



Office of Utility Regulation

Cable and Wireless Guernsey: Reference Offer

**Notice of Proposal to issue a Direction to Cable and
Wireless Guernsey Ltd under Section 27 of the
Telecommunications (Bailiwick of Guernsey) Law,
2001**

Document No: OUR 03/19

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1. Background

1.1. *Publication of Reference Offer*

In preparation for the opening of the Guernsey telecommunications market to competition, Cable & Wireless Guernsey (C&W Guernsey) (Guernsey Telecoms Limited at that time) has been required by the Director General of Utility Regulation to publish a Reference Offer (RO) for interconnection and access services. C&W Guernsey initially published a draft RO in December 2001. The Office of Utility Regulation (OUR) issued a public consultation on this draft document and undertook a review of the detailed text of the RO.

Resulting from the public consultation and the OUR review, the OUR required a revision of the draft RO. This was commented on by C&W Guernsey and final directions were issued to C&W Guernsey during June-July 2002 on the adjustments to the RO considered necessary by the OUR.

C&W Guernsey published a revised RO on 15th July 2002 and this document, with minor amendments, has been available as the basis for new entrants to negotiate interconnection with and access to C&W Guernsey networks and services. The full text of the RO is available from C&W Guernsey on its website at http://www.cw.com/guernsey/service_providers/reference_offer/

OUR information note OUR 02/20 published in July 2002 describes this process and the directions in more detail and is available from the OUR website www.regutil.gg.

1.2. *Direction Relating to Leased Lines in the RO*

In particular, one of the directions addressed the inclusion of leased lines (on island leased lines, off island leased lines and partial leased lines) in the RO. C&W Guernsey stated that it did not believe that these services should be included in the RO with the exception of Partial Leased Circuits. The OUR considers that these services should be included in the RO for completeness and ease of reference for new entrants into the market and therefore directed C&W Guernsey to include them.

C&W Guernsey accepted its obligation to provide leased lines to competing operators in the context of a wholesale offering and confirmed it would comply with that obligation if any licensed operators requested such services. C&W Guernsey agreed to develop full service descriptions and a price schedule for wholesale leased circuits and publish this information on its website by 1st October 2002 at the latest. This information was duly published and is available on the C&W Guernsey website at: www.cw.com/guernsey/service_providers/products_and_services/gsy_04_01.html

The relevant direction was issued on the 4th July 2002 (the “leased lines direction”) and was set out in Document OUR 02/20C issued under the Telecommunications (Bailiwick of Guernsey) Law, 2001 (the Law).

That direction states:

“In accordance with Section 10(3) and having regard to section 10(2) of the Telecommunications (Bailiwick of Guernsey) Law, 2001, Guernsey Telecoms Ltd is hereby directed to make the adjustments to the Reference Offer detailed in part 2 of this document. The adjusted Reference Offer incorporating these adjustments, shall be republished by Guernsey Telecoms Ltd on 15th July 2002 by making the Reference Offer document available on its website and, on request, in hard copy, to interested parties.

GT is in particular directed to adjust Schedule 3 of the RO in a manner that ensures that the numbering of the document is in the correct order and all cross referencing to numbered schedules and paragraphs and clauses are correct. Furthermore, GT is directed to adjust all other parts of the RO that may require consequential adjustments to ensure consistency and accuracy whether in definitional terms, cross referencing, numbering or otherwise.

In making adjustments where OUR has not included detailed textual adjustments in its Direction, it is the responsibility of GT to ensure that the text it finally publishes complies with the objectives sought to be achieved by this Direction. In complying with this Direction GT is also required to ensure that it can support and provide the relevant services.

To the extent that GT has objectively justifiable reasons related to its capabilities that make it impossible to comply with the text of section 2.3 of the Direction GT is directed to include in its RO text which is substantially similar in nature and which achieves the same objective as the text contained in section 2.3 of this Direction.”

The relevant section of part 2 of the document referred to in the leased lines direction is in annex A to this document.

2. Breach of Direction

The OUR is satisfied that C&W Guernsey has failed to comply with the leased lines direction. As C&W Guernsey continues not to include the relevant services in the RO, the company is hereby found to be in breach of the direction of 4 July 2002.

3. Proposed Direction

Accordingly and in accordance with section 27 of the Law, the OUR proposes to make the following direction.

“Cable & Wireless Guernsey is directed to comply with the direction issued on 4 July 2002 under section 10(2) and 10(3) of the Telecommunications (Bailiwick of Guernsey) Law, 2001 by including in the Reference Offer the service schedules specified in Document OUR 02/20C and reproduced at Annex A to this document, in accordance with the terms of that direction. Cable & Wireless is also directed to include in Schedule 5 of the Reference Offer, appropriate charges for the services set out in the above mentioned service schedules. The revised Reference Offer shall be published by 22 August 2003.”

