



ERG Secretariat
Mr Dániel Pataki, ERG Chair
Avenue de Beaulieu 33
B-1160 Brussels

Brussels, 25 January 2008

RE: ERG CP MTR FTR 2008

Dear Mr Pataki,

In responding to the ERG consultation on termination rates GSME would like to make it clear that in the time permitted it has unfortunately not been possible to reach a consolidated position across the membership.

It has however been possible to reach agreement on a number of common principles and this letter summarises those. GSME members continue to work on the details of a common position on termination rates and will communicate this as soon as it becomes available.

GSME agrees that where termination rates are regulated they should be cost orientated. However operators disagree on the levels of accuracy that can be obtained by the use of cost models.

In country symmetry of MTRs

GSME agrees that the goal for MTRs in each country should ultimately be symmetry between mobile operators. There are differences of view between operators on when and under which regulatory circumstances, symmetry should be attained, as well as on the level

GSME believes that asymmetric mobile termination rates within a country should be justified by objective cost differences which are outside the control of the operators concerned.

GSME believes that with the decline in MTRs over the past few years that if in the future, some NRAs believe that market entry assistance is necessary, then they are encouraged to explore the effectiveness of alternative more transparent methods than MTRs.

Consistency of MTRs between Countries

GSME believes that consistency in regulation is important. If MTRs are cost orientated, then it is to be expected that there will be cost differences between Member States arising from a variety of sources such as topography and the nature and stage of the market. It is therefore certain that there will be differences in MTRs between member states and no compelling reason why these should be harmonised to a single number.

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Asymmetry between Fixed and Mobile Termination

GSME believes that fixed and mobile networks remain technically different and operate with different commercial models. The existing cost models used by regulators indicate a difference between the cost of fixed and mobile services and GSME does not believe that any substantive evidence has been provided to suggest that there would be any consumer benefit in normalising them in some way.

Should you have any questions, please contact the GSME Secretariat.

With best regards,

A handwritten signature in black ink, appearing to be 'Kaisu Karvala', with a long horizontal stroke extending to the right.

Kaisu Karvala
Chairman GSME

GSM Europe

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