



**Isle of Man Treasury
and Communications Commission
-
Manx Telecom Price Benchmark Study**

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Background



- Benchmarking against comparator countries;
- 2001 study showed mixed results for fixed and mobile telephony;
- 2004 study also had mixed results;

Country	2001	2004	2006
Gibraltar		✓	✓
Guernsey		✓	✓
Isle of Man	✓	✓	✓
Jersey		✓	✓
Ireland	✓	✓	✓
UK	✓	✓	✓
France	✓		
Germany	✓		

Events since 2004 study

- New tariffs for:
 - post-paid mobile,
 - GPRS (mobile data),
 - Retail and wholesale ADSL;
- Standardised on 2Mbps ADSL service;
- Reductions in international call tariffs.

Methodology

- Focus on incumbent fixed operators, mobile operator with largest market share and local ISPs;
- Published tariffs in effect in December 2005;
- Use range of “baskets” to explore different usage patterns;
- Assumes optimum tariff plan for each basket;
- Tariffs expressed in terms of Equivalent Monthly Price;
- Consumer perspective with respect to VAT  and subsidies ;
- Results reviewed by wide cross-section of the business community.

Comparators differ in scale

Country	Pop.	Land lines	Mob.
Gibraltar	28k	25k	10k
Guernsey	65k	55k	41k
Isle of Man	78k	60k	67k
Jersey	91k	74k	81k
Ireland	4.1m	2.0m	3.8m
UK	61m	33m	61m

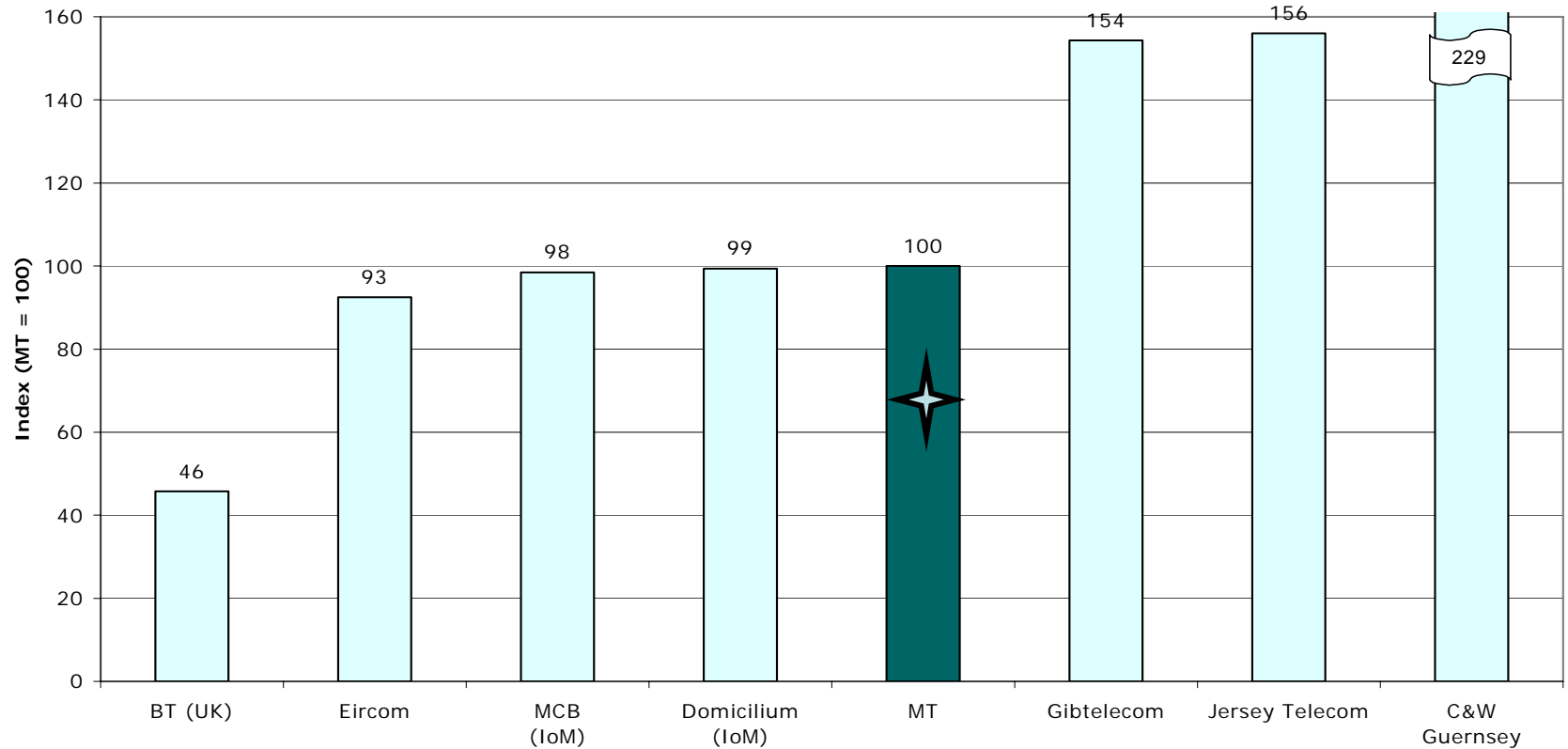
Broadband DSL

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Broadband DSL access for business

