



**The Isle of Man Treasury  
and  
The Communications Commission  
-  
Price Benchmarking of Manx Telecom's Services**

Final version

GOS Consulting Limited  
May 2006

## Table of Contents

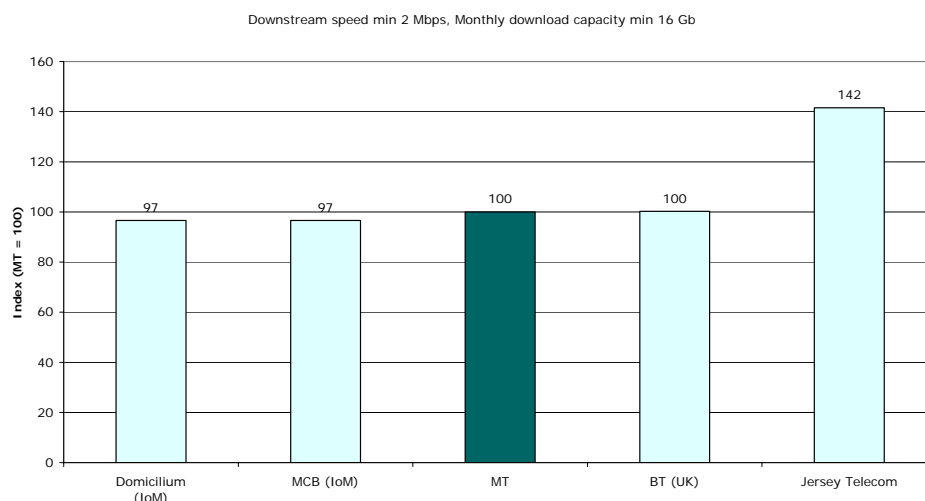
1	Executive Summary .....	1
2	Introduction and Methodology .....	6
3	Broadband Internet Access - Retail.....	8
4	Broadband Internet Access – Wholesale .....	12
5	Residential Fixed Line Tariffs .....	15
6	Business Fixed Line Tariffs .....	18
7	Private Circuit Service Tariffs.....	21
8	Mobile Services .....	23
	Annex A: Tariff details.....	28
	Annex B: Composition of baskets for fixed and mobile telephone users .....	41
	Annex C: Instructions for Using Tariff Model .....	45

# 1 Executive Summary

This study has taken a snapshot, using published data, of Manx Telecom's tariffs across a range of services at the end of 2005 and compared them with a number of other jurisdictions in order to provide a benchmark of its prices. Where a tariff consists of several components, a consolidated price (expressed as an Equivalent Monthly Price or EMP) has been calculated and, where appropriate, the sensitivity of the tariff is tested by re-calculating the EMP for different usage levels. This EMP effectively represents the price paid by the user including, where appropriate, the amortisation over a reasonable period of any set-up charges. For ease of comparison, the results are expressed as an index with MT set, in each instance, at 100.

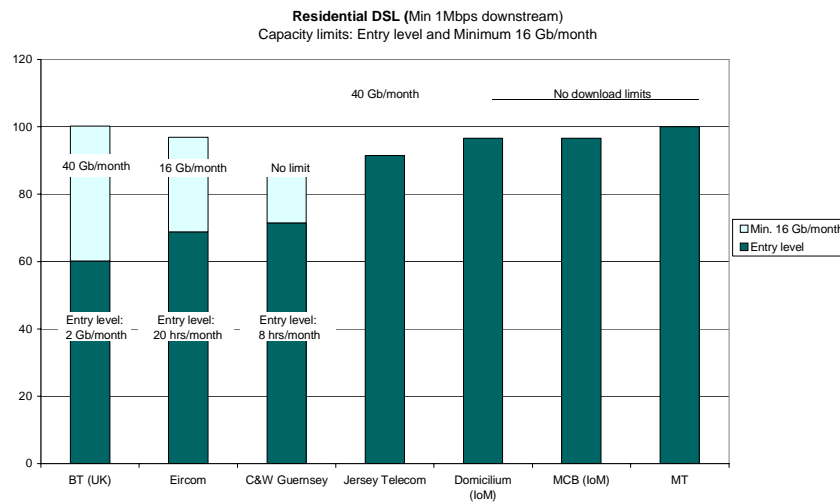
For retail broadband services using digital subscriber loop (DSL) technology, Manx Telecom (MT) competes locally with a number of other Internet Service Providers (ISP) and these have been included in the comparisons. Unlike ISPs in some other jurisdictions, MT has a single residential service offering with downstream speeds of up to 2 Mbps and no download capacity constraints. Consequently, its ranking, in EMP terms, depends very much on the assumed service requirement. For example, the chart below compares MT's tariff with other services that offer a downstream speed of at least 2 Mbps and a download capacity of at least 16 Gb/month. There are only limited comparators available but MT (and the other ISPs in the Isle of Man) is on a par with BT and considerably cheaper than Jersey Telecom. (Connection charges in the Isle of Man are currently covered by a government/MT-backed subsidy scheme and – to give a consumer's perspective - have been excluded from the EMP calculations).

**Summary figure 1 Residential broadband DSL access with 2 Mbps downstream speed**

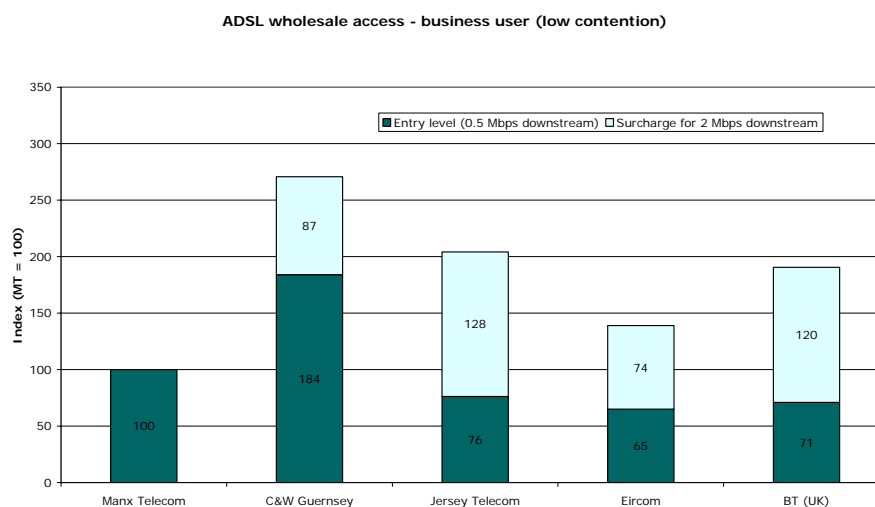


However, when we consider residential users with more modest requirements, MT's limited tariff options place it at a disadvantage. For example, the chart below looks at residential services with a downstream speed of at least 1 Mbps. Service providers who offer an entry-level tariff (ie with only limited download capacity and/or downstream speed) have EMPs that are some 30 to 40 percent below MT. The gap narrows as the monthly usage increases but even for a higher volume user (a minimum of 16 Gb/month is used for Summary figure 2 overleaf), MT's tariff remains at the bottom of the ranking.

A similar situation exists with MT's DSL access tariffs for business users. For a user with high demand, MT outranks the other small island economies, but not BT and Eircom. For more modest user requirements, MT's single tariff again causes it to slip down the rankings.

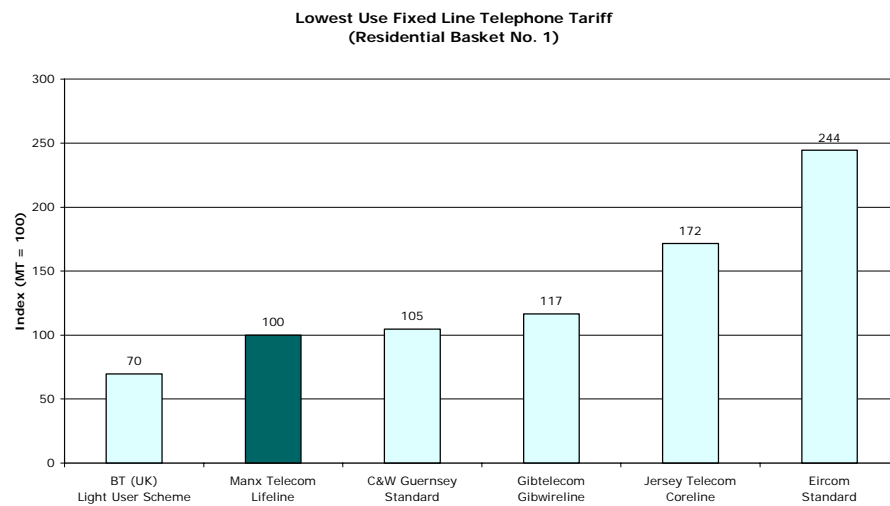
**Summary figure 2 Residential broadband DSL access with min. 1 Mbps downstream speed**

MT also provides a number of network services at wholesale rates to facilitate the provision of broadband Internet access by other Internet Service Providers. Its wholesale tariffs for the so-called end-user data path (which connects each end-user with the local MT exchange) generally compare very favourably with other jurisdictions. However, the absence of a speed-dependent tariff structure means that it ranks only fourth when compared to relatively low-speed (entry-level) business-grade services.

**Summary figure 3 Wholesale broadband access for business users**

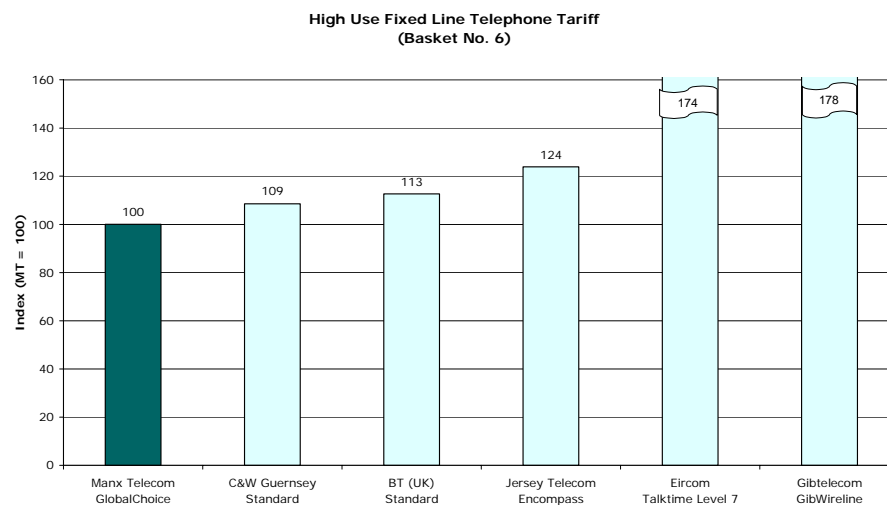
For fixed line telephony services, residential users may choose from four MT tariff options, which compare favourably with other jurisdictions. Its Lifeline tariff puts MT in second place for the lightest usage basket (see chart below) and its range of tariffs maintains MT in the top three across the full spectrum of call usage patterns.

**Summary figure 4 Fixed telephony for light residential users**



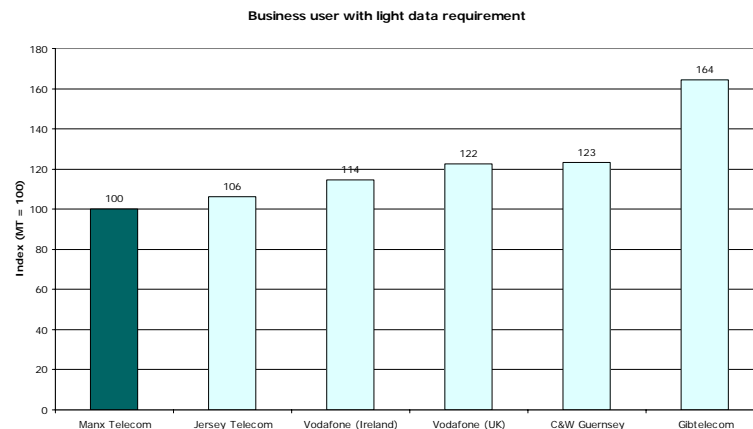
For business users, MT performs even better - ranking first for heavier usage levels and either first or second for the lighter baskets.

**Summary figure 5 Fixed telephony for heavy business use**



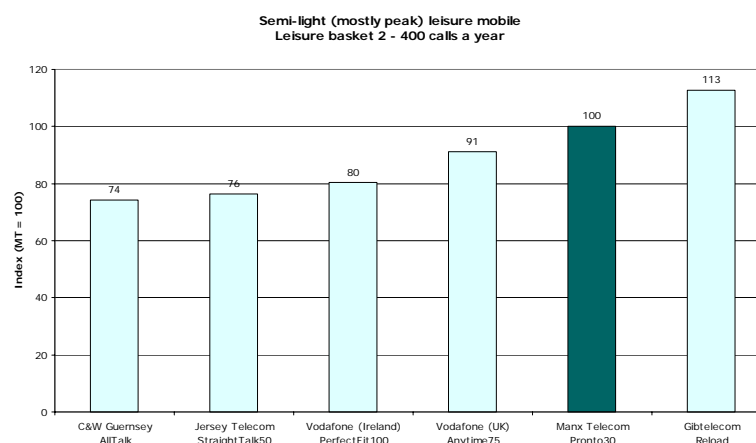
MT is similarly strong for mobile business users who are assumed to have a high volume of call traffic.

