

Ms R Finn
Director General
Office of Utility Regulation
Suites B1 & B2
Hirzel Court
St Peter Port
Guernsey
GY1 2NH

22 April 2004

Dear Regina

Comments on Cable & Wireless Guernsey's Proposed Amendments to the Reference Offer for Interconnection and Access – OUR 04/03

The Cable and Wireless Guernsey Limited (C&WG) rationale for the proposed changes to its Reference Offer (RO) has been published by the OUR in Appendix 1 to the above consultation document, hence we do not intend to repeat it here. However C&WG does wish to comment on several points made in the main body of the above document.

1. Single Tandem / Double Tandem Charging

Our rationale for introducing single / double tandem charging is given on page 18 of OUR 04/02. We have stated that we would be willing to continue to charge OLOs on the basis of average rates. However, it should be noted that the model used by C&WG to produce regulated accounts would continue to charge C&WG's own business on the basis of the calculated cost plus WACC single / double tandem rates.

2. Outgoing Off-island Transit

C&WG agrees that it may be appropriate to re-define the service as it is not our intention that calls originated on the C&WG network, or that of an OLO licensed in the Bailiwick should be excluded. Hence the suggestion that the service might be restricted to those calls originating on a number from the Bailiwick number ranges is supported.

3. Incoming Off-Island Transit

First, for the avoidance of doubt, the Incoming Off-Island Transit Service has been proposed by C&WG because under the current list of services it is not explicit that C&WG would be obliged to receive any calls from third party operators outside of the Bailiwick and transit them to an OLO within the Bailiwick. In our view this is an omission that should be addressed. It is not intended, as the paper suggests, that the service is directed at interconnecting parties located outside of the Bailiwick.

Second, it was not the intention of C&WG to prevent an OLO that is a signatory to the RO transiting a call to another OLO that is licensed in the Bailiwick, but rather to prevent the re-exporting of the call outside of the Bailiwick. Such arbitrage activity could be damaging to the integrity of the C&WG network and degrade the service for local customers. C&WG would be willing to reconsider the wording of the definition.

We look forward to the publication of the OUR report on this matter and also the outcome of the review of the C&WG Regulatory Accounts and interconnection rates.

Kind regards

JANE LANGLOIS
Regulatory Adviser