



An Coimisiún um
Rialáil Cumarsáide
Commission for
Communications Regulation

INFORMATION NOTICE

Information Notice on Fixed Termination Rates & Mobile Termination Rates in advance of implementation of Eurorates

Information Notice

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Commission for Communications Regulation

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Additional Information

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1. Termination Rates are wholesale charges levied by fixed and mobile operators on each other to complete incoming calls on their respective networks. These are distinct from the amounts that they charge their retail subscribers at a retail level. The level of termination rates is currently regulated by ComReg although recent developments in European Union legislation mean that the level of such rates will in future be determined on a pan European basis by the European Commission.
2. ComReg's recent interventions in termination markets were in May 2019, when following a consultation process, it issued Decision D11/19¹ and in October 2020, when following a consultation process, ComReg issued Decision D09/20². These Decisions set the maximum Fixed Termination Rates ('FTR(s)') and Mobile Termination Rates ('MTR(s)') that fixed and mobile operators who have been found to have Significant Market Power ('SMP'³) in their respective fixed and mobile termination markets can charge.
3. Separately, the European Electronic Communications Code ('EECC')⁴ was effective from 20 December 2018. Article 75(1) of the EECC requires that:

"By 31 December 2020, the Commission shall, taking utmost account of the opinion of BEREC, adopt a delegated act⁵ in accordance with Article 117 supplementing this Directive by setting a single maximum Union-wide mobile voice termination rate and a single maximum Union-wide fixed voice termination rate (together referred to as 'the Union-wide voice termination rates'), which are imposed on any provider of mobile voice termination or fixed voice termination services, respectively, in any Member State."
4. The 'Union-wide voice termination rates' or 'Eurorate' FTRs/ MTRs⁶ which are intended to come into effect in 2021 will replace the existing maximum regulated

¹ ComReg document 19/48 Decision D11/19 'Price Control Obligations for Fixed and Mobile Call Termination Rates'.

² In ComReg Decision D09/20, ComReg set out its decision that, (a) the existing definition of the Relevant FVCT Markets is broadened to now include FVCT to the 0818 number range, and (b) that certain Additional FSPs operating within a Relevant FVCT Market are each designated as having SMP with certain regulatory obligations imposed upon them.

³ ComReg document 19/47 Decision D10/19 designated 22 FSPs and 6 MSPs with SMP. As noted at footnote 2, in addition to setting maximum termination rates, an additional 3 FSPs were designated with SMP following ComReg's 2020 Market Review of the Fixed Voice Termination Market ComReg document 20/95 Decision D09/20.

⁴ <https://eur-lex.europa.eu/eli/dir/2018/1972/oj>

⁵ A working draft of the proposed delegated act is available at <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/1958-Voice-call-termination-rates-in-the-EU-Eurorates->

⁶ The European Commission and its consultants, Axon, with assistance from NRAs and operators of all EEA countries developed cost models to derive pure LRIC FTRs and MTRs on a country-by-country and European-wide basis.

FTRs/MTRs that have been set on a national basis by the national regulatory authorities in Member States, including the maximum FTRs/ MTRs set by ComReg pursuant to Decision D11/19 and D09/20.

5. Following the adoption of the draft Delegated Act, the Eurorates for Ireland will come into effect (see paragraph 11 below) and the existing price control obligations⁷ will be superseded by the requirements of Article 75 of the EECC and replaced by the draft Delegated Act which will set the maximum termination rates for Ireland (as detailed in Table 1 and Table 2 below).
6. The draft Delegated Act includes a three-year glide path for Eurorate MTRs (2021, 2022 and 2023). However, because Ireland applies lower MTRs than the proposed maximum Eurorate MTRs in this transitional period, the European Commission has indicated that Ireland's maximum MTR will be 0.43 cent in 2021 and 2022. From 2023, the Eurorate glide path MTR will apply. Consequently Ireland's maximum MTR will be 0.40 cent in 2023 and 0.20 cent in 2024 (see Table 1 below).

