# OUR OFFICE OF UTILITY REGULATION

# Office of Utility Regulation

# Cable & Wireless Guernsey Limited Service Level Agreements for Retail Leased Circuits

Report on the Consultation and Decision Notice

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#### 1. Introduction

In October 2002 the Director General of Utility Regulation published a consultation paper<sup>1</sup> entitled "Cable & Wireless Guernsey Limited: Service Level Agreements for Retail Leased Services". Cable and Wireless Guernsey (C&W) currently offers a variety of analogue and digital Leased Circuits<sup>2</sup> for local, national and international use to retail customers. The majority of C&W's retail Leased Circuit customers are in the financial services sector. At the current time C&W has no standard Terms and Conditions specifically for Leased Circuits and instead uses the "Notes to Customers" as shown on the back of the contract that is printed from C&W's fixed network billing system.

Service Level Agreements ("SLA") for retail customers (i.e. end consumers) have become an important source of competitive advantage for telecom operators and a valuable commercial tool in competitive markets. It is recognised that SLAs provide a means for an operator to differentiate itself from competitors on the level of service it provides to its customers, as well as giving the customer a point of reference as to the level of service to be expected from the operator.

In competitive markets, the competitiveness or otherwise of an operator's offering, including any retail SLA would be determined by the market itself. However within the local fixed telecoms market which has only recently been opened up to competition, C&W is a dominant incumbent<sup>3</sup>. Whilst fixed telecom network licences have been awarded to Wave Telecom Limited and Newtel (Guernsey) Limited, C&W is likely to remain the dominant operator for some time. Condition 17 of C&W's Fixed Telecommunications Licence<sup>4</sup> sets out in detail C&W's obligations with respect to consumer protection and it was in accordance with this licence condition that the Director General initiated a consultation on SLA's for C&W's retail Leased Circuit customers.

# 2. Responses to the Consultation

C&W provided a detailed response to the consultation and the Director General appreciates the time and effort put in to providing the response.

In accordance with the Director General's policy towards consultation set out in Document OUR 01/01 – "Regulation in Guernsey; the OUR Approach and Consultation Procedures", C&W's non-confidential responses to the consultation are available for inspection at the Office of Utility Regulation in normal working hours.

<sup>2</sup> i.e. a fixed unswitched communication link between two points.

<sup>&</sup>lt;sup>1</sup> Document No OUR 02/36

<sup>&</sup>lt;sup>3</sup> Document No: OUR 01/14 Decisions under The Telecommunications (Bailiwick of Guernsey) Law, 2001 Decision Notice and Report on the Consultation September 2001

<sup>&</sup>lt;sup>4</sup> OUR Document No 01/18 Fixed Telecommunications Licence Conditions

# 3. Structure of the Paper

The remainder of this Report starts by presenting the non-confidential responses and the Director General's position with respect to each of the issues raised in the Consultation Paper. Section 4 considers the overall scope of C&W's SLA for Leased Circuits with the next four sections addressing Service Delivery (Section 5), Target Repair Times (Section 6), Minimum Availability (Section 7) and Compensation Regimes (Section 8).

Sections 9 and 10 consider C&W's Terms and Conditions for Leased Circuits and feedback on other priority areas for consumers respectively.

# 4. Overview of C&W's Service Level Agreement for Retail Leased Lines

#### 4.1. Scope of C&W's SLA

The OUR's Consultation Paper included a draft SLA for retail Leased Circuit services which had been prepared by C&W. The Director General was particularly interested to hear any specific comments interested parties had on any of the issues covered in that SLA and, in particular, sought views on whether consumers and users considered that the scope of C&W's proposed SLA addressed their needs and concerns.

On the basis of the Office's own research and experience in other European markets<sup>5</sup> the Director General believed that C&W's retail SLA should address, as a minimum, the following areas:

- Service delivery;
- Repair services;
- Minimum availability; and
- Compensation.

