

Jersey Competition Regulatory Authority,  
2nd Floor, Salisbury House,  
1-9 Union Street,  
St Helier, Jersey,  
JE2 3RF

15<sup>th</sup> January 2021

For the attention of Mr Tim Ringsdore

*Via: Email*

Dear Tim,

'Answers to the queries as per 'Business Connectivity Market Review' consultation dated 26<sup>th</sup> October 2020'

Below, please find our responses in blue to the queries as per Annexure 5:

***Proposed approach to the review (section 4)***

***Question 1:*** *Do you agree with the Authority's proposed approach to market definition and the use of the three criteria tests to determine whether a relevant market is susceptible to ex ante regulation? If not, what alternative do you suggest?*

**Airtel:** Yes, approach is fine.

***Question 2:*** *Do you agree with the Authority's proposed approach to competition/SMP assessment and remedies? If not, what alternative do you suggest?*

**Airtel:** Yes. Under remedies suggested against refusal to supply Dark fibre, complete or full 'on-island duct access' with permission to put own cables should be considered or granted.

Price control is key factor for this review to be successful. Therefore, in an event of SMP not being sufficiently transparent, suggest UK prices are imposed.

The scope should also include traditional granular connectivity solutions (such as 10/100/500/1000 Mbps Ethernet Lease lines) apart from dark fibre.

## **Retail market definition (section 5)**

**Question 3:** Do you agree with the Authority's preliminary definition of the product market for retail leased lines as summarised below?

### **Airtel:**

- a. *The retail leased line market comprises both AI and TI lines – Yes, agree.*
- b. *All bandwidths used for delivering leased lines are in the same market – Yes, agree.*
- c. *The retail leased lines market does not include business or residential broadband - This is being discussed separately by JCRA.*
- d. *The retail leased lines market should not be broadened to include downstream services such as VPNs – Yes, agree.*
- e. *The retail market should not be broadened to include off-island leased lines – No, disagree, Off-Island leased lines should be included and regulated as well i.e. both between Jersey & UK and between Jersey & Guernsey, as these are the most expensive lease lines. The real benefit of providing local dark fibre access can be achieved only if this 'high price' barrier can be removed to pave way for better customer experience via more competitive and innovative products across the Channel Islands.*

Further, as a provider of critical infrastructure, Airtel is playing a vital role during the Covid-19 pandemic in keeping people seamlessly connected to their friends and family, as well as enabling remote working for our customers. One of the key learning from this pandemic is customer data consumption is continuing to grow exponentially as network is peaking during daytime too besides evening.

At times we saw many instances of data throughput reaching its peak on certain masts at certain times of the day, and we are adding capacity wherever possible. In conjunction, fine tuning is being carried out on a daily basis to ensure we are meeting the increased demand.

The impact of home working (and home schooling from previous months) is naturally putting pressure on the network. Somehow our engineers have managed to ensure that the network is coping very well in meeting the increased demand.

It can be concluded that quality access to high-speed mobile data is now a necessity for all the customers either working from home or for enabling home learning for children during a pandemic situation. [&] Therefore, regulator needs to address price of Off-Island lease lines along with review of On-Island lease lines and introduce Dark Fibre.

**Question 4:** Do you agree with the Authority's preliminary conclusion that there are no particular areas within Jersey where the conditions of retail competition are such that they may constitute separate geographic markets?

**Airtel:** Yes, agree.

**Question 5:** Do you agree that the retail market for leased lines does not meet the three criteria test and so no further analysis is required?

**Airtel:** No, disagree.

What we must understand that OLO can access wholesale lease lines at 20% Discount, which is still very high price. This is still a barrier to competition. Also, there is no clarity if those lease lines can be provided end to end at all desired locations.

Market share from each OLO should be made available, but it's apparent that JT enjoys around 65% of market share which qualifies them as SMP. Also, other OLO market share has increased only by 5% in last 5 years which signifies presence of barriers despite backhaul / lease line business being highly profitable.

#### **Wholesale market definition (section 6)**

**Question 6:** Do you agree with the Authority's preliminary definition of the wholesale leased lines product market as summarised below?

**Airtel:**

- a. *The Authority's preliminary conclusions in the retail market are mirrored in the wholesale market* - Yes, agree, challenges are similar in both the market, high cost is the barrier to entry and dependency on SMP for most of services.
- b. *The wholesale market should not be broadened to include dark fibre or duct access* – No, disagree, the dark fibre or duct access should be included because the existing cables might already be in use completely, or fibre network operator is unable to provide access due to number of reasons. In this situation the duct access will provide an option to put cable and equipment at ends if say Airtel or other OLO decides to invest, this will prevent digging which is the most expensive part of any fibre lay out subject to planning permissions. The duct access option should be significantly cheaper than dark fibre as then the maintenance of their own fibre will be OLO's responsibility, provided uninterrupted access is there.

