

Telecoms Market Review Draft Decision – Confidential respondent two

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Question 1

Do you agree with the Authority's Draft Decision for fixed broadband set out in Chapter 4 of this Draft Decision? If you do not agree with any aspect of this, you should provide all of your analysis and assessment.

We broadly support the Authority's Draft Decision regarding the market definition, SMP assessment, and proposed remedies for fixed broadband services. We believe that the current technical dependency on Wholesale Line Rental (WLR) for broadband provisioning should be phased out. Broadband services should be available as standalone offerings, both at the wholesale level for access seekers and at the retail level for consumers.

The continued requirement for broadband to be provisioned alongside a WLR voice line is a legacy constraint that does not reflect current consumer behaviour or the direction of regulatory policy in comparable jurisdictions. It creates unnecessary cost and complexity for wholesale access seekers, limits retail flexibility and ultimately restricts consumer choice.

In the United Kingdom, Ofcom has taken clear steps to enable broadband-only services. Through its Wholesale Fixed Telecoms Market Review (WFTMR) 2021–2026, Ofcom supported the move away from WLR and promoted the use of standalone broadband services over fibre networks. The switch-off of the UK's PSTN is scheduled for completion by the end of 2025, and Openreach has already launched Single Order variants of its broadband products (e.g. SOGEA and SOGfast), which do not require a voice line to be provisioned. This decoupling reflects modern usage patterns, where voice calls are increasingly delivered over-the-top (OTT) or via mobile networks, and the primary requirement is data connectivity.

In the Isle of Man, the Isle of Man Communications and Utilities Regulatory Authority (CURA) also supports the delivery of broadband as a standalone service. The incumbent operator, Manx Telecom, has transitioned to delivering broadband independently of fixed voice services over its fibre network. This approach is consistent with a broader policy direction that encourages efficient use of infrastructure, reduces barriers to entry for new providers, and promotes service innovation.

We strongly encourage the Authority to prioritise the development of a wholesale broadband line-only product as a near-term regulatory objective. JT should be required to work with wholesale partners to deliver this capability, ensuring technical compatibility, cost efficiency, and commercial neutrality.

Decoupling broadband from WLR will deliver tangible benefits:

- Enhanced competition at the retail level through greater product flexibility;
- More efficient use of network resources by avoiding unnecessary services;
- Better alignment with global trends and futureproofing of Jersey's telecoms market.
- The current reliance on WLR risks inhibiting market innovation and does not reflect the usage or expectations of today's broadband consumers.

Furthermore, as a point of interest and whilst we don't expect wholesale operation change, in terms of license obligations, it is ours and our customers wish to be able to define clearly defined separation, demarcation and routing on Licensed Operator's services wholesaled from JT. Our customers are migrating away from leased lines as they digitally transform and relocate their cloud stored data and applications out of the islands. The use of "Business Fibre broadband" services is key commercially and technically to achieve this. Ultimately, we advise our customers locally to leverage "fibre broadband services" to achieve this goal, but are hampered on operational redundancy, as ultimately all last mile services are with a single provider. In avoidance of this operational resilience compliance limitation (DORA compliance), we suggest customers take more expensive and less flexible Direct Internet Access services to combat the single failure point of the incumbent's wholesale last mile supply. This potentially could be problematic and challenging when located in Data Centres where no licensed operator points of presence exist and a SMP position exists in entirety forcing customers commercially not to run highly available solutions across diverse company/operator data centres in accordance with operational resilient compliance directives.

Question 2

What are your views on the Authority's proposals with respect to JT's SMP obligations set out in Box 2 of this Draft Decision?

We support the Authority's intention, as outlined in Box 2, to refine and enforce obligations on JT arising from its SMP position, particularly those enshrined in Part IV of its Class III licence. We strongly support this approach and would encourage the Authority to ensure that these obligations are both robust and enforceable in practice, particularly with regard to wholesale non-discrimination and fair competition.

