



BUSINESS CONNECTIVITY MARKET REVIEW

T1480GJ

Draft Decision

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GUERNSEY COMPETITION & REGULATORY AUTHORITY

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EXECUTIVE SUMMARY

This paper is the 'Draft Decision' of the Guernsey Competition and Regulatory Authority's (GCRA) review of the market for business connectivity in Guernsey (**BCMR**), and is published, as per section 5, of The Telecommunications (Bailiwick of Guernsey) Law, 2001 (**the Telecoms Law**).

The BCMR examines the provision of leased lines in Guernsey, which are high speed, high-quality connections that form the backbone of Guernsey's key digital infrastructure by supporting the provision of business, mobile and residential broadband services on the island. The information obtained during the BCMR enables the GCRA to better understand key developments in business connectivity on the island and to decide whether regulatory intervention is required to ensure the markets for leased lines are functioning well for business customers and operators.

The GCRA engaged 'Telcoconsulting' to assist with the BCMR and adopts the recommendations presented in the accompanying report marked **Annex 1**.

DRAFT DECISION

The GCRA has identified eight regulated markets relevant to the BCMR where licenced operators, Sure and JT, either singularly or jointly, are deemed to have significant market power (**SMP**) status.

Retail Market

Within the **Retail Market**, the GCRA has identified two product markets within each of the two geographic areas.

- **Market 1 – Retail Market for the provision of connectivity below 1Gbps in St Peter Port (GY1), St Sampson (GY2) and St Martin (GY4) post code areas - Sure and JT are jointly dominant.** Out of a total of [3<]. leased lines, Sure has 59.6% and JT 40.4%, and

these percentages are similar when calculated on a revenue basis. JT's share is smaller, but its dominance is based on the large (over [8] % of total revenue) States of Guernsey (SOG) contract that guarantees JT's unrestricted access for leased line provision to SOG for ten years.

- **Market 2 – Retail Market for the provision of connectivity below 1Gbps within the Rest of Guernsey (ROG).** Sure is dominant in this market and has sole SMP status. JT has no presence in this market.
- **Market 3 – Retail Market for the provision of connectivity >= 1Gbps within St Peter Port (GY1), St Sampson (GY2) and St Martin (GY4) post code areas, also referred to as Very High Bandwidth (VHB).** JT is the dominant provider and holds SMP status.
- **Market 4 – Retail Market for the provision of connectivity >= 1Gbps within the ROG.** Sure is the only provider of these services in this area and holds SMP status.

Wholesale Market

Within the **Wholesale Market**, the GCRA has identified two product markets within each of the two geographic areas.

- **Market 5 – Wholesale Market for the provision of connectivity within St Peter Port (GY1), St Sampson (GY2) and St Martin (GY4) post code areas below 1 Gbps.** Sure is the main provider of wholesale connectivity in this area. This continues to be the case, as the only alternative wholesale connectivity provider, JT, predominantly operates a point-to-point network and its business connectivity services do not rely on a wholesale model. Sure, therefore, retains its SMP status.
- **Market 6 – Wholesale Market for the provision of connectivity below 1Gbps within ROG. No operator currently provides wholesale connectivity within this area.** However, it is anticipated that there will be future requirements for access in this area.

- **Market 7 – Wholesale Market for the provision of connectivity \geq 1 Gbps within St Peter Port (GY1), St Sampson (GY2) and St Martin (GY4) areas.** Sure retains SMP status for the same reasons referred to under Market 5.
- **Market 8 – Wholesale Market for the provision of connectivity \geq 1 Gbps in ROG.** Sure retains SMP status despite very low leased lines in this market. Sure’s dominance is a direct result of it being the only provider of connectivity and ubiquity in the whole of Guernsey.

Responses to the Draft Decision

Interested parties are invited to submit responses to the GCRA in writing or by email to the addresses on the front of this paper. All comments should be marked ‘BCMR – Responses to Draft Decision’ and should arrive by 16:00 on Thursday 25 March 2021.