



Response to Broadband Market Review and SMP Finding - CICRA 18/41

19th November 2018

This response is provided on behalf of JT (Jersey) Limited and JT (Guernsey) Limited referred to jointly as ("JT").

CICRA's Draft Decision

GUERNSEY The appropriate market definition in Guernsey is; "Wholesale access to the Internet at a fixed location using an access network based on local loops that are either exclusively or partially based on the copper or fibre access network or using the 4G and ultimately 5G wireless access network via a fixed device in the whole Bailiwick of Guernsey."

Assessment of market power: "Sure has Significant Market Power on the market as defined".

JERSEY The appropriate market definition in Jersey is; 11 "Wholesale access to the Internet at a fixed location using an access network based on fibre or cable or using the 4G and ultimately 5G wireless access network via a fixed device in the whole Bailiwick of Jersey."

Assessment of market power: "JT has Significant Market Power on the market as defined".

Question 1 - Does the respondent agree with the market definition provided by SPC Network in its report? If the respondent has alternative views or evidence, the respondent is asked to explain those and provide all of its analysis and assessment relating to this matter to inform CICRA's considerations and next steps.

Question 2 - Does the respondent agree with the assessment of market power provided by SPC in its report? If the respondent has alternative views or evidence the respondent is asked to explain those and provide all of its analysis and assessment relating to this matter to inform CICRA's considerations and next steps.

We have read the SPC Network ("SPC") report with interest and note that the proposed market definitions have changed considerably from the previous market definitions where the market was defined as fixed line broadband services in the separate geographic markets of Jersey and Guernsey. While we agree that there are separate geographic markets of the bailiwicks of Jersey and Guernsey,

the market definitions proposed are different to any other market definitions we are aware of in Europe. We haven't made any specific comments on the market definitions as we would like to see more information before forming our view. The sections below highlight the areas where we would like to see the analysis behind the SPC report.

Limitation to 4G and 5G spectrum

We would like to understand why the market definitions are limited specifically to 4G and 5G fixed wireless access via fixed device. Specifically, there has been no mention of Wimax or another type of spectrum. We understand that Newtel provide services over a Wimax solution to customers in Jersey and we would consider that the Wimax solution offers the same user functionality and similar access speeds to ADSL and therefore should be part of the same market. It seems unusual that SPC has drawn out 4G and 5G specifically and not gone down a technology neutral route and we would like to understand the analysis that supports this conclusion.

Mobile not a substitute

On page 26 of the SPC report it states that mobile hot spots would not be a comparable product and would therefore not appear in the same market. There is no information on how SPC have come to this conclusion except that they have assumed that hot spots are "typically used occasionally and in specific circumstances, such as in a coffee shop with no free WIFI". Please can you provide the evidence gathered that supports this conclusion.

The document describes the mobile operator price plans for voice and data versus a fixed 4G service and concludes that because of the size of the data allowance in a fixed 4G service (at least 4 times the size) that they don't belong in the same market. No data has been provided to support the comparison used by SPC and we would like to understand in more detail how this conclusion was made.

We look forward to receiving further information to enable us to evaluate the market definitions for Jersey and Guernsey and the assessments of market power.