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Guernsey Competition Regulatory Authority,
Suites B1 & B2
Hirzel Court
St Peter Port
Guernsey
GY1 2NH

11/06/2014

For the attention of Mr Michael Byrne

Dear Michael,

"Business connectivity market review: Guernsey"

Please find response below on behalf of Jersey Airtel Limited and Guernsey Airtel regarding the consultation document no. CICRA 14/16 dated 8th April 2014.

Q1. Do you agree with the GCRA's proposed approach to market definition? If not, what alternative do you suggest?

Airtel- Vodafone - We agree to GCRA's approach to market definition is appropriate. We support CICRA's approach to adopting the broad principles of market definition as set out by the EU.

Q2. Do you agree with the GCRA's proposed approach to competition and SMP assessment? If not, what alternative do you suggest?

Airtel- Vodafone - We agree to GCRA's approach to competition and SMP assessment.

Q3. Do you agree with the GCRA's proposed approach to remedies, should there be a finding of SMP? If not, what alternative do you suggest?

Airtel- Vodafone - We agree to GCRA's proposed approach to impose suitable remedies.

Q4. Do you agree with the GCRA's preliminary view that the retail market should not be narrowed to reflect the delivery technology used? If not, why not?

Airtel- Vodafone - We agree to GCRA's approach that the retail market should not be narrowed to reflect the delivery technology used. However, we would like to highlight that with 4G roll out

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happening this year there will be significant increase in demand for AI (Ethernet) services. The proportion of TI services in market will reduce in next 2-3 years.

Q5. Do you agree that the retail market should not be broadened to include downstream services bought in conjunction with leased lines? If not, why not?

Airtel- Vodafone - We disagree with GCRA's approach with regards to IP. The prices of IP are very high as compared with mainland UK and other jurisdictions. So IP connectivity should be included along with review of private lease lines.

Q6. Do you agree that the retail market should not be broadened to include business connectivity services provided over broadband? If not, why not?

Airtel- Vodafone - We agree to GCRA's approach that retail market should not be broadened to include services provided over broadband. As noted by CICRA, lease lines provides reliability, security and better latency and hence remain main choice for businesses until the next generation of broadband is widely rolled out in the market. The availability of retail broadband product with guaranteed minimum Quality of Service is barrier to substitution of lease lines with broadband.

Q7. Do you agree that all retail leased line bandwidths fall within the same market? If not, why not?

Airtel- Vodafone - We agree to GCRA's approach that all retails lease line bandwidths fall within the same market.

Q8. Do you agree that separate geographic markets exist for Guernsey and Jersey? If not, why not?

Airtel- Vodafone - We agree to GCRA's approach that Jersey and Guernsey should remain separate geographic markets. However we support the view that the prices of lease lines should be same across both islands.

Q9. Do you agree that the retail market encompasses both on-island and off-island leased lines? If not, why not?

Airtel- Vodafone - We agree to GCRA's approach that retails market encompasses both on-island and off-island lease lines.

Q10. Do you agree that there are no particular areas within Guernsey where the conditions of retail competition are such that they may constitute separate geographic markets? If not, why not?

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Airtel- Vodafone – We disagree with GCRA’s position. The prices of circuits are dependent on whether the circuits fall within same exchange or different exchange. We believe that prices should be same independent of location within Guernsey.

Q11. Do you agree with the GCRA’s proposal not to designate any operator with SMP in the retail market for leased lines in Guernsey? If not, why not?

Airtel- Vodafone – We disagree with GCRA’s proposal not to designate any operator with SMP in the retail market for leased lines in Guernsey. We believe that JT’s roll out is concentrated in selected areas and is not across whole of Guernsey.

Q12. Do you agree that the GCRA’s preliminary conclusions outlined above in relation to the retail leased lines market are mirrored in the wholesale market? If not, why not

Airtel- Vodafone – We agree that the GCRA’s preliminary conclusions outlined above in relation to the retail leased lines market are mirrored in the wholesale market.

Q13. Do you agree that the wholesale market should not be broadened to include dark fibre and/or duct access? If not, why not?

Airtel- Vodafone – We disagree with GCRA’s view and believe that dark fibre/duct access should be included in the review. The prices of equipment required to ‘light’ fibre have come down significantly and large bandwidths can be supported by low cost equipment.

Q14. Do you agree that resellers should not be included within the market? If you do not agree, why not?

Airtel- Vodafone – We agree with GCRA’s view that resellers should not be included within the market

Q15. Do you agree that the wholesale market should not be defined on a narrower basis to reflect customer use of leased lines? If not, why not?

Airtel- Vodafone – We agree with GCRA’s view that the wholesale market should not be defined on a narrower basis to reflect customer use of leased lines.

