



Wholesale mobile voice call
termination
Statement

Annex 2

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Glossary

- A2.1 **2007 EC Recommendation** – European Commission Recommendation (2007/879/EC) of 17 December 2007 on relevant product and service markets within the electronic communications sector susceptible to *ex ante* regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services.
- A2.2 **2009 EC Recommendation** – European Commission Recommendation (2009/396/EC) of 7 May 2009 on the Regulatory Treatment of Fixed and Mobile Termination Rates in the EU.
- A2.3 **2G** Second generation of mobile telephony systems, including the GSM™ technology standard.
- A2.4 **3G** Third generation of mobile telephony systems, including the UMTS™ technology standard.
- A2.5 **4G** Fourth generation of mobile telephony systems, including the LTE™ technology standard.
- A2.6 **Access Directive** – Directive 2002/19/EC on access to, and interconnection of, electronic communications networks and associated facilities.
- A2.7 **Asda** *Asda Financial Services Limited*
- A2.8 **B&K Bill and Keep** – An approach to MCT pricing where communications providers make no payments to each other for mobile call termination (that is, MTRs are zero). Unless otherwise specified, references to B&K are references to B&K set by regulation, although B&K arrangements may be agreed commercially.
- A2.9 **BT** *British Telecommunications plc*
- A2.10 **Cable & Wireless** or **C&W** - *Cable & Wireless plc*
- A2.11 **CAT** *Competition Appeal Tribunal*.
- A2.12 **CBC Capacity Based Charging** – An approach to MCT pricing whereby MTRs are set on the basis of the network capacity required for terminating traffic.
- A2.13 **CBP Countervailing Buyer Power**.
- A2.14 **CC** *Competition Commission*
- A2.15 **Charge control** A control which sets the maximum price that communication providers can charge for a particular product or service. Most charge controls are imposed for a defined period.
- A2.16 **Circuit-switched technology** – Network technology where the end-to-end communication takes place over a dedicated physical circuit (or a dedicated radio channel).

- A2.17 **Communications Act or “the Act”** – Communications Act 2003.
- A2.18 **CoA** *Court of Appeal*
- A2.19 **Common Regulatory Framework or CRF** – the package of Directives which harmonise the framework for the regulation of electronic communications across the EU.
- A2.20 **CNPP** *Calling Network Provider Pays* – Wholesale charges for terminating telephone calls set in such a way that the originating call provider pays the terminating call provider a charge to terminate the call. CNPP often occurs in markets where retail charges are set on a CPP basis.
- A2.21 **COLT** *Colt Telecom Group plc*
- A2.22 **CP** *Communications Provider*
- A2.23 **CPP** *Calling Party Pays* – Retail charges for telephone calls set in such a way that only the calling party (and not the called party) pays a charge when a call is made.
- A2.24 **DECT** *Digital Enhanced Cordless Telecommunications*
- A2.25 **DECT guard band** – Spectrum consisting of 1781.7-1785 MHz paired with 1876.7-1880 MHz awarded to several mobile providers by auction in 2006. These spectrum bands were originally set up to protect DECT phones from interference by mobile telecommunication transmission.
- A2.26 **EBITDA** *Earnings Before Interest, Taxation, Depreciation and Amortisation*
- A2.27 **EC** *European Commission*
- A2.28 **EE** *Everything Everywhere Limited*¹
- A2.29 **end-to-end (E2E) connectivity** – Connection across a group of networks which enables users on those networks to make calls and send data to each other across those networks.
- A2.30 **end-user** – The final consumer of a product or service.
- A2.31 **ERG** *European Regulators Group*
- A2.32 **EU** *European Union*
- A2.33 **F2M** *fixed-to-mobile* – that is, a call originating on a fixed line and seeking to call a mobile subscriber
- A2.34 **FCP** *Fixed Communications Provider*
- A2.35 **FCT** *Fixed Call Termination* - The service provided by a FCP to allow an OCP to connect a caller with the intended call recipient on that FCP's network

¹ T-Mobile (UK) Limited was renamed Everything Everywhere Limited on 1 July 2010. Orange Personal Communications Services Limited is now a subsidiary of Everything Everywhere Limited.

- A2.36 **femtocell** – Low-power wireless access points that operate in licensed spectrum to connect standard mobile devices to a mobile operator’s network using residential DSL or cable broadband connections.
- A2.37 **FMC Fixed Mobile Convergence** – Refers to capabilities that provide seamless connectivity between fixed and mobile networks by supporting services and applications to the end-user irrespective of the underlying access technology.²
- A2.38 **Framework Directive** – Directive 2002/21/EC on a common regulatory framework for electronic communications networks and services.
- A2.39 **FTR Fixed Termination Rate** – The wholesale charge levied by FCPs for FCT.
- A2.40 **H3G Hutchison 3G UK Ltd - trading as Three™**
- A2.41 **GSM™ Global System for Mobile Communications** – An established 2G mobile technology standard
- A2.42 **IM instant message or instant messaging service**
- A2.43 **IP Internet Protocol** – Packet data protocol used for routing and carriage of messages across the internet and similar networks.
- A2.44 **LRIC+ Long Run Incremental Costs Plus**
- A2.45 **LTE™ Long Term Evolution** – Technology standard which forms part of the development of 4G mobile systems that started with 2G and 3G networks.
- A2.46 **Lycamobile Lycamobile UK Ltd**
- A2.47 **M2M mobile-to-mobile** – that is, a call that originates from a mobile device and seeking to call a mobile subscriber
- A2.48 **MCP Mobile Communications Provider**
- A2.49 **MCP with fewer subscribers** – In this statement, this refers to MCPs other than the national MCPs.
- A2.50 **MCT Mobile Call Termination** – The service provided by a MCP to allow an OCP to connect a caller with the intended mobile call recipient on that MCP’s network.
- A2.51 **MP Member of Parliament**
- A2.52 **MTR Mobile Termination Rate** – The wholesale charge levied by MCPs for MCT.
- A2.53 **MVNO Mobile Virtual Network Operator** – A provider of mobile communications services which does not own a national network themselves, but instead provides all or part of their mobile phone services over network infrastructure owned by an MNO. For example: Tesco Mobile or Asda.
- A2.54 **National MCP** – One of the MCPs that operates a fully-deployed national mobile network, including both a radio access network and elements of core network. Before the T-Mobile/Orange merger, the national MCPs were O2, H3G, Orange, T-