Business broadband was relatively expensive. (2004)

Downstream speed min 2Mbps, Monthly download capacity min 40Gb

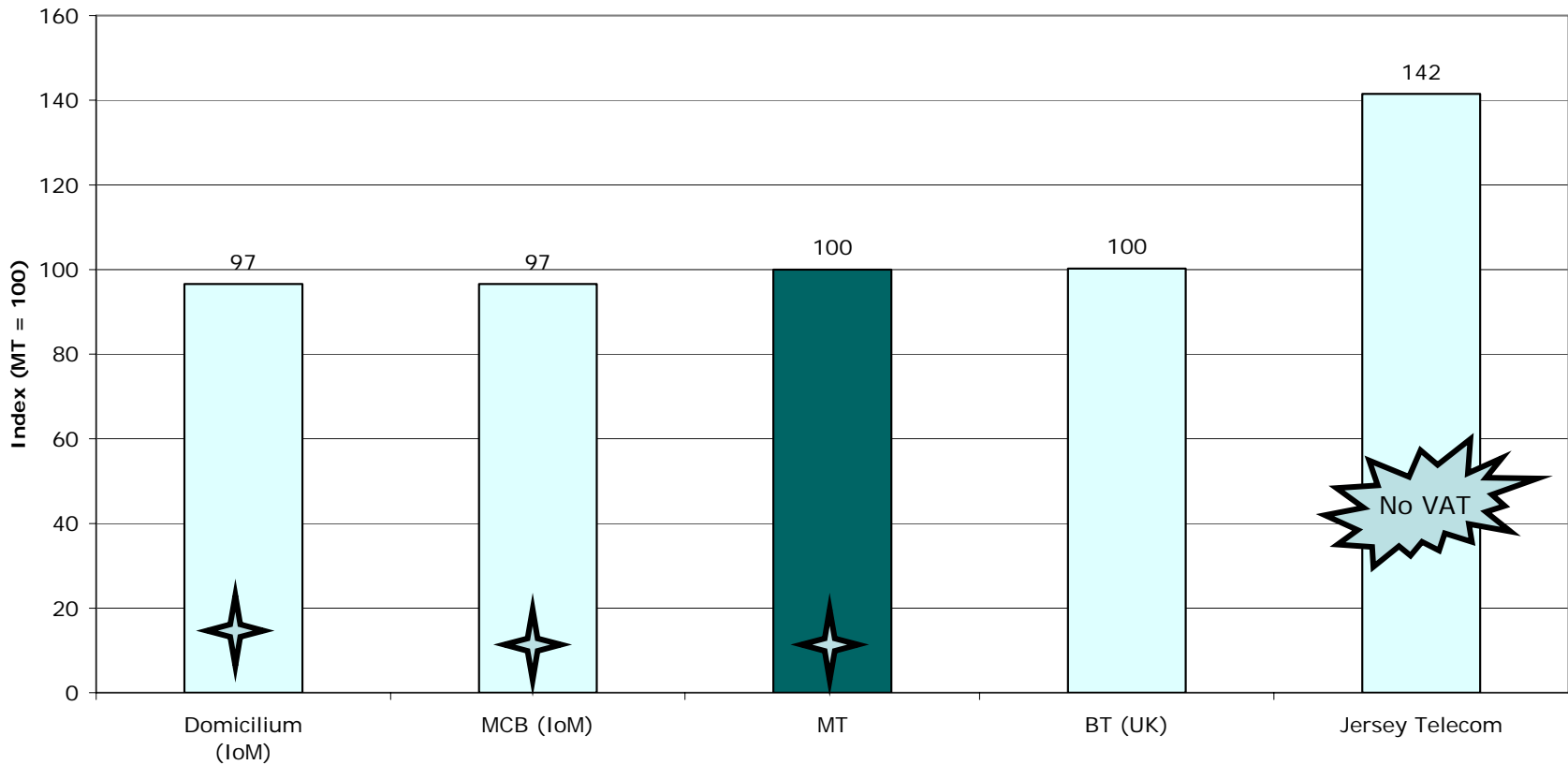


MT's business tariffs compare favourably.