**Summary figure 6 Mobile telephony for business user**



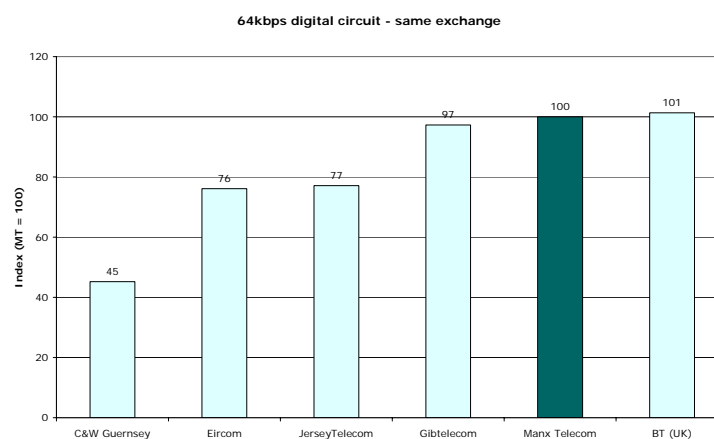
For light business users and leisure users, when VAT liability becomes a differentiating factor among the various jurisdictions, MT's ranking drops to fourth or fifth.

**Summary figure 7 Mobile telephony for medium leisure user**



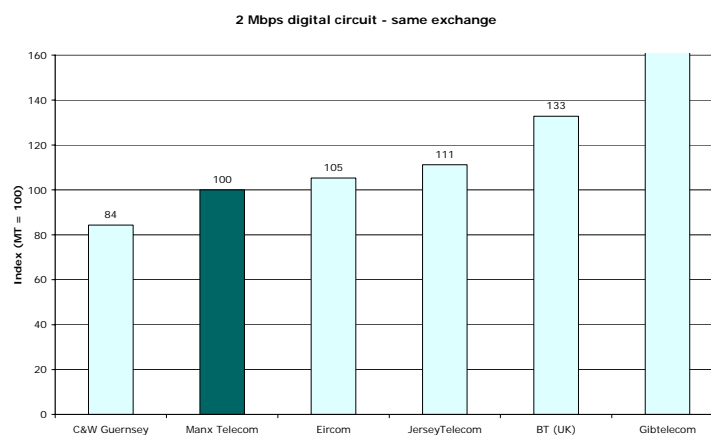
The picture for MT in the provision of private circuits is quite mixed, depending on the particular service being considered and it is difficult, in this particular area, to draw any general conclusion. For a local 64 kbps digital circuit, for example, MT ranks only fifth.

**Summary figure 8 Local 64 kbps private circuit**



But, for a higher speed (2 Mbps) local circuit, MT ranks second.

**Summary figure 9 Local 2 Mbps private circuit**



Details of all the tariffs that form the basis of this benchmarking exercise are summarised in Annex A and the various user baskets are described in Annex B.

To accompany this report, we have produced an Excel workbook that contains all of the calculations used to determine the Equivalent Monthly Price data. This is in a form that allows the Communications Commission and Isle of Man Treasury to vary the underlying assumptions and produce their own benchmark comparisons. Instructions for using the workbook are given in Annex C.

## 1.1 Conclusion

Looking at the overall picture emerging from this benchmarking exercise, we conclude that MT is positioned favourably vis-à-vis other small island economies, such as the Channel Islands and Gibraltar. This is despite the fact that MT's residential services attract VAT, unlike the other small island economies, although its existence clearly affects MT's ranking for certain services. Furthermore, in some instances, the lack of scale in MT's operations means that it cannot compete favourably against the larger economies such as the UK and Ireland.

MT's prices are, in particular, consistently competitive for the high-user markets for both residential and business customers. Less competitive areas include mobile services for light users and also low bandwidth broadband access where other operators offer access at 0.5 Mbps – 1 Mbps and MT only offers a 2 Mbps service. Lastly, MT's prices for low bandwidth leased lines (64 kbps) are higher than in other jurisdictions.

The Communications Commission has recently announced that it has licensed two new mobile providers for the Isle of Man. This is likely to introduce price competition in the provision of mobile services and could therefore remedy the situation of less competitive pricing for light mobile users.

## 2 Introduction and Methodology

The Communications Commission and Isle of Man Treasury are committed to ensuring that the Isle of Man remains at the forefront of developments in telecommunications and, in particular, to encouraging increased choice and value for consumers. To this end, it conducts regular reviews of the range, quality and price of telecommunications services available to businesses and residents on the island.

A comparative study of tariffs was carried out in 2001 by Interconnect Communications and a follow-up study, focusing on Manx Telecom's business tariffs, was performed in 2004 by Pure Pricing. Given the dynamic nature of the telecommunication sector, and the continuing development of new services, it is important to maintain regular oversight of the full range of services that are on offer and how they compare with offerings in other areas.

The purpose of this study is to provide an updated benchmark of telecommunication service tariffs across an expanded range of services including the provision of broadband and wholesale services. It also looks at the range of service (and price) options available to consumers and service providers within key service categories.

The focus of this study is the prices charged by Manx Telecom. The benchmarking is achieved by comparing its prices with those of similar operators in other island or off-shore economies – namely Guernsey, Jersey and Gibraltar – and with the dominant service providers in the Republic of Ireland and mainland Britain. All of these areas are subject to similar telecommunications regulatory climates although, as we discuss below, local market conditions will undoubtedly vary.

The study looks at tariff packages in the following areas:

- Broadband Internet access services, both retail and wholesale;
- Fixed line telephone services;
- Mobile services; and
- Private circuits.

For all but the last category, we consider packages for both residential and business customers. In the case of internet access, MT's prices are also compared with those of local competitors.

Telecommunication tariffs can be complex with several price components, eg a once-off connection charge, a regular monthly rental and volume-dependent call charges, and a number of tariff options to suit different levels of usage. For each comparison we have combined these price components into a single Equivalent Monthly Price (EMP).

Where there is a usage element we have looked at different levels of consumption and, for multipart tariffs (eg different charges for local, national and international calls), we have used a series of "baskets" that represent different typical user profiles. Further details of particular baskets are given in the sections on particular services.

Even with a range of baskets, the results of the comparisons depend on certain underlying assumptions. Key variables have been flexed as part of our analysis in order to test the robustness of our results. This was done using a spreadsheet model developed specifically for this study and a copy of this will be made available to the Communications Commission and the Treasury so that they may make further comparisons. Operating details for the model are given in the Annex.

### 2.1 Methodology

The general principles underpinning the study are described here. Specific assumptions relating to individual services appear with the results of the comparisons in the subsequent sections.

Within each service category we have looked at all tariff options available to the general public (ie we have excluded special tariffs that are only available to a sub-sector of the market such as senior citizens). Discount options and savings that are generally available and form part of the provider's regular tariff structure have also been taken into account where applicable but not time-limited special offers or "Family & friends" and similar discounts that only apply to limited destinations.

Where alternative tariffs are available from a service provider we select the most economic for each basket and use that in the cross-country comparison.



The basic measure for all of the benchmarking is the Equivalent Monthly Price (EMP) to the consumer based on current published prices (mostly taken from the service providers' websites in December 2005). Any once-off payments, such as connection charges, are amortised over an estimated lifetime of the purchase; mobile telephone contracts, for example, tend to be changed more frequently than fixed line services and so have a shorter assumed lifetime.

When comparing prices we have taken the customer's perspective. Hence, VAT has been included at the appropriate rate for residential prices but excluded for business prices. Of the six jurisdictions included in the comparison, only three - one being the Isle of Man - levy Value Added Tax (VAT), as shown in the Table below. Consequently, for the Channel Islands and Gibraltar, the absence of any VAT helps to deliver favourable results for residential services.

**Figure 1 VAT rates**

	VAT rate
Isle of Man	17.5%
Gibraltar	na
Guernsey	na
Ireland	21.0%
Jersey	na
UK	17.5%

Similarly, any subsidies that are generally available to customers have also been taken into account. Specifically, connection charges for broadband DSL services in the Isle of Man are funded by the Government and underwritten by Manx Telecom. Discounts that are available for direct debit payments are also included.

The published tariffs are expressed in Pounds Sterling with the exception of those for the Republic of Ireland, which are in Euros; these have been converted to Sterling at the rate of €1:£0.68. The conversion rate can be adjusted within the model.

For each comparison, the MT price is expressed in absolute terms and as an index of 100 with all other prices referenced to it. Hence, another service provider with a price index of 105 would be 5% above MT's EMP.

### 3 Broadband Internet Access - Retail

Broadband Internet access services are available from MT under the brand name, Manxnet, and from a number of competing service providers in the Isle of Man. We have focused on the most popular form of access service for residential and small business customers, which is offered over the fixed telephone network using Digital Subscriber Loop (DSL) technology.

Broadband DSL customers are required to rent a fixed telephone line to use the DSL service. However, since they are almost certain to already have a line installed the price of this has been excluded from the comparisons below (they are considered, however, as part of the telephone service comparisons in Sections 5 and 6).

DSL installations also require a broadband modem and filters. MT includes the supply of the latter in its service tariff. Some other service providers also include the cost of the modem in their service tariffs (MT has also provided the modem for free under a limited offer but, following our stated methodology, this has not been taken into account). Where necessary, we have factored in the cost of purchasing the additional necessary equipment so that all services are compared on the same basis.

#### 3.1 Residential Services and Tariffs

MT currently has a single DSL broadband service aimed at the residential market that offers downstream speeds of up to 2 Mbps (the realisable maximum speed is dependent, as is the case with all DSL services, on the distance between the customer's premises and the local exchange). It has a simple two-part tariff:

**Figure 2 Manx Telecom's ADSL Residential Broadband Tariff**

£ inc VAT	
Connection fee	£47.00
Monthly rental	£29.23

Under a subsidy scheme operated by the Isle of Man Government and underwritten by Manx Telecom, customers do not have to pay the connection fee and so it has been excluded from the comparison. However, its impact is considered when looking at the results of individual tariffs. For comparable services, any connection charge is amortised over a three year period in order to arrive at an EMP.

To benchmark MT's prices we have looked at a number of competing access providers in the Isle of Man and the incumbent fixed network operator in each of the comparator countries.

Competing broadband DSL access service providers in the Isle of Man have to pay MT for access to its local network infrastructure (the relevant wholesale prices are considered in detail in the next section). MT has the same, one-price strategy regardless of downstream speed for its wholesale Internet DSL service and so the competing access providers are effectively limited to also having a single retail price for all downstream speeds up to 2 Mbps.

In contrast to MT's single offering with a relatively high service specification, providing a downstream speed of up to 2 Mbps and no limit on the download capacity, some of the providers in other jurisdictions have a range of prices to reflect different downstream speeds or, in the case of Eircom and BT, different limits on the downstream capacity.

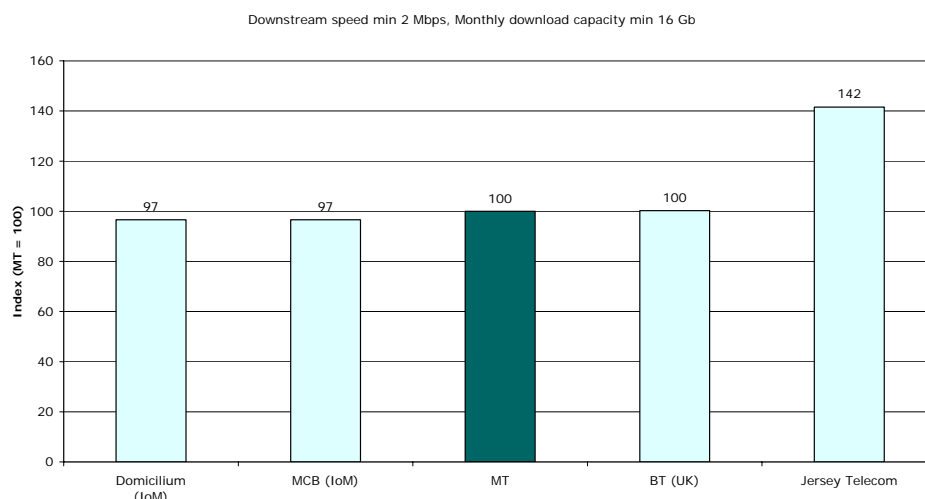
**Figure 3 Broadband DSL access services**

Supplier	Service	Downstream speed	Monthly download capacity limit
Manxnet	Broadband	Up to 2 Mbps	none
Domicilium (IoM)	Residential ADSL	Up to 2 Mbps	none
MCB (IoM)	Residential ADSL	Up to 2 Mbps	none
2e2 (IoM)	Residential ADSL	Up to 2 Mbps	none
C&W Guernsey	Pay As You Go	1 Mbps	8 hrs usage
C&W Guernsey	Select 1000	1 Mbps	none
Jersey Telecom	Rapid Option 1	0.5 Mbps	20 Gb
	Rapid Option 2	1 Mbps	40 Gb
	Rapid Option 3	2 Mbps	60 Gb
Gibtelecom	Gibwireline + Gibconnect	0.5 Mbps	
Eircom	Broadband Time	1 Mbps	20 hrs usage
	Broadband Home Starter	1 Mbps	8 Gb
	Broadband Home Plus	2 Mbps	16 Gb
BT (UK)	Option 1	Up to 2 Mbps	2 Gb
	Option 2	Up to 2 Mbps	6 Gb
	Option 3	Up to 2 Mbps	20 Gb
	Option 4	Up to 2 Mbps	40 Gb

We begin by looking at MT's tariffs alongside other 2 Mbps service offerings and then consider the impact of MT's single tariff by considering two user profiles with more modest requirements:

- A downstream speed of 1 Mbps with a minimal download requirement (eg to suit an entry-level user); and
- A downstream speed of 1 Mbps with a more substantial volume of at least 16 Gb per month (this would typically represent someone, for example, who regularly downloads video clips).

