From: James Fenton **Sent:** 01 September 2008

To: Mobile

Subject: Mobile phone consultation

- 1 Typically in the so-called "third-world" countries there was not (and often still is not) a highly developed landline telephone system or infrastructure except possibly in or immediately around larger cities. This resulted (except in the poorest sections of such communities) in a more rapid initial take up of mobile phones than might otherwise have been the case.
- 2 One lasting consequence is that the widespread use of mobile phones meant that call and other usage rates were and have since been very little different to the equivalent landline rates.
- 3 It is an absolute outrage in this country (and in Europe generally) that networks get away with charging SO much higher rates compared to landlines. It is comparable to so many other examples which could be cited especially those where prices are deliberately higher in this country compared even to the rest of Europe and we are effectively held to ransom. The networks do it because they are not prevented from exploiting their collective monopoly. In this respect they are not really to be blamed. They are commercial entities and exist to make a profit. If they can make excessive profits by exploiting a situation it is highly probable they will do so and in this instance clearly have done and continue to do so. Corporate greed is natural in this situation.
- 4 Despite what typically occurred in some countries higher handset prices and usage rates could perhaps have been justified when mobile phones were in their infancy. But no longer. Take up of mobile telephony here is now so advanced that a RADICAL rethink of the system and its structure and its control needs to be undertaken.
- 5 One very important example is that we need a regime in which mobile phone handset prices and their usage rates both national and international are the same as or differ only by a small fixed percentage to landline rates and with tariffs for both limited and restricted ongoing.
- 6 Such a regime would not be totally one sided. The rate of increase of new mobile phone connections has inevitably slowed compared to the earlier years but this pricing system would in itself promote a further big take up of mobile phones and their usage thus bringing partial compensatory benefits to the industry. There might also be the ability for the companies to make savings through further economies of scale even if overall turnover revenues were not increased.
- 7 One thing is certain. There can be no justification for the continued exploitation of telephony consumers in this country.

James Fenton