

## Your response

Question	Your response
<p><b>Question 1:</b> Do you agree with our provisional conclusion regarding market definition? Please provide reasons and evidence in support of your views.</p>	<p>We have not formed a precise view on market definition but have no basis on which to disagree with your provisional conclusion regarding market definition.</p>
<p><b>Question 2:</b> Do you agree with our provisional conclusion regarding SMP? Please provide reasons and evidence in support of your views.</p>	<p>Yes. Our experience supports your view that there are currently no effective substitutes to A2P SMS messaging services in the retail market. We do not anticipate that an effective substitute is likely to develop during the proposed market review period.</p>
<p><b>Question 3:</b> Do you agree with our provisional conclusion regarding the three-criteria test set out in section 79(2B) of the Act? Please provide reasons and evidence in support of your views.</p>	<p>Yes.</p> <p>There are clearly high barriers to entry and these barriers are likely to remain high and non-transitory over the proposed three-year review period.</p> <p>Our experience of non-negotiable and unilaterally imposed price rises that bear no identifiable relationship to changes in input costs suggests a market structure which does not tend towards effective competition.</p> <p>We agree that – other than in the very long-term – competition law would not be sufficient, by itself, to address your competition concerns in this market</p>
<p><b>Question 4:</b> Do you agree with our provisional view that setting a price cap on A2P SMS termination rates (based on historical pricing with indexation) would be the most appropriate and proportionate response for addressing our competition concerns arising from SMP (identified in section 5)? If not, please explain why.</p>	<p>We consider that there is merit in your provisional view that setting a price cap on A2P SMS termination rates (based on historical pricing with indexation) would be the most appropriate and proportionate response for addressing our competition concerns arising from SMP.</p> <p>[REDACTED]</p>

Question	Your response
<p><b>Question 5:</b> Do you agree with our provisional view that Option 2 would be effective in addressing the risk (identified in Section 5) that terminating MCPs have the ability and incentive to set and maintain prices for the termination of A2P SMS at an excessively high level, while Options 1 and 3 would not fully address that risk? If not, please explain why.</p>	<p>Yes, subject to the concerns raised in relation to Question 4.</p>
<p><b>Question 6:</b> Do you agree with our proposal to set the price cap at a level based on an average of the four large MNOs' December 2020 prices, adjusted using CPI? If not, please explain why.</p>	<p>Yes, subject to the concerns raised in relation to Question 4.</p>
<p><b>Question 7:</b> Do you agree with our impact assessment? If not, please explain why.</p>	<p>Yes, subject to the concerns raised in relation to Question 4.</p>
<p><b>Question 8:</b> Do you agree with our assessment of the potential impacts on specific groups of persons, as set out in paragraphs 2.36-2.37? If not, please explain why.</p>	<p>Yes, subject to the concerns raised in relation to Question 4.</p>
<p><b>Question 9:</b> Do you agree with our proposal for a three-month implementation period following the publication of our final Statement? If not, please explain why.</p>	<p>Yes.</p>

Please complete this form in full and return to [a2psmsTerminationReview@ofcom.org.uk](mailto:a2psmsTerminationReview@ofcom.org.uk).