



Dr Carmel McLaughlin
Communications Commission
Murray House
Mount Havelock
Douglas
ISLE OF MAN
IM1 2SF

4th April 2016

Dear Carmel,

Sure (Isle of Man) Limited (“Sure”) requests the addition of Code Powers to its operating licence in order to allow it to fully support the Isle of Man Government’s Vision 2020 objectives and provide greater choice to consumers and businesses. The addition of Code Powers would help Sure to drive additional value to customers and stimulate further innovation in the services available via Sure and other providers of communications on the island.

Since starting operations in the Isle of Man, Sure has actively contributed to the island’s communications markets and its overall economic success and has a proven track record of creating additional competition, choice and innovation. Choice, diversity and improvements to infrastructure are key elements of any successful economy and Sure wishes to drive additional benefit and investment into the island.

Our application for Code Powers is directly linked to our wish and desire to build our own business-to-business fibre network on the island, which would create competition for the first time in local fibre connectivity services. The Chamber’s recent consultation response to the Communication Bill 2015: Consultation supports this requirement notably their response to Question 22:

‘In the EU, competition drives innovation. With the current lack of effective competition in some communication markets (notably fixed markets), the IOM doesn’t have a competitive environment which is impacting inward investment and forcing customers to pay higher prices.’

Sure has completed a feasibility study on the opportunity to install its own, independent fibre optic network in key strategic locations on the Isle of Man, including the Central Business District (CBD) in Douglas, the Isle of Man Business Park, Ronaldsway and other pockets of businesses that Sure has identified as potential beneficiaries of its investment.

Code Powers are a key enabler for Sure and its requirement to construct communications networks in order to reach the islands customers, create competition and allow further market innovation. An example of the situation that Code Powers help avoid is the situation whereby two-thirds of the ducted network is installed, at significant cost, and a landlord within the last third of the investment demands unreasonable conditions which result in the project being stopped and new services not being brought to market.



Redacted Version that can be used to form the basis of the Public Notice

We should emphasise that Code Powers are only a 'back stop' position and in the jurisdictions where we operate fibre networks our policy is always to first enter into negotiations with landlords and strive to reach a mutual agreement that ensures both Sure and the landlord are satisfied with the outcome. The potential use of Code Powers would be referenced in some instances of negotiation but in line with market practices would only be used and enforced as a last resort. However, Code Powers do provide a critical safeguard to encourage investment in duct and fibre optic networks. Sure determines that the construction of its own fibre optic network would benefit the public by the following points:

- It would enable the provision of a completely independent and carrier diverse range of products carried over physically diverse paths to that offered by the incumbent operator.
- Diversity is a key requirement for business-to-business customers.
- Sure would be able to control its build costs and utilise access methods and technologies that allow quicker deployment of fibre, or alternative methods that are cheaper than traditional trenching, and methods that may minimise the impact to road users.
- It would firmly demonstrate Sure's long term investments in infrastructure build and benefits this will bring to business-to-business services, mobile and fixed lines services.
- It would demonstrate Sure's commitment to the Island and our support of its economic success and Vision2020 strategy
- It would provide opportunities for Sure to develop relationships with other asset owners (for example, utilities such as gas and electricity) and develop inter-asset connections to maximise the use of previous investments. This would result in asset owners gaining from Sure's network construction program.
- It would provide opportunities for Sure to develop publicly accessible internet access through the extension of its Wifi network and assist other providers of open access in achieving their business and social plans, in line with Isle of Man Government Digital Strategy and digital inclusion programmes
- Sure would be able to offer customers a wider range of products than is currently possible as we would no longer have the limiting factor of incumbent products and support processes.

Sure has invested and deployed wireless connectivity solutions in the market for a number of years; However, fibre network services contained in ducting and buried at a depth of 600-750 mm offers a superior, more flexible solution to meet the growing needs and demands. Options such as micro trenching, draping fibre from building to building and utilising existing utilities assets have also been explored.

Sure has engaged with a number of asset owners and will form commercial and technical relationships with local businesses to utilise as many assets as reasonably practical to reduce the amount of road works and number of breaches of the road surface, and also to build the network as cost effectively as possible.



Summary:

- Sure wishes to further invest in the island and enhance our contribution to its ongoing success
- Communications infrastructure is key to the island's economic success
- Sure wishes to create and develop its own fibre infrastructure to provide customer choice and innovation into the both the market and the services offered
- Sure has a proven track record of creating competition and innovation, which is critical for any economy
- Sure has proven experience in building, and delivering key and core network fibre infrastructure
- Sure has proven experience of using Code Powers responsibly
- We will utilise local businesses in the construction and maintenance of the new network, further stimulating the local economy
- Code Powers are a key requirement for this investment, which will drive choice, value and innovation.
- The ability to build our own fixed infrastructure will also drive additional value and features not only into our other communication services – for example, mobile and broadband - but also those provided by Other Licensed Operators, Service Integrators and other businesses on the Island.

I look forward to hearing from you and having the opportunity to discuss this matter further.

Kind regards,

Mike Phillips
Chief Executive
Isle of Man