



**Comments on Review of
Carrier Pre-Selection and Number Portability
within the Bailiwick of Guernsey:
Consultation Document OUR 04/05**

1st June 2004

1 Introduction

- 1.1 The OUR has developed Consultation Document OUR 04/05 entitled 'Carrier Pre-Selection and Number Portability within the Bailiwick of Guernsey' and has asked Wave Telecom to comment on this by 4th June 2004.
- 1.2 Wave Telecom welcomes this opportunity to provide its views as part of the wider public debate on proposals for the future of telecommunications in Guernsey. It agrees to this document being published in its entirety by the OUR on its website, or through other media, alongside responses of other interested parties. Wave Telecom asks interested parties to take its responses to previous Consultation Documents into account when reviewing this document. The original Consultation Documents are available on the OUR website, www.regutil.gg.

2 Structure of this paper

- 2.1 This response is in two parts. The first contains general comments and overview of the Wave Telecom position while the second part attempts to answer the specific questions posed by the OUR.

3 General Comments

- 3.1 Wave Telecom believes that to a certain extent, CPS and NP are mutually exclusive and that the requirement for either must depend critically on the market and whether or not new entrants build their own networks or rely on that of the incumbent. Clearly, in the early stages of any new operator's business, even if that operator wants to build its own network, this takes time and, initially, much of its business will come from using the incumbent's network and CPS. In this case, NP is redundant. Only later, as a new network is established, will NP be required. Wave Telecom believes therefore that in the early stages of the introduction of competition, CPS will be vital. Later, if new networks are built, then NP becomes more important and the importance of CPS diminishes. However, in the case where several new operators enter the market over time, or some new operators decide not to build their own networks, CPS could continue to be important.
- 3.2 **Carrier Pre-selection**. Wave Telecom believes that the introduction of carrier pre-selection in to the Guernsey market is of vital importance to the emergence of competition and the introduction of choice for users. However Wave Telecom recognises the difficulties and cost of providing this service in such a small market and believes that the use of pre-diallers and PBX modifications can offer early gains. As the market matures and new networks appear it will become clearer whether the high up-front cost of upgrading System X to provide CPS can be justified or not.
- 3.3 **Number Portability**. Wave Telecom believes that if new networks are built then the introduction of Number Portability to Guernsey is essential as it removes a major barrier to entry. However, Wave Telecom is also mindful of the costs of implementing the service particularly if an IN platform is employed and would initially favour a simple inexpensive approach like call forwarding. This has the advantage that it can be introduced quickly and above all cheaply. As the market matures it will become clearer whether other solutions would be economically viable. As regards the IN solution, while firmly believing it to be ideal from a user point of view, Wave Telecom believes such a solution is inappropriate in the Guernsey context due to cost.

4 Answers to Questions

Q1 Do you consider that the call categories listed above are those that should be considered for introduction in Guernsey at this time? Please explain your response, and if appropriate suggest alternative or additional categories that should be offered in Guernsey.

Wave Telecom agrees that the categories suggested should be introduced in Guernsey. The suggested categories give choice to new entrants to the telecommunications market so that they may concentrate on one or more market segments, e.g. concentrating, say, on international or giving a much wider service where price is not as important as the ability to offer a one stop shop for all calls. Equally, this, in turn, gives customer choice and promotes competition.

Q2 Do you agree that mandating a pre-dialler based CPS solution in Guernsey is not desirable? If you disagree, please explain your reasons and provide your explanation of why this option should be considered further.

Wave Telecom believes that the pre-dialler option, while not ideal, is nevertheless quick and easy to implement and has reasonable costs which are in direct proportion to the customer base.

The cost of upgrading System X to include the official Marconi CPS facility, on the other hand, is relatively high (well in excess of £100,000 for two switch licences) and most of those costs will be “up front”. It should be born in mind too that System X, is no longer being developed and maintenance patches are now done annually. Ideally, a major update like CPS should only be done to coincide with a maintenance update and this may impact on required time scales. However, provided that C&WG have implemented recent System X updates, the CPS facility will already be installed but, if no licences have been purchased, will not be switched on.

The cost of an IN solution is likely to be up to £500,000 but does have the advantage that the IN platform can simultaneously be used for other IN functions. If an IN platform already exists, then adding CPS functionality is likely to cost more than £100,000. However, depending on platform type, integration costs can push this figure higher and extend time scales.