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2 Mbps broadband DSL access for residential

Downstream speed min 2 Mbps, Monthly download capacity min 16 Gb



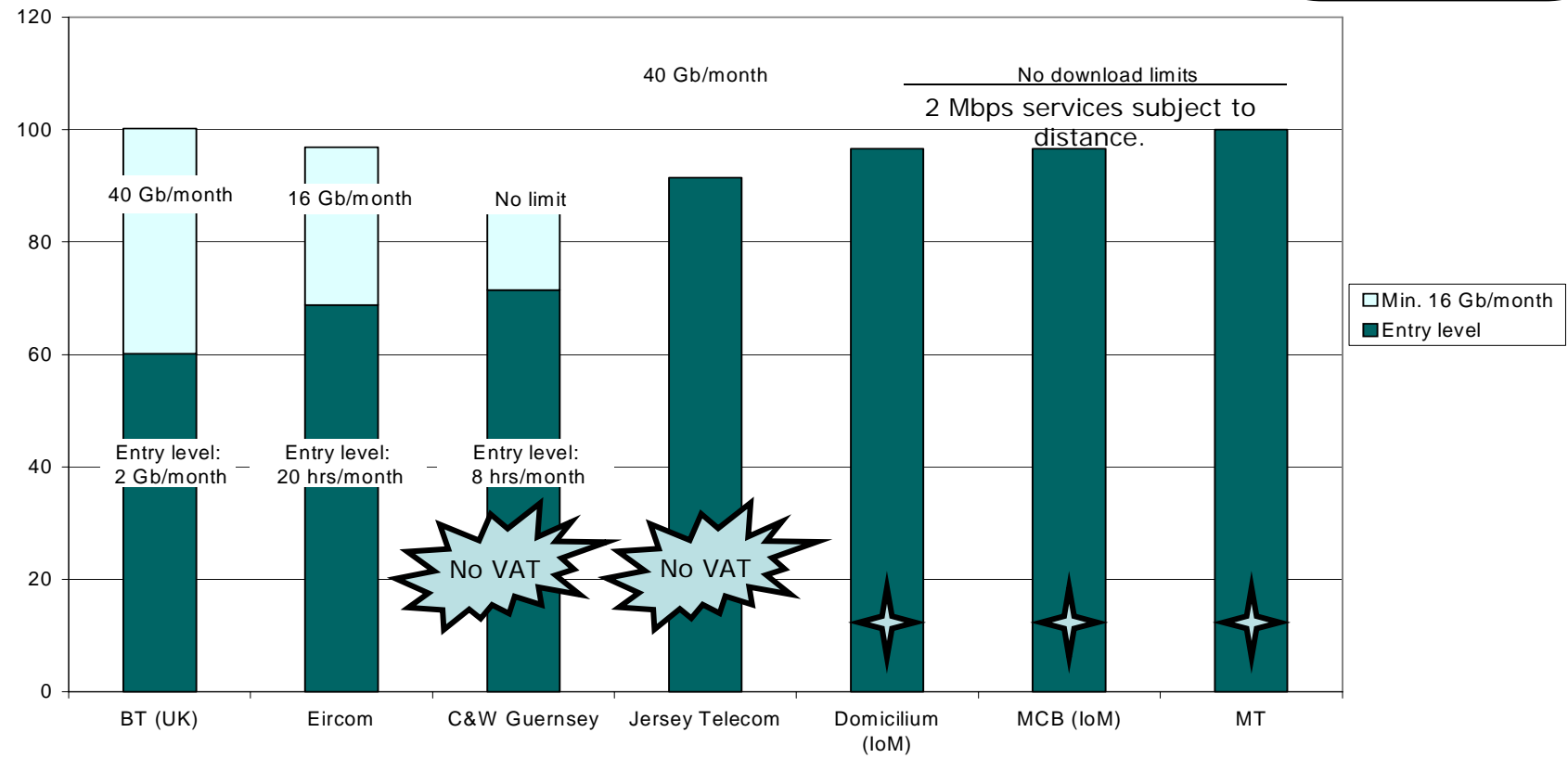
Few comparators at 2 Mbps, but MT compares favourably.

