



REVIEW OF WHOLESALE FIXED BROADBAND RESALE OFFERS (ECS 39/2016)

Industry Questionnaire

The Utilities Regulation and Competition Authority (URCA) is reviewing the wholesale fixed broadband resale obligations imposed on operators with Significant Market Power (SMP) in The Bahamas. As part of this review, URCA is issuing a questionnaire to industry stakeholders. This questionnaire will be used to assess the demand for these wholesale services and any need to potentially amend the current service offers. This note sets out the proposed questionnaire to the industry.

Background

The Communications Act of 2009 sets out a presumption that The Bahamas Telecommunications Company Limited (BTC) has significant market power (SMP) in the markets for fixed voice and data services, and mobile voice and mobile data services; and that Cable Bahamas Limited (CBL) has SMP in the markets for high-speed data services and connectivity, and pay TV services.

As part of its 2010 Final SMP Determination¹, URCA provided further details on the products contained in each of the high-level SMP markets and set out the specific ex-ante obligations that would be applied to BTC and CBL.² This included, amongst others, an obligation for both SMP operators to offer a resale/wholesale fixed broadband product.

This obligation seeks to provide a route for alternative providers to enter the broadband market, enabling licensed Internet Service Providers (ISPs) to offer retail broadband services without having to deploy their own network infrastructure. There are currently no other SMP obligations imposed on either BTC or CBL which would require them to provide any other forms of wholesale broadband service.

Both SMP operators have developed their resale broadband offers and made them available to interested parties.³ However, URCA is not aware of any take-up of the resale broadband services to date. Furthermore, URCA is aware that certain ISPs have expressed a number of concerns about the nature of the current offers and the availability of suitable alternatives.

Current review process

Given the above, URCA is reviewing the wholesale fixed broadband resale obligation imposed on BTC and CBL.

¹“Obligations imposed on Operators with Significant Market Power (SMP)” (ECS 11/2010)

²For CBL, the market review led to ex-ante obligations in the markets for high speed data and connectivity, and the pay TV market. For BTC, URCA imposed ex-ante regulation in the markets for fixed telephony, fixed broadband and mobile voice and data services.

³For example, BTC’s resale offer is available on its website (<http://files.btcbahamas.com/2013/12/20/BTC-Broadband-Resale-Offer.pdf>).

To facilitate its review, URCA wishes to confirm, by means of this questionnaire, whether there is currently any demand for resale/wholesale fixed broadband services or any other wholesale broadband services in The Bahamas. If so, this further seeks to assess why the resale service has not been taken up to date and the nature of any concerns regarding the current offers.

Responses required irrespective of whether the licensee is currently active in the market.

Questionnaire

URCA wishes to understand your company’s demand for wholesale broadband services, including its demand for BTC’s and CBL’s current resale/wholesale fixed broadband services. To facilitate this, URCA has set out below a range of questions and invites you to respond to these in writing no later than, November 25, 2016. Any response received will then aid URCA in its assessment on the need to potentially amend the existing SMP obligations in the wholesale fixed broadband market.

Please do not hesitate to contact URCA in case you have any questions on the questionnaire below or the overall review process. Also, please feel free to submit responses on a separate sheet if needed and/or submit further supporting information.

A. Company overview

1. Are you currently offering any electronic communications services in The Bahamas?

Yes No

If your answer is “Yes”, please proceed to Question 2 below.

If your answer is “No”, please state reason why and proceed to Question 7 on page 5.

2. Please provide a brief overview of your company activities in The Bahamas. For example:
- a. What electronic communications services are you currently offering?

Service offered	(YES/NO)
Fixed broadband services – Residential customers	
Fixed broadband services – Business customers	
Fixed voice services – Residential customers	
Fixed voice services – Business customers	
Voice over broadband (VoB/VoIP) services – Residential customers	
Voice over broadband (VoB/VoIP) services – Business customers	
Other services (please specify)	

If available, please provide an overview of your current tariff plans / tariff sheet as part of your response.

- b. On which islands are you currently offering your services? As part of your response please indicate if the geographic scope differs across your service offerings (and if so, how)? Please continue your response on a separate sheet, if necessary.

- c. How many customers do you currently have for each of the electronic communications services offered?

- d. Do you own and operate your own network infrastructure? If “Yes”, what network infrastructure do you currently own and on which islands?

B. Demand for wholesale services

3. Do you deliver all your retail electronic communications services in The Bahamas based on your own network infrastructure? Yes No
4. If your answer to Question 3 is “No”, what wholesale services do you currently purchase from other licensees? Please tick the one(s) that are applicable.

Wholesale service	(Tick ✓)
BTC’s resale fixed broadband services	<input type="checkbox"/>
CBL’s resale fixed broadband services	<input type="checkbox"/>
Other wholesale services offered by BTC (please specify the relevant service)	<input type="checkbox"/>
Other wholesale services offered by CBL (please specify the relevant service)	<input type="checkbox"/>
Wholesale services offered by other licensee (please specify the relevant service and licensee)	<input type="checkbox"/>

5. Do the current wholesale service offerings from BTC and CBL meet all your requirements to provide fixed voice and broadband services in The Bahamas? If “No”, please explain any limitations arising from the current wholesale offerings and the resulting impact on your service portfolio. Please continue your response on a separate sheet, if necessary.