Q16. Do you agree that self-supply should not be included in the wholesale market? If not, why not?

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Airtel- Vodafone – We agree with GCRA’s view that self-supply should not be included in the wholesale market.

Q17. Do you agree with the GCRA’s preliminary conclusion that separate geographic markets exist for Jersey and Guernsey? If not, why not?

Airtel- Vodafone – We agree with GCRA’s preliminary conclusion that separate geographic markets exist for Jersey and Guernsey. However we support the view that the prices of lease lines should be same across both islands.

Q18. Do you agree that there are separate geographic markets for on-island and off-island wholesale leased lines? If not, why not?

Airtel- Vodafone – We agree with GCRA’s proposed geographic segregation of on-island and off-island wholesale leased lines. Any connectivity where A and B points are physically on one island should be considered as on-island.

Q19. Do you agree that separate markets do not exist for wholesale off-island leased lines between Jersey and Guernsey, and off-island leased lines elsewhere? If not, why not?

Airtel- Vodafone – We agree with GCRA’s position that all off-island should be considered as one market and no distinction need be made between Jersey and Guernsey and off-island leased lines elsewhere.

Q20. Do you agree that there are no particular areas within Guernsey where the conditions of wholesale competition are such that they may constitute separate geographic markets? If not, why not?

Airtel- Vodafone – We agree with GCRA that whole of Guernsey should be considered as one wholesale market and no separate geographies need defining.

Q21. Do you agree with the GCRA’s preliminary conclusion that Sure is dominant in the provision of wholesale on-island leased lines within Guernsey? If not, why not?

Airtel- Vodafone – We agree with GCRA’s preliminary conclusion that Sure is dominant in the provision of wholesale on-island leased lines within Guernsey.

Q22. Do you agree with the GCRA’s proposal that Sure should be designated with SMP in the market for wholesale on-island leased lines in Guernsey? If not, why not?

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Airtel- Vodafone – We agree with GCRA’s proposal that Sure should be designated with SMP in the market for wholesale on-island leased lines.

Q23. Do you agree with the GCRA’s preliminary conclusions on dominance in the provision of wholesale off-island leased lines within Guernsey? If not, why not?

Airtel- Vodafone – We agree with GCRA’s preliminary conclusions on dominance in the provision of wholesale off-island leased lines within Guernsey.

Q24. Do you agree that a specific off-island licence would assist in ensuring that there is no impediment to accessing off-island capacity? If not, what alternatives do you suggest?

Airtel- Vodafone – We agree that one of the measures to reduce impediment to accessing off-island capacity will be issuing a specific off-island licence. As an added measure, GCRA must identify the all off-island capacity providers (potential and existing) and find out what they need to become active or more active suppliers in Guernsey for off-island capacity.

Q25. Do you agree with the GCRA’s proposal that no operator is or is likely to be dominant in the market for wholesale off-island leased lines in Guernsey? If not, why not?

Airtel- Vodafone – We agree with the GCRA’s proposal that no operator is or is likely to be dominant in the market for wholesale off-island leased lines in Guernsey.

Q26. Do you agree with the GCRA’s proposals on imposing access obligations? If not, why not?

Airtel- Vodafone – Yes we agree with the GCRA’s proposals on imposing access obligations.

Q27. The GCRA has identified 3 options as to how it could address the requirement to ensure access to off-island capacity. Which of these options would you favour? Why?

Airtel- Vodafone – We would favour option 3. The reason for this is that this option allows for most comprehensive and detailed process by which the question of access to off-island capacity can be addressed. This is important during initial stages of bringing in competition in the market as it will avoid any room for ambiguity in how connections are to be provided.

Q28. Do you agree with the GCRA’s proposals on imposing non-discrimination obligations? If not, why not?

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Airtel- Vodafone – We agree with GCRA’s proposals on imposing non-discrimination obligations.

Q29. Do you agree with the GCRA’s proposals on imposing transparency obligations? If not, why not?

Airtel- Vodafone – We agree with GCRA’s proposals on imposing transparency obligations.

Q30. Do you agree with the GCRA’s proposals on imposing accounting separation obligations? If not, why not?

Airtel- Vodafone – We agree with GCRA’s proposals on imposing accounting separation obligations.

Q31. Do you agree with the GCRA’s proposals for imposing cost accounting and price control remedies?

Airtel- Vodafone – We agree with GCRA’s proposals for imposing cost accounting and price control remedies.

Q32. Are there topics or priorities not covered in this consultation which you would like to raise?

Airtel- Vodafone – No, we do not believe any other topic needs to be addressed here.

We trust our response and comments meet with your approval and look forward to working with you in future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lisa Moyse', written over a light blue horizontal line.

Lisa Moyse
Head- Roaming, Legal and Regulatory
Guernsey Airtel Limited