[GB] New Pricing Arrangements to Facilitate Internet Access

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The UK Telecommunications Regulator, the Office of Telecommunications, has announced new arrangements for pricing local calls to enable Internet service providers to choose the pence per minute call rate to be paid by customers. In the past, the standard local call rate has had to be charged in most cases. This has amounted to a disincentive to Internet use, especially as in the UK there is no unmetered local call availability, unlike for example in the United States. All local calls are paid on a time-metered basis (except in the city of Hull which has its own telecommunications company). The result of the changes will be that Internet service providers will be able to choose rates which are different from those for local call rates, for example a standard rate of one pence per minute, and this will pave the way for offering unmetered rates for access to their services should they wish to do so. The price may be below the cost of a local call because it is subsidised by e-commerce revenues or by advertising.

The Office has also put forward proposals for changes to charging arrangements for Internet calls which will separate the initial connection charge from the charge for maintaining the connection for the duration of the call, so-called "two-part charging". This will end the current over-pricing of long calls such as those to the Internet.

Statement on the Relationship between Interconnection Charges and Retail Prices for Number Translation Services.

http://www.oftel.gov.uk/pricing/nts1299.htm

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