Consequently the Director General sought views from interested parties on whether respondents believed these issues to be appropriate for inclusion in C&W's SLA for Retail Leased Circuits and whether there were any other issues that should be addressed in the SLA.

#### Responses

C&W agreed that service delivery, repair services, minimum availability and compensation should be included in the SLA.

C&W expressed the view that a section on the ceasing of a leased circuit should be included within the SLA as it is important that the customer is fully aware of any responsibility of C&W or of the customer in the event of the cancellation of a circuit. As such the cessation of a service is distinct from service delivery and needed to be addressed separately.

<sup>&</sup>lt;sup>5</sup> Belgium, Netherlands and UK.

#### **Director General's Position**

The Director General welcomes the support for the proposal for service delivery, repair services, minimum availability and compensation to be included within C&W's retail SLA. The Director General recognises that these four areas represent the minimum requirements for inclusion within C&W's SLA and that, inter alia, C&W may wish to include the cessation of a service.

#### **Decision 1**

C&W's SLA for retail leased lines should address as a minimum:

Service Delivery;

Target Repair Times;

Minimum Availability; and

Compensation.

# 5. Service Delivery

#### 5.1. Scope of Service Delivery

The Director General had proposed that with respect to service delivery C&W's SLAs for Leased Circuits should at a minimum include service level targets for:

- guaranteed feedback times (time delay between the Order Intake and the time when C&W will then inform the customer of the receipt of the order and the Identification Number of the Leased Circuit), and
- guaranteed provisioning interval (time delay between the Order Intake and the Service Delivery Date agreed between the customer and C&W).

The Director General sought views on whether guaranteed feedback times and guaranteed provisioning intervals were appropriate with respect to service delivery to be included in C&W's SLA for Retail Leased Circuits. The Director General also sought views on whether any other aspects of service delivery should be addressed in the Service Delivery Section of the SLA.

#### Responses

C&W agreed that guaranteed feedback times and guaranteed provisioning intervals should be included with the SLA and that no other aspects needed to be included.

#### **Director General's Position**

The Director General welcomes the support for her proposal for the service delivery aspects of the SLA to include guaranteed feedback times and guaranteed provisioning intervals.

#### 5.2. Guaranteed Feedback Times

The Director General proposed target levels for guaranteed feedback times which are in line with practices in benchmark jurisdictions and should be readily achievable by C&W. The proposed target feedback times are shown in Table 1.

Table 1: Proposed Guaranteed Feedback Times with respect to Service Delivery

Type of Leased Circuit	First Feedback Time
Analogue Leased Circuits	2 Business Days
Digital Leased Circuits up to and including 2Mbit/s	2 Business Days
34 Mbit/s Leased Circuit	Project Based <sup>6</sup>
140 Mbit/s Leased Circuits	Project Based

In the Consultation Paper the Director General asked whether respondents agreed with these proposed guaranteed feedback times.

#### Responses

C&W agreed with the proposed initial feedback times in relation to Service Delivery subject to amending the types of leased circuits to reflect C&W's existing portfolio. C&W proposed that all references to 34 Mbit and 140 Mbit should be changed to 45 Mbit and 155 Mbit respectively as the former products are not in C&W's portfolio.

#### **Director General's Position**

The Director General welcomes the support for the proposals and has amended these to reflect C&W's product portfolio.

#### **Decision 2**

The Guaranteed Feedback Times with respect to Service Delivery to be included in		
C&W's Retail Leased Circuit SLA are:  Type of Leased Circuit First Feedback Time		
Type of Leased Circuit Analogue Leased Circuits	2 Business Days	
Digital Leased Circuits up to and	2 Business Days	
including 2 Mbits		
45 Mbit Leased Circuit	Project Based	
155 Mbit Leased Circuit	Project Based	

## 5.3. Guaranteed Provisioning Times

In accordance with practices in other jurisdictions the Director General proposed that C&W's provisioning times would be differentiated depending on the type of Leased Circuit ordered. The proposed provisioning intervals that the Director General set out in

<sup>&</sup>lt;sup>6</sup> Project Based means that each order is dealt with on an individual basis and the installation project plans and dates are set and mutually agreed by appointed project managers from the customer and from C&W. Compensation payments will be set for failure to meet agreed project targets.

the Consultation Paper for consideration by interested parties are shown in the Table 2 below.