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Entry level broadband DSL access for residential users

Residential broadband was relatively cheap. (2004)

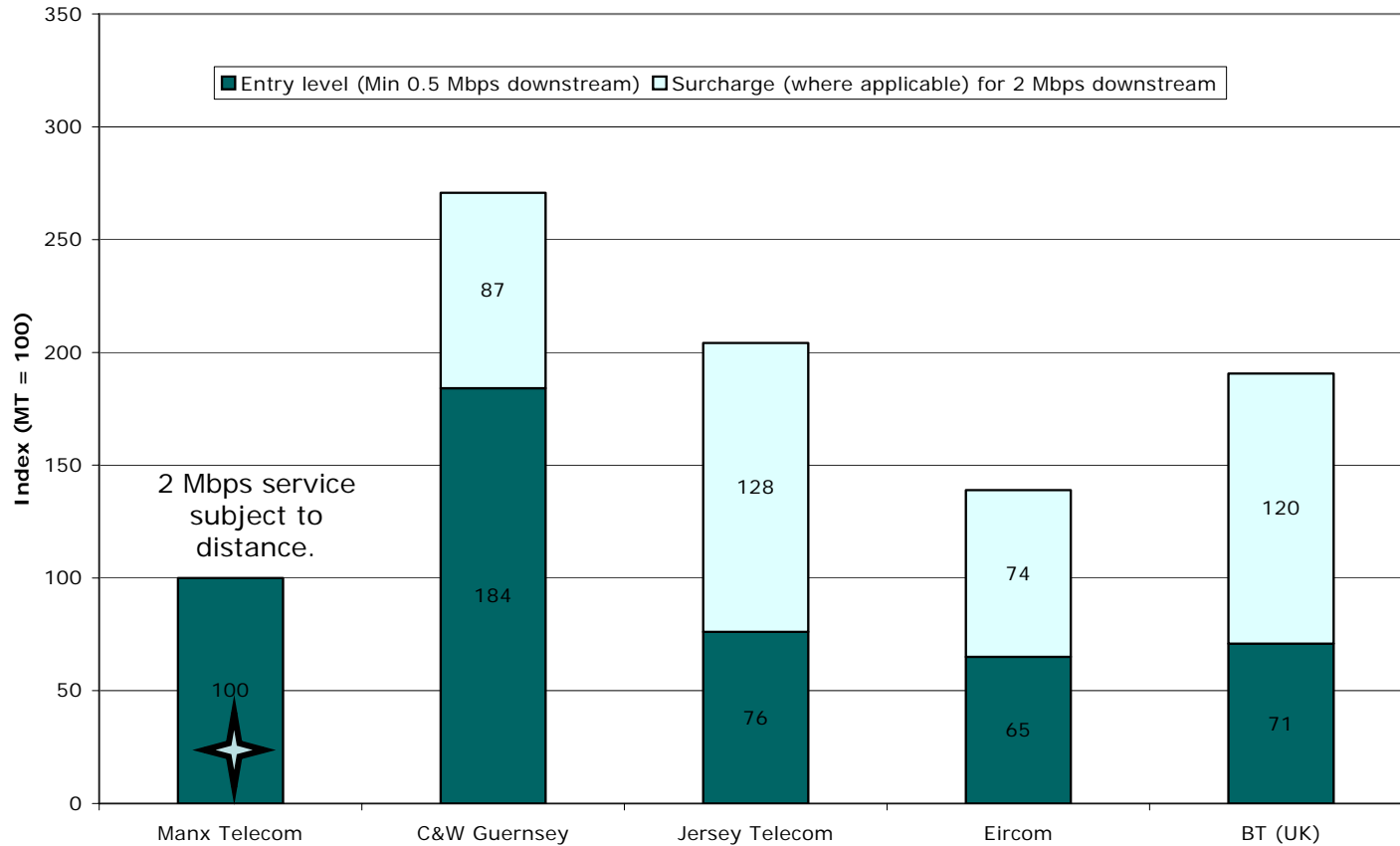
Residential DSL (Min 1Mbps downstream)
Capacity limits: Entry level and Minimum 16 Gb/month



