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airtel



Channel Islands Competition Regulatory Authority,
2nd Floor, Salisbury House,
1-9 Union Street,
St Helier,
Jersey,
JE2 3RF

16 April 2015

For the attention of Mr Michael Byrne

Dear Michael,

"Review of the price control for wholesale on-island leased lines: Guernsey"

With reference to your letter CICRA 15/08 dated 19 March 2015, please find Jersey Airtel's Limited's (GALs) response below,

Q1: do you agree with the GCRA's proposal to implement a retail-minus price control, strengthened by supporting remedies? If not, what alternatives do you suggest?

GAL do not agree and would prefer to see cost plus as a way of encouraging increased competition in a leased line market.

Q2: do you agree that the control should be set ex ante? If not, why not?

No comment, see above.

Q3: do you agree that the control should apply to all wholesale on-island leased lines? If not what alternatives do you suggest?

GAL agree.

Q4: do you agree that the control should apply to each wholesale on-island leased line? If not, what alternatives do you suggest?

GAL agree.

Q5: do you agree that every retail on-island leased line product offered by Sure must have a wholesale equivalent? If not, what alternatives do you suggest?

GAL agree.

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Q6: should all retail price discounts and temporary promotions be mirrored in wholesale level pricing? If not, what alternatives do you suggest?

GAL believe they should be. The alternative cost plus wholesale model would leave temporary promotions discounts etc in the decision of each operator thus helping to create greater competition.

Q7: do you agree that the control should be set as a fixed percentage? If not, why not?

GAL agree.

Q8: do you agree that retail minus 20% is an appropriate margin? If not, what alternatives do you suggest?

GAL believe it should be Cost plus rather than retail minus.

Q9: do you agree that it is not appropriate to use the price control mechanism to address differential pricing? If not, why not?

GAL agree price control mechanism will help in controlling differential pricing, as it will be clear to all the operators, the actual cost of lease lines.

Q10: do you agree that the term of the price control should be aligned with the market review cycle? If not, what alternatives do you suggest?

GAL agree.

Q11: do you agree with the GCRA's proposed use of supporting remedies? If not, why not?

Whilst the remedies discussed in the document are acceptable as far as they go, GAL are concerned that the islands may miss the opportunity to introduce true competition in the leased line market.

We trust our response and comments meet with your approval and please do not hesitate to contact the undersigned should you have any further questions in this respect.

Yours sincerely

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

Ms Lisa Moyse
Head-Roaming & Regulatory Affairs