



Introduction of Wholesale Line Rental (WLR)

Statutory Invitation to Comment

Modification of the licence of Sure (Guernsey) Limited

Document No: CICRA 14/37

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Modification of the fixed licence issued to Sure (Guernsey) Limited under Part 1 of The Telecommunications (Bailiwick of Guernsey) Law, 2001 (the Telecoms Law).

In accordance with:

- Section 8 of the Telecoms Law; and
- Condition 6 of the fixed licence issued to Sure (Guernsey) Limited under Part 1 of the Telecoms Law

the Guernsey Competition and Regulatory Authority (GCRA) hereby modifies the fixed licence of Sure (Guernsey) Limited.

Modification

Wholesale Line Rental (WLR) allows competitors to the telecom incumbents to offer a single bill that includes exchange line rental. Currently, the incumbent (in Guernsey, Sure) maintains a commercial relationship with the customer, given it is the only provider of exchange line rental, even if the customer uses a competitor for calls or broadband services. This allows the incumbent several potential advantages, including the obligatory continuation of a commercial relationship with all customers who take fixed-line services, and the ability to bundle products in a way its competitors cannot. WLR is intended to allow a measure of access competition to remove such obstacles to competition.

The GCRA has decided that the fixed telecommunications licence of Sure (Guernsey) Limited shall be modified to mandate the offer of WLR to Other Licensed Operators (OLOs). WLR will be made available to all OLOs by 1st June 2015, with the pricing to be determined between Sure and OLOs. Should they be unable to agree, then the appropriate wholesale prices will be determined by the GCRA.

The text of the new additional licence condition is published at the end of this Statutory Invitation to Comment

Reason for modification

In March 2014, the Jersey Competition Regulatory Authority and GCRA issued a joint consultation (CICRA 14/12) on the implementation of WLR, which would be implemented on a pan-Channel Island, industry-wide basis for fixed-lines. A Draft Decision (CICRA 14/30) and Final Decision (CICRA 14/35) were issued in respect of the proposed additional licence condition. The GCRA considered that in terms of benefits arising from this decision, the GCRA's view is that irrespective of whether customers choose to switch or not, the improved level of competitive pressure in the market is beneficial to all customers, and not confined to those that switch away from the incumbent operator. This is because the incumbent operator is likely to have to react to this competitive pressure in serving its existing customers, with related benefits to those customers who remain with it.

Representations or Objections

In accordance with section 8(2)(c) of the Telecoms Law, interested parties are invited to submit written representations or objections to the proposed new licence modification by 5pm Monday 4th August 2014. If no representations or objections are made, the additional licence condition will take effect by the issuing of a Statutory Notice.

Representations or objections in relation to the proposed licence modification should be received by the GCRA before **5pm Monday 4th August 2014**. All submissions should be sent in writing or by email, clearly marked "Wholesale Line Rental – Statutory Notice" and sent to the address below.

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Additional Licence Condition

Under Licence Condition 16 of Sure Guernsey's fixed licence, which relates to development of networks and services, a new condition will be added to the operator's licence, namely LC 16.9, as follows:

From the earliest reasonably practicable date after this licence condition takes effect, and in any event no later than 1st June 2015, the Licensee shall provide Wholesale Line Rental (WLR) for single lines on its fixed-line network to Other Licensed Operators. The Licensee shall be entitled to share the efficient costs of the provision of the WLR service proportionately with each of the Other Licensed Operators that seek WLR and will ensure that it makes representatives available to attend meetings, upon reasonable notice, with the GCRA and/or its representatives to discuss the implementation or operation of WLR. Where a dispute arises in respect of WLR charges, the GCRA may set the maximum price for the provision of such a service.