Table 2: Proposed Guaranteed Provisioning Intervals

Product	M1020, M1025, M1040	64, 128kbit/s	Nx64kbit/s 2Mbits	34Mbit/s	140Mbit/s
Analogue Leased	20 Business				
Circuit	Days				
PDH Leased Circuit		30 Business Days	30 Business Days	Project Based <sup>7</sup>	Project Based
SDH Leased Circuit		30 Business Days	30 Business Days	Project Based	Project Based

#### Responses

C&W agreed with the provisioning intervals proposed by the Director General whilst suggesting that references to M1020, M1025 and M1040 would be better understood by retail customers as "All Analogue Leased Lines". C&W suggested that it was unnecessary to separate 128kbits from nx64 on the basis that 128kb is merely nx64kb where n=2. C&W also noted that whilst the C&W core network is SDH, the final delivery to the customer is PDH, hence complete circuits are a combination of PDH and SDH. As a result C&W proposed that all references to PDH and SDH Leased Circuits should be removed and such circuits should be described as "Digital Leased Circuits".

#### **Director General's Position**

The Director General agrees with the suggestions of C&W and has amended the categorisation to reflect the comments.

#### **Decision 3**

The Guaranteed Provisioning Intervals with respect to Service Delivery to be included in C&W's

The Guaranteed Provisioning Intervals with respect to Service Derivery to be included in C&W s			
Retail Leased Circuit SLA are:			
Product	<b>Guaranteed Provisioning Interval</b>		
Analogue Leased Circuits	20 Business Days		
Digital Leased Circuits:			
64kbits	30 Business Days		
nx64kbits to 2Mbits	30 Business Days		
45Mbits	Project Based		
155Mbits	Project Based		

<sup>&</sup>lt;sup>7</sup> Project based means that C&W will make firm commitments to the customer regarding the provisioning times and guaranteed delivery date which would have been mutually agreed. There would be compensation for non-performance of project based targets.

## 6. Faults Repair Times

#### 6.1. Scope of Fault Repair

The Director General proposed in the Consultation Paper that faults could be differentiated by the degree to which the service provided to the customer is affected. On this basis the Director General proposed that C&W's SLA should include targets for:

- Feedback to customers in the case of service affecting faults (e.g. complete interruption of line);
- Target time to repair in the case of service affecting faults; and
- Target time to repair in the case of non service affecting faults (e.g. gradual quality degradation).

Views were sought from interested parties on the proposed classifications and the proposed use of separate targets for service affecting faults and non service affecting faults. The Director General also wished to ascertain whether there were any other indicators relating to fault repair times that should be addressed in the SLA.

#### Responses

C&W agreed with the Director General's proposal that faults should be classified, but suggested an alternative approach based on the company's experience. C&W pointed out that a fault may be service affecting because the circuit has degraded to such an extent that it cannot be used – i.e. in effect there is complete interruption of the line which C&W classify as "Critical Service Affecting" and which equates to the proposed definition of "service affecting" fault. However, in the experience of the company, there is a second situation where the line is degraded, but the customer can, and at times insists that they do, continue to use the line until a time that is convenient to the customer to have the repair carried out. C&W classify this type of fault as a "major service affecting fault". Consequently C&W suggested that "non-service affecting faults" is in fact a third classification. This three tier classification is consistent with the classifications adopted in C&W's Wholesale Leased Circuit Service Agreement.

