



Telecoms Wholesale Access Services

Consultation Document

Channel Islands Competition and Regulatory Authorities

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Contents

1. Introduction	3
2. Structure of the Consultation Paper	4
3. Objectives for Telecommunications in the Channel Islands	5
4. Background - fixed line access services	5
5. Bitstream Access (BSA)	6
6. Fixed Number Portability (FNP)	7
7. Carrier Preselection (CPS)	8
8. Guernsey market.....	8
9. Next Steps	8

1. Introduction

- 1.1 CICRA looks to promote fair competition where this advances consumer interests. The telecoms markets are generally better at meeting consumer demands where competition is effective, and CICRA has specific regulatory powers that place a duty on it to promote competition in this sector where consumers will benefit.
- 1.2 In Jersey, what is generally referred to as, '*wholesale fixed line access services*', enable competitors to provide services that would otherwise only be provided by the telecoms network owner and its retail arm in Jersey. To support competition CICRA can direct a licensed business to make these services available. Wholesale line rental is a fixed line access service introduced in Jersey in June 2015. However, Jersey has an extremely limited range of these access services compared to other jurisdictions. While the scale of the market is undoubtedly a factor, the absence of a wider range of options of fixed line access services that allow competitors to better innovate and compete for customers, also plays a role in the sustained high market share held by JT in the Jersey market.
- 1.3 In this Consultation Paper, the Channel Islands Competition and Regulatory Authorities (CICRA) therefore considers the potential benefit further fixed line access services might make to improve the level of competition to the benefit of consumers. CICRA has been approached by operators to progress this agenda with some urgency. These approaches have been limited to Jersey and therefore this consultation is focussed on the Jersey market initially. If there is demand in Guernsey CICRA is happy to consider extending its review to that jurisdiction.
- 1.4 Respondents are therefore being asked to respond to this consultation by providing evidence supporting the introduction of further fixed line access services that would allow telecoms operators to offer new services to the market in Jersey for the benefit of consumers.

2. Structure of the Consultation Paper

2.1 This paper is structured as follows:

Section 1	Introduction
Section 2	Structure of the Consultation Paper
Section 3	Objectives for Telecommunications in the Channel Islands
Section 4	Background: Fixed line access services
Section 5	Bitstream Access (BSA)
Section 6	Fixed Number Portability (FNP)
Section 7	Carrier Preselection (CPS)
Section 8	Considers the Guernsey market
Section 9	Next Steps

2.2 Respondents are requested to comment on the services and to respond to the questions set out through the paper, and their appropriateness given CICRA's objectives

2.3 The deadline for responses is 5.00pm on 31 March 2016.

2.4 CICRA encourages the submission of responses by email to info@icra.je. Alternatively, responses to this consultation document should be submitted in writing to:

Channel Islands Competition and Regulatory Authorities
2nd Floor, Salisbury House
1-9 Union Street
St Helier
Jersey
JE2 3RF

Email: info@icra.je

2.5 All comments should be clearly marked '*Comments on Wholesale Access Services - 2016*'. CICRA's normal practice is to publish all responses to consultations on its website. If you do not want your response to be published in part or in full, the relevant sections should be clearly marked as confidential, and the response should explain why those parts of the response should be treated as confidential.

3. Objectives for Telecommunications in the Channel Islands

3.1 The strategic aims of CICRA in regulating the telecoms sectors are to:

- **ensure telecoms markets work in the best interests of consumers, through effective competition where appropriate, and**
- **regulate where competition is not sufficient to adequately protect consumer interests.**

3.2 Telecommunications markets that work in the best interests of consumers, offering appropriate networks and services, are a vital component of technological innovation and economic growth for the Channel Islands. Competition drives telecoms networks to innovate, to offer new services at competitive prices and enable consumers to benefit from these fruits of competition.

3.3 The Authority is considering the implementation of the services as described below, and seeks to understand the views of interested parties as to whether these will support the above objective.

4. Background - fixed line access services

4.1 Wholesale access to the fixed networks of the incumbent telecommunications providers is key to the further development of fixed line competition in the Channel Islands. Competitive access to the network of JT appears likely to stimulate greater competition in fixed line services in Jersey, providing greater choice and better pricing, helping drive innovation in the services provided to telecoms users. In the event that competition is increased in fixed line services, the need for price controls on JT in the longer term should also be reduced.

4.2 The services under consideration by CICRA will allow competitors to offer new services to customers. Currently the incumbent operator maintains an exclusive commercial relationship with the customer for some services, given it is the only provider of certain services or has exclusive control of key features of a service. The services described below are proposed as they potentially allow a measure of access competition that removes such obstacles to competition.

4.3 In terms of benefits, the view of CICRA is that, irrespective of whether customers choose to switch or not, the improved level of competitive pressure in the market is beneficial to all consumers, and not confined to those who choose to switch away from the incumbent. This is because the incumbent is likely to have to react to this competitive pressure in serving its existing customers, with related benefits to customers who remain with it.

4.4 The introduction of Wholesale Line Rental (WLR) in 2015 was the first stage in introducing new wholesale services which will improve the ability of other operators to offer new services that compete with the incumbent and grow their market share. A higher market share also enables an entrant to more easily market further services, since an existing commercial relationship with customers is likely to reduce marketing and acquisition costs.