The Kingston Communications solution to CPS may be the answer in Guernsey too. This uses System X data fill to achieve the desired result and as a consequence is likely to cost less than either the official Marconi CPS facility or the IN method. Wave Telecom believes this should be investigated further and could ultimately provide a cost effective solution while at the same time providing the ideal customer experience.

Given sufficient customer numbers, either of the System X update approaches or updating an existing IN platform to include CPS functionality could ultimately offer the lowest unit cost and the best customer experience. Wave Telecom therefore advocates a two stage approach as used in the UK i.e. pre-diallers to start with, then, if customer numbers justify it, a switch-centric approach can be adopted.

Q3 *Do respondents agree that the standard System X CPS upgrade is a realistic option for introducing CPS in Guernsey. If respondents disagree, then please provide reasons for this position.*

See answer to Q2 above.

Q4 *What are respondents views on the costs and complexity of implementing the System X CPS upgrade on the existing two switches in the incumbent network in Guernsey? Quantitative data in response to this question would be very helpful and, if respondents consider this information to be confidential, it should be clearly marked so it can be treated as such.*

See answer to Q2 above.

Q5 *Do respondents agree that this solution should be investigated for Guernsey? If respondents disagree then please supply reasoning for this.*

The figures obtained by Wave Telecom in the response to Q2 above are, of necessity, very broad brush and can only give an appreciation of the order of magnitude of the costs involved. New products are continually evolving and Wave Telecom therefore agrees that further investigation should be undertaken regarding this solution.

Q6 *Do respondents agree that an Industry Working Group is the most useful means of evaluating the technical options for implementing CPS in Guernsey? If Respondents disagree, then they are requested to provide reasons for this and to offer alternative means of evaluating the technical CPS options for Guernsey.*

Wave Telecom agrees that the establishment of an Industry Working Group is probably the best way forward as it brings together all the operators and, hopefully, builds consensus.

Q7 *If respondents agree, views on the scope and timeframe proposed are invited.*

Wave telecom believes that an Industry Working Group should be established as soon as possible as an ongoing part of the telecommunications industry in Guernsey. It should be open to all licensed operators and representatives of user groups and have a mandate to discuss and find solutions for market needs. Such needs could come from users, the industry itself or regulatory requirements. As in most regulated industries the regulator would only intervene where agreement cannot be reached between the parties. However Wave Telecom believes that the regulator should not view such a group as a surrogate for minimal, firm and, above all, fair regulation.

Q8 *Do respondents agree with the general comments above on the potential demand for NP in Guernsey and with the scope of a potential NP service in Guernsey? If respondents do not agree, then they are requested to provide their reasoning for this and suggest alternatives.*

Wave Telecom believes that the need for Number Portability is essential in the longer term but that any solution should be appropriate to the Guernsey market.

Q9 *Do respondents agree that an IN-based NP solution for Guernsey should not be considered at present? If respondents disagree then they are requested to present reasoning for their position.*

Wave Telecom believes that a stand-alone IN solution is not appropriate for Guernsey but also believes that should the UK finally develop its central number database, integrating the Guernsey system in to it could be viable and should be investigated. However the design of any interconnecting links to the UK for this purpose must be carefully crafted to minimise outages due to breaks which may occur in the Guernsey – UK links.

Q10 *Do respondents agree that the call drop-back option could be a suitable NP platform for Guernsey? If respondents disagree, then they are requested to provide reasoning for their position.*

Wave Telecom agrees that call drop-back could be a viable option for NP in Guernsey but see also the response to Q11.

Q11 *Do respondents on whether they (sic) agree that simple forwarding could constitute a suitable NP platform for Guernsey and should be investigated further? If respondents disagree, then they are requested to provide reasoning for their position.*

Wave Telecom believes that simple call forwarding, while not ideal, is a suitable platform for the introduction of NP in Guernsey. The exchange software already exists and there are therefore few other costs to consider. The routing inefficiencies of this method, given the small network size, are not significant while customer numbers remain low and this system can be implemented quickly and cheaply. This would allow new operators to gain traction in the market place sooner thus bringing competition to the market and choice to consumers earlier than would otherwise be the case. As the market matures other better methods can be deployed.

Q12 *Do respondents agree that an Industry Working Group is the most useful means of evaluating the technical options for implementing NP in Guernsey? If Respondents disagree, then they are requested to provide reasons for this and to offer alternative means of evaluating the technical NP options for Guernsey.*

Please see response to Q6.