The lowest DSL price in IoM is high because MT has no low-speed service

Wholesale broadband DSL access for business

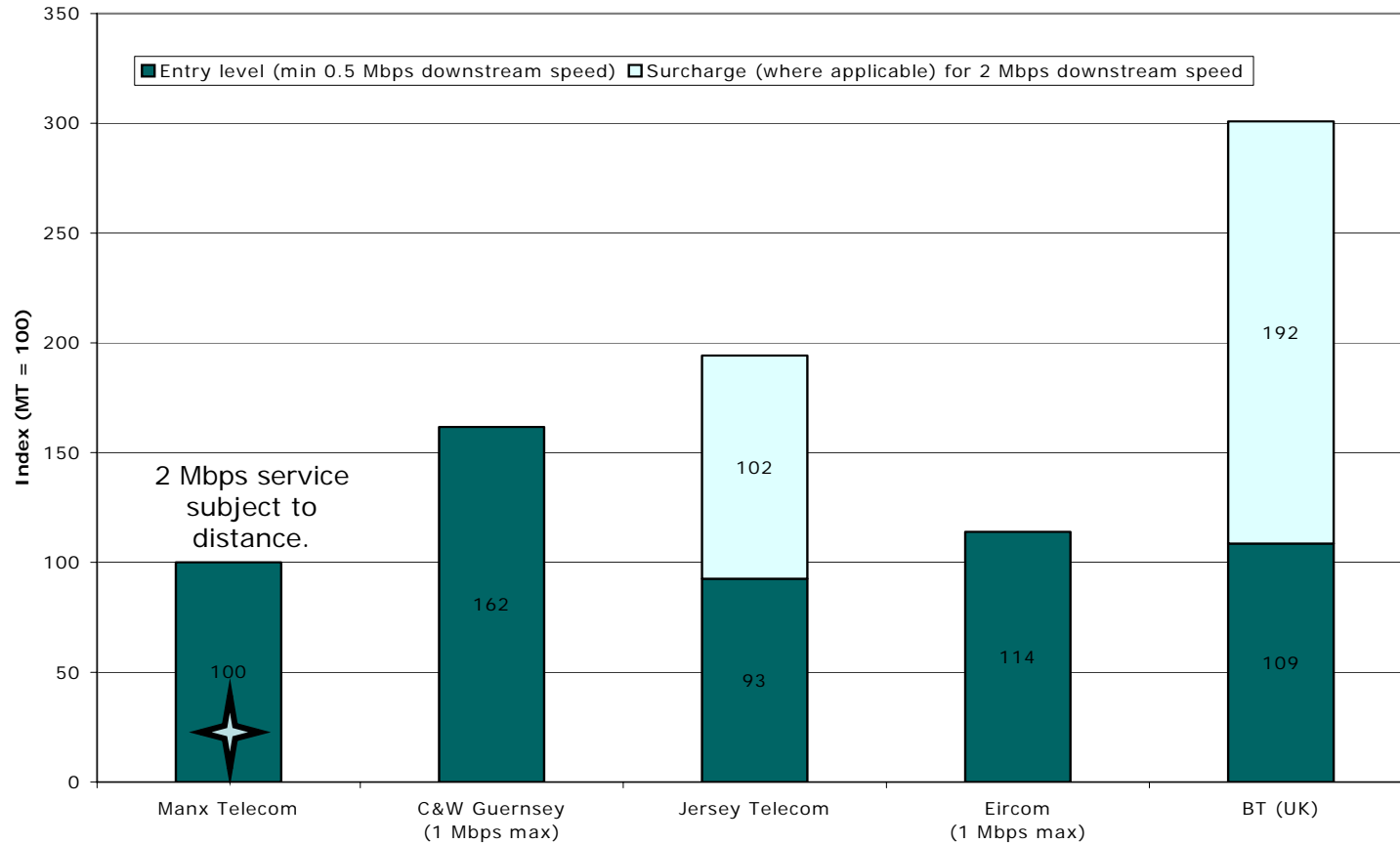
ADSL wholesale access - business user (low contention)



MT has higher minimum price, but 2 Mbps service compares well

Wholesale broadband DSL access for residential

ADSL wholesale access - residential user (high contention)