Table 1: Maximum Mobile Termination Rates for Ireland (2020-2024)

Mobile – all rates in euro cent per minute	2020	2021	2022	2023	2024
Existing Ireland Maximum MTR (D11/19)	0.55	0.43	0.31	0.31	0.31
Proposed Ireland Maximum MTR - Eurorate	n/a	0.43	0.43	0.40	0.20

7. The draft Delegated Act sets a maximum Eurorate FTR of 0.07 cent per minute from 2021 onwards⁸ (see Table 2 below).
8. While D11/19 and D09/20 provide that the maximum FTR could be charged either on a one-part charge (per minute) basis or on a two-part (cost per call and a cost per minute) basis, the draft Delegated Act does not provide for an FTR based on a two-part charge basis. From the effective date of the Eurorate, all SMP FSPs must therefore charge other undertakings for FVCT on a one-part (per minute) basis.

⁷ i.e. Section 12 of Annex 16 and Section 12 of Annex 17 of ComReg Decision D10/19, Section 4 of Annex 1 and Section 4 of Annex 2 of ComReg Decision D11/19, and Section 10 of ComReg Decision D09/20.

⁸ The draft delegated Act provides for a transitional period during 2021 for those Member States with current FTRs above the Eurorate FTR. As the maximum FTR in Ireland is currently below the maximum Eurorate FTR, no transitional rate is necessary and the maximum FTR from the date that Eurorates come into effect in 2021 onwards shall be the maximum Eurorate FTR i.e. 0.07 cent per minute.

Table 2: Maximum Fixed Termination Rates for Ireland (2020-2024)

Fixed – all rates in euro cent per minute	2020	2021	2022	2023	2024
Existing Ireland Maximum FTR (D11/19)	0.057	0.051	0.045	0.045	0.045
Proposed Ireland Maximum FTR - Eurorate	n/a	0.051 then 0.07	0.07	0.07	0.07

9. As outlined in ComReg Decision D11/19 and D09/20, the Eurorates, once they come into force, will replace the maximum FTRs and maximum MTRs arising from those Decisions. In the meantime, the maximum FTRs and maximum MTRs as set out in Decision D11/19 and D09/20 shall apply. In particular, the maximum FTR rate will reduce to 0.051 cent per minute at 1 January 2021⁹ and the maximum MTR rate will reduce to 0.43 cent per minute at 1 January 2021.
10. The draft Delegated Act provides that the Eurorates should also apply to calls which originate in non-EU countries and terminate in the Union in two cases, i.e.:
- where the termination rates in the non-EU countries (i.e. for calls originating in the Union and terminating in those non-EU countries) are at a level equal or lower than the level of the Eurorate;
 - where the regulation of termination rates in the non-EU country (i.e. for calls originating in the Union and terminating in those non-EU countries) is equivalent to the principles set out in Article 75 and Annex III of the EECC¹⁰ i.e. cost oriented.¹¹

The existing price control obligations in relation to calls originated outside of the EEA and detailed in D10/19¹² will now be superseded by the draft Delegated Act.

11. While it is anticipated that the draft Delegated Act will be adopted before the 31 December 2020, it is proposed by the European Commission that the maximum

⁹ In respect of the 3 additional FSPs designated with SMP in D09/20, these rates will apply from 04 January 2021.

¹⁰ Article 75 Annex III 'Criteria for the determination of wholesale voice termination rates'.

¹¹ The Non-EU countries to whom Eurorates would apply would likely be determined on the basis of information submitted by Non-EU countries to the Commission and following an appropriate assessment, may include the appropriate Non-EU countries in a list to be set up in the Annex of the Delegated Regulation.

¹² Section 12.3 of Annex 16 and Section 12.3 of Annex 17 of ComReg Decision D10/19. This also applies to the three additional FSPs designated with SMP in D09/20.

Eurorate FTRs and MTRs will only become effective two months after they have been published in the Official Journal ('OJ') (following the objection period by the European Parliament and the Council). While there is no definitive date, ComReg expects that the Eurorates will be implemented in 2021. ComReg will issue a further Information Notice following publication in the Official Journal of the European Union (setting out the relevant implementation date).