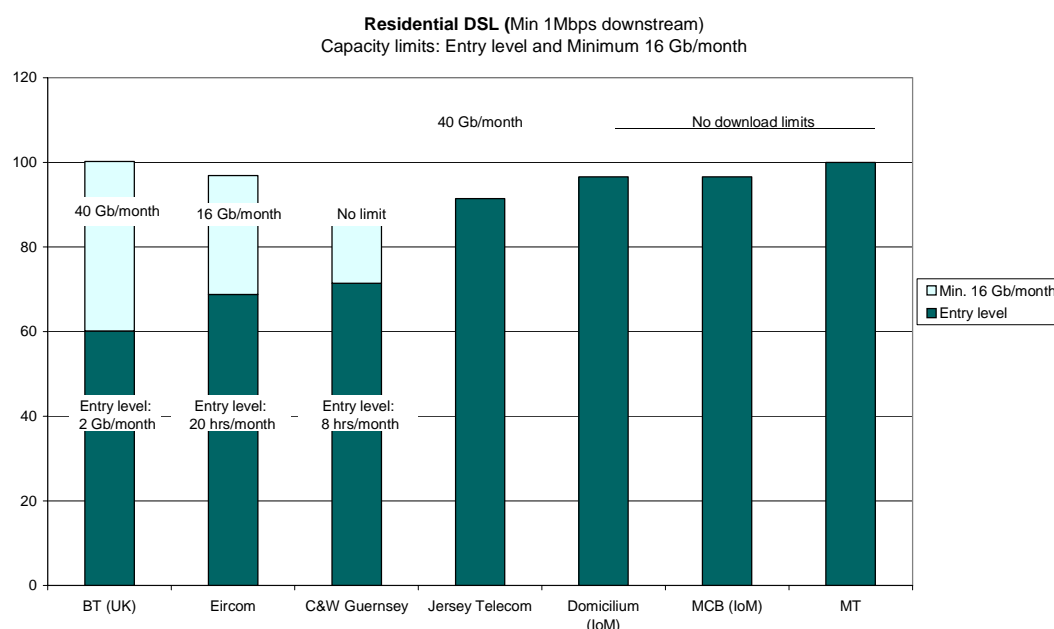
The results of the comparisons are shown in Figure 4 and Figure 5

**Figure 4 Min 2 Mbps downstream speed broadband DSL access – residential**

Not all of the service providers offer a 2 Mbps service and so the comparison is limited. However, of those that do, MT is on a par with BT and considerably cheaper than Jersey Telecom. If the connection charge were to be taken into account, MT's EMP would increase by four percent, making it slightly more expensive than BT.

It must be remembered, of course, that not all users are located sufficiently near an exchange to benefit from a 2 Mbps downstream speed service. Comparisons with services that offer a 1 Mbps downstream speed follow.

**Figure 5 Min 1 Mbps downstream speed broadband DSL access - residential**



Given MT's relatively high service specification, it is not surprising that its tariff looks relatively expensive alongside the entry-level options available from some other service providers. The gap is reduced if the user has a higher capacity requirement although MT's tariff remains one of the most expensive.

### 3.2 Business Services and Tariffs

While the residential services considered above may also be of interest to business customers, we have looked specifically at the offerings from MT and others configured specifically for businesses (with fixed rather than dynamic IP addressing and a lower contention ratio – typically 20:1 compared to 50:1 for a residential service).

As with its residential service, MT has a single tariff for downstream speeds from 0.5 Mbps to 2 Mbps. There are, however, two options: the Premier Service provides a basic facility whereas the Managed Service also includes router equipment and technical support.

**Figure 6 Manx Telecom's ADSL Business Broadband Tariff**

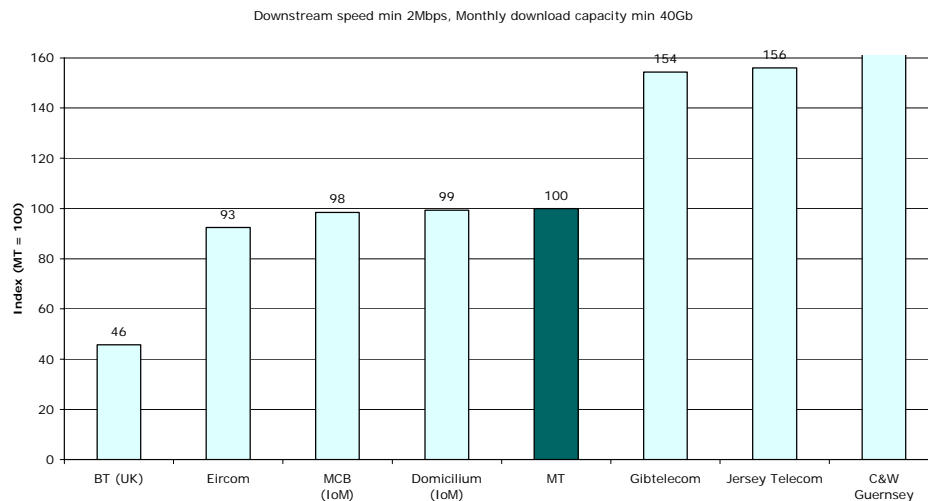
£ ex VAT	Premier	Managed
Connection charge	40.00	240.00
Monthly rental	65.00	75.00

We have selected MT's Premier Service for benchmarking (with an allowance for purchasing the necessary modem) and, like the residential service, the connection charge is currently met by the Isle of Man subsidy scheme and has been excluded from the base comparison. We have considered two different customer requirements:

- A 2 Mbps downstream speed and high download capacity requirement (40 Gb per month);
- A more modest downstream speed (at least 1 Mbps) with lower download capacity requirements (10 Gb per month).

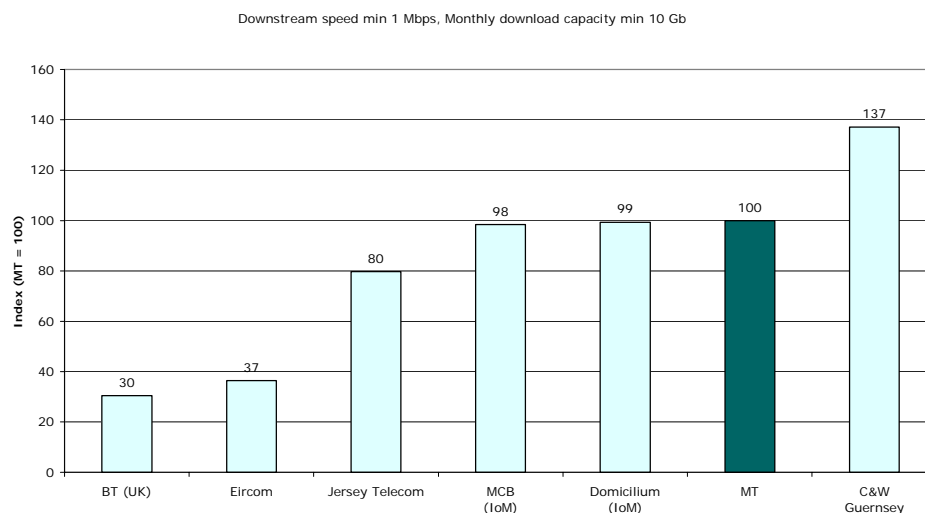
As with the residential service, competing access providers in the Isle of Man are effectively limited to having a single retail price for all downstream speeds up to 2 Mbps. Again, with only limited tariff options, MT's performance in the benchmarking depends significantly on the user's speed and capacity requirements. The results of the comparisons are shown in Figure 7 and Figure 8 below.

**Figure 7 2 Mbps downstream speed broadband DSL access – business**



Although BT and Eircom outrank MT, the latter compares favourably alongside the other island economies. However, for those users who have a less demanding requirement or are placed sufficiently far from a MT exchange that they cannot benefit from the higher speeds, MT's limited tariff options rank poorly.

**Figure 8 Min 1 Mbps downstream speed broadband DSL access - business**



MT's Premier business service is relatively expensive for a business customer with modest downstream speed and capacity requirements. Inclusion of the government-subsidised connection charge would only increase MT's EMP by two percent, with no material change on the results.

## 4 Broadband Internet Access – Wholesale

Since MT is the incumbent infrastructure operator in the Isle of Man it is obliged to provide essential network access facilities to competing broadband Internet service providers who wish to provide consumers with a DSL-based service. Of the various network components that an ISP may require, we focus in this Section on the wholesale prices that it has to pay for the DSL-enabled link between each consumer's premises and the local exchange (sometimes referred to as the End User Data Path or local access link).

This facility can be configured to suit particular end-user requirements and, just like the preceding retail services, MT has separate offerings for residential and business users. These are considered separately in the following sections.

### 4.1 Residential Services and Tariffs

MT has a single wholesale tariff for residential end-users covering downstream speeds of up to 2 Mbps (as mentioned earlier, the realisable maximum speed is dependent on the distance between the user's premises and the local exchange), although there is a 10% discount if the ISP assumes responsibility for billing the end-user for the access element. Pricing details are given below.

**Figure 9 MT's wholesale tariff for residential users**

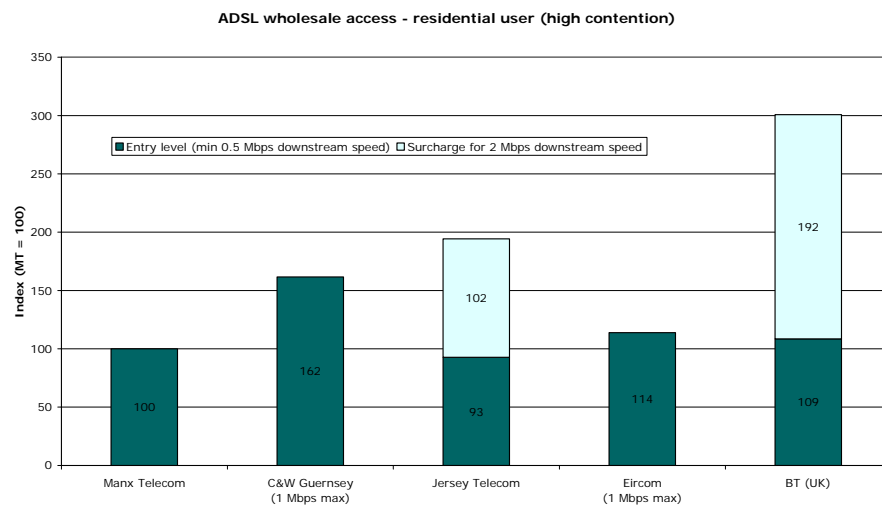
£ ex VAT	
Monthly rental	£13.00

Unfortunately, only limited comparators are available – see Figure 10 for a full list. In Gibraltar, the incumbent operator does not provide a wholesale service and in Guernsey and Ireland, there are only relatively low speed services for residential users. To put MT's tariffs in context, we have looked at two situations: an entry-level price, representing the lowest-priced option available (giving a minimum downstream speed of 0.5 Mbps), and a high-speed (ie 2 Mbps downstream) option.

**Figure 10 Wholesale broadband DSL access services for residential users**

Supplier	Service	Downstream speed
Manx Telecom	ADSL residential	Up to 2 Mbps
C&W Guernsey	Home 1000 Connect	1 Mbps
Jersey Telecom	Residential Option 1	0.5 Mbps
Jersey Telecom	Residential Option 2	1 Mbps
Jersey Telecom	Residential Option 3	2 Mbps
Eircom	Expand IP	0.5 Mbps
BT (UK)	IPStream Home 500	0.5 Mbps
BT (UK)	IPStream Home 1000	1 Mbps
BT (UK)	IPStream Home 2000	2 Mbps

The results, illustrated in Figure 11, are expressed in terms of an indexed entry level price and, where applicable, a surcharge for upgrading to the high speed option. MT's tariff is within seven per cent of the cheapest entry level price (Jersey Telecom) and the most cost-effective of all network providers, by a significant margin, for the high speed option.

**Figure 11 Wholesale broadband local access - residential users**

## 4.2 Business Services and Tariffs

Like its residential service, MT has a single ADSL wholesale tariff for business end-users covering downstream speeds of up to 2 Mbps with a 10% discount if the ISP assumes responsibility for billing. Pricing details are given below. There is currently no connection charge since the retail subsidy scheme mentioned previously is extended to all ISPs, not just end-users serviced by MT.

**Figure 12 MT's wholesale tariff for business users**

£ ex. VAT	
Monthly rental	£30.00

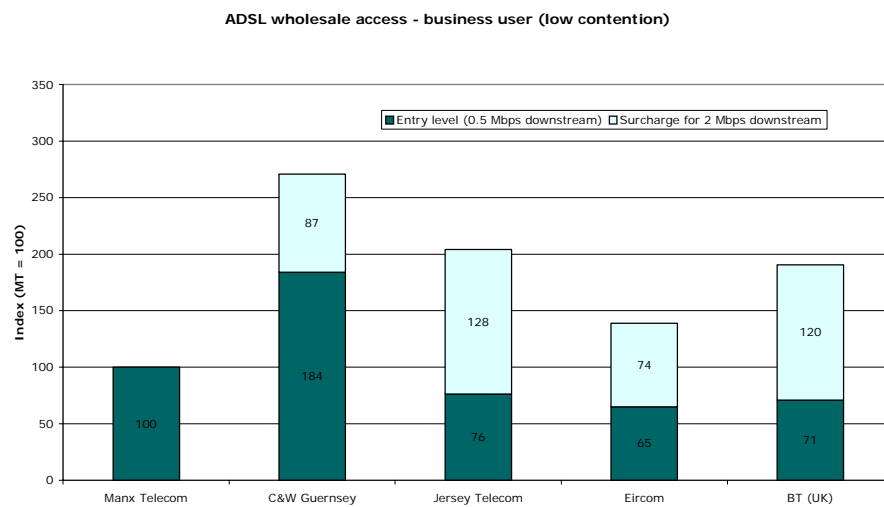
Again, only limited comparators are available – see Figure 13 for a full list. As before, we have looked at two situations: an entry-level price, representing the lowest-priced option available (giving a minimum downstream speed of 0.5 Mbps), and a high-speed (ie 2 Mbps downstream) option.

