

power to you



Jersey Competition Regulatory Authority,  
2<sup>nd</sup> Floor,  
Salisbury House,  
Union Street,  
St Helier,  
Jersey,  
JE2 3RF.

09/06/2014

For the attention of Mr Michael Byrne

Dear Michael,

"Business connectivity market review: Jersey"

Please find response below on behalf of Jersey Airtel Limited and Guernsey Airtel regarding the consultation document no. CICRA 14/17 dated 8<sup>th</sup> April 2014.

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

**Airtel- Vodafone** - We agree to JCRA'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 JCRA's proposed approach to competition and SMP assessment? If not, what alternative do you suggest?**

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

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

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

**Q4. Do you agree with the JCRA'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 JCRA'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

power to you



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 JCRA'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 JCRA'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 JCRA'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 JCRA'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 JCRA'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 Jersey where the conditions of retail competition are such that they may constitute separate geographic markets? If not, why not?**

**Airtel- Vodafone** – We believe that in Jersey the prices are uniform irrespective of location hence does not require separate approach to different geographic market.

power to you



**Q11. Do you agree with the JCRA's preliminary conclusion that JT is dominant in the provision of retail leased lines in Jersey? If not, why not?**

**Airtel- Vodafone** – We agree with JCRA's preliminary conclusion that JT is dominant in the provision of retail leased lines in Jersey. With Newtel and Sure focusing on certain type of business customers in few areas within Jersey, JT remains main supplier of lease lines and hence market share dominance is reflected in continuous high market share.

**Q12. Do you agree with the JCRA's proposal to designate JT with SMP in the retail market for leased lines in Jersey? If not, why not?**

**Airtel- Vodafone** – We agree with JCRA's proposal to designate JT with SMP in the retail market for leased lines in Jersey.

**Q13. Do you agree that the JCRA'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 with JCRA's view that preliminary conclusions in relation to the retail leased lines market is mirrored in the wholesale market.

**Q14. 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 JCRA'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.

**Q15. Do you agree that resellers should not be included within the market? If you do not agree, why not?**

**Airtel- Vodafone** – We agree with JCRA's view that resellers should not be included within the market

**Q16. 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?**

power to you



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

**Q17. Do you agree that self-supply should not be included in the wholesale market? If not, why not?**

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

**Q18. Do you agree with the JCRA’s preliminary conclusion that separate geographic markets exist for Jersey and Guernsey? If not, why not?**

**Airtel- Vodafone** – We agree with JCRA’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.

**Q19. 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 JCRA’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.

**Q20. 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 JCRA’s position that all off-island should be considered as one market and no distinction need be made between Jersey-Guernsey and off-island leased lines elsewhere.

**Q21. Do you agree that there are no particular areas within Jersey where the conditions of wholesale competition are such that they may constitute separate geographic markets? If not, why not?**

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

**Q22. Do you agree with the JCRA’s preliminary conclusion that JT is dominant in the provision of wholesale on-island leased lines within Jersey? If not, why not?**

power to you



**Airtel- Vodafone** – We agree with JCRA’s preliminary conclusion that JT is dominant in the provision of wholesale on-island leased lines within Jersey.

**Q23. Do you agree with the JCRA’s proposal that JT should be designated with SMP in the market for wholesale on-island leased lines? If not, why not?**

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

**Q24. Do you agree with the JCRA’s preliminary conclusions on dominance in the provision of wholesale off-island leased lines within Jersey? If not, why not?**

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

**Q25. 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, JCRA 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 Jersey for off-island capacity

**Q26. Do you agree with the JCRA’s proposal that no operator is or is likely to be dominant in the market for wholesale off-island leased lines in Jersey? If not, why not?**

**Airtel- Vodafone** – We disagree with the JCRA’s proposal that no operator is or is likely to be dominant in the market for wholesale off-island leased lines in Jersey. Although there are three operators supplying off-island circuits but prices remain high. The other two operators (Newtel and Sure) have set prices based on JT’s whole sale price which remains high. Off-island lease lines should be reviewed and benchmarked against other jurisdictions.

**Q27. The JCRA has identified 3 options as to how it could address JT’s proposed SMP in the retail leased line market. Which of these options would you favour? Why?**

**Airtel- Vodafone** – We believe option 3 will be best suited to address JT’s proposed SMP in the retail leased line market.

power to you



It is our belief that Option 1 will not give the desired result as retail minus 20% is a very low margin. This was also indicated in our response on 31<sup>st</sup> Jan 2012 to CICRA consultation on Wholesale Access Products. We believe the minimum discount for any such measure should have been 40-50%.

Option 2, in our opinion, would be difficult to implement and enforce. Even today we see examples of cross-subsidy in JT's retail arm where combined bundles are offered to customers including Mobile, Landline and Broadband.

**Q28. Do you agree with the JCRA's proposals on imposing access obligations? If not, why not?**

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

**Q29. The JCRA 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.

**Q30. Do you agree with the JCRA's proposals on imposing non-discrimination obligations? If not, why not?**

Airtel- Vodafone – We agree with JCRA's proposals on imposing non-discrimination obligations.

**Q31. Do you agree with the JCRA's proposals on imposing transparency obligations? If not, why not?**

Airtel- Vodafone – We agree with JCRA's proposals on imposing transparency obligations.

**Q32. Do you agree with the JCRA's proposals on imposing accounting separation obligations? If not, why not?**

Airtel- Vodafone – We agree with JCRA's proposals on imposing accounting separation obligations.

**Q33. Do you agree with the JCRA's proposals for imposing cost accounting and price control remedies?**

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

power to you



**Q34. 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', is written over a light blue horizontal line.

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