- c. *The wholesale market should not be narrowed to reflect customer use of leased lines, for example mobile backhaul or other retail applications - Yes, only cost and access should be focussed upon, end use can differ.*
- d. *Self-supply should be included within the wholesale market – Yes, agree*

**Question 7:** *Do you agree that there are no areas within Jersey where the conditions of wholesale competition are such that they may constitute separate geographic markets?*

**Airtel:** Yes, agree, entire Jersey should be treated as a single geographical market as advised in the document.

**Question 8:** *Do you agree that the wholesale market for leased lines does meet the three criteria test and so is susceptible to ex ante regulation?*

**Airtel:** Yes, agree, it's long overdue and regulatory intervention is definitely required to move forward quickly and fairly. The scope should also include traditional granular connectivity solutions (such as 10/100/500/1000 Mbps Ethernet Lease lines) apart from the dark fibre.

#### **Wholesale market SMP assessment (section 7)**

**Question 9:** *Do you agree with the Authority's proposal that JT should be designated with SMP in the market for wholesale on-island leased lines for the reasons set out above?*

**Airtel:** Yes, agree.

#### **Remedies (section 8 and 9)**

**Question 10:** *Do you agree with the Authority's preliminary view that dark fibre access to the JT network will deliver significant benefits to end-customers and these benefits will outweigh the risks?*

**Airtel:** Yes, we completely agree that dark fibre access will deliver huge benefits provided the cost is reasonable like UK and all barriers are removed. Ultimately, this will benefit Jersey consumers as it will lead to better customer experience via more competitive, value for money and innovative products in Jersey.

Besides access, there should be very clear prompt SLAs for any faults and issues including fault ownership, though fibre requires very minimal maintenance unless cut or broken.

The scope should also include traditional granular connectivity solutions (such as 10/100/500/1000 Mbps Ethernet Lease lines) apart from dark fibre.

Please note that as a provider of critical mobile infrastructure, Airtel is playing a vital role during the Covid-19 pandemic in keeping people seamlessly connected to their friends and family, as well as enabling remote working for our customers. One of the key learning from this pandemic is customer data consumption is continuing to grow exponentially as network is peaking during daytime too besides evening.

At times we saw many instances of data throughput reaching its peak on certain masts at certain times of the day, and we are adding capacity wherever possible. In conjunction, fine tuning is being carried out on a daily basis to ensure we are meeting the increased demand.

The impact of home working (and home schooling from previous months) is naturally putting pressure on the network, however, somehow our engineers have managed to ensure that the network is coping very well in meeting the increased demand.

Also, microwave suffers from reliability issues due to extreme weather conditions for number of months each year resulting in loss of service to customers, hence, dark fibre to mobile masts will not only enhance capacity leading to better customer experience but will also improve the reliability.

It can be concluded that quality access to high-speed mobile data is now a necessity for all the customers either working from home or for enabling home learning for children during a pandemic situation. Our engineers have exhausted all possible tricks to maintain customer experience & data connectivity. Therefore, regulator needs to address price of On-Island lease lines and introduce Dark Fibre.

**[&]**

**Question 11:** *What are your views on the potential design parameters for a dark fibre access remedy as discussed in Box 3? In particular, what type of circuits do you think dark fibre should be available on (end-to-end, tail circuits, inter-exchange) and how should a co-location remedy be structured if needed?*

**Airtel:** The Design Parameters are fine. For Mobile Backhaul mainly 'end to end' circuits would be needed. As users, we would only be able to troubleshoot the end equipment fault and not any issue with Fibre network itself.

So, in the event of any failure the fibre network operator should be able to reroute the circuit quickly where possible while they investigate the fault.

Tail circuits and inter-exchange would be needed in certain cases. Co-location remedy should be in place keeping in mind easy access to co-location points and our ability to deploy own end units. Regulated pricing for rack space at the fibre network providers premises to be ensured so that the end-to-end product and service are economically viable.

The scope should also include traditional granular connectivity solutions (such as 10/100/500/1000 Mbps Ethernet Lease lines) apart from dark fibre.

**Question 12:** *Do you agree with the Authority's preliminary proposals for the set of regulations to be imposed on JT?*

**Airtel:** Yes, quick and reasonable access to Dark Fibre is extremely important for allowing competitors to provide better services at reasonable prices. Also, quality access to high-speed mobile data is now a necessity for all the customers as 'work from home' is here to stay. Regulator needs to consider that there is no or very minimal cost for JT to provide access to fibre where its already available.

Please do not hesitate to contact me if you have any questions in relation to the above.

Yours sincerely,



Sid Ahlawat

CEO  
Jersey Airtel Ltd