



Media Release- 30 July 2004

### **ComReg designates mobile phone companies as having Significant Market Power (SMP) in the call termination market**

The Commission for Communications Regulation (ComReg) today designated Vodafone, O<sub>2</sub>, Meteor and '3' - as having Significant Market Power (SMP) in the wholesale market for voice call termination on their respective individual mobile networks.

Mobile termination charges are the wholesale rates which operators, both fixed and mobile, pay to mobile operators for calls that are connected to subscribers on their networks. They affect consumers indirectly as they are factored in to the prices consumers pay at retail level for fixed-to-mobile and mobile-to-mobile calls. By regulating Mobile Termination Rates, the price which consumers pay to call mobile networks, can be reduced.

The ComReg decision follows an extensive market review process carried out over the past year. The measures imposed under this decision were also notified to the EU Commission and other national regulatory authorities in accordance with Regulation 20 of the Framework Regulations. The notified measures were accepted by the EU Commission on 14 July 2004.

Having determined that the relevant markets reviewed are not effectively competitive and having identified SMP operators, ComReg is next required to impose *ex ante* regulatory obligations that are, appropriate, based on the nature of the problem identified, proportionate and justified.

More...

ComReg has consulted on the remedies which it considers are appropriate in relation to this market including obligations to reduce termination rates to the costs of an efficient operator. ComReg will be detailing the implementation of these obligations in the coming months.

Finally, ComReg notes that both Vodafone and O<sub>2</sub> intend to reduce their Mobile Terminations Rates in September this year. ComReg encourages operators to pass these reductions on to their customers, so that consumers can benefit from reduced retail rates when calling customers on Vodafone and O<sub>2</sub>'s network.

**ENDS**

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