



JT's Response to CICRA Call for Information  
On the Review of a Wholesale Bitstream  
Solution in Jersey

1<sup>st</sup> April 2019

## 1. Introduction

This response is made by JT (Jersey) Limited. JT is pleased to respond to this important consultation on changes to JT's wholesale broadband portfolio and the proposed introduction of a new Bitstream product.

## 2. Answers to Consultation Questions

**Question 1: Does the respondent agree that the States of Jersey Policy is clear in its statement requiring *“that wholesale access seekers get access to wholesale products, which allow access seekers to compete based on differentiated retail services”* and that a wholesale Bitstream service could address the States of Jersey policy? 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 the Authority's considerations and next steps.**

1.1 The statement is clear in that it requires JT to offer wholesale products that allow retail providers to offer differentiated retail services. However, it is the definition of differentiated retail services that is open to interpretation. Retail broadband products can be differentiated by the addition of many different elements such as an email account, storage space for photos / documents, security settings eg firewalls, additional content / TV packages, gaming package, managed router, wifi extenders, contract length, data usage/caps, bundled together for a fixed monthly price.

1.2 JT differentiates its retail broadband products by adding a number of elements including data usage allowances, parental controls, access to FON wifi hotspots, managed router (updated remotely by JT), contract length (12 or 24 months), bundle of services (JT One and JT One Lite) see <https://www.jtglobal.com/global/fibre/>, <https://www.jtglobal.com/jersey/jt-one/>

1.3 CICRA and Sure seem fixated on speed being the only differentiating factor when there are many other elements that can be added to the package of services that customers buy from their telecoms provider. Additionally, it is JT's experience that the vast majority of consumers now wish to purchase a bundle of services at a set price per month and their choice is made

based on price, service and overall package value for money. This is evidenced by 42% of JT's consumer base subscribing to a bundle of services (broadband/landline/mobile).

- 1.4 It is JT's opinion that speed has been (and continues to be) used as a differentiator in markets where broadband services are delivered using a mix of legacy broadband technologies. This is because speed is the limiting factor with these technologies and therefore has been used to differentiate the offerings. For example, in the UK market there is a mix of ADSL, ADSL2+, VDSL, Cable, Fibre to the Cabinet, GPON and FTTH networks. With the exception of FTTH networks, speed is always the limiting factor due to the use of copper/COAX cable in at least the last part of the connection to the customer premise. In Jersey, we are in the enviable position of there being no such network limitations. Speed is only limited by the equipment connected to the end of the fibre (currently 1Gbps). It is our view that because the island of Jersey benefits from a world class FTTH network and all consumers in Jersey, irrespective of their broadband service provider, have access to a network with the fastest speeds possible, they should all benefit from the highest speeds. This should be their right and there should be no digital divide on speed.
- 1.5 In markets where they have adopted a migration approach of moving legacy customers to fibre, they have seen high take up rates and the entry level speed has increased as the fibre base has increased. For example, SingTel (Singapore) and Ooredoo (Qatar) are moving their entire legacy base of customers to fibre.<sup>1</sup> The Jersey FTTH network is now comparable to jurisdictions such as Singapore where the majority of services provided are at 1Gbps. The slowest speed option in Singapore, as of February 2019, was 500 Mbps from StarHub<sup>2</sup>. In fact if you look at a Singaporean broadband comparison website<sup>3</sup> there are 5 fibre broadband retail providers offering a variety of packages and speed is not the differentiating factor, as all bar StarHub offer 1Gbps as the entry level offering.

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<sup>1</sup> [http://www.adlittle.com/sites/default/files/viewpoints/ADL\\_RacetoGigabitFiber.pdf](http://www.adlittle.com/sites/default/files/viewpoints/ADL_RacetoGigabitFiber.pdf)

<sup>2</sup> <http://www.starhub.com/personal/for-your-home/home-broadband/fibre-broadband-plans.html>

<sup>3</sup> <https://www.enjoycompare.com/broadband/>

Singapore Broadband Offerings (Source: <https://www.enjoycompare.com/broadband/> - March 2019) Exch Rate: £1 = S\$1.78

