

## **Comments on Wholesale Access Services - 2016**

### **Response from Nitel Limited.**

Nitel requires no restrictions on publication.

### **SUMMARY**

Nitel broadly welcomes the proposals in this consultation.

One of the first actions undertaken by the original Jersey Competition Regulatory Authority (JCRA) was to introduce genuine competition into the local mobile telephony market, which produced significant benefits and price reductions for consumers.

Regrettably and in spite of unambiguous recommendations made by the JCRA's own consultants – Regulaid – in 2009, this initiative was not carried forward to the fixed line sector, allowing JT to maintain a virtual monopoly since market liberalisation was promised some 14 years ago.

Even the very recent introduction of Wholesale Line Rental for single fixed lines was of little use to Nitel, a company specialising in installing bespoke business communications systems which have relied on the use of multiple fixed lines.

Nitel operates in a niche and specialised market sector, but is totally constrained by its inability to compete with the dominant market players, who have the opportunity to offer benefits and tailored deals in aspects of the communications business that Nitel either has no access to, or does not have the financial capacity to undertake. This may include installation deals that are supported by free gifts of support hardware or heavily discounted data charges, for example.

At minimum, Nitel would wish to offer its current and future customers the benefits of its existing highly recommended office installation work linked to the opportunity to include competitive deals for call and data charges, as part of an offer package based on Nitel's access to a wholesale broadband/ multiple fixed line price structure.

Nitel hopes that these latest proposals can be implemented in full and without significant delay. *In particular, Nitel would not wish to see progress opening up the telecommunications market to further competition hampered by any additional hurdles such as the enforced purchase of technical equipment or charges for administration, connection or installation, which impose a much larger relative burden upon smaller licensed operators.*

### **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**

Nitel is of the view that broadband based services is now the *de facto* delivery system for all communications services.

Broadband wholesale services do, however, need to be far more scalable in order to be of realistic use to smaller operators. Much smaller entry level options are necessary in both size of multiplexer components and in the units of backhaul necessary to support niche operator services. Current products are only suitable for large operators and this has the effect of squeezing innovative smaller operators out of the competitive market. This particularly relates to problems of additional and

extraneous charges being levied for wholesale use of the core network, which may include prohibitive upfront fees for network connection.

Whilst Nitel welcome Bitstream services, the indications are that the introduction of this technology is more suited to the larger market players. However, on a competitive wholesale basis, Bitstream has the potential to allow smaller licensed operators to tailor client packages with value added services.

Niche licensed operators require a pricing structure that is sympathetic to both the size of the operator and services needed, as opposed to the currently available portfolio of wholesale offering.

In previous consultations Nitel has proposed a price structure based on a "sloping playing field" which would feature a charging gradient biased in favour of new entrants to the market place and smaller operators. This could be based on simple factors such as a company's gross turnover and, as a licensed operator becomes progressively successful it will face higher charges up to the "wholesale maximum level".

#### **b) estimated take-up**

Nitel is not in a position to offer an accurate estimation of take up other than to note that short term requirements would be a fraction of the requirement of the leading participants in the local marketplace. Take up will initially be dependant upon the availability of ready access to wholesale data services and any financial obligations that may be imposed over and above the straightforward request and purchase of wholesale product.

#### **and c) the types of services that would be enabled.**

Bitstream access would enable the setting up of more reliable and consistent Virtual Private Networks over which voice or other user specific services could be provided.

### **Q2: CICRA welcomes the views of respondents on the implementation of Fixed Number Portability (FNP) in Jersey, in particular**

#### **a) what benefit there would be to consumers**

CICRA successfully introduced mobile number portability into the Channel Islands some years ago. Nitel understands that when this service was introduced it was also designed to support fixed line portability (in addition to the mobile operation), so further implementation should not pose any difficulty.

FNP enables consumers to move service provider in a complete sense.

FNP is relatively simple to implement where new entrants have access to an existing telephony delivery platform of PSTN quality.

A significant barrier for smaller operators is access to such a delivery platform due to the scale of costs that are likely to be instigated. However, solutions are available for small operators by using a shared platform from a larger operator and such sharing solutions are available - albeit off-island.

Depending on the type of FNP solution implemented, the use of an off-island service platform would be contingent on CICRA permitting the use of the 1535 code to connect to the off-island platform.

Nitel can see no major issue with this given the nature of the broadband connected world. However, Nitel concedes that this would be impractical if the FNP solution adopted were the number forwarding type.

**b) estimated take-up**

See Q1.b) as above.

**c) types of services that would be enabled**

The primary benefit of FNP for businesses is the avoidance of all the issues that accrue with changes of contact details, offering significant savings. Value added services are often a secondary consideration.

**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**

While Wholesale Line Rental (WLR) enables customers to virtually move operator, such that they are in receipt of a single bill, the supporting number delivery hardware and software continues to be in the control of the monopoly operator.

In the UK and elsewhere, WLR was normally introduced alongside Carrier Preselect, which was a more complete service. This has not been the case in Jersey.

Furthermore, WLR only currently encompasses single lines and this is a significant hindrance to competition in the business line marketplace.

The introduction of Carrier Preselect alongside a balanced WLR offering would initiate badly needed competition in the local business sector, of particular advantage to Jersey's vital financial services industry, which is heavily reliant on data exchange.

**b) estimated take-up**

See Q1.b) as above.

**c) types of services that would be enabled.**

See Q2.c) as above.

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

Nitel has undertaken telecommunications installation projects both on the European continent and in the United Kingdom. Nitel would be very happy to operate on a pan-Channel Island basis, BUT would be resistant to any further delays in progressing the opening up of JT's network infrastructure in Jersey on the basis of additional consultation with Guernsey.

The entire process for liberalising the Channel Island telecommunications market has been subjected to an extraordinary excess of consultation and a paucity of action, which has simply

served the interests of the dominant market players to the detriment of all other licensed operators.

**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.**

Nitel has consistently been at the forefront of introducing “state of the art” services to its customers, primarily those in Jersey.

Having waited for well over a decade for the introduction of the services detailed in this consultation, Nitel is deeply reluctant to engage on any further matters that might constitute any further excuse for delay on the introduction of Wholesale Broadband Access, Fixed Number Portability or Carrier Preselection – all of which should have been available for years already.

CICRA's energies would be better served by analysing the potential for and existence of cross subsidy by the dominant market players, together with the issue of charges for all call and data actions that terminate on Channel Island network infrastructures – BEFORE concerning itself with the potential for additional telecommunication services.

Such services will arrive as the result of effective competition being introduced into the marketplace, which has yet to be achieved and still appears to be a remote prospect in the light of previous efforts.