4. Sanctions

In the event that C&W Guernsey does not comply with any direction issued in accordance with Section 27 of the Law, the OUR may take steps with a view to imposing any of the sanctions available under the Law. The sanctions set out in section 27 of the Law are;

- Suspension of licence
- Revocation of licence or
- Imposition of a financial penalty

Before invoking any of these sanctions the OUR must follow the procedure set out in section 28 of the Law.

The OUR reserves the right to invoke any of these sanctions but clearly cannot fetter her discretion or prejudge the final Direction that may be issued until after she has complied with the procedure set out in section 27 of the Law and considered any written representations or objections that may be made.

5. Conclusions

In accordance with Section 27(3) of the Law, the OUR hereby gives notice, of her intention to issue a direction to C&W Guernsey under Section 27(2) of the Law

C&W Guernsey and any interested parties may make any written representations or objections in respect of the proposed Direction. Such written representations or objections must be provided by 5.30pm on Friday 1 August 2003 and shall be sent to the following address:

Office of Utility Regulation
Suites B1&B2
Hirzel Court
Hirzel Street
St Peter Port
Guernsey
GY1 2NH

In accordance with section 27(4) of the Law, the OUR shall consider any representations or objections received within the relevant time period before deciding whether to issue a final direction.

/END

Annex A: Extract from Directions Document OUR 02/20C provided to GT on 4th July 2002

Class 3 Adjustments to Schedule 3

This section addresses those schedules where GT has provided no comments on the text provided to GT by OUR. The Service Schedules where this approach was adopted by GT include:

- Schedule 3.08 – Partial On-Island Leased lines
- Schedule 3.09 – On Island Leased Lines
- Schedule 3.10 – Off Island Leased Lines
- Schedule 3.11 – Managed Switch Service
- Schedule 3.21 – Data Management Amendments

GT has argued that leased lines should not be included in the Reference Offer on the basis that these are not “interconnection services” as such services are defined with regard to the definition of “interconnection” in the Telecoms Law. The Director General agrees with GT that leased lines are not interconnection as defined in Law. However, the Telecoms Law addresses the requirement to produce a reference offer which is defined as “a standard interconnection **and access** agreement which is available under non-discriminatory terms, conditions and charges, and on a non-discriminatory basis,..” (emphasis added)¹. Thus the Reference Offer is not confined to interconnection services but is required to include access services also.

Access includes “such facilities and services as may be necessary to obtain or facilitate the obtaining of access to telecommunications networks, telecommunications equipment, network termination points and associated facilities for the purposes of the provision of telecommunications services”². The Director General notes that access to leased lines has comprised a fundamental element of the development of competition in most if not all liberalised jurisdictions and believes it is essential to the Guernsey market that new entrants also have access to leased lines on fair, non-discriminatory terms.

Therefore the Director General considers that leased lines should be included in the Reference Offer and GT is directed to make the adjustments to the RO as set out in this section.

¹ Section 10(2)(b) of the Telecommunications (Bailiwick of Guernsey) Law, 2001

² Section 31(1) of the Telecommunications (Bailiwick of Guernsey) Law, 2001

Schedule 3.08 – Partial On-Island Leased Lines

GT has provided no comments on OUR's proposed text for this service. OUR has undertaken a further review of its initial text and has implemented a number of improvements. GT is directed to include this service in the RO by insert the text as set out below in Schedule 3.08. GT may adjust the text if that is required to ensure that the text is in line with its own capabilities. However, if OUR considers that any such adjustments are not appropriate, GT will be directed to make further appropriate adjustments.

As this schedule is being re-inserted, it will have consequent effects on the schedule numbering and GT is directed to make all necessary adjustments to schedule numbering and to ensure that cross-references are correct.