**Figure 13 Wholesale broadband DSL access services for business users**

Supplier	Service	Downstream speed
Manx Telecom	ADSL business	Up to 2 Mbps
C&W Guernsey	Pro 1000 Connect	1 Mbps
C&W Guernsey	Pro 2000 Connect	2 Mbps
Jersey Telecom	Business Option 1	0.5 Mbps
Jersey Telecom	Business Option 2	1 Mbps
Jersey Telecom	Business Option 3	2 Mbps
Eircom	Swift IP	1 Mbps
Eircom	Express IP	3 Mbps
BT (UK)	IPstream Office 500	0.5 Mbps
BT (UK)	IPstream Office 1000	1 Mbps
BT (UK)	IPstream Office 2000	2 Mbps

Figure 14 gives the results of the comparison. As with the residential service MT's tariff is the most cost-effective for the high speed option but, in terms of entry-level options, it ranks only fourth.

**Figure 14 Wholesale broadband local access - business users**





## 5 Residential Fixed Line Tariffs

Fixed line or Public Switched Telephone Network (PSTN) tariffs have multiple components and to facilitate comparison we have calculated the EMP under a range of different usage assumptions (each of which is represented by a particular basket – described below).

Connection charges are based on a weighted average of the connection prices for new lines and the same-day takeover of existing lines. The total is amortised over a five-year period.

The prices of customer premises equipment are not included.

### 5.1 Usage Baskets

MT's tariffs have been compared with those in other jurisdictions using six residential baskets that represent different levels of customer usage. They range from a low volume user making only a modest number of local and national fixed line calls a month, through to high volume users with nearly 2,000 fixed line calls and substantial calls to mobile and international numbers. The definition of each basket is based on a series of assumptions used by OFCOM for price benchmarking and is summarised below.

**Figure 15 Residential fixed line telephony baskets**

No.	OFCEM ref	Title	Description
1	(1)	Lowest usage	The phone is mainly kept for security reasons, with very few outgoing calls.
2	(2)	Low usage	Lower than average usage. Mostly national usage but with a small proportion of mobile and international calls.
3	(3A)	Medium usage, off-peak	Represents a median residential user. Some mobile and international calls are made. Most calls are off-peak.
4	(3B)	Medium usage, peak	As for basket 3A but with 50% of calls at peak.
5	(4A)	High usage, off-peak	Above average usage. Some international calls are made, and mobile phones are called regularly. Some Internet usage is included. Most calls are off-peak.
6	(4B)	High usage, peak	As for basket 4A but with 50% of calls at peak.

Each basket consists of a mix of calls to local, national and international fixed line destinations and to mobile 'phones during peak (ie daytime, weekdays) and off-peak (evenings and weekend) periods. In the OFCEM baskets, a full range of national and international destinations are included with weightings based on actual traffic volumes for each of the comparator countries. For the purposes of this study, a simplified approach has been adopted using five specified categories<sup>1</sup>. These are summarised in the table below.

<sup>1</sup> These particular international destinations have been chosen based on call data for the UK as a whole. The USA accounts for 24 percent of international outgoing traffic; Belgium (along with France and Germany, which share the same tariff band) accounts for nearly 20 percent; Ireland accounts for 12 percent and Australia nine percent.

**Figure 16 Chosen destinations for cross-border and international call categories**

Call destination category	Isle of Man, Guernsey and Jersey	Gibraltar	Ireland	UK
X-border	UK	Spain	Northern Ireland	Isle of Man
International 1	Ireland	Ireland	UK	Ireland
International 2	Belgium	Belgium	Belgium	Belgium
International 3	USA	USA	USA	USA
International 4	Australia	Australia	Australia	Australia

The duration of each call is varied according to the destination and time-of-day. Details of this and other aspects of each usage profile are given in Annex B. The accompanying spreadsheet allows the usage parameters to be varied and other baskets added.

## 5.2 Service and Tariff Packages

MT has four general usage tariff packages for its residential fixed line service. In addition to its Standard package there is Island Choice, which offers cheaper local calls to fixed and mobile telephones, and Global Choice, which offers cheaper international calls. Some indicative prices within each package are given below.

**Figure 17 Elements of Manx Telecom's Telephone Tariff Packages**

(inc VAT)	Standard	Island Choice	Global Choice
Monthly service rental (£)	7.83	13.00	16.99
<b>Call charges (pence/min)</b>			
Daytime local landline	4	3	3
Daytime local mobile	10	6	6
Daytime UK landline	32	30	20

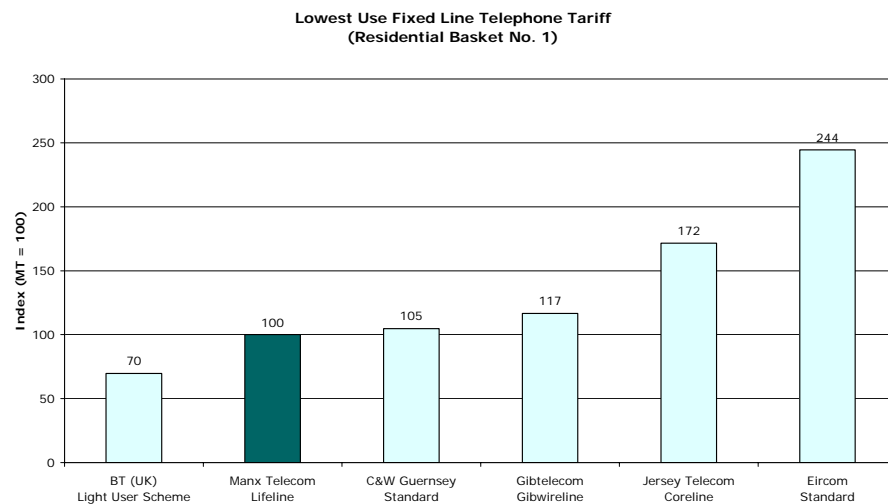
These are compared with the tariffs from the incumbent fixed line operator in the comparator locations. The complete list of comparison tariffs is given below.

**Figure 18 Tariffs included in residential fixed line comparison**

Operator	Service	Features
Manx Telecom	Standard	Basic package
	Island Choice	Free off-peak local calls
	Global Choice	Cheaper international calls
	Lifeline	Low priced line rental
C&W Guernsey Jersey Telecom	Select 1000	Basic package
	Coreline	Basic package
	Homestyle	Cheaper off-peak calls
	Free Talk	Free local calls
Gibtelecom Eircom	Gibwireline	Basic package
	Standard	Basic package
	Talktime Basic	Basic package
	Talktime Off-peak	Free off-peak local/national calls
BT (UK)	Talktime Anytime	Free local/national calls
	Together Option 1	Basic package
	Together Option 2	Cheaper off-peak calls
	Together Option 3	Cheaper calls to mobiles
	Light User Scheme	Rebate for low call volumes

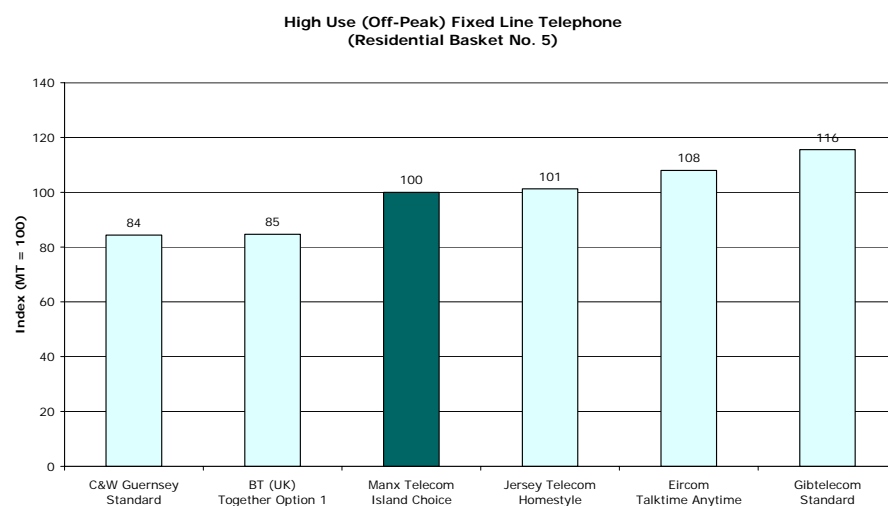
MT's Lifeline tariff is understandably well-suited to the low usage baskets and ranks second only to BT's Light User Scheme for basket 1 (see Figure 19). Although some of the other jurisdictions also have similar social-oriented tariffs, they are not generally available and so have been excluded from the comparison.

**Figure 19 MT's Lifeline tariff for low volume residential users**



As call volumes increase, so different tariff options become optimal. MT's Standard Tariff surpasses the Lifeline tariff with basket 3. By the time we reach basket 5, the Island Tariff becomes the more cost-effective of MT's tariff options. Figure 20 below illustrates how it compares with other operators' tariffs for Basket 5.

**Figure 20 MT's Island Choice tariff for higher volume residential users**



For residential users, the availability of several tariff options helps to ensure that MT compares reasonably well with other jurisdictions; although C&W Guernsey is some 15 to 20 per cent cheaper for all baskets except number 1.

## 6 Business Fixed Line Tariffs

The approach used for benchmarking business fixed line tariffs is broadly the same as that used for residential services using a series of baskets but with an emphasis on higher call volumes and more daytime traffic. Details are given in the following section.

The prices of telephones and PABXs are not included. The connection charge is based on a weighted average of the connection prices for new lines and the same-day takeover of existing lines. The total is amortised over a five-year period.

### 6.1 Usage Baskets

A different set of six baskets has been used to compare MT's tariffs under typical levels of business usage. They represent different permutations of two business sizes and three usage profiles. The definition of each basket is again based on a series used by OFCOM for price benchmarking and is summarised below.

**Figure 21 Business fixed line telephony baskets**

No.	OFCOM ref	Description
The first three baskets are for small-sized businesses with five users, each with a separate telephone line.		
1	Profile 1	National usage only, with a heavy weight towards local calls. This would typically be a company in the service business, serving mainly local customers.
2	Profile 2	Mainly national usage but with some international calls. A higher proportion of national calls are long distance (as opposed to local) compared to profile 1 (For this study, this is interpreted as cross-border). Typically a business serving customers all over the country, and with some international relationships.
3	Profile 3	An internationally-oriented company with relatively high number of international calls. A higher proportion of national calls are long distance (as opposed to local) compared to profile 1. This could be a company in the export business, providing goods or services from national companies.
The second set of three baskets is for larger businesses, each with 30 users, using a PABX with 15 external lines.		
4	Profile 1	As for Profile 1 above.
5	Profile 2	As for Profile 2 above.
6	Profile 3	As for Profile 3 above.

As with the residential baskets, a simplified approach has been adopted for long-distance and international calls using five specified categories. These are summarised in

Figure 16 in the previous Section.

Details of call duration and other aspects of each usage profile are given in Annex B. The accompanying spreadsheet allows the usage parameters to be varied and other baskets added.

## 6.2 Service and Tariff Packages

MT has the same tariff options for residential and business users and three of them – Standard, Island Choice and Global Choice – have been considered in the comparisons. In addition, however, MT's business customers automatically qualify for a series of discounts on call charges under the Standard tariff. These discounts, details of which appear below, have been incorporated into the comparisons.

Destination	Discount
Local fixed and mobile terminating calls	10%
National (ie Cross-border) fixed and mobile terminating calls	15%
International fixed and mobile terminating calls	20%

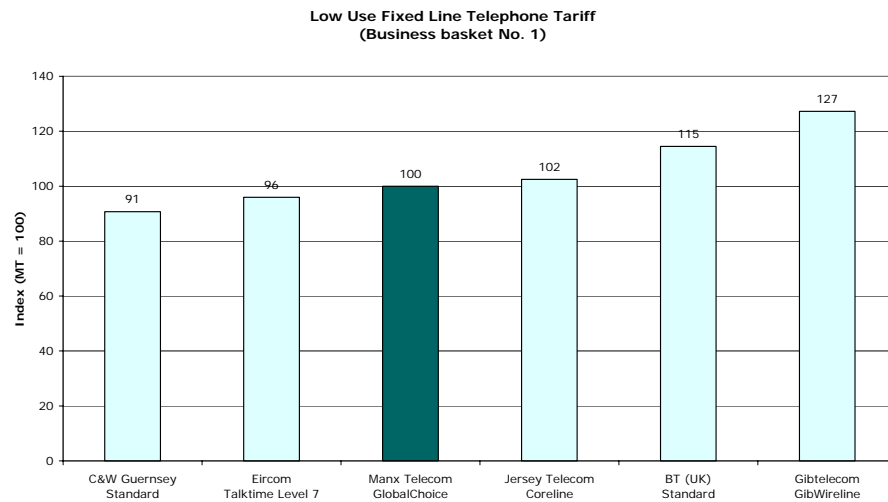
Some other operators have tariff packages designed specifically for business customers. Jersey Telecom, for example, has Encompass, which offers cheaper daytime calls to the UK and international destinations. Other operators provide optional tariff components that provide additional discounts on call charges according to the level of usage. A full list of the services used for benchmarking the business tariffs is given below.

