



**Comments on Cable & Wireless Guernsey's Proposed Amendments  
to the Reference Offer for Interconnection and Access**

**Consultation Document OUR 04/03**

**23<sup>rd</sup> April 2004**

## **1 Introduction**

- 1.1 The Office of Utility Regulation (“OUR”) has developed the Consultation Document OUR 04/03, entitled ‘Review of Cable & Wireless Guernsey’s Proposed Amendments to the Reference Offer for Interconnection and Access’ and has requested any comments to be submitted to their office (via email at info@regutil.gg) by 5.00pm on 23<sup>rd</sup> April 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 while the second part attempts to answer the specific questions posed by OUR and the paragraphs are numbered to correspond with the question numbers.

## **3 RO – C&WG Proposals - General Comments**

- 3.1 Wave Telecom believes that complexity is seldom productive and in a market the size of Guernsey’s, it is of paramount importance to keep things simple thereby enabling new telecommunications providers to operate and maintain cost effective networks that offer competition for the Islands telecommunications customers. Wave Telecom therefore believes that although there may be some benefit in the long term to introducing some of the proposals, as a general point, adding further complexity to the RO at this stage, is both unnecessary, unproductive and in at least one case unduly restrictive. Furthermore, Wave Telecom believes that Cable & Wireless, Guernsey (“C&WG”) has not provided sufficient data to justify most of the changes sought and without such data the motives for the proposals must be questioned together with the possible benefits.

## **4 RO – C&WG Proposals – Answers to Questions**

### **Single and Double Tandem Charging**

- 4.1 ***Do you consider that the C&WG amendments should be introduced into the interconnection and access regime in Guernsey and if so why?***

Wave Telecom believes that such a proposal severely overcomplicates what is a relatively simple situation and cannot be justified in a market the size of Guernsey’s. Wave Telecom also believes that C&WG has not provided sufficient data to justify this proposal and questions what benefits are to be gained from introducing such restrictive and complex tariff structures.

**4.2 *What do you consider to be the benefits and costs associated with the proposals?***

Wave Telecom believes that although there may be benefits in the longer term (at present Wave Telecom cannot see any under the present Reference Offer products and services) such benefits are largely outweighed by the increase in complexity that these proposals bring. In the short to medium term, there is no benefit at all. Indeed the additional cost and complexity could be seen as a barrier to entry and without sufficient information regarding the reasons behind the proposals Wave Telecom cannot agree to such in their current form.

**4.3 *How do you believe the proposed changes would impact your business and/or encourage competition in the telecoms market in Guernsey? Please provide supporting information?***

Wave Telecom agrees with the DG's comments in section 4.1 and believes that at this time there is no benefit. Indeed the cost of such additional complexity would, no doubt, filter through to retail prices thus placing an additional burden on consumers. Furthermore, any routing changes within C&WG's network could affect the cost of specific calls if such changes altered whether such a call was single or double tandem. In order to avoid any increase such a change could bring it would be necessary for Wave Telecom to alter its access point thus incurring additional costs. It would also be necessary for C&WG to produce and keep up to date an EBC matrix to ensure that Wave Telecom could at all times obtain single tandem rates (where possible) and thus obtain least cost routing for calls. Furthermore, Wave Telecom is presently restricted to interconnection with the C&WG core network only. Therefore, all Wave Telecom originated calls terminating on the C&WG mobile network could be classed as double tandem and with no prospect of being able to obtain single tandem rates, this would place Wave Telecom at an immediate disadvantage with regard to call costs. Clarification of the routing requirements and terms of the proposal are necessary before more specific comments can be made regarding the implications of the changes.

Additional implications to be considered are to services such as call diversion, indirect access and number portability where additional charges could be raised and as stated above, these issues would also need further discussion and clarification.

**Time of Day Definition**

**4.4 *Do you consider that the C&WG amendments should be introduced into the interconnection and access regime in Guernsey and if so why?***

Wave Telecom does not believe that the proposed changes should be introduced into the interconnect regime at his time due to the level of unnecessary complexity caused by the introduction (please see comments below).

**4.5 *What do you consider to be the benefits and costs associated with the proposals?***

Additional costs will be incurred by the fact that there would be additional time bands to be accounted for, both on the interconnect and at a retail level. In such a small market, it is unlikely that sufficient additional traffic could be generated to cover these costs or shift any significant amounts of traffic from the peak periods. Furthermore, if this were to be introduced it is likely to bring confusion to customers who have grown accustomed to the existing 3 band system i.e. peak, off-peak and weekend. Sunday rates do not appear anywhere else in the British Isles and, when coupled with the fact that C&WG has made no move to introduce such a scheme for its own retail customers, the proposal could be seen to be restricting effective competition. In addition, Wave Telecom has had no visibility of the data that C&WG used in reaching the conclusion that such a system should be introduced. Without it, there is insufficient evidence to suggest that this proposal would be a beneficial introduction for either new market entrants or customers.

