



# Wholesale Access Services

## T1686G

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## Consultation Paper

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# 1. Introduction

- 1.1 The Guernsey Competition and Regulatory Authority (GCRA) has duties and functions placed on it in law. In general terms these are intended to support the States of Guernsey's ambitions of providing the necessary protections so that Guernsey's telecommunications markets function well, and consumers are confident market participants.
- 1.2 A key policy objective is to establish a first-class digital infrastructure for the Island. This will ensure that:
  - Guernsey is a first class, well connected, digitally enabled jurisdiction;
  - digital connectivity acts as an accelerator for all businesses in the Island;
  - innovation and business growth through test bed capability is enabled;
  - the evolution of technical capability of networks over time as new technologies emerge is facilitated;
  - economic recovery post COVID-19 and resilience is strengthened; and
  - flexible working and productivity increases are enabled.
- 1.3 Innovation incentivises and enhances competition which, in turn, benefits all those who use digital services. At the retail end of the supply chain for example, when service providers have more options for developing the services they offer to their end-customers using available networks, they have more opportunities to compete on the basis of service differentiation.
- 1.4 As part of our 2024 Work Programme, the GCRA is looking to identify what, if any, additional access is required by telecoms service providers to the incumbent's network that improves their ability to compete for customers on a more level playing field. The options the GCRA has looked further into are what might be described as 'new telecommunications access services', such as Dark Fibre, Bitstream, Fixed Number Portability (FNP). There are other such services such as Local Loop access. For the avoidance of doubt, reference to new telecommunication access services is not referring exclusively to only those offers that by legal definition fall within the category of a 'reference and interconnection offer'. It is intended to capture all combinations of inputs or elements that are under the control or ownership of the incumbent network provider, Sure Guernsey.
- 1.5 This consultation document presents findings from the GCRA's market intelligence gathering to date. We considered the relative merits of potential new telecommunications access services, carried out a benchmarking exercise, and interviews were held with industry players on our behalf by a consultancy. This consultation has therefore been informed by those insights and reflects the GCRA's initial views on the introduction of new telecommunication access services in Guernsey's telecommunication market. The GCRA is now issuing this formal consultation document as part of its formal legal requirements seeking wider feedback to better inform its decision on whether to instruct Sure to provide new telecommunications access services.

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## The process to date

### Pre-Consultation Information

- 1.6 In February 2024, the GCRA sent pre-consultation notification correspondence to all licensed operators, inviting their views on the potential introduction of Dark Fibre, Bitstream<sup>1</sup>, and Fixed Number Portability<sup>2</sup>.
- 1.7 The preliminary findings from these responses were mixed, indicating varied opinions on the necessity and impact of the proposed new access services.

### Benchmarking Exercise

- 1.8 From March to May 2024, the GCRA conducted a benchmarking exercise to compare Guernsey's local access service offerings with those of other jurisdictions. The information gathered in the benchmarking exercise indicated that Guernsey is lagging in its access offering when compared to Jersey, Luxembourg, and Singapore.

### Customer Engagement

- 1.9 Over the same period, the GCRA gathered feedback from several businesses regarding the existing telecommunication access services available in Guernsey. The findings suggest that reasonable demands for utility services are not being met from, within or to the Bailiwick.
- 1.10 Given the insights from the pre-consultation submissions, the findings from customer engagement, as well as the results from the benchmarking exercise, the GCRA is now conducting a formal consultation to further assess stakeholders' views on these initial findings, before deciding whether there is a case for regulatory intervention. Should this be the case it will then consider what formal steps may be required to mandate the introduction of new telecommunications access services in Guernsey.

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<sup>1</sup> Bitstream access refers to the situation where a wireline incumbent installs a high-speed access link to the customer's premises (e.g., by installing ADSL equipment in the local access network) and then makes this access link available to third parties, to enable them to provide high-speed services to customers.

<sup>2</sup> Fixed Number Portability, refers to the ability of a "customer" of an existing fixed-line number assigned by a local exchange carrier to reassign the number to another carrier and move it to another location.

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## 2. Benchmarking Exercise – How does Guernsey compare with other jurisdictions?