**Figure 22 Tariffs included in fixed line business telephony comparison**

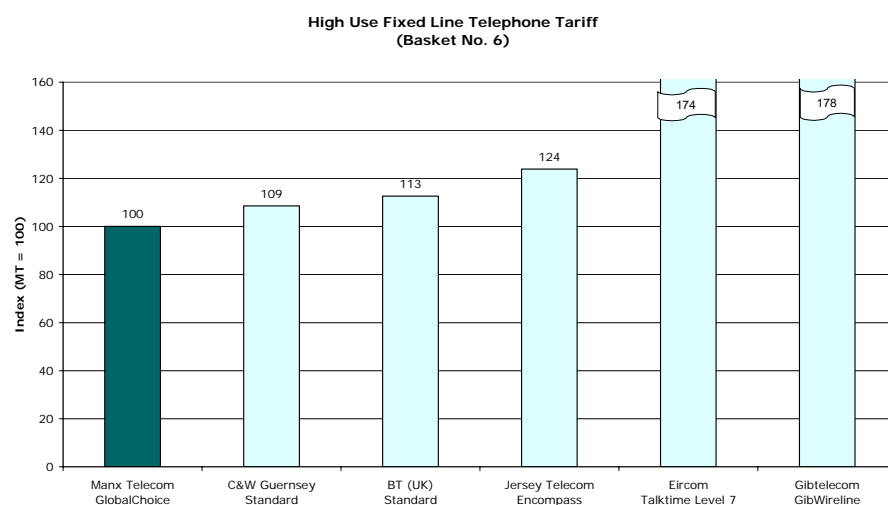
Operator	Service	Features
<b>Basic Tariff</b>		
Manx Telecom	Standard	As for residential tariff but includes call discounts.
	Island Choice	
	Global Choice	
C&W Guernsey	Standard	7 levels offering increasing amounts of free daytime calls.
Jersey Telecom	Coreline	
	Encompass	
Gibtelecom	Gibwireline	
Eircom	Talktime	
BT (UK)	Standard	
<b>Tariff Options</b>		
C&W Guernsey	Business discount	5 levels based on monthly spend
Eircom	Fixed line off-peak discount	4 levels available for extra monthly charge
	Mobile discount	6 levels available for extra monthly charge
BT (UK)	Business plan	5 levels offering various discounts on fixed, mobile and international calls

MT's Global Choice is the most cost-effective of its tariff options across the full range of business baskets. It performs well in the comparisons, ranking first for the three heaviest usage baskets, and either first or second for the others. These favourable results are essentially due to Global Choice's relatively low charges for calls to mobiles and international destinations - both of which feature strongly in the business baskets.

**Figure 23 MT's Global Choice tariff performs moderately for a low use business ...**



**Figure 24 ... and significantly better for the highest usage basket**



## 7 Private Circuit Service Tariffs

There are numerous private circuit services available catering for different transmission speeds and quality of service. Their prices usually depend significantly on the distance of the circuit and MT's tariffs have been designed, understandably, to suit local conditions in the Isle of Man. This can make comparisons with other jurisdictions difficult and, for the purposes of this study, we have focused on three different speed circuits linking customers' premises in the same exchange area to avoid any distance-dependent price component:

- Analogue voice-grade circuit;
- 64 kbps digital circuit;
- 2 Mbps digital circuit.

We have also looked at the relative price of a 2 Mbps circuit from either the Isle of Man or the Channel Islands to London.

### 7.1 Service and Tariff Packages

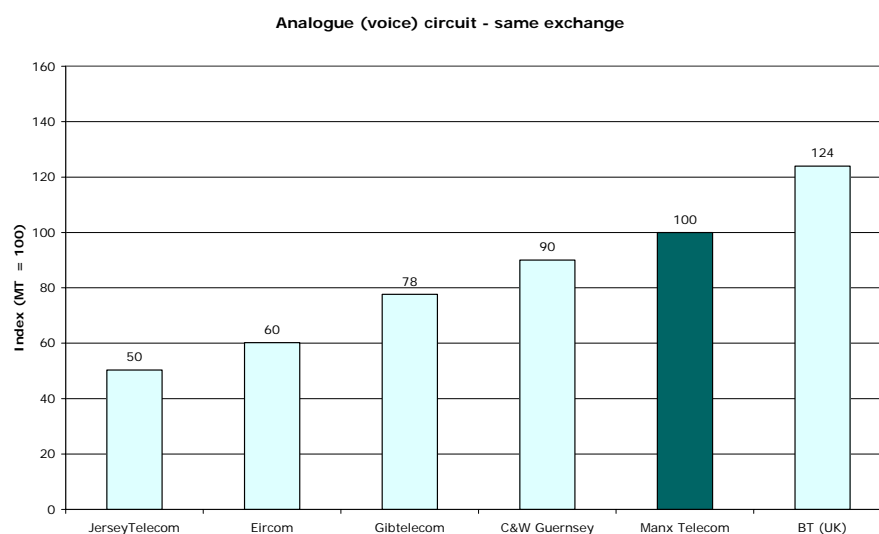
MT's tariffs were not available on its website and the figures set out below are based on quotations provided by its Sales Department.

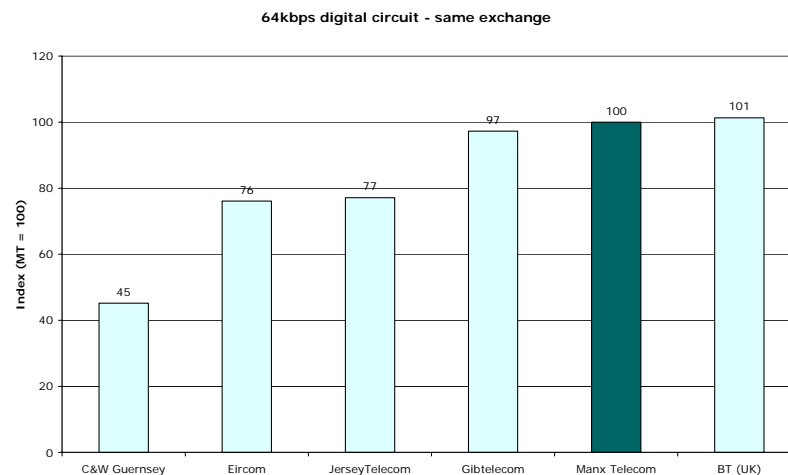
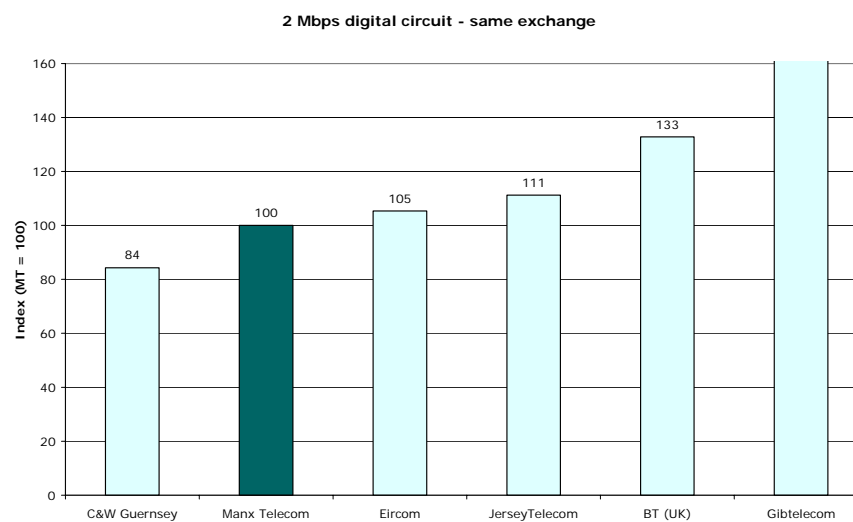
**Figure 25 Selected MT tariffs for private circuits**

£ ex VAT	Connection	Annual rental
<b>Locations in same exchange:</b>		
Analogue – voice	1,050	364
64 kbps digital	700	1,880
2 Mbps digital	3,500	2,430
<b>Home location to London:</b>		
2 Mbps digital	7,100	25,000

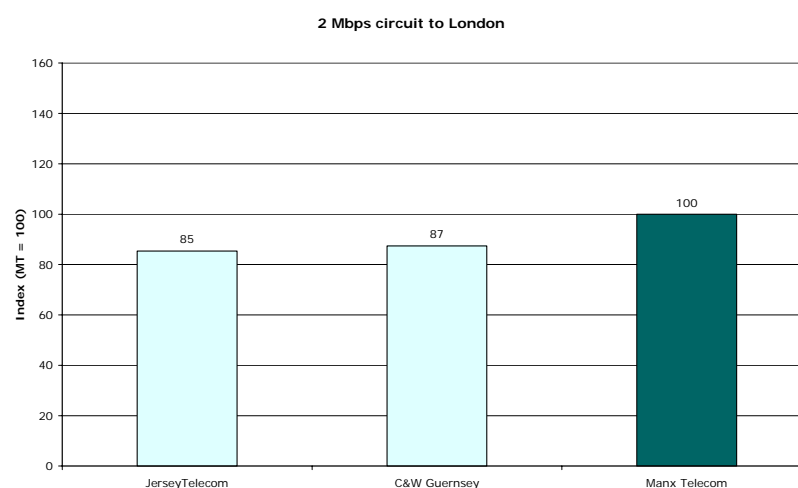
Figure 26 to Figure 28 inclusive represent the outcome of the various local (ie same exchange) circuit comparisons. There is no discernable pattern to the results with MT's ranking varying from the second highest to the second lowest.

**Figure 26 Local analogue (voice grade) private circuit**



**Figure 27 Local 64 kbps digital private circuit****Figure 28 Local 2 Mbps digital private circuit**

In the case of the comparison of 2 Mbps digital circuits from the Isle of Man, or respective Channel Island, to London, Jersey Telecom and C&W Guernsey are some 13 to 15 per cent cheaper than MT. However, given that the distances involved are commensurately less for the Channel Islands operators, MT's prices are more favourable in terms of price per kilometre.

**Figure 29 2 Mbps private circuit to London**



## 8 Mobile Services

Mobile telephone services are largely interchangeable between residential (or leisure) users and business users, although certain tariffs are more suited to particular usage patterns. In addition, some mobile operators market “business” tariffs that suit higher call volumes and may include one or more options for data transfer (to suit emailing and web access).

For the purposes of this study, therefore, we have made comparisons based on two tariff groupings:

- a leisure group, which covers a range of voice usage and includes varying levels of text messaging; and
- a business group, which has a high level of voice usage and varying levels of data transfer.

Most post-paid and some pre-paid service packages include a basic mobile telephone and, where it is not, the price of a basic telephone has been included for consistency. The cost of this and any connection charges are amortised over a two-year period.

### 8.1 Usage Baskets

Comparisons have been made using five baskets representing different levels of customer usage. They cover a range of call volumes (both voice and text messaging) and a mixture of either predominantly peak or off-peak calling patterns. Also included in the baskets are varying levels of voicemail retrieval.

Basket 5 (highest volume, peak) is used with differing levels of GPRS data usage (for emailing, web access etc) to assess the data tariff options that are targeted at the business community.

The basket definitions are derived from a series used by OFCOM for price benchmarking and have been selected to illustrate each of MT’s tariff packages.

**Figure 30 Baskets used for mobile services**

No.	OFCOM Title	Annual voice calls	SMS messages	Description
1	Low volume, off-peak	160	10	75% of calls during evenings and weekends. Mostly local landline calls.
2	Medium volume, peak	400	100	85% of calls during weekday. More X-border and international calls.
3	Medium volume, off-peak	400	100	75% of calls off-peak with same mix as basket 1.
4	High volume, peak	3,000	500	87% of calls during weekday with increased proportion of international calls.
5	Highest volume, peak	4,000	200	90% of calls during weekday with increased proportion of international calls.

### 8.2 Service and Tariff Packages

MT’s mobile service and tariff packages are designed to suit differing levels of call usage with one pre-paid (or pay-as-you-go) package called Pronto Go and two post-paid (or contract) packages, Pronto 30 and Pronto 100. Key elements of the tariffs are summarised below.

**Figure 31 Elements of Manx Telecom's Mobile Voice Tariffs**

(inc VAT)	Pronto Go	Pronto 30	Pronto 100
Monthly service rental (£)	0	15.00	27.50
<b>Call charges (pence/min)</b>			
Local landline (peak)	25	12	10
UK landline (peak)	52	18	13
UK registered mobile (peak)	77	48	40

In addition, for GPRS data transfer, MT has three tariff options to suit differing levels of usage. Details are summarised below.

**Figure 32 Elements of Manx Telecom's Mobile Data (GPRS) tariffs**

(ex VAT)	Connect Pay-As-You-Use	Connect 10	Connect Max
Monthly service rental (£)	0	8.00	34.00
Charge per Mb (£)	3.00	0.77	0.51
Free monthly data allowance (Mb)	0	10	100

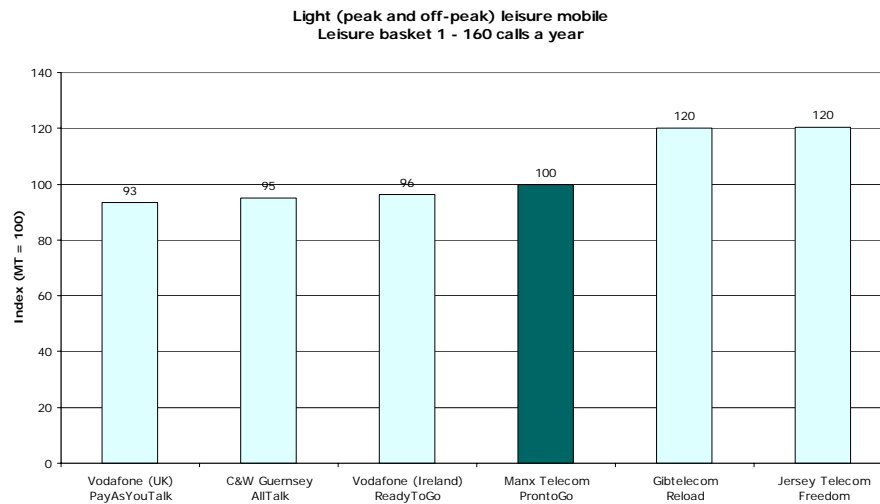
MT's tariffs are compared with those offered by the mobile operator with the largest market share in each of the other jurisdictions. A full list of the services considered is given below.