Wave Telecom endorses the comments made by the DG on this subject and can see only costs with no real benefits to either customers or Wave Telecom, if a Sunday rate were to be introduced.

**4.6 *How do you believe the proposed changes would impact your business and/or encourage competition in the telecoms market in Guernsey? Please provide supporting information.***

Please see response to Q4.5. Wave Telecom do not believe that this proposal will encourage competition in the telecoms market in Guernsey, but will only assist in hindering a new telecommunications providers ability to appeal to the market.

#### **Outgoing Off-Island Transit**

**4.7 *Do you consider that the C&WG amendments should be introduced into the interconnection and access regime in Guernsey and if so why?***

Wave Telecom does not believe that the proposed changes should be introduced into the interconnect regime at his time. Unless C&WG can demonstrate conclusively that the cost of delivering a call to the UK which terminates there, is different in any way to the cost of delivering a call to the UK for onward transmission, then there can be no justification for such a differentiation. It is the view of Wave Telecom that such a differentiation cannot be demonstrated.

With specific regard to resilience, this is the same for all routes to the UK. There is inherent resilience in the SDH system used and this covers all call types to and from the UK using the Guernsey - Jersey No4, UK - Jersey No7 and the UK - Guernsey No8 cables, all of which are part owned by C&WG. Wave Telecom can therefore see no justification for C&WG wishing to charge for resilience as a separate item, at different rates, depending on call destination. Only if dedicated submarine cable capacity were to be purchased by Wave Telecom, either in the form of an IRU or leased capacity, would back up capacity become an issue.

With regard to Guernsey - Jersey traffic, Wave Telecom submits that but for the inclusion of the CIEG cables, the existing links to Jersey via the Guernsey - Jersey No4 cable and microwave systems are in fact properly dimensioned for

the traffic they have to carry and are no better or worse than the other Channel Island submarine cables in terms of efficiency of use. Indeed the No4 cable carries not only half the CI – UK traffic (like the No 7 & 8 cables) but also the inter-island traffic as well. It could reasonably be argued, therefore, that the No4 cable is better utilised than the No7 or the No8 cables. The CIEG cable added considerable capacity on the route that was not required at the time and Wave Telecom should not be penalised because of this.

**4.8 *What do you consider to be the benefits and costs associated with the proposals?***

Please see comments above.

**4.9 *How do you believe the proposed changes would impact your business and/or encourage competition in the telecoms market in Guernsey? Please provide supporting information.***

In addition to the comments provided above, Wave Telecom can see no benefit to the inclusion of this proposal. The impact would be that of higher costs for the same provision of service. Again, Wave Telecom have seen no justifiable evidence of the reasoning behind any such proposals and without such evidence it can only conclude that these proposals will cause further unnecessary complexity.

## **Amendments to Product Descriptions**

### **Outgoing Transit**

**4.10 *Do you have any comments on the specific wording proposed for sub-schedule 3.04 of the RO as reproduced in Annex 1 of this document?***

Wave Telecom endorses the comments made by the DG on P13 of the consultation document and believes, as the DG does, that such a change, as proposed, would create restrictions where there should be none.

**4.11 *In what circumstances do you think it would be commercially or technically possible or likely that the C&WG network would be swamped by transit traffic as alleged?***

Wave Telecom can see no reason why this should occur. Although technically it is possible to deliberately swamp any network, there are call gapping controls in System X that the originating end can be asked to apply and which can be used to ameliorate the effect. However, it would not be in Wave Telecom's interest for this to happen as it would do nothing to enhance Wave Telecom's reputation in the market place. If such traffic levels were foreseen then it would be in C&WG's interest to provide the necessary capacity so that they could reap the income benefit from it.

**4.12 *Do you consider that the C&WG proposed amendments should be put in place and if so why?***

Wave Telecom does not believe that the proposed amendments should be introduced at this time, for the reasons discussed above.

**4.13 *Do you consider any alternative amendments would be appropriate and if so why?***

Wave Telecom believes that the existing product definitions, while not perfect, are adequate, and should be retained in their present form, at this time.

**4.14 *If you consider there should be no amendments please provide your reasons?***

Please see the comments above.

### **Incoming Transit**

**4.15 *Do you consider that the C&WG proposed amendments should be put in place and if so why?***

Wave Telecom endorses the comments made by the DG on P14 of the consultation document and believes, as the DG does, that such a change, as proposed, is unnecessary. In addition, Wave Telecom questions the need for an interconnect at all (except for local traffic) if such a service were to be introduced.

**4.16 *Do you consider any alternative amendments would be appropriate and if so why?***

No comment.

**4.17 *If you consider there should be no amendments please provide your reasons?***

Please see the comments contained within section 4.13 above.

### **On-Island Origination including Operator Services**

**4.18 *Do you consider that this service should be removed from the RO and why?***

Wave Telecom cannot foresee any circumstances where it would require such a service and cannot therefore see any reason for its retention.