C&W agreed with the choice of targets, namely feedback times and time to repair, that the Director General had proposed.

#### **Director General's Position**

The Director General welcomes the support for the proposals.

The Director General accepts the three tier classification of faults suggested by C&W on the basis that it is the customer who determines whether a service affecting fault where the quality is degraded is either a critical or a major service affecting fault by deciding whether to immediately release the line for testing.

#### **Decision 4**

The classification of faults within C&W's Retail Leased Circuit SLA will be as follows:

Classification of Fault Criteria

Critical Service Affecting: Total loss of service

Seriously degraded service where the customer is prepared to immediately release the Leased Circuit for testing.

Major Service Affecting: **Degraded service** where the customer is

still able to use the Leased Circuit and is not prepared to immediately release it for

testing.

Non Service Affecting: Any fault that does not fall into the other

two classifications.

#### 6.2. Feedback

The Director General identified that best practice in dealing with the repair of faults included regular and timely communication between the customer and the retail service provider. Hence feedback to customers concerning the confirmation of faults and the provision of regular updates contributes towards good quality of service. The Director General therefore proposed that C&W inform the customer on the progress of the fault within one hour and then provide regular updates as agreed with the customer. However the Director General proposed that C&W must also ensure that every fault is acted upon by a technician within 30 minutes of receipt of the notification of the fault. The original proposals are summarised in the Table below.

Table 3: Proposed Feedback to the Customer in the case of Service Affecting Faults

<b>Maximum Intervention Time</b>	First Information Time	Additional Information Time
½ hour	1 hour	As agreed with Customer

#### **Director General's Position**

The Director General has not received any information to cause her to change her original proposals with respect to feedback to Customers in the case of service affecting faults. The Director General has provided some additional clarification regarding the purpose of the Maximum Intervention Time. This clarification has led to the redefinition of the original "First Information Time" as the "Second Information Time".

For the avoidance of doubt the Maximum Intervention Time means that within ½ an hour C&W will have notified the customer that C&W are aware of the fault and are taking appropriate steps to rectify the situation. C&W should communicate this, and as much other relevant information to the Customer within ½ an hour of being notified of the fault i.e. this requirement does not necessarily mean that C&W will be on site within 30 minutes of being notified of the fault. At the Second Information Time an engineer will have received the fault report and given a view of what action needs to be taken, this may

include inter alia identifying specialist support and scheduling it to get to where it needs to be. At this time C&W will also agree with the customer additional information times.

#### **Decision 4**

Feedback to Customers in the case of Critical Service Affecting Faults			
Maximum Intervention Time         Second Information Time         Additional Information Time			
½ hour	1 hour	As agreed with Customer	

#### 6.3. Target Times to Repair

The Consultation Paper described proposed target times to repair the various types of faults on the various types of leased circuits.

Proposed Target Times to Repair in the case of service affecting faults are shown in Table 4 below and reflect the ranges in other jurisdictions where there is a distinction based on the type of digital Leased Circuits service.

Table 4: Proposed Target Time to Repair in the case of Service Affecting Faults

Leased Circuit Type	Service	Guaranteed Repair Time
Analogue Leased Circuit	M1020/M1025/M1040	8 Working Hours
Digital Leased Circuits	64, 128, Nx64kbit/s	8 Working Hours
Digital Leased Circuits	2, 34, 140Mbits/s	8 Clock Hours

Proposed Target Times for Repair in the case of non service affecting faults are shown in Table 5. These targets are again based on international benchmarks.

Table 5: Proposed Target Time to Repair in case of Non Service Affecting Faults

Leased Circuit Type	Service	Guaranteed Repair Time
Analogue Leased Circuit	M1020/M1025/M1040	
Digital Leased Circuits	64, 128, Nx64kbit/s	3 Business Days
Digital Leased Circuits	2, 34, 140Mbits/s	

The Director General invited comments from interested parties on the proposed guaranteed repair times.