“SCHEDULE 3.08

On-Island Partial Leased Lines

- 1. Description of Service**
 - 1.1 *The On-Island Partial Leased Line Service will be provided by GT in accordance with the terms and conditions of this Agreement*
 - 1.2 *The On-Island Partial Leased Line Service will comprise dedicated transmission capacity between two specified locations. One of the specified locations will be a physical point of the Telco's System (the 'B End') and the other will be the premises of a Telco's Subscriber or a Telco's User (the 'A End'). Both locations must be within the Bailiwick.*
 - 1.3 *The On-Island Partial Leased Line Service will include SDH multiplexing equipment which will be installed at the A End and a DDF which will installed at the B End of the dedicated transmission capacity.*
 - 1.4 *Relevant details of all On-Island Partial Leased Lines ordered and provided, including A and B Ends, shall be specified in Schedule 6 (Schedule of Services Taken)*
 - 1.5 *Available bandwidths for dedicated transmission capacity are as specified from time to time in Schedule 5 (Interconnect and Access Price List).*
 - 1.6 *Provisioning and test procedures are as specified in the Technical Manual and Operations and Maintenance Manual.*
- 2. Obligations of the Parties**
 - 2.1 *GT will be responsible for planning, providing and maintaining On-Island Partial Leased Lines in accordance with GT's standard provisions for its retail leased line product.*
 - 2.2 *GT is responsible for installation of SDH multiplexing equipment at the A End and the connection of the dedicated transmission capacity to the DDF at the B End.*

- 2.3 *The SDH multiplexing equipment shall conform to the standards set out in the Technical Manual and Operational and Maintenance Manual*
- 2.4 *The Telco is responsible for installation of the DDF at the B End and for connecting from the DDF to its own termination equipment.*
- 2.5 *Procedures for Fault reporting will be as per those set out in Schedule 4 (Service Level Agreement) and the Operations & Maintenance Manual.*
- 2.6 *If GT fails to restore the service of an On-Island Partial Leased Line, where the Fault in the On-Island Partial Leased line reported by the Telco is within the parameters set out in GT's retail leased line product description, then GT shall be liable to compensate the Telco in line with GT's standard retail service level commitments or any other arrangements GT and Telco agree upon*

3. Charging & Billing

- 3.1 *The Telco shall pay to GT the appropriate Charges for On-Island Partial Leased Lines as specified from time to time in the Schedule 5 (Interconnect and Access Price List).*
- 3.2 *The installation and rental Charges shall be payable by the Due Date, and shall be calculated from the Brought into Service (BIS) Date. Rental Charges shall be payable quarterly in advance.*
- 3.3 *In accordance with Clause 11 of the main body of this Agreement, arrangements for billing will be in accordance with Schedule 2.*

4. Term

- 4.1 *The minimum period of service for an On-Island Partial Leased Line shall be 12 months commencing on the BIS Date.*
- 4.2 *The Telco may terminate any On-Island Partial Leased Line by giving 30 calendar days' notice in writing expiring on or after the end of the minimum period of service, within the terms and conditions to be agreed between both Parties. ”*

Schedule 3.09 – On-Island Leased Lines

GT has provided no comments on OUR's proposed text for this service. OUR has undertaken a further review of its initial text and has implemented a number of improvements. GT is directed to include this service in the RO by insert the text as set out below in Schedule 3.09. GT may adjust the text if that is required to ensure that the text is in line with its own capabilities. However, if OUR considers that any such adjustments are not appropriate, GT will be directed to make further appropriate adjustments.

As this schedule is being re-inserted, it will have consequent effects on the schedule numbering and GT is directed to make all necessary adjustments to schedule numbering and to ensure that cross-references are correct.

“SCHEDULE 3.09

On-Island Full Leased Lines

1. Description of Service

- 1.1 The On-Island Full Leased Line Service will be provided by GT in accordance with the terms and conditions of this Agreement*
- 1.2 The On-Island Full Leased Line Service will comprise dedicated transmission capacity between two specified locations. Each of the specified locations will be premises of a Telco's Subscriber or a Telco's User. Both locations must be within the Bailiwick.*
- 1.3 The On-Island Full Leased Line Service will include SDH multiplexing equipment which will be installed at both ends of the dedicated transmission capacity.*
- 1.4 Relevant details of all On-Island Full Leased Lines ordered and provided, including A and B Ends, shall be specified in Schedule 6 (Schedule of Services Taken)*
- 1.5 Available bandwidths for dedicated transmission capacity are as specified from time to time in Schedule 5 (Interconnect and Access Price List).*
- 1.6 Provisioning and test procedures are specified in Technical Manual and Operations and Maintenance Manual.*

2. Obligations of the Parties

- 2.1 GT will be responsible for planning, providing and maintaining On-Island Full Leased Lines in accordance with GT's standard provisions for its retail leased line product.*

- 2.2 *GT is responsible for installation for SDH multiplexing equipment at either end of the dedicated transmission capacity.*
- 2.3 *The SDH multiplexing equipment shall conform to the standards set out in the Technical Manual and Operational and Maintenance Manual.*
- 2.4 *Procedures for Fault reporting will be as per those set out in Schedule 4 (Service Level Agreement) and the Operations & Maintenance Manual.*
- 2.5 *If GT fails to restore the service of an On-Island Full Leased Line, where the Fault in the On-Island Full Leased Line reported by the Telco is within the parameters set out in GT's retail leased line product description, then GT shall be liable to compensate the Telco in line with GT's standard retail service level commitments or any other arrangements GT and Telco agree upon.*