**Figure 33 Tariffs included in leisure mobile comparison**

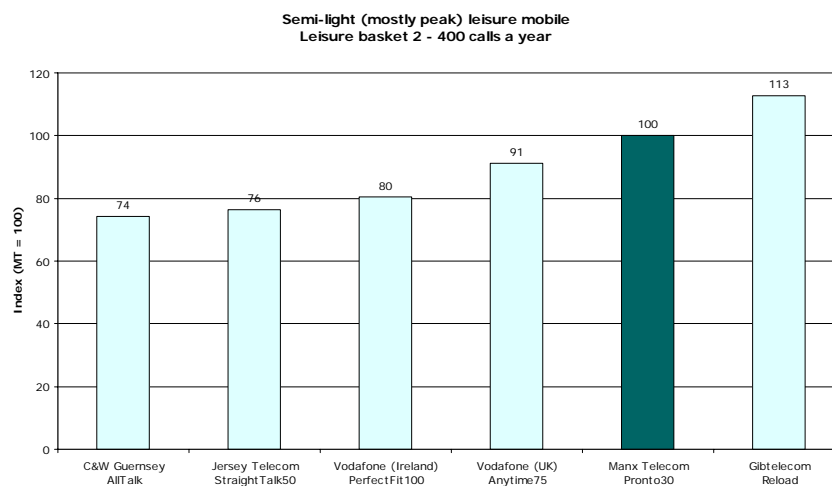
Operator	Service	Features
Manx Telecom	Pronto 30	30 free local call minutes
	Pronto 100	100 free local call minutes
	Pronto Go	Pre-paid
C&WG (Guernsey)	Islander	30 free local mobile minutes
	Roamer	100 free local mobile minutes
	AllTalk	Pre-paid
Jersey Telecom	StraightTalk 50	50 free local off-peak minutes
	BigTalk 200	200 free local off-peak minutes
	BigTalk 400	400 free local off-peak minutes
	Freedom	Pre-paid
Gibtelecom	Select 10	£2 free calls
	Select 100	£20 free calls
	Select 250	£35 free calls
	Reload	Pre-paid
Vodafone (Ireland)	PerfectFit 30	30 free local* call minutes
	PerfectFit 100	100 free local* call minutes
	PerfectFit 200	200 free local* call minutes
	Ready to Go – Work & Leisure	Pre-paid
Vodafone (UK)	Anytime 75	75 free local** call minutes
	Anytime 125	125 free local** call minutes
	Anytime 200	200 free local** call minutes
	Anytime 275	275 free local** call minutes
	Anytime 350	350 free local** call minutes
	Anytime 500	500 free local** call minutes
	Pay as you talk – Smartplus	Pre-paid
* includes calls to Northern Ireland		
** includes calls to Isle of Man		

The results of the benchmarking are presented below. The first basket (No 1) illustrates the costs to a light user of MT's Pay-as-you-go tariff alongside several other pre-paid packages. Although it is fourth in the rankings, it is within seven percent of the cheapest offering.

**Figure 34 Mobile – light leisure user**



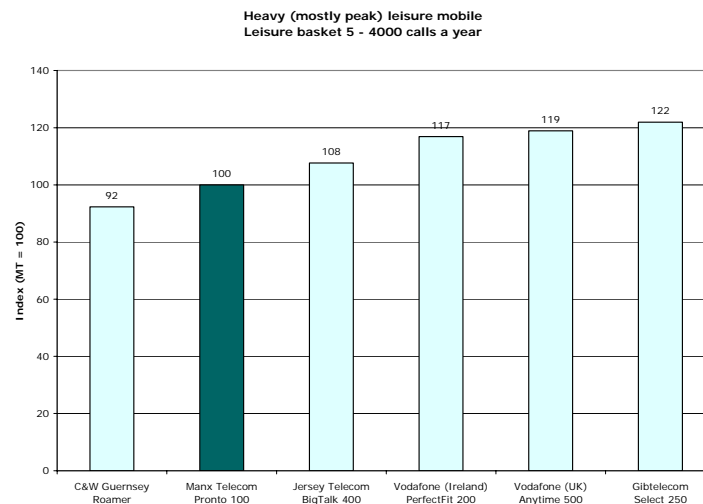
**Figure 35 Mobile - medium leisure user**



An increase in the annual call volume from 160 to 400 (basket no. 2) results in MT's Pronto 30 (post-paid) service becoming its most cost-effective offering. However, as Figure 35 illustrates, MT ranks as one of the most expensive when compared with other service tariffs. This is partly due to Pronto 30's rental charge being £5 higher than the Channel Island services, which do not attract VAT.

MT's ranking remains much the same for the third and fourth baskets but the situation changes with basket number 5. This represents a high level of call volumes and more international traffic. This favours MT's third tariff package, the Pronto 100, and puts MT second in the rankings, as shown in Figure 36.

**Figure 36 Mobile - Heavy leisure user**



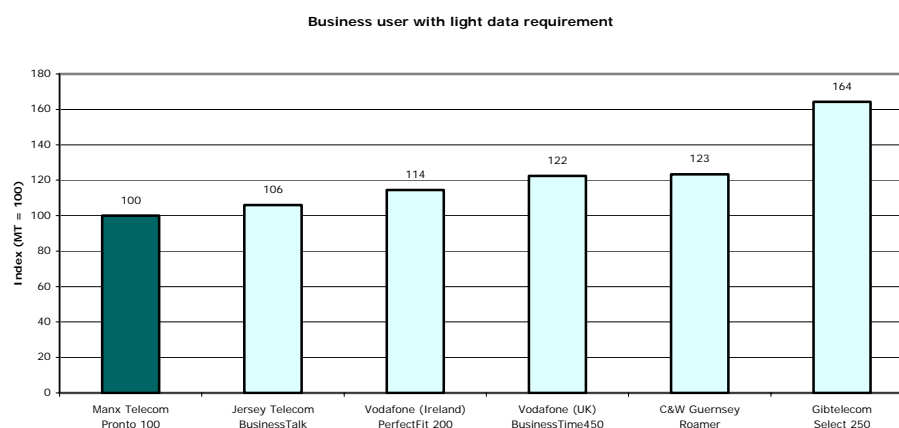
As mentioned earlier, for a business user's perspective we have focused on a single, high voice call profile (basket 5) and looked at varying levels of GPRS data usage. The relevant tariff packages included in the comparison are summarised below.

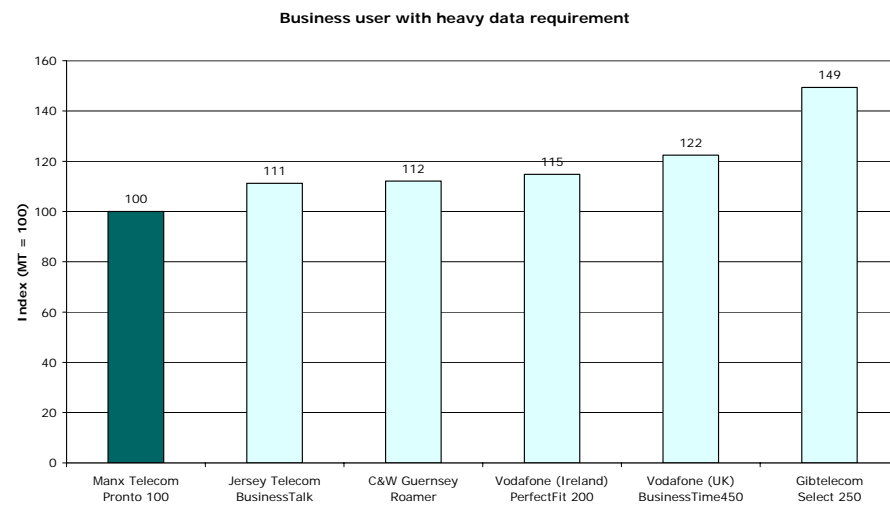
**Figure 37 Business mobile data tariff packages**

Operator	Service	GPRS tariffs
Manx Telecom	Pronto 100	Three volume-dependent options
C&WG (Guernsey)	Roamer	Lifestyle Pro
Jersey Telecom	Business Talk	Four volume-dependent options
Gibtelecom	Select 250	One option
Vodafone (Ireland)	PerfectFit 200	Five volume-dependent options
Vodafone (UK)	BusinessTime 450	Integral to voice package

MT comes top of the rankings for both light (1 Mb a year) and heavy (100 Mb a year) data transfer requirements. The cost of the data traffic represents only 10 per cent at most of the MT's EMP and its significantly improved ranking against the Channel Island services is helped by the exclusion of any VAT for this particular benchmark.

**Figure 38 Mobile - Business user with light data requirement**



**Figure 39 Mobile - business user with heavy data requirement**

## Annex A: Tariff details

**Table 1 Retail tariffs: Broadband DSL access (residential)**

Amounts in £ except where stated otherwise (inc VAT)		Connection	Monthly rental
Manxnet	Broadband	0.00	29.23
Domicilium (IoM)	2Mb Residential ADSL	0.00	28.20*
MCB (IoM)	Residential ADSL	0.00	28.20*
Gibtelecom	Gibwireline + Gibconnect	75.00	99.00
C&W Guernsey	Select 1000	0.00	26.99
Jersey Telecom	Rapid Option 1	50.00	17.99
Jersey Telecom	Rapid Option 2	50.00	24.99
Jersey Telecom	Rapid Option 3	50.00	39.99
Eircom	Broadband Time	€0.00	€19.99
Eircom	Broadband Home Starter	€9.99	€29.99
Eircom	Broadband Home Plus	€9.99	€42.35
BT (UK)	Option 1	0.00	17.99
BT (UK)	Option 2	0.00	22.99
BT (UK)	Option 3	0.00	26.99
BT (UK)	Option 4	0.00	29.99

\* Includes local access charge of £15.275/month levied by MT

**Table 2 Retail tariffs: Broadband DSL access (business)**

Amounts in £ except where stated otherwise (ex VAT)		Connection	Monthly rental
Manxnet	Broadband Premier	0.00	65.00
Domicilium (IoM)	Business ADSL unmanaged	0.00	64.58*
MCB (IoM)	Business ADSL	0.00	64.00*
Gibtelecom	Gibwireline + Gibconnect	75.00	99.00
C&W Guernsey	Select Pro 1000	0.00	89.99
C&W Guernsey	Select Pro 2000	0.00	149.99
Jersey Telecom	Rapid Business Option 1	50.00	35.99
Jersey Telecom	Rapid Business Option 2	50.00	49.99
Jersey Telecom	Rapid Business Option 3	50.00	99.99
Eircom	B'band Business Starter	€8.26	€35.00
Eircom	B'band Business Plus	€8.26	€89.00
Eircom	B'band Business Enhanced	€8.26	€169.00
BT (UK)	Single User Lite	0.00	19.99
BT (UK)	Single User	0.00	29.99
BT (UK)	Share (2 to 4 users)	0.00	45.00
BT (UK)	Network (5 to 20 users)	0.00	65.00
BT (UK)	Network (5 to 20 users)	0.00	100.00

\* Includes local access charge of £30/month levied by MT

**Table 3 Wholesale tariffs: Broadband DSL access (residential)**

Amounts in £ except where stated otherwise (ex VAT)		Connection	Monthly rental
Manx Telecom	ADSL residential	0.00	13.00
C&W Guernsey	Home 1000 Connect	126.99	17.49
Jersey Telecom	Residential Option 1	45.00	10.79
Jersey Telecom	Residential Option 2	45.00	14.99
Jersey Telecom	Residential Option 3	45.00	23.99
Eircom	Expand IP	€60.00	€20.10
BT (UK)	IPstream Home 500	40.00	13.00
BT (UK)	IPstream Home 1000	40.00	23.00
BT (UK)	IPstream Home 2000	40.00	38.00

**Table 4 Wholesale tariffs: Broadband DSL access (business)**

Amounts in £ except where stated otherwise (ex VAT)		Connection	Monthly rental
Manx Telecom	ADSL business	0.00	30.00
C&W Guernsey	Pro 1000 Connect	224.99	48.99
C&W Guernsey	Pro 2000 Connect	224.99	74.99
Jersey Telecom	Business Option 1	45.00	21.59
Jersey Telecom	Business Option 2	45.00	29.99
Jersey Telecom	Business Option 3	45.00	59.99
Eircom	Swift IP	€60.00	€27.00
Eircom	Express IP	€60.00	€59.60
BT (UK)	IPstream Office 500	40.00	20.17
BT (UK)	IPstream Office 1000	40.00	32.14
BT (UK)	IPstream Office 2000	40.00	56.07

**Table 5 Residential Tariffs: Fixed line telephone service**

Amounts in £ except where stated otherwise (inc VAT)		Connection		Monthly rental
		New	Takeover	
Manx Telecom	Standard	111.63	0.00	7.83
Manx Telecom	Island Choice	111.63	0.00	13.00
Manx Telecom	Global Choice	111.63	0.00	16.99
Manx Telecom	Lifeline	111.63	0.00	3.92
Gibtelecom	Gibwireline	75.00	50.00	6.00
C&W Guernsey	Standard	69.99	21.99	6.16
Jersey Telecom	Coreline	79.99	49.99	10.64
Jersey Telecom	Homestyle	79.99	49.99	14.41
Jersey Telecom	FreeTalk	79.99	49.99	22.42
Eircom	Standard	€121.93	€12.11	€24.18
Eircom	Talktime basic	€121.93	€12.11	€27.99
Eircom	Talktime off-peak	€121.93	€12.11	€34.99
Eircom	Talktime anytime	€121.93	€12.11	€39.99
BT (UK)	Together Op 1	74.99	0.00	11.00
BT (UK)	Together Op 2	74.99	0.00	16.50
BT (UK)	Together Op 3	74.99	0.00	25.50
BT (UK)	Light User	74.99	0.00	11.00