### Introduction

- 2.1 The GCRA conducted a review of how Guernsey's existing telecommunications access services compared to those in Jersey, Luxembourg, and Singapore.<sup>3</sup>

### Benchmarking Analysis

- 2.2 The findings of the benchmarking analysis are summarised in the following paragraphs.

#### Jersey

- 2.3 With a population of approximately 108,000, Jersey has a well-developed telecom infrastructure. The market is competitive with significant investments in fibre networks, fully deployed since 2018.
- 2.4 The key telecom operators in Jersey are JT Group, Sure, Newtel and Airtel-Vodafone.
- 2.5 The regulated wholesale products available are wholesale broadband, wholesale line rental and wholesale leased lines.
- 2.6 Wholesale access prices are regulated by the Jersey Competition and Regulatory Authority (JCRA). JT publishes its wholesale leased line prices through an online portal which is only accessible to licenced operators and prices are not publicly available for end customers to review. The key wholesale broadband prices include:
- 1 Gbps bitstream service: £14.96 per month;
  - Wholesale line rental: £11.10 per month.
- 2.7 Bitstream access has been available since 2020, enabling licenced operators the flexibility to differentiate on speed and product choice for end use customers.
- 2.8 Dark fibre access is not currently available but was included in a review in 2020-2021.<sup>4</sup> The provision of dark fibre is not mandated by the JCRA but has been maintained as a potential future product option. We understand dark fibre is in a few instances provided by the incumbent network of JT but not mandated by the regulator.
- 2.9 Fixed Number Portability is currently not available in Jersey.

#### Luxembourg

- 2.10 With a population of 650,000, Luxembourg has a dynamic telecom market driven by its status as a financial services hub. It has extensive 4G and 5G mobile networks and widespread access to fibre-optic broadband.

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<sup>3</sup> This involved gathering inputs from the respective telecom regulators to develop a comprehensive comparison on various elements such as product offering and price.

<sup>4</sup> [2021 JCRA Business Connectivity Market Review: Remedies Non-statutory Draft Decision](#).

- 2.11 The key telecom operators are POST Luxembourg, Orange, and Tango.
- 2.12 The regulated wholesale products offer a comprehensive suite including wholesale broadband, leased lines, unbundled services (consisting of copper and fibre local loops), interconnect and co-location.
- 2.13 Prices are regulated by the Institut Luxembourgeois de Régulation (ILR). Prices are transparent and published in comprehensive reference offers. The wholesaler is required through regulation to publicly publish its prices making them available for review by end use customers.
- 2.14 Dark fibre access is available, supporting high-bandwidth applications and business continuity solutions.
- 2.15 Bitstream access is available, offering licenced telecoms operators the ability to provide various speeds and bandwidth options to meet market needs and demand.
- 2.16 Fixed Number Portability is available, facilitating easier switching of end-users between providers.

### **Singapore**

- 2.17 Singapore has a population of 5.7 million and operates what is described as one of the most advanced Nationwide Broadband Networks (NBN) in the world. The market is highly competitive with significant investments in digital infrastructure.
- 2.18 The key telecom operators are Singtel, StarHub and M1.
- 2.19 The regulated wholesale products are an extensive suite including wholesale broadband, dark fibre, and bitstream services.
- 2.20 Prices are regulated by the Infocomm Media Development Authority (IMDA). Contention-based pricing in Singapore is available, prices are published on the IMDA website, are transparent and publicly available for the end use customers to review.
- 2.21 Dark fibre access is widely available, facilitating high-speed, low-latency connections essential for IoT, 5G, and cloud services.
- 2.22 Bitstream access is available, providing flexibility to licenced telecom operators and promoting competition for customers on speed and price options.
- 2.23 Fixed number portability is also available, enhancing consumer choice and market dynamics.

### **Benchmarking Summary Comments**

- 2.24 Economic and Political:
- Government ownership of incumbent telecom operators in other regions appears to have had a more direct influence on facilitating enunciated macro-economic strategies.

- The requirement for high-speed connectivity in Singapore and Luxembourg is driven by their respective financial services industries.
- Government ownership and funding of JT in Jersey allowed for its early deployment of a full fibre network.