3 Charging & Billing

- 3.1 *The Telco shall pay to GT the appropriate Charges for On-Island Full Leased Lines as specified from time to time in the Schedule 5 (Interconnect & Access Price List).*
- 3.2 *The installation and rental Charges shall be payable by the Due Date, and shall be calculated from the Brought into Service (BIS) Date. Rental Charges shall be payable quarterly in advance.*
- 3.3 *In accordance with Clause 11 of the main body of this Agreement, arrangements for billing will be in accordance with Schedule 2.*

4. Term

- 4.1 *The minimum period of service for an On-Island Full Leased Line shall be 12 months commencing on the BIS Date.*
- 4.2 *The Telco may terminate any On-Island Full Leased Line by giving 30 calendar days notice in writing expiring on or after the end of the minimum period of service and in accordance with the terms and conditions to be agreed between both Parties. ”*

Schedule 3.10 – Off-Island Leased Lines

GT has provided no proposed text or comments on this service, therefore GT is directed to include this service in the RO by insert the text as set out below in Schedule 3.10. GT may adjust the text if that is required to ensure that the text is in line with its own capabilities. However, if OUR considers that any such adjustments are not appropriate, GT will be directed to make further appropriate adjustments.

As this schedule is being re-inserted, it will have consequent effects on the schedule numbering and GT is directed to make all necessary adjustments to schedule numbering and to ensure that cross-references are correct.

“SCHEDULE 3.10

Off-Island Leased Lines

1. Description of Service

1.1 The Off-Island Leased Line Service will be provided by GT in accordance with the terms and conditions of this Agreement

1.2 The Off-Island Leased Line Service will comprise dedicated transmission capacity between two specified locations. One of the specified locations will be a Telco ISL (the ‘A End’). The other end, the ‘B End’, will be a physical point on the System of a Third Party Telecom Provider outside of the Bailiwick with which the GT System is directly connected. For avoidance of doubt this will include Third Party Telecom Providers in UK, Jersey and France.

1.3 The A End will be in the Bailiwick and the B End will be in locations outside of the Bailiwick. DDF equipment will be provided at the B End.

1.4 Relevant details of all Off-Island Leased Lines ordered and provided, including A and B Ends, shall be specified in Schedule 6 (Schedule of Services Taken)

1.5 Available bandwidths for dedicated transmission capacity are as specified from time to time in Schedule 5 (Interconnect and Access Price List).

1.6 Provisioning and test procedures are as specified in the Technical Manual and Operations and Maintenance Manual.

2. Obligations of the Parties

2.1 GT will be responsible for planning, providing and maintaining Off-Island Leased Lines. For avoidance of doubt this includes responsibility for all the dedicated transmission capacity between the A End and the B End.

- 2.2 *GT has an obligation to inform the Third Party Telecoms Provider it uses for provision of the B End of the Off-Island Leased Line, that the Telco has purchased the Off-Island Leased Line from GT and that the Telco will require access for connection to the DDF at the B End.*
- 2.3 *GT will ensure that the overall quality of service for the Off-Island Leased Line Service is no worse than that provided for its retail off-island leased line products.*
- 2.4 *Procedures for Fault reporting will be as per those set out in Schedule 4 (Service Level Agreement) and the Operations & Maintenance Manual.*
- 2.5 *If GT fails to restore the service of an Off-Island Leased Line, where the Fault of the Off-Island Leased Line reported by the Telco is within the parameters set out in GT's retail off-island leased line product description, then GT shall be liable to compensate the Telco in line with GT's standard retail service level commitments or any other arrangements GT and Telco agree upon*

3. Charging & Billing

- 3.1 *The Telco shall pay to GT the appropriate Charges for Off-Island Partial Leased Lines as specified from time to time in the Schedule 5 (Interconnect and Access Price List).*
- 3.2 *The installation and rental Charges shall be payable by the Due Date, and shall be calculated from the Brought into Service (BIS) Date. Rental Charges shall be payable quarterly in advance.*
- 3.3 *In accordance with Clause 11 of the main body of this Agreement, arrangements for billing will be in accordance with Schedule 2.*

4. Term

- 4.1 *The minimum period of service for an Off-Island Leased Line shall be 12 months commencing on the BIS Date.*
- 4.2 *The Telco may terminate any Off-Island Leased Line by giving 30 calendar days' notice in writing expiring on or after the end of minimum period of service, within the terms and conditions to be agreed between both Parties. ”*