



Commission for
Communications Regulation

Information Notice

Reductions in mobile termination charges by Hutchison 3G (Ireland) Limited will benefit consumers

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Reductions in mobile termination rates (“MTRs”)¹

On 1 December 2008, the Commission for Communications Regulation (“ComReg”) designated the mobile network operator, Hutchinson 3G (Ireland) (“H3GI”) with significant market power (“SMP”) in the market for wholesale voice call termination on its own network and imposed obligations on H3GI, including a price control, to address its position of SMP. H3GI was obliged to gradually reduce its MTRs to 7.99 cent by 1 December 2013.²

H3GI has now voluntarily committed to make a further reduction in its MTRs to a maximum charge of 5 cent per minute, by 1 January 2013. ComReg welcomes the additional commitment by H3GI to reduce its MTRs over the next four years.

This commitment by H3GI to reduce its MTRs annually on 1 January of each year, to reach an average rate of 5 cent per minute by 1 January 2013, is similar to commitments made by the other SMP mobile network operators, Vodafone, O₂ and Meteor, to make further reductions to their MTRs.³

It is important that these reductions in MTRs, which occur at the wholesale level, are passed on to customers at the retail level. This should ultimately bring benefits to both fixed and mobile customers by reducing their retail call charges. H3GI’s market share at the end of 2008 represented 4.4% of the total active mobile subscription base in Ireland (exclusive of mobile broadband).⁴

Progressive reductions in MTRs are being implemented across Europe and there is a movement towards a reduction of asymmetries in MTRs. In addition to the recent commitments announced by the other mobile network operators with SMP to reduce their MTRs, H3GI’s commitment to reduce its MTRs to a maximum rate per minute of 5 cent by 1 January 2013, will, once implemented, align Ireland’s MTR levels with the EU average for MTRs.

H3GI has indicated to ComReg its intention to reduce its blended MTRs to a symmetrical maximum rate per minute of 5 cent by 1 January 2013 in a stepped approach. The glide-path for these reductions for H3GI is set out in Table 1.

Table 1: Target blended maximum MTRs (€cent)

Period	1 Jan 2010	1 Jan 2011	1 Jan 2012	1 Jan 2013
Cents	12.43	10.85	8.75	5.00

All of these reductions are expressed in nominal terms.

ComReg will continue to monitor MTRs to ensure that their levels in Ireland are consistent with best practice in Europe and EU legislative developments.

¹ MTRs are the wholesale charges levied by a mobile operator to terminate a call of another network operator (fixed or mobile) on their network.

² ComReg Decision Notice D05/08 (document number 08/92), Market Analysis Voice Call Termination on Hutchison 3G Ireland’s Mobile Network, 1 December, 2008

³ ComReg Information Notice 09/32. Further reductions in mobile termination charges by Vodafone, O₂, and Meteor will benefit consumers, 16 April 2009.

⁴ ComReg (2008) Irish Communications Market: Key Data Report – Q4, 2008, Document 09/17, 19 March 2009.