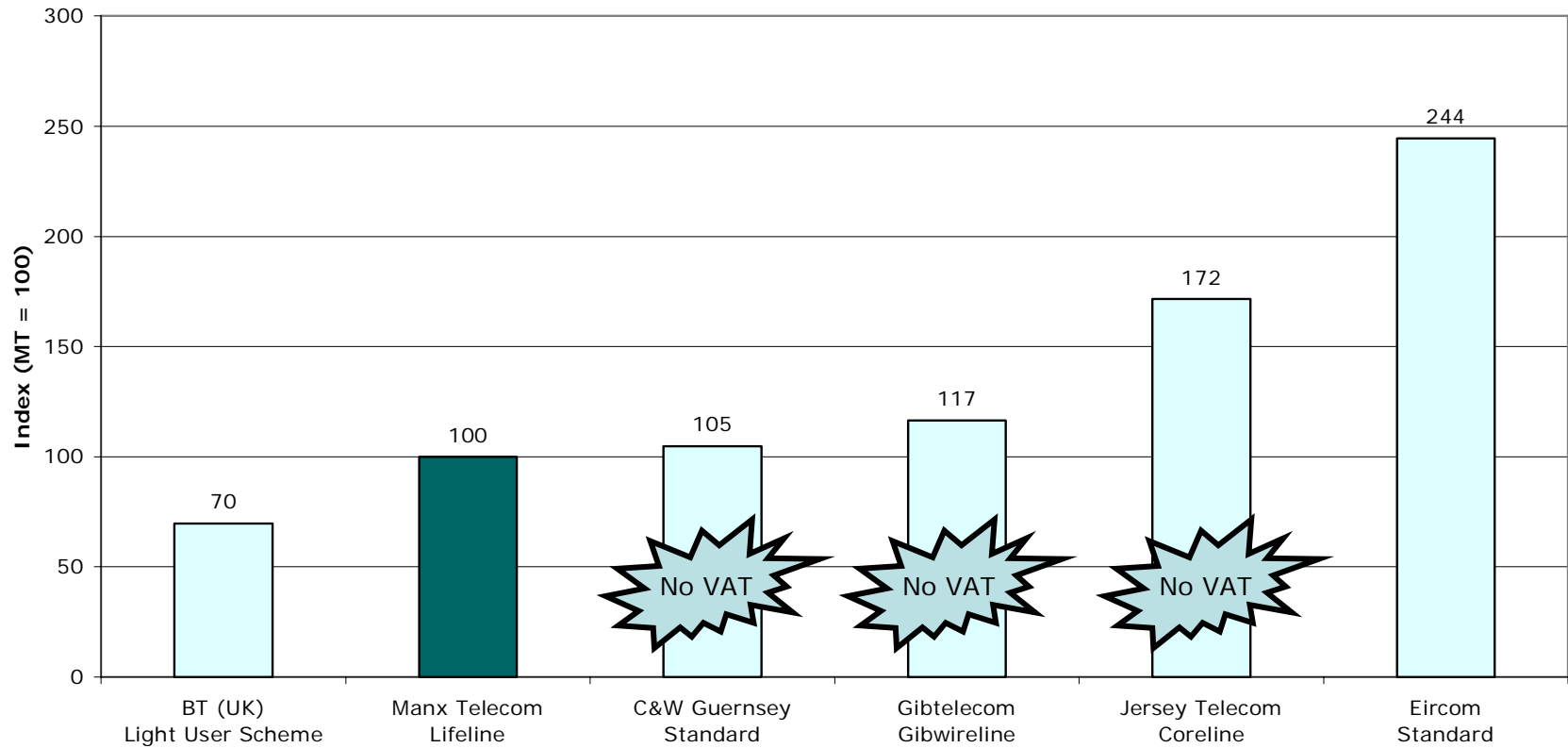
MT's wholesale residential price low for 2 Mbps and on par for 0.5 Mbps

Fixed Line Telephony

Fixed telephony Lifeline tariff for light residential users

Residential tariffs were relatively cheap overall... (2004)

Lowest Use Fixed Line Telephone Tariff (Residential Basket No. 1)



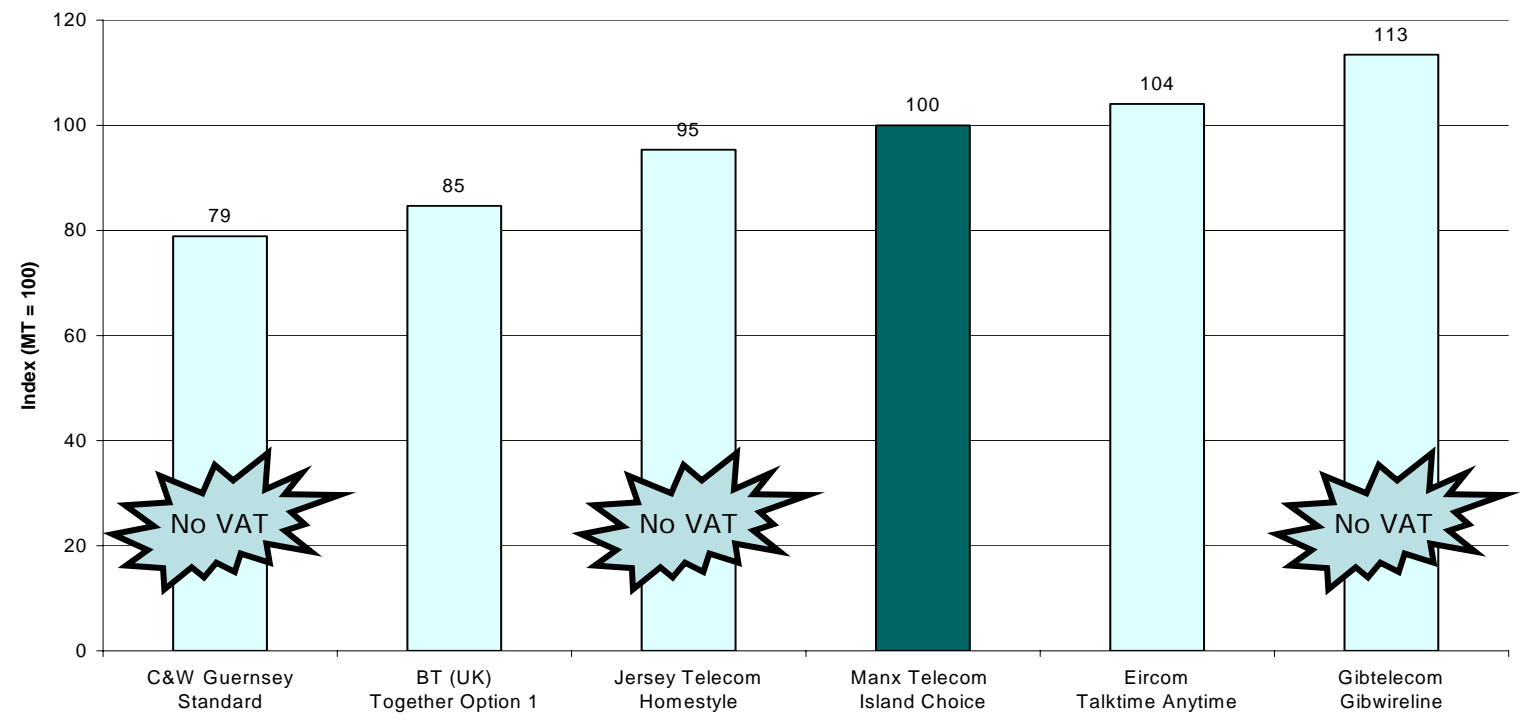
MT's light-use residential tariffs compare well

