



STATEMENT OF REQUIREMENTS

INFORMATION NOTICE

Channel Islands Competition and Regulatory Authorities

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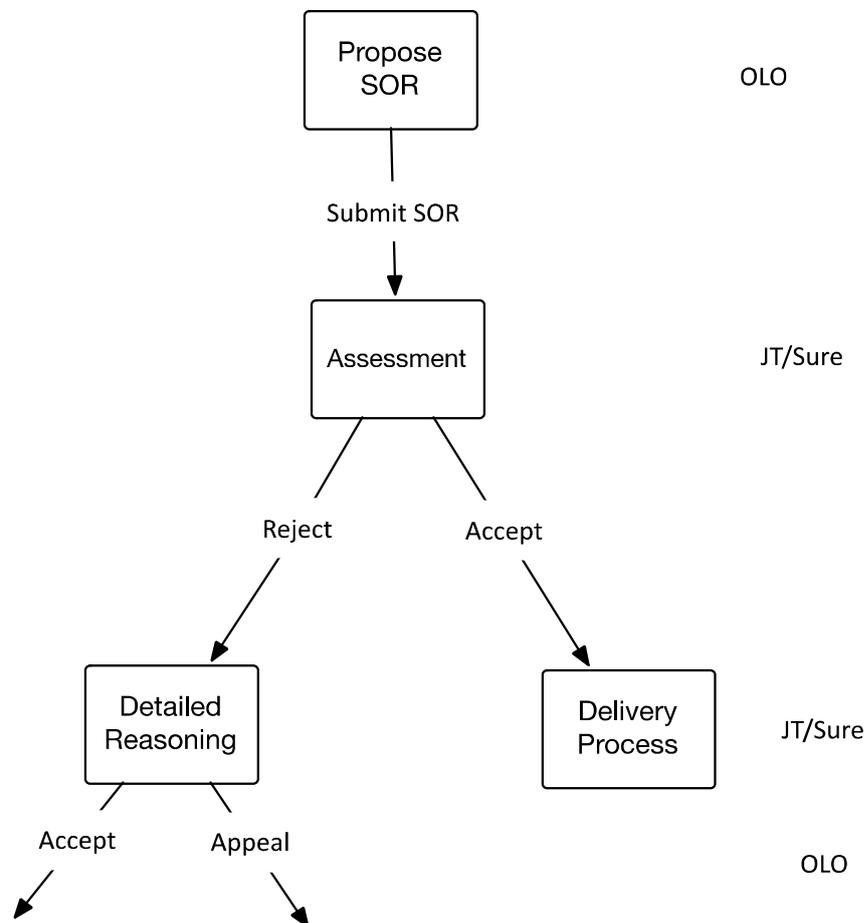
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1. BACKGROUND

- 1.1 Jersey Telecom (JT) and Sure each have Significant Market Power (SMP) in access markets on Jersey and Guernsey respectively. Other Licensed Operators (OLOs) are reliant on access to the SMP networks on each island (this includes Sure on Jersey and JT on Guernsey) to provide services to their own clients.
- 1.2 At present JT and Sure have complete control of the access product designs and what wholesale access products are available to wholesale customers in markets where they are dominant. There is no clear process under which the OLO can submit a request for a new product or product variant and how JT/Sure should consider that request if an OLO wishes to have a different access product, or a variation of an existing product, to fulfil an identified market need.
- 1.3 In other regulated markets, for example the UK, the SMP operator is under an obligation to provide a “**Statement of Requirements**” (SOR) process, under which OLOs formally submit a requirement for a new product or product variation and the SMP operator must respond to such a request. In the UK, this is an obligation placed on BT resulting from its SMP in specific markets (for example Business Connectivity). The SMP operator need not accept every SOR request, but does need to explain why a request is rejected. In particular, it need not accept unreasonable requests.
- 1.4 This Information Notice sets out a process which applies to all OLOs, including JT’s and Sure’s own retail divisions in the jurisdiction in which they have SMP.
- 1.5 As wholesalers, JT and Sure would need to follow the SOR process when responding to requests and would need to treat all OLOs, including their own retail divisions, equally.
- 1.6 The purpose of setting out this process is to ensure that:
 - (i) OLOs are aware of the information that they need to pass to JT/Sure when requesting a new or amended product: and
 - (ii) JT/Sure are aware of the procedure they must follow when assessing whether a request is reasonable. **Reasonable means that the request is technically feasible and commercially viable.**
- 1.7 This process is designed to ensure that there is a defined and well understood process by which OLOs can request a product change and by which JT/Sure must consider it.

2. HIGH LEVEL PROCESS AND ISSUES

2.1 Figure 1 below shows a high level view of the process. Each stage is described below.



3. SUBMISSION OF AN SOR

Submission of an SOR: OLO Responsibilities

3.1 In the first instance, the OLO should submit an SOR to JT/Sure as appropriate. CICRA has developed a suggested template to be completed for each request. This template includes the minimum information necessary for JT/Sure to understand the request and come to a decision as to whether the SOR is reasonable and deliverable.

3.2 It is the responsibility of the OLO to complete the SOR template with sufficient information for JT/Sure to understand the requirement and come to a conclusion regarding its viability with only a minimal need to seek clarification from the requesting operator.

