling all those affected to anticipate the context for future decisions and to make long term investment decisions with confidence.”

In summary, the decision making of the Authority should be in accordance with objective and accepted principles and should, where markets are not contestable, replicate the outcomes of competitive markets. It is within this context that the Authority must balance the section 2 objectives.

4.16 The Authority considers that the proposed Direction (which is based on an uncontested finding of dominance) is within its legal powers and is based on sound principles of economic regulation, in particular the principle that regulatory intervention is appropriate to replicate the outcomes of competitive markets. In this context, that means intervention to prevent MNOs from extracting monopoly profits from consumers in markets where that MNO is dominant. For the reasons set out fully by the Authority in the MTR Final Decision<sup>13</sup>, the control of monopoly profits can be expected to bring benefits to local consumers and businesses and thus promotes the section 2 objectives.

4.17 It follows that the Authority does not accept the argument put forward by Sure that the Authority has failed to promote the section 2 objectives:

- a. The Authority does not agree with Sure that allowing MNOs to extract monopoly profits promotes the section 2 objectives; and
- b. In any event, section 2 cannot be applied by the Authority in the way that Sure suggests. The Authority has no ability to depart from its powers and established principles of economic regulation on the basis that its reason for doing so is to achieve the section 2 objectives. Rather, the section 2 objectives only become relevant within the context and parameters of the Authority’s powers and the applicable principles of economic regulation. In order to achieve the outcomes that Sure argues would follow from allowing MNOs to continue to extract monopoly profits for the provision of mobile termination services in respect of calls that originated off-island, the Authority would have to:
  - i. Disregard its own market definition (which has not been challenged by the MNOs), which finds that there is a market for the provision of termination of

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<sup>13</sup> Paragraphs 1.10, 3.21, 3.25, 3.27 and 3.29.

- voice calls on an MNO's own network irrespective of the origin of the call; and/or
- ii. Exercise its enforcement powers under Licence Condition 28 in a way that arbitrarily discriminated on the basis of the geographic origin of the call and/or the nationality of the originating operator (in particular, on the basis of the approach suggested by Sure, UK based operators); and/or
  - iii. Accept the argument, which is contrary to the principles of economic regulation, that an MNO should be allowed to extract monopoly profits if that MNO states that it intends to reinvest those monopoly profits for the benefit of consumers and/or the Bailiwick.

#### Adverse consequences of reducing MTRs

- 4.18 Sure argues that the reduction of MTRs in line with the proposed Direction would lead to a number of adverse consequences which it argues are unfair and/or contrary to the section 2 objectives.
- a. Likely increase in local call charges. Sure argues that making the reduced MTR available to off-island operators will result in local call charges being increased and amounts to an enforced cross-subsidy provided by the MNOs to the main UK operators. In that regard:
    - i. The Authority notes its previous analysis as referenced in paragraph 3.35 of the MTR Final Decision which concluded that the net impact of reduced MTRs should be relatively easy for operators to accommodate without risking their financial stability or substantially adjusting their retail tariffs<sup>14</sup>. In addition, the Authority intends to apply a glidepath so as to allow time for MNOs to implement the new MTRs in a phased manner<sup>15</sup>. Sure's concerns are stated at a high level of generality and Sure does not provide any evidence to support them. For those reasons, the Authority is not able to accept Sure's arguments relating to likely increases in local call charges;
    - ii. In any event, as explained above, the Authority has exercised its legal functions in a way consistent with the principles of economic regulation and provisionally concluded that MTRs in Guernsey, which are significantly higher than those in neighbouring jurisdictions, should be reduced so as to bring them down to a level that is likely to be a closer approximation of each MNO's

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<sup>14</sup> "In the Draft Decision, the Authority considered the impact of MTR reduction on MNO's revenues. It referred to its own previous analysis of commercially sensitive data which gave it comfort that MTRs are a relatively small element of operators' overall revenues; and that the net impact of reduced MTRs should therefore be relatively easy for operators to accommodate without risking their financial stability or substantially adjusting their retail tariffs".

<sup>15</sup> MTR Final Decision, paragraph 1.12

LRIC costs and is more closely aligned with the MTRs applicable in other jurisdictions<sup>16</sup>. Having reached that provisional conclusion, there is no legal basis on which the Authority is able to determine that an MNO may nevertheless continue to extract monopoly profits from some categories of customer, based on the geographic location or nationality of that customer (or otherwise), but not from others. The section 2 objectives do not permit the Authority to reach a different conclusion on this point;

- iii. Given that the reduction of MTRs in Guernsey will bring them down to a level that is likely to be a closer approximation of each MNO's costs and that the aim of the price control is to prevent MNOs extracting a monopoly profit from the provision of mobile termination services, the Authority does not accept Sure's argument that such a reduction amounts to a cross-subsidy from the MNOs to UK operators;
- iv. Finally, and in any event, as the Authority has consistently noted, its primary focus has been and continues to be on reducing the MTR rate charged between operators in Guernsey and the associated benefits and not on a reduction in call charges for UK phone users<sup>17</sup>.