² ‘FMC’ is also a brand name used by C&W for certain services that use both fixed and mobile functions – where the term is intended to denote the C&W service, rather than in a general sense, this is indicated in the text.

Mobile and Vodafone; after the merger, the national MCPs are O2, H3G, EE and Vodafone.

- A2.55 **NRA National Regulatory Authority** – The relevant communications regulatory body for each country in the EU.
- A2.56 **O2 Telefónica O2 UK Limited**
- A2.57 **OCP Originating Communication Provider** – The CP of the end-user making a call, in other words the CP from which the call originates.
- A2.58 **Ofcom** – The Office of Communications. Ofcom is the NRA for the UK.
- A2.59 **off-net call** – A call from a subscriber on one network to a subscriber on another network.
- A2.60 **on-net call** – A call from a subscriber on one network to a subscriber on the same network
- A2.61 **Orange** – *Orange Personal Communications Services Limited*
- A2.62 **OTT Over-the-top** – Type of service provided over a 3rd party access network. The service runs “over the top” of an existing network connection such as a fixed or wireless broadband connection. Examples of OTT services include mobile VoIP calls over 3G.
- A2.63 **ppm pence per minute**
- A2.64 **ported-in numbers** – A mobile number that is not allocated to an MCP, used by an end-user who has since become a subscriber of that MCP (and where the subscriber has elected to use mobile number portability to retain their number).
- A2.65 **ported-out numbers** – A mobile number that is allocated to an MCP, used by an end-user who has since become a subscriber of another MCP (and where the subscriber has elected to use mobile number portability to retain their number).
- A2.66 **packet-switched technology** – A digital networking communications method that groups all transmitted data – regardless of content, type, or structure – into suitably-sized blocks, called *packets*. Packet switching features delivery of variable-bit-rate data streams (sequences of packets) over a shared network.
- A2.67 **picocell** – Small base station which provides infill network coverage and additional network capacity.
- A2.68 **pure LRIC Pure Long Run Incremental Costs**
- A2.69 **PSTN Public Switched Telephony Network** – *The telephony network used to provide telephone calls using (or emulating) circuit-switching and using telephone numbers to identify subscribers or called locations.*
- A2.70 **RAN Radio Access Network** – The part of a mobile network which transfers signals between the core network and the user equipment (e.g. handsets) over the air-interface.
- A2.71 **SMP Significant Market Power**

- A2.72 **SMP Guidelines** – European Commission guidelines on market analysis and the assessment of significant market power under the Community regulatory framework for electronic communications networks and services (2002/C165/03).
- A2.73 **SMS Short Message Service** – Globally accepted wireless service that enables the transmission of alphanumeric messages between mobile subscribers and external systems such as electronic mail, paging, and voice mail systems. ‘Messaging services’ is used in the text to refer collectively to SMS and MMS (multimedia messaging services). MMS can include pictures or other media content.
- A2.74 **SSNIP** *small but significant non-transitory increase in price*
- A2.75 **T-Mobile** *T-Mobile (UK) Limited* (see also Everything Everywhere)
- A2.76 **TAC Target Average Charge** – Charge measure used in previous charge controls, whereby MCPs were able to vary their MTR provided that the MTR levied on average did not exceed the charge specified in the charge control.
- A2.77 **TEU** *Treaty on European Union*
- A2.78 **Tesco** *Tesco Mobile Limited*
- A2.79 **TFEU** *Treaty on the Functioning of the European Union*
- A2.80 **UMA Unlicensed Mobile Access** – Technology which allows access to mobile services over networks deployed on unlicensed spectrum, such as W-LAN based networks.
- A2.81 **UMTS™ Universal Mobile Telecommunications System** – 3G mobile technology standardised by 3GPP.
- A2.82 **Virgin Mobile** *Virgin Media Limited*
- A2.83 **Vodafone** *Vodafone Limited*
- A2.84 **VoIP Voice over Internet Protocol** – Traffic method of carrying voice calls on fixed and mobile networks by packetizing speech and carrying it using IP.
- A2.85 **W-LAN** - A *wireless local area network* links two or more devices using a wireless distribution method, providing a connection through an access point to the wider internet.
- A2.86 **WACC Weighted Average Cost of Capital** – An estimated cost of capital for a hypothetical UK MCP. For the purpose of this exercise, we use the Capital Asset Pricing Model (CAPM) to determine the WACC.
- A2.87 **WiFi Wireless Fidelity** – Synonymous with W-LAN technologies based predominantly on the IEEE 802.11 standard.
- A2.88 **WiMAX Worldwide Interoperability for Microwave Access** – Type of wireless technology based on the IEEE 802.16 standard.