#### 2.25 Pricing:

- Greater transparency in Luxembourg and Singapore than in Guernsey.
- Guernsey has the second lowest average weighted price for wholesale broadband among Jersey, Luxembourg and Guernsey.
- Contention-based pricing in Singapore offers more flexibility for end use customers than the other jurisdictions benchmarked.

#### 2.26 Customer Experience:

- Better customer experience in Luxembourg and Singapore due to clear, articulated offers and more transparent processes.

### **Questions: Provision versus demand**

#### **Reasonable demand**

Are Guernsey's present requirements adequately met by the current suite of telecommunications access services on the market? Please provide specific examples.

Do respondents think that Guernsey's future telecommunications access services should look to emulate the product and service offerings of jurisdictions like Singapore and Luxembourg, and if so, in what respects?

Is the current suite of telecommunications access services that are made available in Guernsey by the incumbent network provider to licensed telecom providers, or other providers such as IT integrators, adequate to meet future demand?

Should the existence of these available services be publicly available? Are there advantages in these being publicly available? Alternatively, what are the arguments for them not to be publicly available?

#### **Transparency in Prices**

Do respondents consider the prices for these products and services should be published on a public platform? Provide reasons to support that view?

*In all answers, specific examples and practical illustration of the issues will assist in clarifying the position being advanced by respondents.*

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## 3. Dark Fibre

### Introduction

- 3.1 This section of the document summarises the input from those stakeholder groups in Guernsey that were interviewed, including IT integrators, medium businesses, large businesses and network operators regarding their views on the introduction of dark fibre in Guernsey’s telecommunications market.
- 3.2 In its 2024 Work Programme, the GCRA identified dark fibre as one of the possible new telecommunications access services which can be introduced to the market on a wholesale level to enable licensed operators to offer diverse and innovative services.<sup>5</sup>
- 3.3 Dark fibre was included in the 2022 BCMR Final Decision as a product in the wholesale on-island market and is defined as follows.

***“The wholesale leased lines market includes “dark fibre circuits, i.e. fibre optic circuits that are not lit to provide a specific access speed or bandwidth and which are then lit by the customer of that circuit for any purpose.”<sup>6 7</sup>***

- 3.4 One of the main justifications for the provision of a dark fibre product is improved network control by a retailer. It allows internet service providers (ISPs) and heavy users of data communications a higher level of control and security which results from having greater control of dedicated infrastructure. This enables ISPs and users to better customize services, manage bandwidth more effectively and potentially save costs by carrying out the function themselves which the incumbent otherwise provides.<sup>8</sup>
- 3.5 Dark fibre can also facilitate scalability as it allows users to scale their bandwidth needs without the incremental costs associated with traditional leased lines. Since dark fibre customers will have greater control over the infrastructure than through current ‘white label’ provision, they will be able to scale their network bandwidth according to their needs, as data demands fluctuate, with less exposure to the stepped discrete cost hikes involved in deploying additional ‘white label’ leased lines provided by Sure Guernsey, in cases where there is an increase in bandwidth needs.

### Summary of responses to pre-consultation information request

- 3.6 Three responses relating to dark fibre were received to the pre-consultation information request from Sure, Airtel and ClearMobitel.
- 3.7 Sure outlined benefits of a dark fibre product in relevant markets as well as some of the challenges of introducing a dark fibre product at this stage in Guernsey. These challenges relate to the

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<sup>5</sup> [2024 GCRA Work Programme](#): Potential new access services in telecoms network.

<sup>6</sup> [2022 GCRA Business Connectivity Market Review - Final Decision](#): Market definition & Competitive assessment Paragraph 9.4.

<sup>7</sup> Duct access was considered as part of the 2022 Business Connectivity Market Review but the GCRA decided not to include duct access in the market definition and instead it confirmed that it would require a separate physical infrastructure market review to consider that issue at a future date.

<sup>8</sup> Dark fibre access reflects a policy direction, where there is minimal incentive to build competing networks, therefore it is a buy remedy rather than a build remedy.



technical unfeasibility of incorporating a dark fibre product into Sure's current network architecture. Sure stated that it may have insufficient capacity to support a dark fibre product during its fibre roll-out and significant investments would be required to introduce a dark fibre product in the market. The reasoning and evidence for this line of argument is unclear and more direct evidence and explanation is required to better understand this objection from Sure.