Our concern stems from a recent incident involving a client we were advising when procuring Internet connectivity into their JT data centre footprint in both Guernsey and Jersey. Subsequently, an order was placed through a third-party service provider (Newtel) who had an existing NNI arrangement with JT in Guernsey and wholesale arrangements in Jersey for offering Pan Island Internet services to DC customers, to allow carrier diversity in accordance with the customers' DORA requirements in both islands. The Jersey portion of the service via JT wholesale was successfully provisioned, however the Guernsey NNI connection in JT's Guernsey data centre was refused, despite the order already being placed and accepted. Subsequently, Newtel then requested a Sure Wholesale connection between their services and the customer rack which was advised couldn't be achieved. Given the inability for Newtel to offer a service now in the Guernsey DC, the client requested JT Retail services to connect between themselves and Newtel directly into their rack, which was refused, citing that the customer could only connect to their own office from their DC rack. JT Retail instead offered to supply the IP services directly to the end customer themselves, leaving the customer with no choice but to take JT retail offer to complete the project given the timescales, defeating the objective of cost efficient, compliant and carrier diverse connectivity given the client already employed JT IP services in their racks for other services. The upshot of this occurrence suggests that JT being the owners of the Guernsey Data Centre can dictate to their customers and control where they can connect to from their JT rack, being only the customer's office in Guernsey.

While this incident occurred outside of Jersey, it raises serious concerns about compliance with the principles of equal access and non-discrimination that underpin the wholesale regime and should apply consistently across jurisdictions where incumbents operate.

Specifically, this situation disadvantaged other service providers. This would be a direct conflict with JT's SMP obligations in Jersey, particularly under:

Condition 36 (Fair Competition) – Requiring that JT must not engage in any practice that has the object or effect of preventing, restricting, or distorting competition;

Condition 37 (Price Regulated Services) – Requiring advance transparency and non-discriminatory treatment; and

Condition 38 (Separation of Functions) – Requiring that wholesale and retail arms operate independently and without privileged exchange of commercially sensitive information.

For future clarity, we urge the Authority to investigate whether such conduct reflects a broader issue of cross-channel non-compliance or inconsistent application of wholesale terms, which could undermine competition and trust in the regulatory regime.

Operational Resilience and DORA Compliance

In parallel, the incident also touches upon a growing regulatory concern such as operational resilience, especially in light of DORA (Digital Operational Resilience Act). Under DORA, financial services and ICT providers must demonstrate robust, redundant and resilient digital infrastructure across all operational regions. A single-vendor dependency or artificial barrier to cross-jurisdictional data centre access poses serious risks to operational continuity and regulatory compliance.

Open, non-discriminatory access to data centre infrastructure across the Channel Islands is vital under new directives. Preventing service providers from provisioning services across both Guernsey and Jersey hinders their ability to meet clients' resilience obligations. We believe this contradicts the broader policy aims of telecoms regulation and undermines Jersey's ambition to be a resilient, technology-driven jurisdiction supporting critical services.

We would seek clarification that SMP obligations and principles of non-discrimination apply to any services or facilities operated by JT group entities, regardless of geography, where market power is leveraged and include specific considerations of cross-jurisdictional access to data centres and interconnectivity in the final regulatory framework to support operational resilience in line with DORA and similar frameworks.

Question 3

Do you agree with the Authority's Draft Decision for fixed voice set out in Chapter 5 of this Draft Decision? If you do not agree with any aspect of this, you should provide all of your analysis and assessment.

See response to question 4

Question 4

What are your views on Fixed Number Portability and the Authority's proposals set out in Box 4 of this Draft Decision?

Response to Questions 3 and 4: Fixed Voice and Fixed Number Portability

We strongly support the Authority's Draft Decision regarding fixed voice services and agree with the proposed approach to continue regulation where JT holds Significant Market Power (SMP). In Particular, we would urge the Authority to progress work on Fixed Number Portability (FNP) as a near-term regulatory priority.

While we acknowledge that the decline in traditional residential fixed voice usage may suggest limited demand for number portability in that segment, the same does not hold true for enterprise customers. As businesses increasingly adopt cloud voice services and hosted telephony,

retaining geographic or legacy fixed numbers remains critical to avoid disruption and preserve continuity.

Currently, there are several Channel Island-based service providers offering fixed numbers, but these services are network-limited and non-portable. The absence of fixed number portability is actively hindering competition and innovation in cloud telephony. Our enterprise clients frequently highlight this SMP barrier when evaluating modern, resilient, multi-site communication strategies and business locations/relocations.

