



12 August 2004

Office of Utility Regulation
Hirzel Court
St Peter Port
Guernsey GY1 2NH

Dear Sirs

Re: Market Dominance in the Telecommunications Sector - Consultation Document No: OUR 04/09

We refer to the above consultation document and we agree with the OUR's overall analysis of developments since 2001. We concur that the Guernsey market is still in the very early stages of the development of competition, which has not been helped by the behaviour of C&WG towards the provision of wholesale services to other operators.

We note also the comments made by the OUR in Section 5.6 of the Consultation Document 04/10 that refer to C&WG's retail pricing behaviour in areas where they anticipate competition compared to those areas where competition is less likely to emerge. In the circumstances, although there has been limited market entry, there are no reasons to suggest that the positions with regard to market dominance have changed significantly since 2001 and we would respond as follows to the questions within the Consultation Document:

Q1 We agree that the relevant geographic market should remain defined as the Bailiwick of Guernsey.

Q2 We agree that, given the current level of development in Guernsey's telecommunications sector, the following product/service market definitions are appropriate at this stage:

- Fixed telecommunications services and networks
- Mobile telecommunications services and networks

Q3 We agree that if an interested party considers that a product/service market should be defined on a more disaggregated basis, they should make representations providing prima facie evidence of the reasons for such disaggregation.

Q4 We agree with the approach to measuring dominance set out in Section 5 of the Consultation Document.

We would be pleased to discuss particular aspects of our response with you in more detail if required.

Yours faithfully
NEWTEL GUERNSEY LIMITED

PETER C FUNK
DIRECTOR

PCF/jk

cc Malcolm Taylor - Newtel