#### **Director General's Position**

In the light of confidential comments in response to the consultation the Director General has amended her proposal. However, the Director General considers that this matter should be kept under review and will be re-examined should she receive customer representations on the matter.

#### **Decision 5**

Target time to Repair in the case of Critical and Major (once Customer approval given) Service Affecting Faults to be included in C&W's Retail Leased Circuit SLA with respect to all Analogue and Digital Leased Circuits is 8 Working Hours.

#### **Decision 6**

Target time to Repair in the case of Non Service Affecting Faults to be included in C&W's Retail Leased Circuit SLA with respect to all Analogue and Digital Leased Circuits is 3 Business Days.

### 7. Minimum Availability

#### 7.1. Measuring Availability

The Director General set out in the Consultation Paper her intention to use minimum availability time on an annual basis in order to measure service availability – a standard approach used in other jurisdictions. The availability of a Leased Circuit is therefore simply defined as the percentage of time during a year which the line can be used. The Director General asked whether respondents believed this to be an appropriate measure of minimum availability.

#### Responses

C&W agreed that the availability of a Leased Circuit should be defined as the percentage of time during the year which the line can be used. C&W did not believe that there are any other measures that needed to be included.

#### **Director General's Position**

The Director General welcomes the support for her proposal to use minimum availability an annual basis.

#### **Decision 7**

The availability of the leased line will be measured using the following formula: Availability of leased line = 100% - ((time unavailable during the year / total time in the year) x100)

#### 7.2. Minimum Availability Targets

The Director General had proposed to set a minimum availability of time of 99.90%. This equates to the unavailability of the line for no more than 8.75 hours each year. Respondents were asked to comment on this proposed guaranteed availability target.

#### Responses

C&W did not agree with the proposed target of 99.9% and suggested that the target should be 95% availability on the basis that this is the same target as contained in C&W's Wholesale Leased Circuit Services Agreement.

#### **Director General's Position**

The Director General notes that C&W's proposed target of 95% would mean that a Leased Circuit may be unavailable for over 18 days each year without the customer receiving any compensation. Furthermore, whilst it is noted that this is consistent with the C&W Wholesale Leased Circuit Services Agreement, the Director General has received no reasons to suggest that 99.90% availability is not achievable. The OUR's own research showed that the minimum service availability targets in the benchmark jurisdictions were in the range of 99.90% to 99.95%. As C&W is the dominant player within the Bailiwick's recently liberalised telecoms market, and has been found to have a dominant position in the market for Leased Circuits in particular, the majority of customers must rely on the company for their service pending the development of competition in the market. The Director General considers that the level of availability of Leased Circuits for such customers should be comparable with other European jurisdictions. This Decision will be reviewed as the competition develops within the market.

#### **Decision 8**

The Minimum Availability time on a yearly basis for all C&W's Retail Analogue and Digital Leased Circuits will be 99.90%.

# 8. Compensation

#### 8.1. Scope for Compensation

The Director General proposed that compensation for failure to comply with critical SLA targets should be included within C&W's SLA. The Director General therefore proposed to include compensation regimes for non compliance with the following targets:

- Provisioning in terms of delay after ready for service date;
- Service affecting repairs for all types of Leased Circuits; and
- Guaranteed minimum availability.

Respondents were asked whether they agreed that the SLA should contain these compensation conditions for non-compliance of the relevant service levels specified in the SLA and whether there were any other aspects that should be linked to compensation conditions.

#### Responses

C&W agreed that compensation should be included for failure to provision or repair service affecting faults to target times.

However C&W did express concern over compensation for failure to meet the minimum availability target on the basis that if C&W fails to repair a fault within the target time, then the customer would be eligible for compensation. The same failure will also impact on the availability of the circuit and may contribute towards non-compliance with the minimum availability target. Hence in a particular scenario C&W may be required to pay compensation for non-availability and thus two compensation payments will arise from the same event. C&W requested clarification regarding precisely how the compensation conditions would apply.

