



## Government Affairs

ASDA House  
Great Wilson Street  
Leeds  
LS11 5AD  
Tel: 0113 241 8894  
[www.ASDA.com](http://www.ASDA.com)

Consultation response

29<sup>th</sup> July 2009

### **Wholesale mobile voice call termination; Preliminary consultation on future regulation**

#### **About ASDA Mobile**

- We have worked hard to ensure ASDA Mobile provides a simplified and transparent offer.
- Our Pay As You Go tariff is the best on the market - 8p per min/ 4p per text. Launched last year, our market share in SIM Cards rose from 0.4% to 11%.
- Our Pay As You Go tariff has been voted 'Money Saver' by *Which?* magazine.
- ASDA have offered a £5 handset which was very popular.
- Our MNO is Vodafone.

#### **ASDA's position**

We have had limited contact with Ofcom in the past but we have decided to contact you on this issue because we are very concerned by it and see it as an opportunity to further reduce the cost of calls to our customers.

- ASDA strongly favours the Deregulation option.
- Deregulation would present a level playing field for all Mobile Network Operator (MNO) and Mobile Virtual Network Operators (MVNOs). It would reduce both MNO and MVNO costs and create greater competition in the market place. Low cost providers will then be able to offer low price products to the customer.
- For MVNOs such as ASDA, the presence of MCT interconnect fee creates an unavoidable cost which significantly increases the wholesale charge. For example, around 60% of the wholesale charge for a 1 minute call is made up of the interconnect charge from the MNO.
- The interconnect charges levied are currently largely similar across all of the UK MNOs.

- Deregulation will allow providers to work for the customer and offer clarity on product, price and service in what is currently a confusing market for customers.
- We are confident that our customers will support our views, especially during this difficult economic period. They are counting on consumer champions.

**Further information**

For any further information, please contact Mark Ramsden on [mark.ramsden@asda.co.uk](mailto:mark.ramsden@asda.co.uk) or 0113 241 8894.