3.3 The minimum requirements to be included in the template are:

- a. A technical description of the requirement and the wholesale products affected;

- b. A non-commercial justification for why the requirement is needed. This could, for example, describe a requirement that the OLO has from its customers and why existing wholesale products do not meet this requirement.
- c. Expected demand (volumes) for the new/revised product over a 3-5 year period. This should provide JT/Sure with a demand forecast for the requested product over the medium term. Where the requested product or product variant replaces an existing wholesale product, the OLO should provide information on the probable rate of cannibalisation of the existing product by the new product. JT/Sure will be expected to pay for the product development and so it is necessary for them to have some view of demand so that they can judge the commercial viability of the product.
- d. Regulatory impacts, if any.

Submission of an SOR: JT/Sure Responsibilities

3.4 JT and Sure are to nominate an individual within their respective organisations. JT and Sure must nominate substitutes in the event of the absence of the nominated contact points.

3.5 The nominated individual or his/her substitute must acknowledge receipt of the SOR no later than 5pm on the first business day after the SOR is sent by the requesting operator.

3.6 It shall be the responsibility of JT and Sure to respect confidentiality of the SOR and to ensure it is only circulated to the minimum number of people within each organisation to assess the technical and commercial reasonableness of the SOR. In particular, JT/Sure are not use the information included in the SOR for their own commercial gain.

3.7 The internal Corporate Affairs department of each operator shall be responsible for ensuring confidentiality is respected that that the information submitted by the OLO is used only for the purpose of assessing the request.

4. ASSESSMENT OF AN SOR

Assessment of the SOR: JT/Sure Responsibilities

4.1 There is a presumption that an SOR will be accepted by JT/Sure.

4.2 JT/Sure will use an internal committee (SOR Assessment Committee) whose responsibility it is to assess all SORs received by the company. That committee should consider each incoming SOR within a maximum of 10 business days after receipt of the SOR and provide an indicative response to the requesting operator as to whether they are minded to accept or reject the request in the same timescale.

4.3 A final decision to accept or reject the SOR should be made by the Executive Committee of the respective companies at the earliest opportunity and in any event no more than two months from receipt of the SOR from the requesting OLO.

5. ACCEPTANCE OR REJECTION OF AN SOR

Acceptance

- 5.1 If accepted, JT/Sure should produce a project plan showing the timescales in which the requested change will be delivered and communicate this to the requesting operator.
- 5.2 JT/Sure should notify CICRA of its plans and confirm the implementation date and be responsible for notifying and justifying any material change to the plan to the requesting operator and CICRA.
- 5.3 The timescale in the project plan must be reasonable, bearing in mind the availability of JT/Sure's resources needed to implement the SOR and the commercial requirements of the OLO. In the event that the OLO considers that JT/Sure's proposed implementation time is unreasonably long, it may raise an appeal with CICRA, who will then require JT/Sure to justify the proposed timetable.
- 5.4 CICRA may require JT/Sure to prepare a revised timescale in the event that the original timescale is deemed unreasonably long.

Rejection

- 5.5 JT/Sure may refuse an SOR request in the following circumstances:

- Insufficient information provided in the SOR request;
- Technical non-feasibility; and
- Commercial non-viability.

- 5.6 If rejected, JT/Sure must provide detailed reasoning for its decision to the requesting OLO.
- 5.7 If rejected, the OLO may, at its sole discretion, lodge an appeal against the rejection with CICRA stating its detailed reasons for the appeal. Such an appeal must be lodged with CICRA within one calendar month of receiving the rejection.
- 5.8 CICRA will then request the detailed reasons for rejection from JT or Sure as appropriate. If requested, the requesting operator and JT/Sure, as appropriate, should provide additional information to CICRA for it to make an informed decision whether to uphold or reject the appeal.
- 5.9 If it deems appropriate, CICRA may hold hearings at which each party will be asked to submit its reasons and be questioned by CICRA.
- 5.10 CICRA will make a final decision within two months of receiving the appeal. This may result in a Direction to provide the service.

6. REPORTING

- 6.1 JT/Sure will be obliged to provide annual reports to CICRA on the number of SORs received/accepted/rejected.
- 6.2 The report should state how many SORs were received from external OLOs and its own Retail Division, the number accepted and the number rejected.

ANNEX: SUGGESTED TEMPLATE

Statement of Requirements

Requesting Operator Details	
Company	
Contact Name	
Contact email	
Date of Request	

Receiving Operator Details	
Company	
Contact Name	
Contact email	

The requesting operator should answer the following four questions as completely as possible. Additional pages may be added if necessary. The Receiving Operator will use the answers to assess this SOR.

1. Technical description of the requirement and the wholesale products affected.

A non-commercial justification for why the requirement is needed. (This could, for example, describe a requirement that the OLO has from its customers and why existing wholesale products do not meet this requirement.)

Expected demand (volumes) for the new/revised product over a 3-5 year period and volume of transfer from existing products to the new/revised product.

Expected regulatory impacts, if any.

Submitted by:	
Position:	
Signature:	
Date of submission:	

Received by:	
Position:	
Signature:	
Date received:	