



COMMENTS ON

OUR DOCUMENT 08/09

REVIEW OF C&W GUERNSEY'S WHOLESALE

BUSINESS

25TH APRIL 2008

1 INTRODUCTION

The OUR has issued Consultation Document OUR 08/09 entitled “Review of C&W Guernsey’s Wholesale Business”. Wave has raised concerns for some time on the service level received from C&WG wholesale and the lack of service equivalence in particular in the leased line market. Wave welcomed the opportunity of participating in the review process and is encouraged by the outcome of Regulaid’s work and the recommendations set out.

As stated by the OUR in “07/01 Reviewing C&W Guernsey’s Wholesale Leased Line Prices”, leased lines are fundamental building blocks in the telecommunications industry, and are a very important tool for telecoms service for the business community. The OUR consultation 07/01 together with the recent price control¹ decision provided the business community of Guernsey with wholesale leased line price certainty. Now Regulaid’s report “Review of C&W Guernsey’s Wholesale Business” has focused on the quality rather than price issues which are vitally important elements of wholesale service delivery and will complete the leased line product package for OLOs in Guernsey.

2 COMMENTS ON THE CONSULTATION

2.1 Leased Line Provisioning Process and Penalties for Poor Performance

Wave agrees with Regulaid’s recommendations. It is absolutely vital that changes are made to the leased line provisioning times to bring them into line with comparable operators and make them fit for the market and customer expectations. Wave welcomes the proposed revised targets for the two bandwidth classifications (2Mbit/s and below and above 2Mbit/s). The provision of the RFS date at the same time as order acknowledgement will be a great improvement and allow for better planning and co-ordination with Wave’s customers.

The inclusion of the option for OLOs to expedite certain orders should provide OLOs with some chance to compete on an equal footing with C&WG retail enabling them to meet customer requirements for leased line services in a shorter timescale. Wave would anticipate the expedite charge to be based on the additional work required to move the order through the system at a faster speed. Wave has some concern however, on whether C&WG would charge themselves if they effectively “expedited” an order and would expect some checks to be put in place to ensure that C&WG do not abuse the expedite facility to “push” its own retail orders through the system at a quicker pace than wholesale orders.

The introduction of a new target of installing 100% of circuits within the target times and more realistic penalties for poor performance, as per Regulaid’s recommendations, will encourage C&WG to meet its targets and give OLOs some level of confidence that RFS dates may be met.

2.2 Mandated Wholesale Products

C&WG should be required to offer a wholesale version of the service if the component parts of a service are not easily available or cannot be replicated and that element of the service is key to the product as a whole.

¹ OUR 08/07 Price Control for Cable & Wireless Guernsey – Wholesale On-island Leased Lines “the charges which it (C&WG) applies to each individual service within this basket shall not exceed the charges it applies for each of these individual service in place on 1st April 2008.”

2.3 Price Changes

Wave agrees with Regulaid's recommendation of 30 calendar days notice to wholesalers for price changes. Notice should be provided to wholesalers by letter and email for all price and product changes.

2.4 Term Discounts

Wave would like to see term discounts being offered to wholesalers on the same terms as retail customers. Wave believe that term discounts should be offered on all C&WG leased line products and not just on-island 2Mbit/s, off-island Pan CI 2Mbit/s, 45Mbit/s and Guernsey to London 2Mbit/s, 10Mbit/s (ethernet), 45Mbit/s, 100Mbit/s (ethernet) and 155Mbit/s. The current offering favours C&WG retail in that discounts are offered for retail off-island ethernet circuits but the retail on-island ethernet circuits do not qualify for a discount. Consequently, if OLOs purchase an on-island ethernet circuit to connect up with their own infrastructure to provide an off-island service they do not have the opportunity of benefiting from any discount. However, C&WG retail offer a discount on the complete end to end off-island circuit which, of course, includes the on-island portion.

Wave Circuit Numbers showing where retail term discounts offered

Confidential information redacted

2.5 Discounts based on volume

C&WG do not offer retail (as far as we are aware) or wholesale discounts for large volumes of leased lines purchased. However, C&WG have recently announced that they will be offering a 10% discount to retail customers who purchase 20 or more retail high speed internet services from 1st May 2008. This offer is not being extended to wholesalers. Wave would welcome a similar investigation into the Bitstream product and the discounts offered at the same time as an investigation into leased line discounts to ensure that an adequate profit margin is available to OLOs.

2.6 Liaison between C&WG and OLOs

Wave would welcome more regular meetings with C&WG to keep up-to-date with product changes and provide OLOs with the opportunity to feedback on issues affecting them. In particular, if Regulaid's recommendation is accepted, the appointment of a dedicated wholesale manager should help to foster a better relationship between OLOs and C&WG. It is hoped that the C&WG wholesale manager will work with OLOs and appreciate the issues important to OLOs.

2.6.1 Industry Forum

Wave believe that an industry forum could be beneficial for OLOs and C&WG and provide a regular venue for:-

- two-way information share;
- resolving issues;
- providing C&WG product forecasting information; and
- C&WG to provide information about new product development and to gain buy in from OLOs.

Structure of Forum

- Include representation from all wholesalers;
- C&WG wholesale manager should be forum chair;
- Maybe only warrant being held every six months;
- Should have clear terms of reference; and
- If issues raised at the forum not resolved within relevant period (to be defined) then there should be an opportunity to raise the issue to the next level.

2.7 Structure of wholesale

Wave agrees that the appointment of a dedicated wholesale manager would help C&WG to focus on the specific issues of wholesalers. Wave concurs with Regulaid's recommendation that wholesale staff should be rewarded on wholesale business.