5. Bitstream Access (BSA)

- 5.1 Bitstream Access (**BSA**) is where a network provider allows access to a high-speed (or internet) access service installed between the network provider and the end customers. This allows an Other Licenced Operator (**OLO**) to provide high-speed services to the end user as well as introduce features that are not dictated by the network provider's own choice of retail product.
- 5.2 A form of BSA could be introduced in a portfolio alongside existing services such as Wholesale Broadband Access (**WBA**) and WLR. This would allow OLOs to have a choice of taking service from a network provider through BSA, WBA or WLR. It could also be considered that BSA could be a replacement product for WBA.
- 5.3 BSA could be provided with varying line speeds, a choice of contention ratios and additional options such as fixed IP addressing.
- 5.4 A key point for the OLO is that a BSA service provides a service agnostic delivery method and could deliver at the minimum, to the customer, an internet service and / or IP based telephony services. Allowing the OLO to provide an IP based telephony service would increase competition with existing telephony providers.
- 5.5 In practice JT, as the network operator in Jersey, would provide access to the local access line (either a copper line or a fibre connection). The OLO would provide over that line access to the internet service and / or access to telephony services. However, there is the potential that 'multiple' operators could provide services over this line (for example JT could supply the access service, OLO 1 provide the internet service and OLO 2 provide the voice service. However, evidence shows that customers prefer to receive only one service invoice and therefore JT would bill the OLO on a wholesale level for the access service and the OLO would invoice the end-customer for the access line and the services provided over it.
- 5.6 In practice, this would allow customers to have a fixed broadband connection but without the need for a fixed landline.

Q1: CICRA is seeking the views of respondents on the merits of implementing Bitstream Access in Jersey, in particular a) what benefit there would be to consumers b) estimated take-up and c) the types of services that would be enabled.

6. Fixed Number Portability (FNP)

- 6.1 A major barrier to competition in the fixed line market is that currently a customer will be required to change their telephone number when they move their service from one operator to another.
- 6.2 If a JT customer wants to move their service to another operator then the customer would need to take a new telephone number from the new operator. This means that the customer will have to inform all their contacts of the change, which represents a significant barrier to changing supplier. In the case of a business customer this could mean potential changes to advertising, marketing and stationery material which can be a costly exercise.
- 6.3 The advantage for the OLOs of Fixed Number Portability (FNP) would be that they could attract new customers without the barrier that the customer has to change their telephone number.
- 6.4 FNP allows operators to take 'ownership' of customers of another operator without the need for the customer to change their telephone number. As a customer transfers their service to a new operator and takes access services from the new operator they can also transfer their telephone number to the new operator.
- 6.5 Without this portability service, there is an option for a half-way house where all out-going services from the customer are provided by the OLO, however, this means that the customer will have a continuing relationship with JT for incoming services as JT are the number provider and would handle the customers incoming calls as well as the new operator who could provide the outgoing services.
- 6.6 FNP is normally introduced with a number of scenarios (geographic, local, etc.). However, in the case of Jersey the need to consider the type of FNP is reduced as all fixed number started with the same geographical code (01534).
- 6.7 Mobile Number Portability (MNP) has been available in the Channel Islands since December 2008. Both the fixed network providers in the Channel Islands, JT and Sure, have experience of MNP through their mobile services.
- 6.8 Initial indications are that JT would be able to implement FNP on its existing switching network.
- 6.9 The administrative solution for MNP is provided by PortingXS from The Netherlands which could be amended and updated to be able to support FNP. This change should have little impact on the operators who currently provide MNP.

Q2: CICRA welcomes the views of respondents on the implementation of Fixed Number Portability in Jersey, in particular a) what benefit there would be to consumers b) estimated take-up c) types of services that would be enabled..

7. Carrier Preselection (CPS)

7.1 Currently WLR customers in Jersey have their calls service provided by JT on a wholesale basis agreement with the OLO they have chosen. This means that the OLO has no alternative but to allow the network provider to remain the provider of the calls service.

7.2 Carrier Preselection (**CPS**) is a service provided by the network provider whereby when a call is received from the end customer it is automatically routed, by the network provider, to the network selected by the OLO. This allows the OLO to provider calls at rates different from those charged by the network provider.

7.3 Initial indications are that JT would be able to implement CPS on its existing switching networks (the operators switching and call routing functionality needs to be able to support CPS).

7.4 The change would allow OLOs to move away from the JT charging structure and develop more competitive pricing to meet customer requirements.

Q3: CICRA welcomes the views of respondents on the implementation of Carrier Preselection in Jersey, in particular a) what benefit there would be to consumers b) estimated take-up c) types of services that would be enabled.

8. Guernsey market

8.2 Whilst this initial consultation relates specifically to Jersey in response to approaches from only Jersey operators to CICRA, given all Guernsey operators are also present in Jersey, CICRA invites views on whether consideration of this area should include Guernsey going forward.

Q4: CICRA welcomes the views of respondents as to whether the matters under consideration in this consultation should be extended to Guernsey.

8.3 It may be the case that alternative or additional fixed access services have been identified that are not listed above. Respondents are asked to set out the case for these, in particular the how they might deliver the strategic aims of CICRA set out in section 3.

Q5: CICRA welcomes the views of respondents as to whether there are alternative or additional fixed access services that have been identified that are not listed above and in particular how they might deliver the strategic aims of CICRA set out in section 3.

9. Next Steps

9.1 At the end of the consultation period, CICRA will review the responses received, and develop the necessary processes alongside the changes required to implement any proposals in the light of the comments received.

9.3 The final form of any proposals will be formally published in the form of an Initial Notice. Subject to the responses received, CICRA will work with all of the Jersey operators to implement and deliver the services to the benefit of customers. /END