

## **Comments:**

### **Question 3.1: Do you agree with our preliminary view on market definition? Has anything changed, or is anything likely to change within the period of the next review, which would materially impact on the definition of the market(s)?:**

The phone network is largely a mature network where the infrastructure and basic costs have all been paid. Mobile phones are used by a wide segment of society and not just business. Young people, in particular, use mobiles rather than landlines. The main market is now people switching networks for better tariff, service or choice of handsets rather than a basic phone service.

Increasingly older people are the primary users of fixed line services whereas younger people use mobile technology as their primary communications device.

### **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?:**

No. It seems to me that termination charges were a way of allowing mobile operators to earn money from old state phone companies when the majority of people used land lines and a minority used mobiles. This was at a stage where mobile network investment needed to be encouraged.

This is no longer the case. Running a network is part of the cost of business. Connecting to another network should be a transparent part of the process. Termination charges are now interfering with a mature network. For most providers termination charges are just an accounting transfer. For small providers it is a net tax on operation.

### **Question 5.1: What are likely to be the main sources of detriment to consumers of excessive termination rates in the period 2011 to 2015?:**

Continuation of charges is likely to reduce competition insofar as small startups will be net payers of charges. Larger providers will be able to dominate more.

This will lead to less choice and lack of tariff innovation such as "all you can eat" tariffs at set monthly fees.

Internet access could not have increased with per minute charging and termination fees. These days consumers want flat rate pricing and they can't have it with per minute termination fees.

Mobile termination fees now discriminate against groups such as the elderly who use landline phones. They make landline calls to mobiles too expensive. They make international calls to mobiles too expensive with little prospect of reduction until termination fees are abolished.

Termination fees solved the problem of developing a mobile network but they now will put future development on the back burner,

**Question 6.1: Should our policy approach to regulating MCT change? For example, given the possible benefits, should we adopt a policy of reducing termination rates as far and fast as we reasonably can, within the boundaries of sound economic policy, and whilst recognising underlying cost differences? If our policy approach did change, what do you think are the relevant factors for us to consider in deciding on the best future policy to regulating MCT?:**

Termination fees should simply be abolished now. The only logic for them was to raise money to develop the mobile phone business. Now they need to go.

**Question 6.2: Are there additional options (other than the six set out in this consultation) that we should consider? If so what are they and what advantages/disadvantages do they offer?:**

As I have said the only reasonable option in my view is abolition. The charges represent a telephone tax on the consumer. When considered with the digital Britain proposal of charging 50p per month on a landline this would set an absurd burden on the cost of using landlines and discourage investment as people abandon them.

**Question 6.3: Do you agree with our preliminary views set out for each of the options? If not, what are the additional factors that we should take into consideration, and why are the relevant to our analysis?:**

I believe that MTRs are to continue they must genuinely reflect an actual cost borne by the carrier by virtue of allowing a call into their network. Today those costs are now very small. MTRs should not be a profit centre for carriers but compensation.

**Question 6.4: Do you agree with our preliminary view of the De-regulatory option? If not, what are the additional factors that we should take into consideration, and why are the relevant to our analysis?:**

No comment.

**Question 6.5: Do you agree with our preliminary view of the LRIC+ option? If not, what are the additional factors that we should take into consideration, and why are the relevant to our analysis?:**

No comment.

**Question 6.6: Do you agree with our preliminary view of the LRMC option? If not, what are the additional factors that we should take into consideration, and why are they relevant to our analysis? In addition what do you expect the costs of a move to this option to be?:**

No comment.

**Question 6.7: Do you agree with our preliminary view of the CBC option? If not, what are the additional factors that we should take into consideration, and why are they relevant to our analysis? In addition what do you expect the costs of a move to this option to be?:**

No comment.

**Question 6.8: Do you agree with our preliminary view on mandated Reciprocity? If not, what are the additional factors that we should take into consideration, and why are they relevant to our analysis? In addition what do you expect the costs of a move to this option to be?:**

No comment.

**Question 6.9: Do you agree with our preliminary view of the B&K option? If not, what are the additional factors that we should take into consideration, and why are they relevant to our analysis? In addition what do you expect the costs of a move to this option to be?:**

This seems the only option consistent with a free and evolving market. As I understand it this means the end of termination charges. I agree with that.

Now that competing companies frequently share infrastructure or carry calls under virtual operators such as Tesco etc The notion of a termination point is getting increasingly fuzzy.