



Nitel Limited

**Response to CICRA Consultation 12/52
Initial Notice on Wholesale Line Rental Product**

November 2012

Nitel's Response to the Initial Notice on Wholesale Line Rental

Nitel has been a licensee in Jersey since the introduction of competition in 2003 and has been continually frustrated by the lack of competitive wholesale products in the fixed line market.

It has taken almost 10 years after the first direction from the JCRA in July 2004 to achieve virtually no progress whatsoever. In order for OLOs to compete on a level playing field we need wholesale agreements of 40 percent margin, as offered on the mainland for wholesale private circuits. Similarly, JT has managed to exclude smaller operators from providing wholesale xDSL services by placing minimum order requirements on services.

The introduction of Wholesale Line Rental (WLR) is also long overdue. However, Nitel is disappointed that at present ISDN is not included in the current proposal. In our opinion, ISDN wholesale is essential to stimulate proper competition in the fixed line market.

However, as proposed there is no clarity as to the overall usefulness of the product since there is no indication of the level of discount offered on the wholesale service. Furthermore there is no clarity on the additional administration costs nor the minimum quantity that an operator may enter the market.

If wholesale calls are included in this option, and again there is no clarity in the consultation, then what levels of discount will be offered and what bulk purchase levels will be offered to other operators?

Although the consultation hints that WLR ISDN will form part of a continuing project, there is no certainty that this product will be brought to market in any reasonable timescale. Nitel would prefer to see the introduction of Session Initiated Protocol (SIP) services that could be delivered over a broadband only line. This would enable a form of Carrier Pre Selection by small OSOs. Currently JT is investing public money in the development of its new fibre network and it seems to be a regressive step to continue with legacy products such as ISDN when modern private exchanges use more efficient signalling systems such as SIP. Once broadband only is available then fixed number portability would also be possible.

With respect to the proposed new condition to the JT licence, Nitel is disappointed that the wording appears so narrow. Since the consultation refers to the ongoing project to eventually include ISDN in the WLR wholesale portfolio, the condition should be broader to ensure that this can be added together with other new technologies such as SIP, number portability and broadband only, without further need to issue an Initial Notice.

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