

Your response

About Telecom2

Telecom2 are a voice network carrier with offices in London and Spain. Through the group of companies our focus is to be at the forefront of technology, specialising in VoIP B2B and call centre solutions. T2 also specialise in micro payments across mobile, card services and age verification. We do offer bulk SMS services.

Telecom2 has a broad spectrum of clients including a number of Contact Centres, Print media companies, TV companies and a Premiership Football club.

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>Yes.</p> <p>The breakdown into MCPs makes sense and is easy to understand</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>Yes</p> <p>Apart from the other considerations given in the consultation, the inability of anyone other than the range holder to terminate traffic on their consumers clearly gives range holders SMP</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>Yes</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</p>	<p>Confidential? – N</p> <p>We very definitely agree with your view.</p> <p>There is a history of CPs abusing their SMP when prices are unregulated and there is no competition.</p>

Question	Your response
<p>response for addressing our competition concerns arising from SMP (identified in section 5)? If not, please explain why.</p>	<p>To give two significant examples, BT's transit charges were deregulated as part of the NGCS unbundling, OFOCM's stated expectation was that there would be no significant price rises but the opposite was true and prices rose faster than costs, some doubled.</p> <p>Also arising from the NGCS unbundling was access charges. OFCOM's expectation was that competition would drive them down but consumers weren't fully aware of them and the reverse was the case, one MNO came in at a low reasonable level, other CPs were much higher so the original low figure increased to match other CP's Access charges. We are now in the ridiculous position where Access charges are now considerably in excess of some service charges, with adverse consequences, including bill shock, for consumers.</p> <p>In neither case was there any credible explanation justifying the increases and in the case of Access Charges, the initial and subsequent high prices.</p> <p>It is clear that without a price cap A2P SMS termination charges could suffer major increases, deterring the use of a convenient means to contact people with sales or important health information and ultimately increase the costs to 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>Yes, as above previous history shows that unregulated prices would be set and maintained at an excessively high level. Options 1 and 3 would allow high prices by manipulating the routing.</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>This seems reasonable given the above inflation price rises over the last few years</p>
<p>Question 7: Do you agree with our impact assessment? If not, please explain why.</p>	<p>Confidential? – N</p> <p>Yes</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>Yes, in particular the positive impact on people with limited access to on line services.</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>It could be argued that this is too long. The effective implementation period for new rates and changes to existing rates under the SIPIA is 56 days, there is no obvious reason why this could not be used for this exercise.</p>

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