



Telecoms: The Authority welcomes reduction of mobile termination rates in Liechtenstein

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The Authority welcomes Liechtenstein's intention to impose an obligation on all domestic mobile network operators to reduce their termination charges progressively as of 1 July 2011. This is the conclusion in the Authority's response to the proposal by the national telecoms regulator of Liechtenstein (Amt für Kommunikation, AK). However, the Authority emphasized in its letter published today, that termination rates should be further reduced to the level of the costs of the relevant service incurred by an efficient operator.

The Authority reminds that any price regulation should serve to promote efficiency and sustainable competition to the ultimate benefit of consumers. For that reason, AK is invited to reconsider its proposal and to introduce more courageous reductions of mobile termination rates for the Liechtenstein operators.

Termination rates are wholesale fees charged by operators to connect a call from another operator's network which are part of every user's phone bill. There are currently four mobile network operators in Liechtenstein: Mobilcom FL, Orange FL, Swisscom FL and Alpcom. Their average termination rate amounts to 28 centimes/per minute. According to the proposal of AK, the termination rates shall be decreased by stages until 1 January 2013 to 7.65 centimes/minute¹. The target rate corresponds to the average rate of the three Swiss mobile network operators.

Background

Mobile network operators across Europe lower their termination charges either as a result of regulatory measures at the national level or on a voluntarily basis. The differences between the level of termination rates within the EFTA States as well as across the EEA have recently been addressed in the Authority's Termination Rates Recommendation of 13 April 2011 (PR(11)29). According to the Recommendation, national regulatory authorities (NRAs) in the EFTA States should bring the level of termination rates on both fixed and mobile networks to the costs incurred by an efficient operator by 31 December 2012.

In compliance with Article 7 of the Telecoms Framework Directive 2002/21, AK has notified its proposed measures to the EFTA Surveillance Authority as well as to the other NRA in the EEA. Those have the possibility to comment on the proposal within one month. As a result of this procedure, AK is required to take utmost account of the Authority's comments letter in its final regulatory measure. This is the first notification of the Liechtenstein markets for mobile termination since the entry into force of the telecoms regulatory framework in 2004.

The Authority's comments letter can be found under the following link:

<https://eea.eftasurv.int/portal/hcleip>

Further information on the activities of the Authority in the field of electronic communications can be found under:

<https://eea.eftasurv.int/portal/>

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1 Which equals to 6.25 eurocents/minute according to the current exchange rate (1€ = 1.22 CHF, see: www.ecb.int/stats/exchange/eurofxref/html/eurofxref-graph-chf.en.html). In comparison, in Austria for example, the level of the mobile termination rates is currently 2.01 eurocents/minute (symmetric for all operators).