**Table 6 Residential tariff - Fixed call to local and X-border landlines and mobiles**  
**(W: Weekend, E: Evening, D: Daytime)**

Amounts in pence except where stated otherwise (c: € cents, u: Pence per call unit) – inc. VAT		To X-border mobile			To local mobile			To X-border fixed line			To local fixed line		
		W	E	D	W	E	D	W	E	D	W	E	D
Manx Telecom	Standard	10.5	22.0	32.0	5.0	10.0	10.0	3.0	3.0	7.1	0.5	0.5	4.3
Manx Telecom	Island Choice	17.0	17.0	30.0	5.0	5.0	6.0	3.0	3.0	7.0	0.0	0.0	3.0
Manx Telecom	Global Choice	20.0	20.0	20.0	6.0	6.0	6.0	4.0	4.0	4.0	3.0	3.0	3.0
Gibtelecom	Gibwireline	18.0u	20.0u	20.0u	18.0u	20.0u	20.0u	11.0u	15.0u	15.0u	6.0u	6.0u	6.0u
C&W Guernsey	Standard	25.0	25.0	25.0	11.8	14.8	14.8	2.5	2.9	3.7	0.0	0.0	0.0
Jersey Telecom	Coreline	13.0	15.0	25.0	9.0	10.0	12.0	3.5	3.5	3.5	0.2	0.2	0.2
Jersey Telecom	Homestyle	13.0	15.0	25.0	8.1	9.0	13.0	3.2	3.2	3.5	0.2	0.2	0.2
Eircom	Standard	11.6c	19.5c	23.1c	11.6c	19.5c	23.1c	1.3c	4.9c	8.2c	1.3c	1.3c	4.9c
Eircom	Talktime basic	11.6c	19.5c	23.1c	11.0c	18.5c	23.1c	1.3c	1.3c	4.9c	1.3c	1.3c	4.8c
Eircom	Talktime off-peak	11.6c	19.5c	23.1c	11.0c	18.5c	23.1c	1.3c	1.3c	4.9c	1.3c	1.3c	4.3c
Eircom	Talktime anytime	11.6c	19.5c	23.1c	11.0c	18.5c	21.9c	1.3c	1.3c	4.9c	1.3c	1.3c	4.3c
BT (UK)	Together Op 1	3.6	11.7	12.4	3.6	11.7	12.4	0.0	0.0	3.0	0.0	0.0	3.0
BT (UK)	Together Op 2	3.6	11.7	12.4	3.6	11.7	12.4	0.0	0.0	3.0	0.0	0.0	3.0
BT (UK)	Together Op 3	2.7	8.8	9.3	2.7	8.8	9.3	0.0	0.0	0.0	0.0	0.0	0.0





**Table 7 Residential tariffs – fixed calls to international landlines**  
(W: Weekend, E: Evening, D: Daytime)

Amounts in pence except where stated otherwise (c: € cents, u: Pence per call unit) – inc. VAT		To Australia			To USA			To Belgium			To Ireland (UK)		
		W	E	D	W	E	D	W	E	D	W	E	D
Manx Telecom	Standard	7.0	7.0	7.0	7.0	7.0	7.0	10.0	10.0	10.0	5.9	5.9	5.9
Manx Telecom	Island Choice	7.0	7.0	7.0	7.0	7.0	7.0	10.0	10.0	10.0	5.9	5.9	5.9
Manx Telecom	Global Choice	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0
Gibtelecom	Gibwireline	20.0u	25.0u	25.0u	20.0u	25.0u	25.0u	20.0u	25.0u	25.0u	15.0u	20.0u	20.0u
C&W Guernsey	Standard	4.9	4.9	4.9	4.9	4.9	4.9	6.3	6.3	6.3	4.9	4.9	4.9
Jersey Telecom	Coreline	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Jersey Telecom	Homestyle	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Eircom	Standard	43.8c	68.5c	85.8c	15.2c	15.2c	19.1c	24.2c	24.2c	24.2c	12.4c	14.4c	15.4c
Eircom	Talktime basic	35.0c	54.8c	68.6c	10.0c	10.0c	10.0c	19.4c	19.4c	19.4c	10.0c	10.0c	10.0c
Eircom	Talktime off-peak	35.0c	54.8c	68.6c	10.0c	10.0c	10.0c	19.4c	19.4c	19.4c	10.0c	10.0c	10.0c
Eircom	Talktime anytime	35.0c	54.8c	68.6c	10.0c	10.0c	10.0c	19.4c	19.4c	19.4c	10.0c	10.0c	10.0c
BT (UK)	Together Op 1	9.0	9.0	24.0	9.0	9.0	15.0	9.0	9.0	18.5	9.0	9.0	15.0
BT (UK)	Together Op 2	9.0	9.0	24.0	9.0	9.0	15.0	9.0	9.0	18.5	9.0	9.0	15.0
BT (UK)	Together Op 3	9.0	9.0	24.0	9.0	9.0	15.0	9.0	9.0	18.5	9.0	9.0	15.0

**Table 8 Business Tariffs: Fixed line telephone service**

Amounts in £ except where stated otherwise (ex VAT)		Connection		Monthly line rental	Monthly service charge
		New	Take-over		
Manx Telecom	Standard with Business Call Discount	95.00	0.00	11.00	
Manx Telecom	Island Choice with Business Call Discount	95.00	0.00	11.00	
Manx Telecom	Global Choice with Business Call Discount	95.00	0.00	14.46	
Gibtelecom	Gibwireline	75.00	50.00	6.00	
C&W Guernsey	Standard	69.99	21.99	6.16	
Jersey Telecom	Coreline	79.99	49.99	10.64	
Jersey Telecom	Encompass	79.99	49.99	14.41	
Eircom	Talktime Level 1	€107.43	€20.65	€19.98	€25.99
Eircom	Talktime Level 2	€107.43	€20.65	€19.98	€35.49
Eircom	Talktime Level 3	€107.43	€20.65	€19.98	€46.49
Eircom	Talktime Level 4	€107.43	€20.65	€19.98	€64.49
Eircom	Talktime Level 5	€107.43	€20.65	€19.98	€91.99
Eircom	Talktime Level 6	€107.43	€20.65	€19.98	€122.99
Eircom	Talktime Level 7	€107.43	€20.65	€19.98	€153.99
BT (UK)	Standard business	69.00	0.00	13.72	

**Table 9 Business tariffs - Fixed call to local and X-border landlines and mobiles**  
**(W: Weekend, E: Evening, D: Daytime)**

Pence per minute except where stated otherwise (c: € cents, U: Pence per call unit) – ex VAT	To X-border mobile				To local mobile				To X-border fixed line				To local fixed line			
	W		E		D		W		E		D		W		E	
Manx Telecom	8.0	16.9	24.5	3.8	7.7	7.7	2.2	2.2	2.2	2.2	5.1	5.1	0.4	0.4	3.3	3.3
Manx Telecom	13.0	23.0	23.0	3.8	3.8	4.6	2.2	2.2	2.2	2.2	5.1	5.1	0.0	0.0	2.3	2.3
Manx Telecom	15.3	15.3	15.3	4.6	4.6	4.6	2.9	2.9	2.9	2.9	2.9	2.9	2.3	2.3	2.3	2.3
Gibtelecom	18.0u	20.0u	20.0u	18.0u	20.0u	20.0u	11.0u	11.0u	15.0u	15.0u	15.0u	15.0u	6.0u	6.0u	6.0u	6.0u
C&W Guernsey	25.0	25.0	25.0	11.8	14.8	14.8	2.5	2.5	2.9	2.9	3.7	3.7	0.0	0.0	0.0	0.0
Jersey Telecom	13.0	15.0	25.0	9.0	10.0	12.0	3.5	3.5	3.5	3.5	3.5	3.5	0.2	0.2	0.2	0.2
Jersey Telecom	13.0	15.0	25.0	9.0	10.0	11.7	3.5	3.5	3.5	3.5	3.2	3.2	0.2	0.2	0.2	0.2
Eircom	9.6c	16.1c	19.1c	9.6c	16.1c	19.1c	1.0c	1.0c	4.1c	4.1c	6.8c	6.8c	1.0c	1.0c	4.1c	4.1c
Eircom	9.6c	16.1c	19.1c	9.6c	16.1c	19.1c	1.0c	1.0c	4.1c	4.1c	6.8c	6.8c	1.0c	1.0c	4.1c	4.1c
Eircom	9.6c	16.1c	19.1c	9.6c	16.1c	19.1c	1.0c	1.0c	4.1c	4.1c	6.8c	6.8c	1.0c	1.0c	4.1c	4.1c
Eircom	9.6c	16.1c	19.1c	9.6c	16.1c	19.1c	1.0c	1.0c	4.1c	4.1c	6.8c	6.8c	1.0c	1.0c	4.1c	4.1c
Eircom	9.6c	16.1c	19.1c	9.6c	16.1c	19.1c	1.0c	1.0c	4.1c	4.1c	6.8c	6.8c	1.0c	1.0c	4.1c	4.1c
Eircom	9.6c	16.1c	19.1c	9.6c	16.1c	19.1c	1.0c	1.0c	4.1c	4.1c	6.8c	6.8c	1.0c	1.0c	4.1c	4.1c
Eircom	9.6c	16.1c	19.1c	9.6c	16.1c	19.1c	1.0c	1.0c	4.1c	4.1c	6.8c	6.8c	1.0c	1.0c	4.1c	4.1c
Eircom	9.6c	16.1c	19.1c	9.6c	16.1c	19.1c	1.0c	1.0c	4.1c	4.1c	6.8c	6.8c	1.0c	1.0c	4.1c	4.1c
BT (UK)	3.2	10.4	11.0	3.2	10.4	11.0	1.3	1.3	3.4	3.4	6.7	6.7	0.9	0.9	3.4	3.4

**Table 10 Business tariffs – Fixed calls to international landlines**  
**(W: Weekend, E: Evening, D: Daytime)**

	Pence per minute except where stated otherwise (c: € cents, U: Pence per call unit) – ex VAT	To Australia			To USA			To Belgium			To Ireland (UK)		
		W	E	D	W	E	D	W	E	D	W	E	D
Manx Telecom	Business Call Discount	4.8	4.8	4.8	4.8	4.8	4.8	6.8	6.8	6.8	4.0	4.0	4.0
Manx Telecom	Business Call Discount	4.8	4.8	4.8	4.8	4.8	4.8	6.8	6.8	6.8	4.0	4.0	4.0
Manx Telecom	Business Call Discount	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	2.7	2.7	2.7
Gibtelecom	Gibwireline	20.0u	25.0u	25.0u	20.0u	25.0u	25.0u	20.0u	25.0u	25.0u	15.0u	20.0u	20.0u
C&W Guernsey	Standard	4.9	4.9	4.9	4.9	4.9	4.9	6.3	6.3	6.3	4.9	4.9	4.9
Jersey Telecom	Coreline	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Jersey Telecom	Encompass	8.0	8.0	7.0	7.0	7.0	6.2	7.0	7.0	6.2	7.0	7.0	6.2
Eircom	Talktime Level 1	36.2c	56.6c	70.9c	12.6c	12.6c	15.7c	20.0c	20.0c	20.0c	10.3c	11.9c	12.7c
Eircom	Talktime Level 2	36.2c	56.6c	70.9c	12.6c	12.6c	15.7c	20.0c	20.0c	20.0c	10.3c	11.9c	12.7c
Eircom	Talktime Level 3	36.2c	56.6c	70.9c	12.6c	12.6c	15.7c	20.0c	20.0c	20.0c	10.3c	11.9c	12.7c
Eircom	Talktime Level 4	36.2c	56.6c	70.9c	12.6c	12.6c	15.7c	20.0c	20.0c	20.0c	10.3c	11.9c	12.7c
Eircom	Talktime Level 5	36.2c	56.6c	70.9c	12.6c	12.6c	15.7c	20.0c	20.0c	20.0c	10.3c	11.9c	12.7c
Eircom	Talktime Level 6	36.2c	56.6c	70.9c	12.6c	12.6c	15.7c	20.0c	20.0c	20.0c	10.3c	11.9c	12.7c
Eircom	Talktime Level 7	36.2c	56.6c	70.9c	12.6c	12.6c	15.7c	20.0c	20.0c	20.0c	10.3c	11.9c	12.7c
BT (UK)	Standard business	50.0	50.0	50.0	25.0	25.0	25.0	30.0	30.0	30.0	20.0	20.0	20.0

**Table 11 Leisure tariffs – Mobile telephone service**

Amounts in £ except where stated otherwise (ex VAT)		Connection	Monthly rental
Manx Telecom	Pronto 30	0.00	15.00
Manx Telecom	Pronto 100	0.00	27.50
Manx Telecom	Pronto Go	0.00	0.00
Gibtelecom	Select 10	0.00	12.00
Gibtelecom	Select 100	0.00	30.00
Gibtelecom	Select 250	0.00	55.00
Gibtelecom	Reload	0.00	0.00
C&W Guernsey	Islander	25.00	10.00
C&W Guernsey	Roamer	25.00	15.00
C&W Guernsey	AllTalk	5.00	0.00
Jersey Telecom	StraightTalk 50	0.00	9.99
Jersey Telecom	BigTalk 200	0.00	14.99
Jersey Telecom	BigTalk 400	0.00	19.99
Jersey Telecom	Freedom	0.00	0.00
Vodafone (Ireland)	PerfectFit 30	€29.00	€19.00
Vodafone (Ireland)	PerfectFit 100	€29.00	€29.00
Vodafone (Ireland)	PerfectFit 200	€29.00	€49.00
Vodafone (Ireland)	Ready to Go - Work & Leisure	€79.00	€0.00
Vodafone (UK)	Anytime 75	0.00	20.00
Vodafone (UK)	Anytime 125	0.00	25.00
Vodafone (UK)	Anytime 200	0.00	30.00
Vodafone (UK)	Anytime 275	0.00	35.00
Vodafone (UK)	Anytime 350	0.00	40.00
Vodafone (UK)	Anytime 500	0.00	50.00
Vodafone (UK)	Pay as you talk – Smartplus	0.00	0.00