b. Reduced local telecoms investment and less tax revenue for the States. Sure argues that making the reduced MTR available to off-island operators will result in reduced local telecoms investment and less tax revenue for the States. In that regard:

- i. In respect of the argument related to reduced telecoms investment, the Authority repeats the points made at paragraph 4.18.a.i - a.ii above. In summary, Sure's concerns are stated at a high level of generality and without supporting evidence; previous analysis undertaken by the Authority indicates that the net impact of the reduced MTRs, which will be phased in by way of a glidepath, should allow adequate time for MNOs to accommodate the reduction in their charges and it is not possible to rely on the section 2 objectives to support an argument that an MNO should be permitted to extract monopoly profits from customers in order to support any particular objective (in this case, investment in infrastructure);
- ii. The argument regarding reduced tax revenue for the States is not supported by any evidence. In any event, the Authority does not consider that an argument based on reduced tax revenue can be used to justify the extraction of a monopoly profit by a dominant MNO, for the reasons set out above at paragraph 4.18.a.ii.

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<sup>16</sup> MTR Final Decision, paragraphs 1.10 – 1.13.

<sup>17</sup> MTR Final Decision, paragraph 3.29

- c. Increased profiteering by UK operators. Sure argues that the main beneficiary of the Authority's proposed direction will be the UK telecoms industry. It argues that UK operators "profiteer" in respect of calls made by UK consumers to Guernsey numbers and that Ofcom is not able to regulate these prices because that market is competitive. In that regard, the Authority's view is as follows:
- i. As explained above, the focus of the Authority's proposed Direction is a reduction in charges imposed in respect of services provided in Guernsey by MNOs that hold a dominant position on the relevant markets. A reduction in call charges for UK phone users is not the primary driver for the Authority<sup>18</sup>.
  - ii. In any event, the Authority has no jurisdiction over charges applied in the UK by UK operators. As Sure points out, this would be a matter for Ofcom, but to the extent that those markets are competitive (as Sure notes), these would not be subject to regulatory price control in any case.

#### The application of the MTR

- 4.19 Sure states in its response that "... the GCRA has chosen to focus solely on its proposed regulation of voice calls, rather than including data calls (circuit switched data traffic)."
- 4.20 The Authority agrees with this statement. The charges that Sure may apply in respect of data calls therefore fall outside of the scope of the proposed Direction.

#### Section 10 of the Telecommunications Law

- 4.21 Sure considers that because of the Authority's fixation on an outcome that will benefit those outside of its jurisdiction, it has chosen to reinterpret section 10 of the Telecoms Law in a way that suits its own specific aims.
- 4.22 The Authority has set out clearly in this process<sup>19</sup>, and above in section 3 of this document, the legal and regulatory basis for its proposed Direction. The Authority considers that this deals adequately with Sure's points in relation to section 10 of the Telecoms Law.

#### Lack of empirical evidence to show how reduced MTRs will benefit Guernsey consumers

- 4.23 Airtel states that the Authority has not produced any empirical evidence to show how reduced MTRs will benefit Guernsey consumers and a challenger telco like Airtel.

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<sup>18</sup> MTR Final Decision, paragraph 3.29.

<sup>19</sup> CICRA 17/27 – Final Decision – Mobile Call Termination 2017 – Market Definition and Dominance; CICRA 18/51 – Call for Information – Mobile Termination Rates – Guernsey

- 4.24 For the reasons set out in paragraph 4.16 above, the Authority considers that reduced MTRs will benefit Guernsey consumers. Furthermore, the Authority considers that it has balanced its section 2 objectives appropriately in that regard, for the reasons set out in paragraph 4.17 above.

MTRs are a zero sum game for the industry

- 4.25 Airtel states that MTRs are a zero sum game for the industry as a whole because the volume of outgoing calls is the same as the volume of incoming calls. This means that a reduction in the cost of MTRs will not lead to a cost reduction for MNOs but the costs of running a network continue to increase.
- 4.26 Even if it is the case that MTRs are a zero sum game (which the Authority assumes would only be so in respect of local calls and only if the volume of local calls for termination is shared equally between the networks), as set out above at paragraph 4.18a.ii, the Authority has concluded that MTRs in Guernsey, which are significantly higher than those in the UK and other European jurisdictions, should be reduced so as to bring them down to a level that is likely to be a closer approximation of each MNO's costs and is more closely aligned with the MTRs applicable in other jurisdictions<sup>20</sup>. Having reached that provisional conclusion, there is no credible basis on which the Authority is able to determine that an MNO may nevertheless continue to extract monopoly profits from customers to achieve particular objectives, including the costs of running a network.

Local retail tariffs include all calls to any mobile number and Airtel also offers unlimited bundles

- 4.27 Airtel states that local retail tariffs include all calls to any mobile number and Airtel also offers unlimited bundles.
- 4.28 As set out above, paragraph 4.18a.ii, the Authority has concluded that MTRs in Guernsey, which are significantly higher than those in the UK and other European jurisdictions, should be reduced so as to bring them down to a level that is likely to be a closer approximation of each MNO's costs and is more closely aligned with the MTRs applicable in other jurisdictions<sup>21</sup>. The fact that local retail tariffs includes all calls to any mobile number and that unlimited bundles are available does not affect that conclusion.

