



Private and Confidential

November 21, 2012

The Hon. Marc A. R. Bean, JP, MP  
Minister of Environment, Planning and Infrastructure Strategy  
F.B. Perry Building, 2<sup>nd</sup> Floor  
40 Church Street  
Hamilton HM 12

Dear Hon. Marc Bean,

Re: Market Review Pre-Consultations

Further to the letter dated October 10, 2012, please find attached the response from TeleBermuda International Limited.

Sincerely,

A handwritten signature in blue ink, appearing to read 'G. Swan', is written over the word 'Sincerely,'.

Gregory W. Swan  
President and COO

## Response to Pre-Consultation Document PC12/03: Comments on Market Review Process

**Consultation question 1:** Do you agree that fixed narrowband access and local calling form a single market?

**Yes in the PSTN.**

**Consultation question 2:** Do you agree that mobile access and local calling form a single market?

**Yes with PSTN mobile services, as opposed to mobile VoIP.**

**Consultation question 3:** Do you agree that international calls are not part of the market that contains retail fixed narrowband access and local calling?

**Yes for the reasons stated in section 6.1(b). The International market is and will remain extremely complicated, with a wide variety of prices and termination fee, and subject to price changes that no single nation or market can control. As stated in point 65, Class B license holders who bundle international calling services must resell that international service from a Class A license holder. And to reinforce the architecture noted in point 66, even if VoIP is used in the network, if the call touches the PSTN Class C license holders must also use the services of Class A license holders for international calls.**

**And we completely agree with point 68 where the specifics of the Bermudan market effectively require the international call market to remain separate and controlled by specific international license holders, as today's Class A is defined. We see no benefit to consumers, nor businesses in Bermuda if international services are deregulated. The current cost structure is not prohibitively expensive and it preserves the service quality that Bermudans expect.**

**Consultation question 4:** Do you agree with the finding that voice over broadband services (namely DOCSIS VoIP, VoWIMAX, FTTx VoIP and VoIP type 6) are all in the same market as narrowband access and local calls but that other types of VoIP and fixed services delivered via mobile networks are not?

**Yes except a tighter definition is required since Skype-in and Skype-Out would fit type 6 if the PSTN gateway is in Bermuda. At some point in the future Skype or a similar service may install a PSTN gateway in Bermuda and thus be subject to the same regulatory structure as DOCSIS and other type 6 services. This is also true in the case of mobile VoIP. If a consumer has VoIP installed on his mobile smartphone and makes a call to a PSTN number and the PSTN gateway physically exists in Bermuda, then that call is effectively in the same market as PSTN narrowband calls.**

**Consultation question 5:** Do you agree with the finding that fixed and mobile services are in separate markets? Explain.

**Yes, the costs related are quite different and there is a historical sunken cost in fixed services.**

**Consultation question 6:** Do you agree with the finding that there are separate residential and business customer markets for (1) retail fixed access and local calls; and (2) retail broadband?  
**Yes**

**Consultation question 7:** Do you agree with the conclusion that for the purposes of the SMP and remedies it is not necessary to define separate customer markets for either of: (1) leased lines; (2) mobile services; or (3) subscription TV services?  
**NC**

**Consultation question 8:** Do you agree with the finding that there is a separate geographic market for Central Hamilton for the supply of:  
retail access lines and local calls to business customers;  
wholesale fixed narrowband access lines and local calls;  
wholesale call origination on fixed networks;  
retail broadband to business customers;  
wholesale broadband services;  
retail domestic leased lines; and  
wholesale terminating segments of leased lines?  
**NC**

**Consultation question 9:** How should Central Hamilton be defined?  
**NC**

**Consultation question 10:** Do you agree with the conclusion that mobile broadband is not in the same market as fixed broadband?  
**NC**

**Consultation question 11:** Do you agree with the conclusion that the relevant forward-looking definition of the retail broadband market is one that includes the bundle of broadband access and Internet services?  
**NC**

**Consultation question 12:** Do you agree with the conclusion that there are separate retail markets for low-speed leased lines (that is, leased lines that provide a capacity of less than 1 Mbps) and high-speed leased lines (that is, leased lines with a capacity of 1 Mbps or more)?  
**NC**

**Consultation question 13:** Do you agree with the conclusion that there are separate wholesale markets for low-speed leased lines (that is, leased lines that provide a capacity of less than 1 Mbps) and high-speed leased lines (that is, leased lines with a capacity of 1 Mbps or more)?  
**NC**

**Consultation question 14:** Do you agree with the conclusion that there is a market for the supply of fixed access network facilities that includes ducts, towers, and poles? Are there are other facilities that should be included in this market?  
**NC**



**Consultation question 15:** Do you agree with the conclusion that there is a market for the supply of wireless network facilities that includes tower and mast access? Yes. Are there other services that you consider lie in this market? No.

**NC**

**Consultation question 16:** Do you agree that the relevant retail market for the supply of subscription TV services to deliver broadcast content to end users includes subscription services provided via different means and is not disaggregated according to content?

**NC**

**Consultation question 17:** Do you agree that the relevant wholesale market for the supply of subscription TV services to deliver broadcast content to end users includes subscription services provided via different means and is not disaggregated according to content?

**NC**