Title:

Mr

Forename:

[redacted]

Surname:

[redacted]

Representing:

Organisation

Organisation (if applicable):

Telephony Services Ltd (TSL)

Email:

[redacted]

What do you want Ofcom to keep confidential?:

[redacted]

If you want part of your response kept confidential, which parts?:

Ofcom may publish a response summary:

Yes

I confirm that I have read the declaration:

Yes

Ofcom should only publish this response after the consultation has ended:

You may publish my response on receipt

Additional comments:

Question 3.1: Do you agree with our views on whether and when new MCPs should form separate markets? Are there any factors we have not considered which should inform this view?:

TSL agree in essence but feel that the effects of number portability should also be factored-in For instance, where the majority of numbers in a number block have been ported out, this would potentially mean that the rangeholder no longer has SMP for that range. For ported calls, the costs would be dictated by the porting conveyance charge rather than the MTR levels and should thus be borne in mind.

Question 3.2: Are there any other types of providers we should also consider?:

TSL believe that 2G, 3G and 4G, DECT guardband and wifi based operators should be included.

Question 3.3: Do you agree with our views on the specific call types that should be included in the market? Are there any factors we have not considered which should inform this view, resulting in call types other than those identified being either included or excluded from the market?:

TSL agree with the all of the different types of calls being included. However, we believe that ported-in calls should continue to be included for the period beginning 1st April 2011. TSL feel that it would be prudent to factor-in the consequences of moving to a direct method of routing calls to ported numbers at this stage, rather than needing to take the time to conduct a further review in the increasingly likely event that a central database model will be implemented in the coming years.

Question 3.4: Do you agree with our view of that the geographic market for each of our proposed markets should be the area of the UK within which the MCP provides and can set a charge for mobile voice call termination services?:

Yes. TSL feel that this proposal makes sound sense.

Question 4.1: Do you agree with our view? Or are there other developments, not considered elsewhere in this consultation document, for potentially removing the underlying causes of SMP?:

TSL believe that new technology will not affect the definition of SMP because, while there is likely to be a much greater reliance on data rather than voice calls going forward, this a distinct market from voice calls.

Question 4.2: Do stakeholders have any comments on the analysis set out in this section?:

TSL feel that Ofcom?s analysis seems thorough and appropriate.

Question 4.3: Are there any other providers with SMP that we have not identified?:

We do not believe so.

Question 4.4: Do stakeholders agree with our proposed SMP assessment for the period until 2014/15?:

While Telserv believe that Ofcom?s definition of SMP is correct and unlikely to change until 2015, there is a need for it to better take into account the likely implementation of direct routing via a central database solution.

Question 5.1: Do stakeholders agree with the identified harm to consumers of excessive termination rates in the period 2011 to 2015?:

Yes, TSL agree with the identified harm to consumers outlined in the consultation and recognise that significant harm already occurs as a result of high and fluctuating MTRs. If this issue is not addressed and the charge levels and fluctuations reduced, TSL feel this harm to consumer welfare will continue.

Question 5.2: Do stakeholders consider there to be any other forms of relevant consumer harm that we have not identified?:

TSL firmly believe that fixed/mobile convergence will become widely adopted by 2015 and, in light of this, it will become increasingly difficult for consumers to calculate the cost of their calls (as identifying where calls are originating from and terminating to will become more difficult). Fixed and mobile rates need to be more closely aligned to aid consumer understanding and help them accurately estimate their bill.

Question 7.1: do stakeholders agree with Ofcom?s view regarding the need for transparency in MCT charges?:

TSL feel that transparency is very important. However, it should be borne in mind that few consumers are billed on a per-minute basis but rather pay for bundles/packages. As such, therefore, consistency and stability in the pricing of MTRs is of the utmost importance in minimising flip-flopping.

Question 7.2: Do stakeholders agree with our preliminary view on application of a condition requiring network access to be provided on F&R terms?:

TSL definitely agree with Ofcom?s view on this point. Providing bundled packages to end-users is only possible where charges to MCPs are fair and reasonable.

Question 7.3: what are your views on the need for an ex ante undue-discrimination condition for the period of the next review?:

TSL believe that an undue-discrimination condition is important as non-discrimination on the part of the 4 national MCPs is vital for healthy competition within the mobile sector.

Question 7.4: Do stakeholders believe that there are any circumstances or situations where the UK differs from other EU markets to the extent that would support a departure from following the EC Recommendation?:

TSL do not feel that there are any circumstances where the UK should deviate from following the EC recommendation.

Question 7.5: do you agree with Ofcom?s proposals for its preferred set of remedies for the provision of MCT services?:

TSL support the idea of the four year glide path, focussing on the objective of reducing MTRs down to 0.5 pence per minute as well as adopting LRIC model and limiting the extent of changes that can be made.

Question 9.1: Do you agree that a four-year period for the SMP remedies is appropriate?:

Yes, TSL feel that a four year period is appropriate.

Question 9.2: Do you agree with our proposed modelling approach, as discussed in this section, the supporting annexes and the actual model? If not, please discuss the specific proposals you disagree with.:

We do not have any specific opinion as to the modelling.

Question 9.3: What is your view of the harm caused by flip-flopping? Please provide evidence to support your response.:

TSL have experienced over 20% variation in call costs on a regular basis which increases the call costs at less than a week?s notice. In turn, this causes our customers serious budgeting problems.

Question 9.4: Do you agree with our preferred option for resolving the issue of flip-flopping ? i.e. charge changes restricted to the first day of each quarter and a 20% cap on individual time of day rate increases? If not, why not? Which is your preferred option and why? You may want to include discussion of the following in your response: the specifics of each option, e.g. the 20% cap in our preferred option, the effectiveness of the options in addressing the objectives, the practicalities of the options for you, any disadvantages/adverse effects of these options for you, and any other information or views that you feel are relevant to preventing flip-flopping.:

While TSL broadly support Ofcom?s proposal to tackle the problem of flip-flopping, we believe that MCPs should be required to give greater notice than just one month. TSL propose that three months would be a more suitable figure.

Question 9.5: Are there other, more proportionate solutions that we should consider?:

No. TSL believe that Ofcom?s proposed solutions are adequate.

Question 9.6: Is it clear which types of calls are included in, and which types are excluded from, the new charge control and in turn the compliance calculation? If not, which call types do you want clarified?:

TSL feel Ofcom has made clear which types of calls are included/excluded in the new charge control.

Question 9.7: Is Ofcom taking the right steps to monitor compliance?:

Yes, TSL believe that Ofcom are taking suitable steps.

Question 9.8: Are MCPs able to provide the information required to demonstrate compliance and for Ofcom to monitor compliance?:

Yes, TSL believe they can.

Question 9.9: Do you agree with the conclusions of our distributional impact assessment?:

We believe that is about right. MCPs have become more efficient than they thought they would be. Think that it will encourage mobile operators to continue being efficient.

Question 9.10: Do you agree with our EIA, that reducing MTRs will have no significant impact on any specific identifiable group? If you disagree with this statement we would welcome any evidence you hold showing why this statement might be incorrect.:

Yes, TSL are in broad agreement with Ofcom as to this point. MCPs have proven themselves to be more efficient than Ofcom anticipated since 2007. Moreover, TSL believe that MCPs will continue to work efficiently through the adoption of new technology and increase adoption of MVNOs which will result in greater competition.