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Fixed telephony tariffs for high volume users residential comparison - peak

... but expensive for long-duration peak-rate calls. (2004)

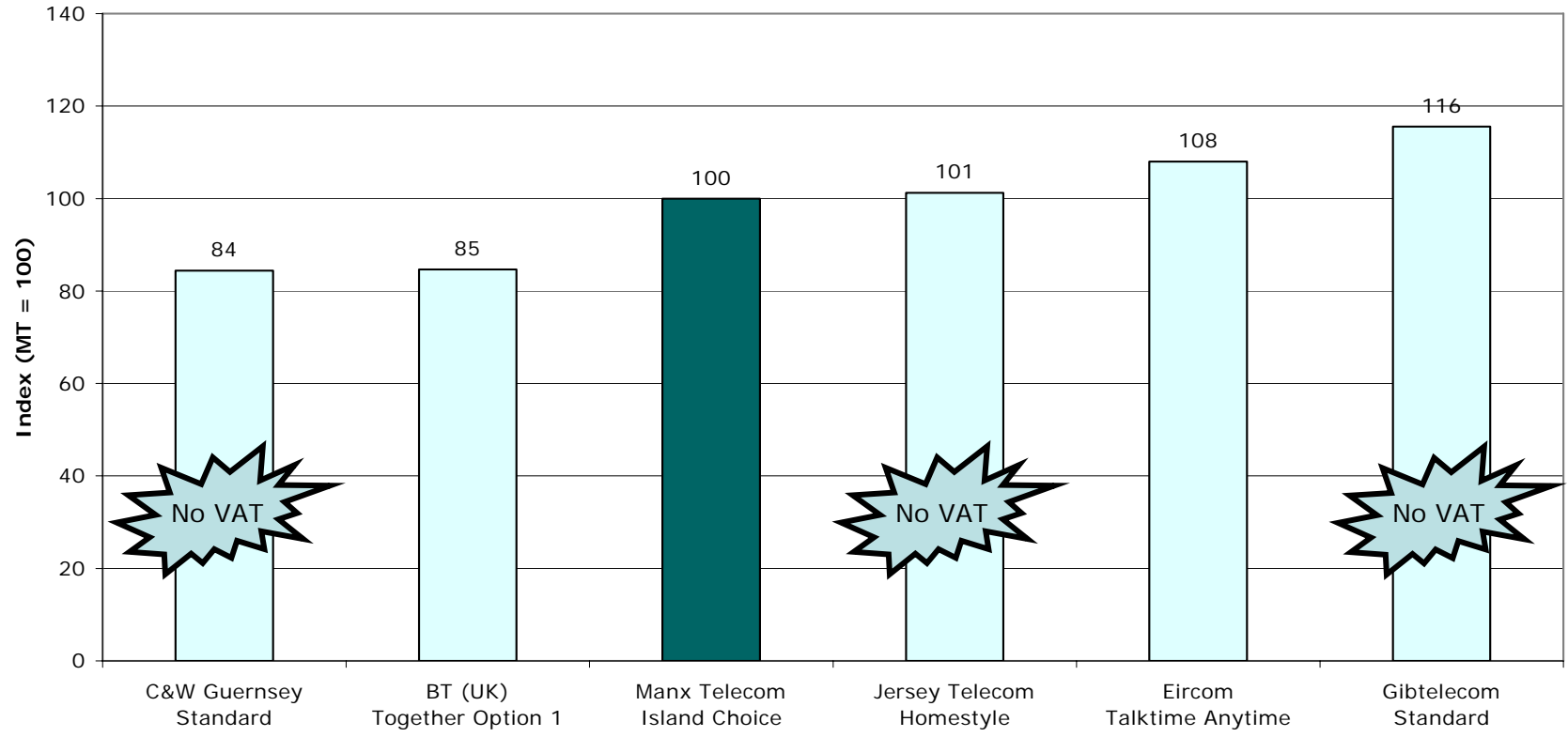
High-Use (Peak) Fixed Line Telephone (Residential Basket No. 6)