- 3.8 Airtel supports the inclusion of a dark fibre product only if its total cost of ownership remains the same as what it incurs for microwave backhaul.
- 3.9 ClearMobitel supports the inclusion of dark fibre access as a remedy in the wholesale leased line market.

**Summary of responses from the customer engagement exercise**

- 3.10 Findings from the customer engagement exercise convey that dark fibre can be used by licensed operators for providing backhaul. There was also interest from more than one of the large financial institutions, who indicated there is some demand to purchase dark fibre if it were made available in Guernsey.

**GCRA's Provisional View**

- 3.11 The findings of the pre-consultation activities indicate some demand for a dark fibre product in Guernsey. The GCRA's view is that further assessment of this demand is needed to determine whether the introduction of a dark fibre product is justified by reasonable demand. It will also need to weigh up its duties as set out in section 2 of The Regulation of Utilities (Bailiwick of Guernsey) Law, 2001 and in section 10 of The Telecommunications (Bailiwick of Guernsey) Law, 2001.

**Questions: Demand for Dark Fibre as a new telecommunication access service**

**Products**

Does the provision of dark fibre provide improved network control for customers such as ISPs, IT integrators and mobile providers in Guernsey?

Does dark fibre contribute to future-proofing digital connectivity demands in Guernsey?

Is it respondents' view that a dark fibre product can promote innovation in Guernsey's telecoms market?

Do respondents agree that dark fibre can allow customers to scale their network capacity to meet demand without incurring the costs associated with leasing an additional private circuit through the current 'white label' offers from Sure, Guernsey?

Is it respondents' view that the addition of wholesale dark fibre access can address competition issues in the telecommunications market such as high leased line prices? Explain why this might be the case?

Is the provision of dark fibre consistent with supporting economic development ambitions in Guernsey?

Are there other benefits from making dark fibre available in Guernsey not covered in this consultation document?

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## 4. Bitstream

### Introduction

- 4.1 This section of the document summarises the input from various stakeholder groups in Guernsey, including IT integrators, medium businesses, large businesses and network operators regarding their views on the introduction of bitstream in Guernsey's telecommunications market.
- 4.2 The GCRA identified bitstream in its 2024 Work Programme as one of the possible access services which could be introduced in the market to help promote better pricing and options for customers.
- 4.3 Sure, Airtel and ClearMobitel provided responses to the GCRA's pre-consultation document. Responses were also received from medium and large businesses as well as IT integrators. These responses are set out below.

### Summary of responses to the pre-consultation notification

- 4.4 Sure commented that a bitstream product would be beneficial in markets where broadband service variants do not align with retailers' needs. Requests made to Sure by licenced operators led Sure to upgrade its wholesale broadband product offering. Sure stated that introducing a bitstream product would lead to an increase in the prices of its lower speed fibre broadband offerings. Introducing a bitstream product at this stage during the fibre roll-out will impede on Sure's requirement to keep the costs of copper and fibre charges the same. Sure stated that as it is currently in the process of its fibre rollout, introducing a bitstream product at this stage will create a significant speed gap between customers still on the legacy copper network compared to those on the fibre network. Sure also highlighted its inability to conduct the necessary stress test on the fibre network before a bitstream product can be introduced. According to Sure, the stress test cannot occur until almost all customers have been migrated to fibre.
- 4.5 Airtel supports the inclusion of a bitstream product in the access market on the condition that the necessary connectivity infrastructure services required by the licenced operators to support bitstream are also price regulated.
- 4.6 ClearMobitel supports the inclusion of a bitstream product stating that a bitstream product is long overdue.

### Summary of responses from the customer engagement exercise

- 4.7 IT integrators and businesses regard bitstream as an unnecessary product as it is not required given the roll-out of fibre. These stakeholders consider that fibre connectivity will suffice for their own commercial connectivity needs but acknowledged the benefit a bitstream product can create for network providers.