#### **Director General's Position**

The support for the proposal for compensation regimes to be applied to provisioning targets and repairs to service affecting faults within target times is welcomed. The Director General however amends her original proposal to reflect C&W's two tier classification of service affecting faults which C&W disaggregate to Critical and Major.

The Director General can confirm that C&W's interpretation of the application of the compensation regime is correct, i.e. a customer may be eligible for compensation for both failure to repair a service affecting fault within the target repair time and for failure to provide the leased circuit for the minimum available time. This would seem to be entirely appropriate as the customer concerned may have suffered a double impact on their business, firstly due to the failure to meet the target repair time for a particular circuit and secondly by overall down time on the circuit.

#### **Decision 9**

C&W's SLA for retail Leased Circuits will include as a minimum compensation regimes with respect to:

Provisioning in terms of delay after ready for service date;

Critical and Major Service affecting repairs for all types of Leased Circuits; and Guaranteed minimum availability.

#### 8.2. Compensation with respect to Provisioning

The Director General's proposed compensation regime upon which the Director General invited comments is set out in the table below.

**Table 6: Proposed Compensation for Provisioning** 

Delay after Service Delivery Date	Compensation
1 – 5 Business Days	25% Monthly Rental Fee
6 – 10 Business Days	50% Monthly Rental Fee
More than 10 Business Days	100% Monthly Rental Fee

#### Responses

C&WG agreed with the proposed compensation scheme.

#### **Director General's Position**

The Director General welcomes the support for the proposed compensation regime for delays in provisioning.

#### **Decision 10**

C&W's Compensation regime with respect to Provisioning Standards shall be as follows:

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<b>Delay after Service Delivery Date</b>	Compensation
1 – 5 Business Days	25% Monthly Rental Fee
6 – 10 Business Days	50% Monthly Rental Fee
More than 10 Business Days	100% Monthly Rental Fee

#### 8.3. Compensation with respect to Targets for Repairs

On the basis of benchmarking compensation regimes in other jurisdictions the Director General proposed C&W implementing compensation regimes for failure to comply with service affecting repair targets and invited comments on these proposals which are reproduced in Tables 7 (analogue), 8 (PDH) and 9 (SDH).

**Table 7: Proposed Compensation for Service Affecting Repair – Analogue Leased Circuits** 

	Net Repair Time	Compensation
	8 to 12 Working Hours	10% of Monthly Charge
Analogue	12 to 16 Working Hours	15% of Monthly Charge
M1020/M1025/M1040	16 to 24 Working Hours	20% of Monthly Charge
	24 to 32 Working Hours	25% of Monthly Charge
	32 to 40 Working Hours	30% of Monthly Charge
	>40 Working Hours	50% of Monthly Charge

**Table 8: Proposed Compensation on Service Affecting Repair – PDH Leased Circuits** 

	Net Repair Time	Compensation
	8 to 12 Working Hours	10% of Monthly Charge
64, 128, Nx64kbit/s	12 to 16 Working Hours	15% of Monthly Charge
2, 34, 140 Mbit/s	16 to 24 Working Hours	20% of Monthly Charge
PDH Leased Circuits	24 to 32 Working Hours	25% of Monthly Charge
	32 to 40 Working Hours	30% of Monthly Charge
	>40 Working Hours	50% of Monthly Charge

Table 9: Proposed Compensation on Service Affecting Repair – SDH Leased Circuits

	Net Repair Time	Compensation
2, 34, 140 Mbit/s SDH Leased Circuits	8 to 12 Clock Hours	10% of Monthly Charge
	12 to 16 Clock Hours	15% of Monthly Charge
	16 to 24 Clock Hours	20% of Monthly Charge
	24 to 32 Clock Hours	25% of Monthly Charge
	32 to 40 Clock Hours	30% of Monthly Charge
	>40 Clock Hours	50% of Monthly Charge

#### Responses

C&W agreed with the level of compensation proposed by the Director General. In accordance with their earlier comments regarding PDH and SDH leased Circuits they suggested that these tables could be presented in one table as the same compensation regime applies to all retail leased circuits.

