

Domicilium (I.O.M.) Ltd

The Isle of Man Datacentre
Ronaldsway Industrial Estate
Ballasalla
Isle of Man IM9 2RS

Phone +44-1624-825278
Fax +44-1624-829525
Email info@domicilium.com
www.domicilium.com

Bryan Waddington

With Compliments

B.R. WADDINGTON

We have read this Consultation Paper with interest and cannot recall any other situation on the Isle of Man where it has been proposed that the cost for fees or services should be raised by 500%. There seems to be no justification in the Consultation Paper for this. There are words like "ISPs can compete with full operators in the fixed line market" and "the increasing scope and complexity of services offered by ISPs weakens the idea that lower ISP licensing fees are justified by lower administrative costs".

It is also stated that the current licence fee arrangement for ISPs "does not let the Commission recover its administrative costs". There is nothing in this paper to support these last two statements which imply that our growth requires more involvement of the Communications Commission. We would argue that there is a thriving competitive ISP market that requires very little hand-on regulation by the Commission. It is acknowledged in this paper that ISPs can provide all manner of data services but cannot provide fixed or mobile services over the PSTN. This distinction alone justifies our view that there is no comparability between the activities of ISPs and the services permitted in the Sure and MT licences.

Comparisons with other jurisdictions are interesting but the Isle of Man has always been proud of the fact that it is self-governing and does things its own way. Just because other countries charge fees at a different rate does not prove the case for parity on the Isle of Man.

There are many qualifying words used in this paper to support the argument of increasing the licence fees paid by ISPs such as "may", "potential", "could", but no supporting argument that an increase in fees on the scale proposed would change any of that. The Commission also states that the lower fees paid by ISPs creates an uneven playing field. We would strongly argue that it IS an uneven playing field and therefore the lower fee structure is fully justified.



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Consultation on Increasing ISP Licence Fees

This is the response of Domicilium (IOM) Ltd

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The Commission goes on to say that “if fees are not equalized, pressure will increase to define permissible ISP activities more restrictively” but no reason is given as to why this would be necessary. It should be noted that Domicilium positively discriminates in favour of the Isle of Man, even when it is more expensive to procure services locally. We invest millions of pounds into the Manx economy every year and support a significant number of local industry sectors (our suppliers) in addition to employing our own staff. Restricting our activities or putting overly draconian measures in place will threaten future investment in the Manx economy.

The recently introduced MAC process in relation to provision of broadband services demonstrates that the Commission recognises that there are differences between ISP's in terms of size and market share, so why are the Commission now proposing to apply an indiscriminate licence fee for all.

In conclusion, Domicilium has no aspirations, at this time, to participate in the full range of activities permitted to a full telecommunications licensee and therefore see no justification for paying the significantly increased licence fee as proposed in this Consultation Paper.

2nd October 2014