### GCRA's Provisional View

- 4.8 The GCRA has considered the introduction of a bitstream product in the wholesale access market and its provisional view is that it would be premature at this stage. The GCRA's reasoning is based on the following:

- Bitstream may be technically non-feasible until Sure has completed its fibre rollout, given the issues identified with stress testing the potential product.
- Businesses do not currently demand a bitstream product.
- Introducing a bitstream product within the wholesale broadband price control might disrupt the existing pricing which is based on a weighted average price.

### **Questions: Demand for Bitstream as a new telecommunication access service**

#### **Products**

Do respondents agree with the GCRA's provisional view not to progress the introduction of a bitstream product?

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## 5. Fixed Number Portability

### Introduction

- 5.1 This section of the document summarises the comprehensive input from various stakeholder groups in Guernsey, including IT integrators, medium businesses, large businesses and network operators regarding their views on the introduction of fixed number portability in Guernsey's telecommunications market.
- 5.2 GCRA proposed the introduction of a fixed number portability (FNP) product in the access market in its pre-consultation information request.
- 5.3 Three responses relating to bitstream were received to the pre-consultation information request from Sure, Airtel and ClearMobitel. Responses were also received from medium and large businesses as well as IT integrators. These responses are set out below.

### Summary of responses to the pre-consultation notification

- 5.4 Sure acknowledged the benefit of FNP in reducing the on-island fixed termination rate between Sure, JT, and Airtel.
- 5.5 Sure stated that there is no need for the GCRA to focus on FNP for copper landline customers, because Sure's copper network is being decommissioned in 2026. Sure also stated that FNP is not necessary to allow customers the ability to port their landline numbers between providers since the ability to do so already exists.
- 5.6 Airtel sees no value in pursuing FNP.
- 5.7 ClearMobitel commented that FNP should be easy to implement with modern telephony systems.

### Summary of responses from the customer engagement exercise

- 5.8 A common point made by respondents of the customer engagement exercise was that FNP could facilitate the integration of local 01481 into cloud infrastructure<sup>9</sup>, but is not necessarily required if there is an alternative solution for number integration.

### GCRA's Provisional View

- 5.9 The GCRA has considered the introduction of FNP in the access market and its provisional view is that progress on introducing a FNP product should not be pursued. The GCRA's reasoning is set out below.
- 5.10 Sure is currently consulting on modernising its wholesale line rental which will allow handover of control of all calls (except emergency) from Sure to the relevant licensed operator. Additionally, the decommissioning of Sure's copper network by 2026 diminishes the need for FNP for copper landline customers.

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<sup>9</sup> Stakeholders highlighted challenges with migrating their local 01481 numbers to cloud infrastructure such as Microsoft.

**Questions: Demand for Fixed Number Portability as a new telecommunication access service**

**Products**

Do respondents agree with the GCRA's provisional view not to progress the introduction of fixed number portability?

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## 6. Consideration of Additional Services

### Introduction

- 6.1 In addition to findings on the introduction of access services in the Guernsey's telecommunications market, the stakeholder analysis revealed additional pertinent issues they face in the telecommunications market. These relate to:
- i. Costs and complexity of the product offerings – there is a critical representation from respondent businesses on the costs and complexity of the product offerings.
  - ii. Undue Preference and Unfair Discrimination - there are representations from respondent businesses that Sure is preferencing its own retail arm and is not providing certain services to competitors or the market in general.
  - iii. Delays in provision of services and products – respondent businesses have commented on Sure's failure and or unwillingness to provide an overall plan of its fibre roll-out and the delay in providing the full fibre network to the central business district in a timely manner.
- 6.2 These findings do not form part of this consultation but will be addressed by the GCRA in subsequent workstreams.

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## 7. Representations

*The GCRA invites interested parties to submit written responses on this Consultation by **1600 on 4 October 2024**.*

*Responses can be submitted by email to [info@gcra.gg](mailto:info@gcra.gg) or alternatively in writing to:*

*GCRA*

*Suite 4, 1st Floor,*

*La Plaiderie Chambers,*

*La Plaiderie*

*St Peter Port, GY1 1WG*

**All written comments should be clearly marked ‘Wholesale Access Consultation’. The GCRA’s normal practice is to publish responses on its website. If any part of a response is held to be commercially confidential, it should be clearly marked (by highlighting the confidential sections in colour) when the response is submitted.**