



November 21, 2012

Reform Consultants  
Department of Telecommunications & E-Commerce  
P.O. Box HM 101  
Hamilton, HM AX  
Bermuda

Ref: Pre-Consultation Document PC12/03

To Whom It May Concern:

Please accept the following comments as associated with Market Review Process (Part A) Market Definition

Question No.

6 Yes

7 Yes

8 We agree that Central Hamilton is a separate geographic market.  
(Please note that this does not mean that we agree that wholesale broadband services exists, or should exist as a separate product.)

9 We think it should be defined to cover those parts of Hamilton - where services are provided by the commercial carriers, namely Quantum, BTC and Northrock.

10 We do not agree.

While different means of transportation are being used, the same product and services are being offered.

Further, within the time horizon, which we believe is less three years, both mobile and fixed broadband will be providing very high speed data services. A distinction between mobile and fixed broadband is, or will shortly be, in our view artificial. We suggest that they be considered as part of the same market.

11 Yes

14 We do not agree. There is presently no market and it would be artificial to consider that one exists, especially when the major 'supplier' in such a market would be BELCO, which does not fall under the jurisdiction of the RA.

16 Yes



- 17 We do not agree that there is or should be a wholesale market for the supply of subscription TV.
- Other Issues We note that no questions are posed in relation to Part B of the Pre-Consult – SMP.
- We assume that an opportunity will be given in due course to address the issues raised in this document– again in the form of the question / answer format used for all other documents.
- While we would naturally want to make any points, more fully in such a later consultation, we are concerned in particular by one aspect of the RA’s tentative conclusions in relation to broadband internet services, namely that BCV and BTC hold ‘collective SMP’ in the retail broadband markets (3.1/516).
- BCV does not have any market share in two of the three retail broadband markets, namely retail broadband to business customers inside and outside Hamilton. BCV cannot hold SMP in markets where it does not operate.
- We also note an inconsistency. The suggested ex ante remedy set out in the Pre-Consult Part B (at page 276) in relation to carriers with SMP in retail broadband, is to restrict price increases on a price per MB/s basis, but permit new products to be introduced (subject to price squeeze/predation restrictions). We support such a ‘light touch’ approach.
- This however is contradicted by a requirement, in the draft ICOLs, for SMP carriers to (at the same time) comply with section 23A requirements of the 1986 Act, which prevents SMP carriers from introducing any new products without permission.
- We suggest that this contradiction be resolved by removing the 1986 requirements from the ICOLs. The use of dual regimes is duplicative, unnecessary and will lead to confusion.

If you should have any questions, please write back to discuss.

Sincerely,

Terry Roberson  
General Manager