Company	Offering	Contract Term	Speed	Retail Price per mth	
				S\$	GBP equivalent
ViewQWest	<b>ViewQwest 1Gbps Fibre Broadband</b> 3 months freedom DNS 1 Static IP Modem Rental Delivery & Self Installation Free Netgear AC1600 Smart Wifi Router	24 months	Up to 1 Gbps	42.5	23.88
MyRepublic	<b>My Republic Free PlayStation 4 Pro Gamer Bundle</b> Free home phone and unlimited local calls Free termination point installation for new customers Free PlayStation Network prepaid voucher Exclusive Game Perks - Gamer hotline, live latency monitoring, Razor discounts and customer routing Free Playstation 4 Pro 1TB + 1 dual shock controller	24 months	Up to 1 Gbps	69.99	39.32
ViewQWest	<b>ViewQwest 1Gbps Raptor Gamer</b> 3 months free Freedom DNS Free Static IP address ON-demand custom routing Delivery and installation Free 6 months gaming subscription Free hardware including Free ASUS RT-AC5300 or Free Arozzi Verona V2 gaming chair	24 months	Up to 1 Gbps	59.9	33.65
Singtel	<b>Singtel 1 Gbps Broadband Promotion</b> Free registration Weekend or weekday service installation Free termination point installation 10% of your monthly mobile subscription Free 4G mobile broadband plan (500Mb per month) Free Askey Wifi Mesh Free 3 months security suite Singtel Wifi Hotspots Free landline	24 months	Up to 1 Gbps	54.9	30.84
Singtel	<b>Singtel 2 Gbps Broadband Promotion</b> Free registration Weekend or weekday service installation Free termination point installation 10% of your monthly mobile subscription Free 4G mobile broadband plan (500Mb per month) Free Askey Wifi Mesh Free 3 months security suite Singtel Wifi Hotspots Free landline	24 months	Up to 2 Gbps	69.9	39.27
Singtel	<b>Singtel 10 Gbps Broadband Promotion</b> Free registration Weekend or weekday service installation Free termination point installation 10% of your monthly mobile subscription Free 4G mobile broadband plan (500Mb per month) Free 3 months security suite Singtel Wifi Hotspots Free landline	24 months	Up to 10 Gbps	189	106.18
Singtel	<b>Singtel Fibre Pro Gamer 1+1 Gbps Bundle</b> Free registration Weekend or weekday service installation Free termination point installation 10% of your monthly mobile subscription Free 4G mobile broadband plan (500Mb per month) Free 3 months security suite Razer Sila Wifi mesh gaming router Free landline Gamers private network service	24 months	Up to 2 Gbps	69.9	39.27
ViewQwest	<b>ViewQwest 2Gbps Fibre Broadband</b> 3 months freedom DNS Free modem rental Free delivery and installation Free 24 months OneVoice Free 6 months subscription from 25th month onwards Free Netgear Orbi TriBand Wifi System	24 months	Up to 2 Gbps	59.9	33.65
MyRepublic	<b>MyRepublic NewGamer 1Gbps Fibre Broadband</b> Free termination point installation Free home voice subscription Exclusive Game Perks - Gamer hotline, live latency monitoring, Razor discounts and customer routing Free ROG Rapture GT-AC5300 (gaming router) and AC88U plus Halo	24 months	Up to 1 Gbps	59.99	33.70
ViewQwest	ViewQwest 1Gbps Fibre Broadband Free 3 months freedom DNS Free 1 x static IP Free modemrental Free delivery and self installation Free 6 month subscription from 25th month onwards	24 months	Up to 1Gbps	42.5	23.88
StarHub	<b>StarHub 1 Gbps Fibre Broadband</b> Free service installation Free parental controls for 6 months Free home contents insurance for 12 months	24 months	Up to 1Gbps	39.9	22.42
ViewQwest	<b>ViewQwest 1 Gbps Fibre Broadband (no contract)</b> Free modem rental Free delivery and self installation Guaranteed bandwidth 99% of time	No contract	Up to 1 Gbps	69.9	39.27
MyRepublic	<b>MyRepublic 1 Gbps Fibre Broadband (no contract)</b> Free home voice subscription Waiver of S\$48.15 cancellation fee after 3 months	No contract	Up to 1 Gbps	59.9	33.65

1.6 As you can see from the broadband offerings in Singapore, they are all based on a bundle of services and are differentiated by the elements of the bundle, not by speed. It is JT's view that CICRA should be more concerned with affordability and should ensure that all Jersey consumers have access to an affordable fibre broadband service. In Ofcom's recent consultation on "Delivering the Broadband Universal Service"<sup>4</sup> they have proposed an affordability safeguard of £45 per month (incl VAT) for a minimum of a 10Mbit/s download speed and at least 1 Mbit/s upload speeds. JT believe a safeguard cap would also be appropriate in Jersey to ensure that those on low incomes can afford access to a fibre broadband service. The funding of such a subsidy should be discussed separately to this consultation however this type of subsidy is not unusual in full fibre markets such as Singapore<sup>5</sup> where they offer subsidised fibre broadband connectivity to ensure there is no digital divide (see Appendix A).

**Question 2: Does the respondent agree that a Bitstream solution would provide retail broadband suppliers with a cost effective way of providing differentiated retail services. 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 the Authority's considerations and next steps.**

2.1 A bitstream product would allow retail providers to offer a range of speeds and contentions to suit their needs. However, as previously stated we do not believe that speed is the key differentiator in a full fibre network environment. If you look to comparable full fibre jurisdictions such as Singapore, where a similar network is provided, speeds start at 500Mbps with the majority of providers offering 1Gbps as the standard offering.