#### **Director General's Position**

The Director General agrees with C&W's suggestion and has modified the proposals to reflect C&W's product portfolio in response to earlier comments from C&W. The Director General has also adjusted her original proposals to be consistent with earlier Decisions in this Report.

These compensation conditions for fault repair times apply to both "Critical" and "Major" service affecting faults, though for the latter the repair times apply once the customer has the released the leased circuit for testing.

#### **Decision 11**

C&W's compensation regime with respect to target repair times for Analogue Leased Circuits and Nx64kbit/ Digital Leased Circuits (below 2Mbit) shall be as follows:				
	<b>Net Repair Time</b>	Compensation		
	8 to 12 Working Hours	10% of Monthly Charge		
Analogue Leased Circuits	12 to 16 Working Hours	15% of Monthly Charge		
&	16 to 24 Working Hours	20% of Monthly Charge		
Digital Leased Circuits	24 to 32 Working Hours	25% of Monthly Charge		
_	32 to 40 Working Hours	30% of Monthly Charge		
	>40 Working Hours	50% of Monthly Charge		

#### 8.4. Compensation with respect to Minimum Availability Time

The Director General proposed a compensation scheme for non compliance with minimum availability target that is similar in structure as that used in the benchmark jurisdictions. In this instance if the Leased Circuit is unavailable for more than 8.75 hours in a year, then the Customer would be entitled to compensation equivalent to 10% of the total yearly rental charge <sup>8</sup>. The Director General invited comments from respondents on the proposed compensation arrangements.

#### Responses

C&W stated that they needed to understand fully the proposals regarding the minimum availability measure before being able to comment on the absolute level of compensation.

#### **Director General's Position**

The Director General has provided a full explanation of the minimum availability targets and the relationship of this indicator with the target time to repair targets. In the event the respondent did not provide any alternative proposals for the Director General to consider. For the time being therefore the Director General considers that the original proposal is appropriate for the Guernsey market.

#### **Decision 12**

In the event that any Leased Circuit is available for less than the minimum availability time then the customer would be entitled to compensation equivalent to 10% of the total yearly rental charge, where the total yearly rental charge is defined as the monthly fee of the Leased Circuit applied during the last month of the availability measurement period x 12.

#### 9. C&W's Terms and Conditions for Leased Circuits

The Director General had previously stressed that it is essential that the SLA for Leased Circuits is consistent with C&W's Terms and Conditions for its Leased Circuits service. The Director General invited interested parties to respond to and comment on the content and structure of the draft Terms and Conditions prepared by C&W and which were included in Appendix A to the original Consultation Paper. In the event only C&WG responded to the consultation, but the Director General is pleased to be informed that C&W has drafted new Terms and Conditions and service level statements for all products and services and looks forward to these being introduced in the near future.

<sup>&</sup>lt;sup>8</sup> The yearly value fee of the Leased Circuit is calculated as follows:

<sup>-</sup> Monthly fee of the Leased Circuit applied during the last month of the availability measurement period x 12.

# 10. Other Priority Services

The Director General noted that as C&W is likely to remain the dominant incumbent operator for the foreseeable future the regulatory regime would be essential as a proxy for competition to protect consumers' interests and ensure the provision of a quality service by C&W. To respond to the needs of consumers the Director General was keen to receive feedback from customers as to which elements of the retail market should be treated as priorities in relation to service levels. There were no responses to this question and OUR will therefore proceed with its published work programme for the telecoms sector<sup>9</sup>, but will keep this matter under review.

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<sup>9</sup> www.regutil.gg/tele\_work\_programme.asp