



Office of Utility Regulation

Guernsey Telecoms Ltd Reference Offer for Interconnection and Access

Information Notice for New Entrants

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Office of Utility Regulation
Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey, GY1 2NH
Tel: [0]1481 711120, Fax: [0]1481 711140, Web: www.regutil.gg

Background

The Office of Utility Regulation is currently working to establish the regulatory framework for a competitive telecommunications sector in Guernsey in preparation for the staged opening up of the fixed telecommunications market on 1st July and 1st December 2002. As part of that framework, Guernsey Telecommunications Ltd (“GT”), as the incumbent and dominant operator in the market is required to publish a Reference Offer (“RO”) which sets out the services it will provide to Other Licenced Operators (“OLOs”) wishing to interconnect with the GT network and the prices it will charge for those services.

In December 2001 GT published a draft RO and the Director General issued an invitation to comment on the draft (see document OUR 01/24). In February 2002 the Director General published a report on the invitation to comment (Document OUR 02/10) responding to the comments received and setting out the next steps in the development of the interconnection and access regime.

Next Steps in Developing the Reference Offer

In document OUR 02/10, the Director General summarised the next steps that would be required before the RO was available in a final format for publication.

First, the Director General stated her intention to direct GT to make certain changes to the draft RO and to re-submit the document to her for approval prior to it being made available to the market generally by April 2002. In the meantime, in recognition that there is potentially a long lead time to concluding interconnect agreements, the Director General noted that she expects GT to enter into discussions with parties wishing to interconnect with it, prior to the award of licenses to OLOs, thus it is open to interested parties to enter into negotiations with GT at any time.

Second, the Director General proposed to set interim interconnect rates, using such information as is available to her, including but not limited to benchmarking data with a view to published such rates in mid April 2002. These rates were intended to remain in force until 1st December 2002. GT has been asked to submit fully justified proposals for cost oriented interconnection rates by 1st July, 2002. Any such proposals shall be considered and if necessary or appropriate, rates will be revised with effect from 1st December 2002.

Change to Timetable

The Director General is concerned that the RO that potential new entrants may use both in planning their market entry and as a basis for individual negotiations with GT, is comprehensive and adequate to the needs of the market. In addition the Director General believes that the document and its contents should be robust and, while they may be subject to change as a living document, should not be subject to significant unnecessary fluctuations that could create substantial business uncertainty for both new entrants and GT.

Since the publication of document OUR 02/10, OUR has, in progressing the necessary streams of work, identified significant additional analysis that is necessary before a robust document can be finalised.

Therefore OUR has no choice but to revise the timetable for publication of the final RO. It is the Director General's intention to ensure that the final RO is published prior to the introduction of competition on 1st July 2002, but it is now likely that this will not be fully complete until the end of the second quarter of 2002. Given the modular nature of the RO, the Director General proposes that as aspects of the RO are completed and approved, these will be published by GT over the coming weeks and months, with a view to ensuring that a final consolidated document is published by June 2002.

However this does not prejudice the rights and entitlements of any party to enter into negotiations with GT to provide interconnection or access to its network either in advance of or after the publication of the RO and the Director General repeats her expectation that GT will enter into such negotiations in good faith prior to the opening up of the market.

**/Ends
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