**Table 12 Leisure (post-paid) tariffs - mobile calls to local and X-border landlines and mobiles**

Pence per minute except where stated otherwise (c: € cents) – inc. VAT		To X-border mobile			To local mobile			To X-border fixed line			To local fixed line		
		W	E	D	W	E	D	W	E	D	W	E	D
Manx Telecom	Pronto 30	48	48	48	12	12	12	18	18	18	12	12	12
Manx Telecom	Pronto 100	40	40	40	10	10	10	13	13	13	10	10	10
Gibtelecom	Select 10	21	21	25	15	15	25	21	21	25	15	15	25
Gibtelecom	Select 100	18	18	22	10	10	20	18	18	22	10	10	20
Gibtelecom	Select 250	16	16	20	6	6	12	16	16	20	6	6	12
C&W Guernsey	Islander	20	20	30	9	9	9	15	15	20	9	9	9
C&W Guernsey	Roamer	20	20	30	5	5	9	10	10	15	5	5	9
Jersey Telecom	StraightTalk 50	30	30	40	5	5	15	15	15	30	5	5	15
Jersey Telecom	BigTalk 200	30	30	40	1	1	15	15	15	30	1	1	15
Jersey Telecom	BigTalk 400	30	30	40	1	1	15	15	15	30	1	1	15
Vodafone (Ireland)	PerfectFit 30	35c	35c	35c	35c	35c	35c	35c	35c	35c	35c	35c	35c
Vodafone (Ireland)	PerfectFit 100	30c	30c	30c	30c	30c	30c	30c	30c	30c	30c	30c	30c
Vodafone (Ireland)	PerfectFit 200	25c	25c	25c	25c	25c	25c	25c	25c	25c	25c	25c	25c
Vodafone (UK)	Anytime 75	15	15	15	15	15	15	15	15	15	15	15	15
Vodafone (UK)	Anytime 125	15	15	15	15	15	15	15	15	15	15	15	15
Vodafone (UK)	Anytime 200	12	12	12	12	12	12	12	12	12	12	12	12
Vodafone (UK)	Anytime 275	12	12	12	12	12	12	12	12	12	12	12	12
Vodafone (UK)	Anytime 350	12	12	12	12	12	12	12	12	12	12	12	12
Vodafone (UK)	Anytime 500	12	12	12	12	12	12	12	12	12	12	12	12

Table 13 Leisure tariffs - Other mobile calls and messaging

Pence per minute except where stated otherwise (c: € cents) – inc. VAT		To Ireland (UK)				voicemail retrieval	SMS text message	
		W			E			D
Manx Telecom	Pronto 30	25.0	25.0	25.0	25.0	12.0	10.0	
Manx Telecom	Pronto 100	20.0	20.0	20.0	20.0	0.0	10.0	
Gibtelecom	Select 10	15.0	16.7	23.3	23.3	0.0	8.0	
Gibtelecom	Select 100	5.0	6.7	13.3	13.3	0.0	8.0	
Gibtelecom	Select 250	5.0	6.7	13.3	13.3	0.0	8.0	
C&W Guernsey	Islander	23.0	23.0	23.0	23.0	10.0	7.0	
C&W Guernsey	Roamer	23.0	23.0	23.0	23.0	10.0	7.0	
Jersey Telecom	StraightTalk 50	20.0	20.0	45.0	45.0	15.0	7.0	
Jersey Telecom	BigTalk 200	20.0	20.0	30.0	30.0	15.0	7.0	
Jersey Telecom	BigTalk 400	15.0	15.0	20.0	20.0	15.0	7.0	
Vodafone (Ireland)	PerfectFit 30	54.0c	54.0c	69.0c	69.0c	0.0c	13.0c	
Vodafone (Ireland)	PerfectFit 100	54.0c	54.0c	69.0c	69.0c	0.0c	13.0c	
Vodafone (Ireland)	PerfectFit 200	54.0c	54.0c	69.0c	69.0c	0.0c	13.0c	
Vodafone (UK)	Anytime 75	94.0	94.0	94.0	94.0	15.0	12.0	
Vodafone (UK)	Anytime 125	94.0	94.0	94.0	94.0	15.0	12.0	
Vodafone (UK)	Anytime 200	94.0	94.0	94.0	94.0	12.0	12.0	
Vodafone (UK)	Anytime 275	94.0	94.0	94.0	94.0	12.0	12.0	
Vodafone (UK)	Anytime 350	94.0	94.0	94.0	94.0	12.0	12.0	
Vodafone (UK)	Anytime 500	94.0	94.0	94.0	94.0	12.0	12.0	



**Table 14 Leisure (prepaid) tariffs - mobile calls to local and X-border landlines and mobiles**  
**(W: Weekend, E: Evenings, D: Daytime)**

Pence per minute except where stated otherwise (c: € cents) – inc. VAT	To X-border mobile			To local mobile			To X-border fixed line			To local fixed line		
	W	E	D	W	E	D	W	E	D	W	E	D
Manx Telecom	30	47	77	10	10	25	23	28	52	10	10	25
Gibtelecom	55	55	60	15	15	15	25	25	35	15	15	30
C&W Guernsey	35	35	35	15	15	15	25	25	25	15	15	15
Jersey Telecom	50	50	50	15	15	15	50	50	50	15	15	15
Vodafone (Ireland)	19c	19c	32c	19c	19c	32c	19c	19c	45c	19c	19c	45c
Vodafone (UK)	15	15	30	15	15	30	15	15	30	15	15	30

**Table 15 Leisure (prepaid) tariffs - Other calls and text messaging**

Pence per minute except where stated otherwise (c: € cents) – inc. VAT	To Ireland (UK)			voice mail retrieval	SMS text message	
	W	E	D			
Manx Telecom	Pronto Go	32.0	32.0	32.0	12.0	10.0
Gibtelecom	Reload	25.0	26.7	33.3	0.0	10.0
C&W Guernsey	AllTalk	23.0	23.0	23.0	10.0	10.0
Jersey Telecom	Freedom	75.0	75.0	75.0	15.0	7.0
Vodafone (Ireland)	Ready to Go Work & Leisure	102.0c	102.0c	102.0c	0.0c	13.0c
Vodafone (UK)	Pay as you talk Smartplus	75.0	75.0	75.0	30.0	12.0

## Annex B: Composition of baskets for fixed and mobile telephone users

### Residential fixed telephone

Figure 40 Call volumes and destinations for residential baskets

Basket	1	2	3	4	5	6
	Lowest	Low	Med (off-peak)	Med (peak)	High (off-peak)	High (peak)
<b>To local and X-border landlines</b>						
Annual call volume:	120	294	950	950	1820	1820
Distribution by destination						
Local	70%	70%	70%	70%	70%	70%
X-border	30%	30%	30%	30%	30%	30%
<b>To mobiles</b>						
Annual call volume:	0	3	30	30	100	100
Distribution by registration						
Local	80%	80%	80%	80%	80%	80%
X-border	20%	20%	20%	20%	20%	20%
<b>To international landlines</b>						
Annual call volume:	0	3	20	20	60	60
Distribution by destination						
Ireland / UK	0%	100%	70%	70%	30%	30%
Belgium	0%	0%	10%	10%	30%	30%
USA	0%	0%	10%	10%	20%	20%
Australia	100%	0%	10%	10%	20%	20%

Figure 41 Call distribution by time of day for residential baskets

Basket	1	2	3 and 5	4 and 6
	Lowest	Low	Med and High (off-peak)	Med and High (peak)
<b>Local</b>				
Daytime	40%	30%	35%	50%
Evening	25%	30%	35%	30%
Weekend	35%	40%	30%	20%
<b>X-border</b>				
Daytime	40%	30%	35%	50%
Evening	25%	30%	35%	30%
Weekend	35%	40%	30%	20%
<b>Mobile</b>				
Daytime	0%	33%	33%	50%
Evening	0%	33%	33%	30%
Weekend	100%	34%	34%	20%
<b>International</b>				
Daytime	0%	25%	25%	25%
Evening	0%	35%	35%	35%
Weekend	100%	40%	40%	40%

**Figure 42 Call durations (minutes) for residential baskets**

	All baskets
Local fixed line	
Daytime	3
Evening	4
Weekend	10
X-border fixed line	
Daytime	3.5
Evening	7
Weekend	7
Mobile	
Daytime	2
Evening	5
Weekend	5
International fixed line	
Daytime	3
Evening	5
Weekend	5

## Business fixed telephone

**Figure 43 Call volumes and destinations for business baskets**

Basket	1	2	3	4	5	6
	Lowest	Low	Med (off-peak)	Med (peak)	High (off-peak)	High (peak)
Number of lines	6	6	6	15	15	15
<b>To local and X-border landlines</b>						
Annual call volume:	15750	14875	11375	94500	89250	68250
Distribution by destination						
Local	60%	50%	50%	60%	50%	50%
X-border	40%	50%	50%	40%	50%	50%
<b>To mobiles</b>						
Annual call volume:	1750	1750	1750	10500	10500	10500
Distribution by registration						
Local	60%	50%	50%	60%	50%	50%
X-border	40%	50%	50%	40%	50%	50%
<b>To international landlines</b>						
Annual call volume:	0	875	4375	0	5250	26250
Distribution by destination						
Ireland / UK	30%	30%	30%	30%	30%	30%
Belgium	30%	30%	30%	30%	30%	30%
USA	20%	20%	20%	20%	20%	20%
Australia	20%	20%	20%	20%	20%	20%

**Figure 44 Call distributions by time of day for business baskets**

		All Baskets
Local, X border and mobile		
	Daytime	85%
	Evening	10%
	Weekend	5%
International fixed line		
	Daytime	75%
	Evening	13%
	Weekend	12%

**Figure 45 Call durations for business baskets**

(Minutes)	All baskets
Local fixed and mobile calls	3
X-border fixed calls	4
International calls (peak)	3
International calls (off-peak)	5

## Leisure mobile telephone

**Figure 46 Voice call volumes and destinations**

Basket	1	2	3	4	5
	Light	Med (peak)	Med (off-peak)	Heavy (peak)	Heavy (off-peak)
Annual call volume:	160	400	400	3000	4000
Distribution by destination					
Local land line	60%	50%	60%	40%	30%
X-border land line	18%	20%	18%	25%	30%
Local mobile	16%	20%	16%	20%	20%
X-border mobile	5%	8%	5%	10%	10%
International land line	1%	2%	1%	5%	10%
<b>Voicemail retrieval</b>					
Annual call volume:	20	100	100	500	500

**Figure 47 Call distribution by time of day**

Basket	1	2	3	4	5
	Light	Med (peak)	Med (off-peak)	Heavy (peak)	Heavy (off-peak)
All destinations					
(Week) daytime	25%	85%	25%	87%	90%
Evening	40%	8%	40%	7%	6%
Weekend	35%	7%	35%	6%	4%

**Figure 48 Duration of voice calls**

(Minutes)		All baskets
Local land lines		
	Day time	2
	Evenings and weekends	3
X-border land lines		
	Day time	3
	Evenings and weekends	4
Mobiles and international landlines		
	All times	3
Voicemail retrieval		
	All times	1

**Figure 49 Text messaging call volumes and destinations**

Basket	1	2	3	4	5
	Light	Med (peak)	Med (off-peak)	Heavy (peak)	Heavy (off-peak)
Annual call volumes:	10	100	100	500	200
All destinations					
(Week) daytime	25%	85%	25%	87%	90%
Evening	40%	8%	40%	7%	6%
Weekend	35%	7%	35%	6%	4%

## Business mobile telephone

Two business baskets have been considered; one representing a low use of data transfer (1 Mbps a year) and the other representing a high level of annual usage (100 Mbps).

There is no text messaging component for either basket and the voice call profile is the same as leisure basket number 5, as described above.

## Annex C: Instructions for Using Tariff Model

### Overview

Within the workbook there is a separate worksheet for each main service area:

- Broadband DSL access – retail residential services
- Broadband DSL access – retail business services
- Broadband DSL access – wholesale services
- Fixed line telephony – residential services
- Fixed line telephony – business services
- Private circuits
- Mobile telephony services for leisure users
- Mobile telephony services for business users

In addition, there is worksheet that contains key assumptions regarding currency conversion rates, amortisation periods for once-off costs such as connection fees and the weighting factors to be applied for different types of connection.

The service worksheets all follow the same overall structure:

- Header section – with details of the providers, the services, the local currency and VAT rates, where applicable;
- Tariff data – contains raw tariff information in the local currency (as presented in Annex A)
- Service details – provides information on the nature of the service where it differs from one service provider to another;
- Usage pattern – this contains details of the particular basket that is being used at any time to calculate prices and, to the right-hand side of this information, details of all the baskets used for assessing that particular service;
- Call calculations – this section contains the formulae necessary to calculate the price of each call type and the results for the selected basket;
- Equivalent Monthly Price – this combines the call price information with the calculation of monthly charges and amortised set-up costs to arrive at an equivalent monthly price for each tariff option. Where a provider has several tariff options, the most cost-effective for the selected basket is automatically chosen for presentation in the benchmark comparison. At the bottom of this section is the cell which allows the selected basket to be changed;
- Chart data – the results of particular basket comparisons have been pasted into separate tables as hard data and used to generate bar charts that are included as separate sheets within the workbook and are incorporated in this report using a common naming format.