

Your response

Question	Your response
<p>Question 1: Do you agree with our provisional conclusion regarding market definition? Please provide reasons and evidence in support of your views.</p>	<p>Confidential? – N</p> <p>FCS agrees with the market definition.</p>
<p>Question 2: Do you agree with our provisional conclusion regarding SMP? Please provide reasons and evidence in support of your views.</p>	<p>Confidential? – N</p> <p>FCS agrees with the finding of SMP. Only the mobile provider is able to terminate the message which makes each number a market.</p>
<p>Question 3: 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>Confidential? – N</p> <p>FCS agrees with conclusion of the three-criteria test performed in the consultation.</p>
<p>Question 4: 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>Confidential? – N</p> <p>FCS agrees with the remedy of a price control will be an appropriate control to address the competition concerns arising from the finding of SMP. We consider this is appropriate as at this time the harm that is being done is excessive pricing which is damaging to downstream business and ultimately consumers.</p>
<p>Question 5: 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>Confidential? – N</p> <p>FCS agrees with Ofcom that Option 2 would be affective in addressing the risk that terminating MCPs could set A2P SMS termination services excessive levels.</p>

<p>Question 6: 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>Confidential? – N</p> <p>FCS considers this is a practical and transparent way of setting a price cap and agrees with this approach.</p>
<p>Question 7: Do you agree with our impact assessment? If not, please explain why.</p>	<p>Confidential? – N</p> <p>FCS agrees with the impact assessment.</p>
<p>Question 8: 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>Confidential? – N</p> <p>FCS agrees with the impacts on the groups of persons identified.</p>
<p>Question 9: 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>Confidential? – N</p> <p>FCS considers that three months is sufficient time to implement the proposals.</p>

Summary

FCS welcomes Ofcom's review of the A2P SMS termination market. Fundamentally, this is a service which is provided to business users and other organisations for a variety of services through a complex supply chain. FCS represents communication providers who may purchase services at the end of this supply chain and are clearly dependent on sourcing competitive services.

Ofcom's research has found that MCPs are increasing the cost of these termination services which is leading to harm to the downstream supply chain which impacts the business using them as well as their end customers. Providers typically offer contracts for a number of years duration and unexpected increase in the cost of inputs (A2P-SMS termination) will cause harm to these providers.

FCS considers that there is a negligible cost difference between a P2P SMS termination and an A2P SMS termination. However, MCPs are differentiating the two types of messages and

increasing the cost of termination of A2P termination which, as we have said above, is having a negative impact on the end customers.

Please complete this form in full and return to a2psmsTerminationReview@ofcom.org.uk.