

MTR policy

An operator's perspective

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The need for regulation 1

- Where calling party pays the need for MTR regulation is well recognised and documented
 - OUR Jamaica
http://www.our.org.jm/PDF-FILES/Reconsideration_of_the_Offices_Decision_Termination_Final%20Decision_May_1_07.pdf
 - ARCEP France decision covering the French Caribbean
<http://www.art-telecom.fr/fileadmin/reprise/publications/rapport/rap-2006-eng/RA2006 - 07 - Regulation of electronic communications market competition.pdf>
 - European Commission
http://ec.europa.eu/information_society/policy/ecomm/doc/todays_framework/interconnection_interoperability/i_11420030508en00450049.pdf
 - ITU <http://www.ictregulationtoolkit.org/en/Section.2133.html>
 - Ofcom http://www.ofcom.org.uk/consult/condocs/mobile_call_term/statement/
 - NZ Competition Commission
<http://www.comcom.govt.nz//IndustryRegulation/Telecommunications/Investigations/MobileTerminationRates/ContentFiles/Documents/Mobile%20Termination%20Reconsideration%20Final%20Report%2021%20April%202006%20.pdf>
 - CERNER, University of Warwick, WIK
http://users.wbs.warwick.ac.uk/cms_attachment_handler.cfm?f=bfec41c3-27bc-4bc3-95b7-99865c7e2fb7&t=mobile+termination.pdf
 - Telcoms Management Group <http://reports.tmgtelecom.com/mtr/>
- Telecoms statutes and regulations across the Caribbean recognise and allow for this



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The need for regulation 2

Why?

- To prevent inefficient and inflated calling rates (particularly ftm and x-net) and resulting welfare loss
 - To remove artificial usage constraints
 - To protect consumers from hidden costs
 - To prevent inefficient cross-subsidies
 - To preserve efficient investment signals
- To achieve outcome of economic efficiency
- To maximise telecoms contribution to economic and community wellbeing

and:

- To meet statutory requirements for cost orientation



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Are our rates cost oriented?

No

- Single jurisdiction multiple rates can't be
- Our rates don't benchmark favourably (e.g. ECTEL US\$0.23)
- Global MTR trajectory is downward
- FLLRIC acknowledged as the right cost base for efficient regulatory rate setting



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What needs to happen?

Expedite moves to regulated cost oriented rates

- FLLRIC is the efficient cost base
- But more immediate action is needed – reference the lowest rates in the market

In the meantime >cost MTRs are damaging telecoms markets and economic development across the region



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thank you



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