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<sup>4</sup> [https://www.ofcom.org.uk/data/assets/pdf\\_file/0024/129408/Consultation-Delivering-the-Broadband-Universal-Service.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0024/129408/Consultation-Delivering-the-Broadband-Universal-Service.pdf)

<sup>5</sup> <https://www.mci.gov.sg/en/portfolios/digital-readiness/get-digitally-ready>

**Question 3: If a Bitstream service is the correct solution then what is the correct technical definition for such a service?**

3.1 JT produced a technical document (Appendix B) which was issued to Sure and Newtel on 7<sup>th</sup> March 2019 as a discussion document providing options to move to a bitstream product. This document was discussed on a call with Sure, Newtel and JT Retail on 8<sup>th</sup> March 2019. JT held a further technical call with Sure representatives on 22<sup>nd</sup> March 2019 to answer questions and further verify JT's technical definition. Notes of this meeting were circulated on 25<sup>th</sup> March 2019. JT remains open to any feedback on this technical document before finalising the technical definition.

3.2 However, it must be noted that since receiving Sure's initial requirements for a bitstream service, where they clearly stipulated that they wished to be able to control speed and contention ratios themselves, they subsequently requested JT set the contention on the new bitstream product.<sup>6</sup>

3.2 It is JT's opinion that Sure technical representatives understand JT's technical definition of the bitstream product proposed but there has not been any formal sign off on the design at the time this response was written. We are hopeful that Sure will provide constructive input to JT's technical document to enable JT to finalise the technical definition.

**Question 4: If Bitstream is the correct wholesale service then what pricing methodology should be applied to this service to ensure it allows operators to compete with the dominant broadband supplier?**

The price set should:-

- (a) Allow the wholesale network provider to recover the cost of its investment;
- (b) Provide sufficient margin to the retail provider to make a reasonable return; and
- (c) Allow consumers access to an affordable broadband service.

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<sup>6</sup> email from Mike Fawcner Corbett on 4<sup>th</sup> March 2019 asking if contention could still be set by JT network on the Bitstream at 20:1 for consumers and 5:1 for enterprise offers contrary to original product request for OLO to set their own contention.

**Question 5: What do respondents believe is a reasonable implementation timescale following the agreement of a technical definition. Respondents should provide evidence-based justification for their proposed timescales.**

5.1 JT believe that an implementation period of 6 months is reasonable for the introduction of a bitstream service once the requirements are fully defined. However, this will very much depend on the resources available within JT's business. JT's business planning cycle starts in September of each year with budgets agreed in November. This planning cycle enables JT to allocate resources to key projects. While, the introduction of new projects outside of the planning cycle can be accommodated, they will inevitably be at the expense of other planned activities. A priority call will then need to be made on which order projects should be completed in and this is done by our Portfolio Development Committee.

5.2 If the technical definition of a bitstream service is agreed by May 2019, JT anticipate that it will be able to assign resources to introduce the product before the end of 2019.

**Question 6: Do respondents believe that it is appropriate for the JCRA to intervene at this stage to ensure that a service, such as, Bitstream is introduced in a timely manner and the final solution is binding under JT's license conditions. 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 the Authority's considerations and next steps.**

6.1 If JT had a clearly defined specification for a bitstream product that was agreed by Sure and there was no change to that specification during the implementation process, then it is JT's view that there should be no requirement for the JCRA to intervene. However, it has been our experience to-date that implementation of new products do not always go to plan if the OLOs involved have other conflicting interests and if these interests are allowed to distract the end goals of one project. Therefore, we believe that it is appropriate for the JCRA to intervene in this project.

# Appendix A - Singapore Government - Ministry of Communications and Information

<sup>1</sup> <https://www.mci.gov.sg/en/portfolios/digital-readiness/get-digitally-ready>

Ministry of Communications and Information

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DIGITAL READINESS

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### Get Digitally Ready

Here are some government resources and initiatives to help you with your digital journey.

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- Free Internet Access at CitizenConnect Centres for Government Transactions
- Free Internet Access at Public Libraries
- Subsidised Fibre Broadband Connectivity
- Subsidies for Persons with Disabilities
- Personal Digital Services Assistant
- Wireless@SG

Last Updated on 26 Feb 2019





## Subsidised Fibre Broadband Connectivity



Starting from \$9 per month, the Home Access Programme provides eligible households with subsidised fibre broadband connectivity for two years and an option to own a tablet.

Beneficiaries can also attend classes to learn how to connect to the internet, download useful apps and understand other useful functions of the tablet so that they can be familiar with using the internet and tablet independently and responsibly.

### Who is eligible?

1. Household gross income  $\leq$  \$1,900 OR Per capita monthly income  $\leq$  \$600
2. At least 1 member of household is a Singapore Citizen
3. Has not subscribed to fibre broadband before
4. First-time beneficiary of Home Access AND not a current beneficiary of NEU PC Plus and not have a school-going child\*

*\*The NEU PC Plus Programme offers students and persons with disabilities from low income households the opportunity to own a brand new computer bundled with three years of free broadband, at an affordable price.*

Click [here](#) for more information. Alternatively, you may email [info@mda.gov.sg](mailto:info@mda.gov.sg) or call 6377 3800.