The Isle of Man successfully introduced FNP in 2017. This has enabled businesses to switch from legacy providers to modern, cloud-based services without forfeiting their contact numbers. As a result, small and innovative service providers have gained traction in that market and enterprise clients benefit from increased choice, flexibility and better service alignment with cloud transformation initiatives.

A similar approach in Jersey (potentially using the same type of coordinated porting process and routing updates used for mobile number portability) could be achieved cost-effectively and would significantly enhance competition in the enterprise voice market.

We strongly support the implementation of Fixed Number Portability in Jersey and encourage the Authority to move beyond high-level consideration to active policy development. The enterprise market stands to benefit greatly from this change and its introduction would better align Jersey Telecoms' (JT Globals') environment with recognised regulatory practice across other Crown Dependencies

Question 5

Do you agree with the Authority's Draft Decision for leased lines set out in Chapter 6 of this Draft Decision? If you do not agree with any aspect of this, you should provide all of your analysis and assessment.

We agree with the decision and investigation of the continuation of the existing wholesale access obligation, combined with a wholesale cost-based price control with Dark fibre services maintained as a regulatory option.

Whilst the Island is supported well both on and off-island with highly performing and resilient services, we still have concerns when it comes to Data Centre access and the inability to regulate within those sites or recognise customer rented racks as customer addresses. Whilst we have not experienced reluctance to provide competitor licensed operator wholesaled services into such rack locations in Jersey currently, our experience in Guernsey suggests the responsibility to provide those services lacks clarity, license responsibilities or regulation into these anti-competitive locations, where the licensed Data Centre owner can dictate to the clients who and where their services can terminate.

Question 6

With respect to dark fibre, do you agree that this should be maintained as a regulatory option? If yes, please provide evidence and information on the circumstances in which dark fibre might become necessary?

Yes, we welcome the investigation and would like to contribute, as any dark fibre type services only serve to enhance competition, allow greater technical flexibility and allow more smaller service providers to take part in the market to drive innovation and choice. This also would allow operational resilience as more operators feel they can join the market and provide their own, more technical services, locally. This innovation would be of interest to ourselves as a small

business to provide high value, converged IP services to our clients, which is currently prohibitive due to the closed market and separation of services.

Question 7

As set out in Box 5 the Authority is giving consideration to data centres, what are your views on data centre availability and connectivity in Jersey?

We support the Authority's consideration of data centre access and connectivity and wish to emphasise the critical importance of ensuring open and non-discriminatory open access to all commercial data centres in Jersey, regardless of whether they are operated by Sure, JT, or other providers. There is great displeasure in our client community with regard to choice, strategy, compliance and commerciality with the current limited options and restrictive "owner only" last mile connectivity in the Jersey and CI Data centres.

As noted in our response to Question 2, we have observed cases where access to data centres is limited to that of their own, being wholesale or retail, limiting the ability of enterprise clients to procure services through their alternate service providers which was need to meet DORA regulatory requirements. Such practices create barriers to competition and raise concerns regarding compliance with existing licence conditions, particularly those concerning fair access and non-discrimination.

Beyond the immediate competition implications, this issue directly impacts organisations' ability to meet evolving operational resilience requirements as introduced under regulatory frameworks such as the Digital Operational Resilience Act (DORA) and similar guidance applicable to financial services and regulated sectors. Businesses increasingly require the ability to implement multi-site resilience strategies across geographically dispersed and provider-neutral data centres. Any limitation in access undermines this resilience, increases systemic risk, and could place regulated organisations in breach of their compliance obligations.

We therefore on behalf of our enterprise clients would support a clear position that all on-island data centres must offer equal and open access between third-party service providers and their clients resources, and that such access should be protected by enforceable regulatory obligations where necessary.

Question 8

Do you agree with the Authority's Draft Decision for mobile services set out in Chapter 7 of this Draft Decision? If you do not agree with any aspect of this, you should provide all of your analysis and assessment.

Whilst we support the Regulator and its success in the past/present in this area, we feel that there is adequate regulation and competition on the Mobile Services market, we also have little exposure to these markets both technically or commercially to comment further.

Other comments

None