C. BTC’s and CBL’s fixed broadband resale offerings

6. If you are currently purchasing fixed broadband resale products from BTC and/or CBL:
- a. Does the current service scope of the offerings allow you to compete effectively in the relevant retail downstream market? If your answer is ‘No’, please explain why not. (Please continue your response on a separate sheet, if necessary).

- b. Do the current Quality of Service (QoS) standards within the offerings allow you to compete effectively in the relevant retail downstream market? If your answer is ‘No’, please explain why not. (Please continue your response on a separate sheet, if necessary).

- c. Do the current delivery and repair times within the offerings allow you to compete effectively in the relevant retail downstream market? If your answer is ‘No’, please explain why not. (Please continue your response on a separate sheet, if necessary).

- d. Does the current minimum contract length (where relevant) of the offerings allow you to compete effectively in the relevant retail downstream market? If your answer is ‘No’, please explain why not. Please continue your response on a separate sheet, if necessary.

- e. Does the current requirement of a bank guarantee (where relevant) of the offerings allow you to compete effectively in the relevant retail downstream market? If your answer is ‘No’, please explain why not. Please continue your response on a separate sheet, if necessary.

- f. Do the current forecasting requirements (where relevant) of the offerings allow you to compete effectively in the relevant retail downstream market? If your answer is 'No', please explain why not. Please continue your response on a separate sheet, if necessary.

- g. Do the current price terms allow you to compete effectively in the relevant retail downstream market? If your answer is 'No', please explain why not. Please continue your response on a separate sheet, if necessary.

- h. Are there any other aspects of the current offerings which affect your ability to compete effectively in the relevant retail downstream market? If your answer is 'No', please explain what aspect(s) and how this/these impact you. Please continue your response on a separate sheet, if necessary.

Have you experienced any issues in your dealings with BTC and/or CBL when purchasing the fixed broadband resale products (such as, unreasonable delay in responding to a request, not being able to agree on the terms and conditions as set out in the resale offer, etc.)? Please continue your response on a separate sheet, if necessary.

- i. Have you experienced any issues with BTC and/or CBL providing the fixed broadband resale products to you (such as, not abiding to agreed Key Performance Indicators (KPIs) /QoS standards, invoicing or payment issues, etc.)? Please continue your response on a separate sheet, if necessary.

7. If you are not currently purchasing fixed broadband resale products from BTC and/or CBL, have you ever considered purchasing fixed broadband resale products from BTC or CBL?

Yes No

- a. If yes, which product did you consider purchasing and why did you ultimately decide not to purchase these products? Please set out when you made this decision.

- b. If no, why not? _____

D. Outlook

8. Based on your current and expected business needs, what wholesale services (including existing services) from the table set out on the following page (or variants thereof) would you like to see offered to facilitate the provisioning of fixed broadband services in The Bahamas? Please explain the type of services and why? Please continue your response on a separate sheet, if necessary.
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In particular, URCA notes that further to the current fixed broadband resale products there is a range of alternative wholesale services that vary according to the degree of network infrastructure investment required by the access seeker/ISP and the ability for ISPs to differentiate services from the access provider, as set out in the table below.

Overview of common regulated wholesale access services

Wholesale service	Description
Unbundled access line (or local loop unbundling, LLU) Sub-loop unbundling (SLU)	<p>Incumbent's local access line (commonly from the local exchange to the customer premise) rented to alternative operators for its exclusive use.</p> <p>Variant of LLU where only part of the incumbent's local loop is unbundled (i.e., from the street cabinet to the customer premise), providing the alternative operator access to the local access network at a point closer to the end user.</p>
Shared access line	<p>As above, but the incumbent continues to provide the fixed telephony service.</p> <p>Requires wholesale line rental or resell retail voice & call products to allow alternative operators to offer double play bundles.</p>
Virtual Unbundled Local Access (VULA)	Electronic means to provide virtual bitstream-type access which is supposed to offer functionalities similar to LLU / SLU. Commonly implemented where local physical access is not technically feasible (i.e., with Gigabit-capable Passive Optical Networks (GPON) or Hybrid fiber-coaxial (HFC) networks).
Bitstream	Alternative operator rents incumbent's high-speed access link to customer premises. This includes the access link and often backhaul services within the Asynchronous Transfer Mode (ATM) or Ethernet (Layer 2) or IP network (Layer 3). This product allows the alternative operator to provide its own, value added service to its clients.
Resale "white label" product	<p>Alternative operator receives and sells on to its own retail customer an end-to-end product which is similar to the incumbent's end-to-end (DSL) product (without being able to differentiate its offer by adding its own value added features).</p> <p>Note that BTC's and CBL's current wholesale fixed broadband resale offerings, discussed above, fall under this category.</p>