The proposed MTR changes will only benefit UK operators

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<sup>20</sup> MTR Final Decision, paragraphs 1.10 – 1.13.

<sup>21</sup> MTR Final Decision, paragraphs 1.10 – 1.13.

4.29 Airtel states that the proposed MTR changes will only benefit UK operators.

4.30 For the reasons set out at paragraphs 4.17 - 4.18c above, the Authority does not accept that this conclusion is correct.

Reduction in the MTR would adversely affect profitability, affecting local charges, jobs and investment

4.31 Airtel argues that a reduction in the termination charge will adversely impact Airtel's profitability, with the result being higher local call charges, potential staff redundancies and reduced ability to invest.

4.32 For the reasons set out above at paragraph 4.18, the Authority does not accept that these matters, in respect of which Airtel has expressed only high level concerns without supporting evidence, justify the extraction of a monopoly profit by an MNO on a market on which it holds a dominant position.

Should MTRs be lowered with no benefit to the local economy and consumers while harming Airtel's ability to invest?

4.33 Airtel states that the COVID 19 pandemic has highlighted that Guernsey has an excellent telecommunications network which has allowed people to work from home. Therefore, there is a need to rethink whether MTRs should be lowered with no benefit to the local economy and consumers while harming Airtel's ability to invest.

4.34 The Authority is cognisant of the impact that Covid-19 is likely to be having across all aspects of the economy. However, it does not consider that the impact of the pandemic affects the validity of its conclusions on MTRs.

4.35 In respect of benefit to the local economy and consumers and the ability of MNOs to invest, the Authority repeats the points made above at paragraph 4.18 above.

The Authority has not explained why it withdrew CICRA 19/41 and CICRA 19/43

4.36 The Authority explained the reasons for withdrawing these document in the MTR Final Decision.

## 5. SUMMARY

5.1 The Authority has considered all the issues raised by respondents to the Statutory Notice of a Proposed Decision.

- 5.2 The Authority does not consider that any of the issues raised create a requirement or justification to amend the way forward with regards to the proposed Decision. The Authority has sought to respond to those points fully in this document.
- 5.3 Therefore the Authority now makes this Direction.

#### **DIRECTION**

1. This Direction shall, except where specified otherwise, apply from 1 September 2020; and shall remain in force until a further decision of the Authority.
2. For the purposes of this Direction:
  - a. **“Call”** means a voice call which originates on a public electronic communications network (whether fixed or mobile) and which is terminated to a mobile number within a number range allocated to the Licensee, for which the Licensee is able to set the call termination charge;
  - b. **“call termination charge”** means either a fixed-to-mobile call termination charge or a mobile-to-mobile call termination charge;
  - c. **“fixed-to-mobile call”** means a Call originating on a fixed public electronic communications network;
  - d. **“fixed-to-mobile call termination charge”** means the charge made by the Licensee to terminate a fixed-to-mobile call;
  - e. **“the Authority”** means the Guernsey Competition and Regulatory Authority;
  - f. **“Licensee”** means each of the licensees listed in the schedule hereto;
  - g. **“mobile number”** means a telephone number that is designated under the UK’s National Telephone Numbering Plan (NTNP) for use in connection with Mobile Services (as that term is defined in the NTNP);
  - h. **“mobile-to-mobile call”** means a Call originating on a mobile public electronic communications network of another mobile communications provider;
  - i. **“mobile-to-mobile call termination charge”** means the charge made by the Licensee to terminate a mobile-to-mobile call;
  - j. **“pence per minute”** means the sum in pence charged for a minute of a Call.
3. The Licensee shall not unduly discriminate against particular persons or against a particular description of persons, in relation to matters connected with the mobile call termination service.
4. The Licensee shall ensure that for each Call received on any day after 31 May 2020 the call termination charge (which shall be expressed in pence per minute) does not exceed the following charge ceilings:

- a. For the period from **1 September 2020 to 31 May 2021: 3.11 pence per minute;**
  - b. For the period from **1 June 2021 to May 2022: 1.11 pence per minute;**
  - c. For the period commencing on **1 June 2022: 0.7 pence per minute.**
5. Without prejudice to the Authority's statutory information gathering powers, the Licensee shall provide to the Authority in writing any information reasonably required by the Authority for the Licensee to demonstrate compliance with this Direction at any time upon reasonable notice.
  6. Unless the Authority otherwise consents in writing, the Licensee shall publish its call termination charge.
  7. The Licensee shall publish each proposed amendment to the call termination charges not less than twenty eight days before the date that any such amendment comes into effect.
  8. Publication for the purposes of paragraphs 6 and 7 above shall be effected by –
    - a. Sending a copy of such information or any appropriate parts of it to any person who may reasonably request such a copy; and
    - b. Placing a readily accessible copy of such information on a relevant and publicly accessible website operated or controlled by the Licensee or on behalf of the Licensee.

#### **SCHEDULE**

The Direction is issued to the following licensees:

1. JT (Guernsey) Limited
2. Sure (Guernsey) Limited
3. Guernsey Airtel Limited