



3rd November 2011

Mr Andrew Riseley
Deputy Executive Director
Jersey Competition Regulatory Authority
2/F Salisbury House
1-9 Union Street
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Dear Andrew

Provisional Findings and Initial Notice of Proposed Determination - Wholesale ADSL Take Over Charge

I write in relation to the Initial Notice of Proposed Determination relating to a dispute between Cable & Wireless Jersey Limited ("C&WJ") and Jersey Telecom Limited ("JT") regarding ADSL broadband takeover charges.

From JT's reading of the Initial Notice the JCRA are not disputing the process that JT follows to activate a take over of ADSL service from one provider to another but the charges imposed for the work undertaken. The information provided by JT to the JCRA in its letter of 8th July 2011 detailed the time taken for a take over of service from one provider to another in a dual-network environment, i.e. System X and NGN.

The information provided to the JCRA by C&WJ related to a take over whereby the operator (C&W Guernsey) is running one network and one provisioning system attached to that network. As the JCRA is aware, JT has been running a migration programme, moving its customer connections from a legacy System X network to an NGN. During that time JT has had to manage and maintain two networks together with the associated systems and processes.

JT completed its migration of all exchange lines onto the NGN on 30th September 2011. Therefore the additional work that was required to manage a take over on two networks is no longer relevant and we have carried out another time study to look at the time taken to undertake a take over when an end user service is moved to a new provider solely on NGN. This has resulted in the following:-

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JT is the trading name of
Jersey Telecom Limited

DSL Take over time study

[X redacted]

JT would also like to make the JCRA aware that the issue of take over charges was raised by representatives of Newtel at a meeting to discuss wholesale DSL processes in April 2010 and we committed at that meeting to review the take over charges once the NGN migration was complete. JT believed that this was the most sensible way forward as a review of the charges before the full migration to NGN would not have provided the required outcome.

In my letter of 8th July 2011 the JCRA were offered a demonstration of the take over process. This offer was not taken up and the analysis of the take over process used in the JCRA's analysis and resultant proposed determination was based on an input from C&WJ. The JCRA should give no weight to the C&WJ estimate as it is not based on actual time studies or recent analysis. Further, although C&WJ may be broadly familiar with the take over procedure they do not have specific expertise in completing this particular form of migration as they operate a different network architecture to JT. [X redacted].

The determination also mentions the BT Openreach charge of £11 for an equivalent service in the UK. The comparison to BT Openreach does not seem appropriate due to its size and difference in product offerings. We would also expect that BT would be able to take advantage of automated systems that are not available in Jersey nor comparable for benchmarking. Furthermore, there is no detail in the Initial Notice as to which Openreach product is being referred to and therefore JT has been unable to verify this comparison.

JT believe that the JCRA should have approached JT to discuss its proposed determination instead of issuing an Initial Notice. An informal discussion would have allowed JT to explain the additional work being undertaken in a dual network situation and advise that the NGN migration was nearing completion and at that point a new time study would be undertaken to review the take over charge.

As stated in my letter of 8th July, a fully allocated hourly cost for the grade of personnel involved in a take over is [X redacted]. On that basis JT propose that the charge for a take over should change to £15.72. JT are willing to make this change as soon as possible and would suggest that it could be in place for 1st December if the normal notification period of 30 days for wholesale price changes was waived in this instance.

I look forward to hearing from you.

Yours sincerely



CAROL GUNASEKARA
REGULATORY OFFICER – CORPORATE AFFAIRS