MT compares less-favourably for high peak usage

Fixed telephony tariffs for high volume users residential comparison – off-peak

High Use (Off-Peak) Fixed Line Telephone
(Residential Basket No. 5)

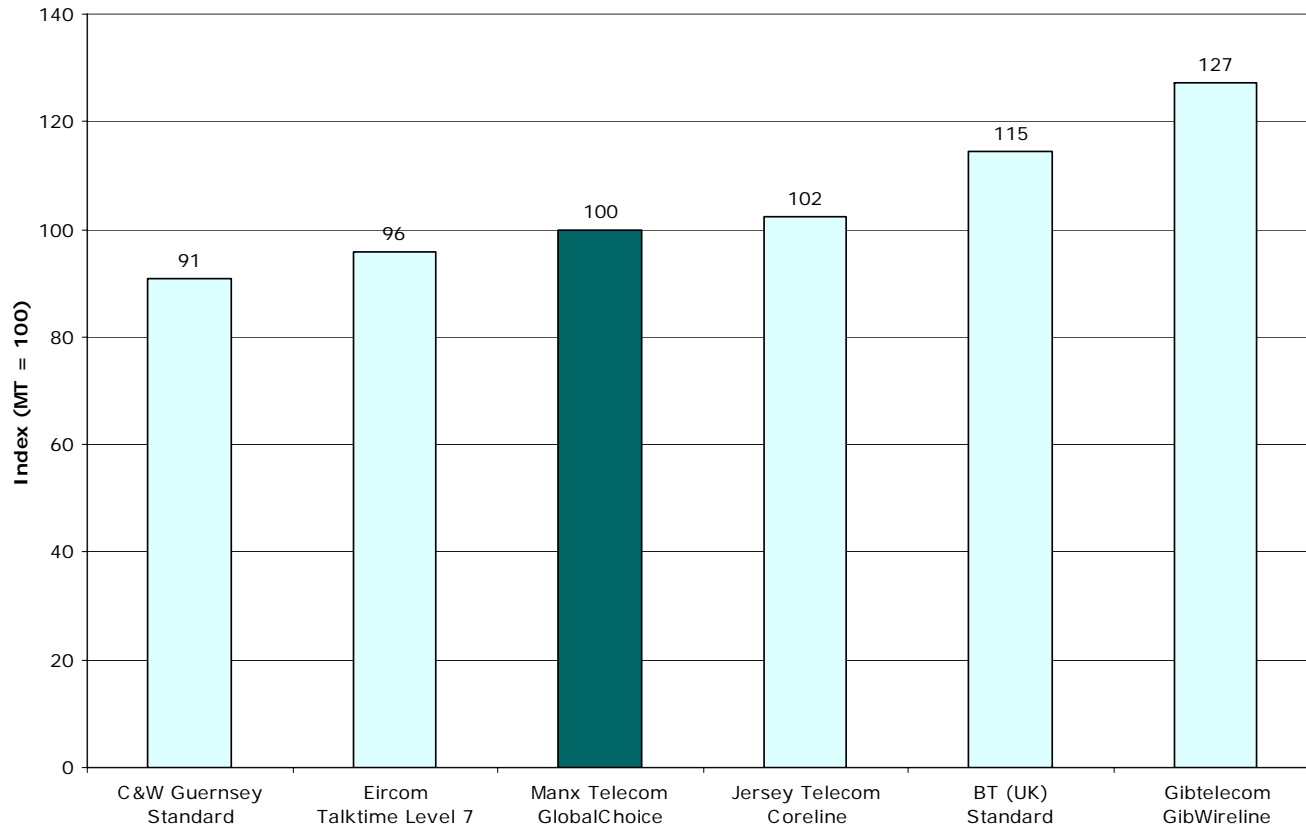


MT near average for high off-peak usage

Fixed telephony for light business use

Business tariffs were favourable overall... (2004)

Low Use Fixed Line Telephone Tariff (Business basket No. 1)

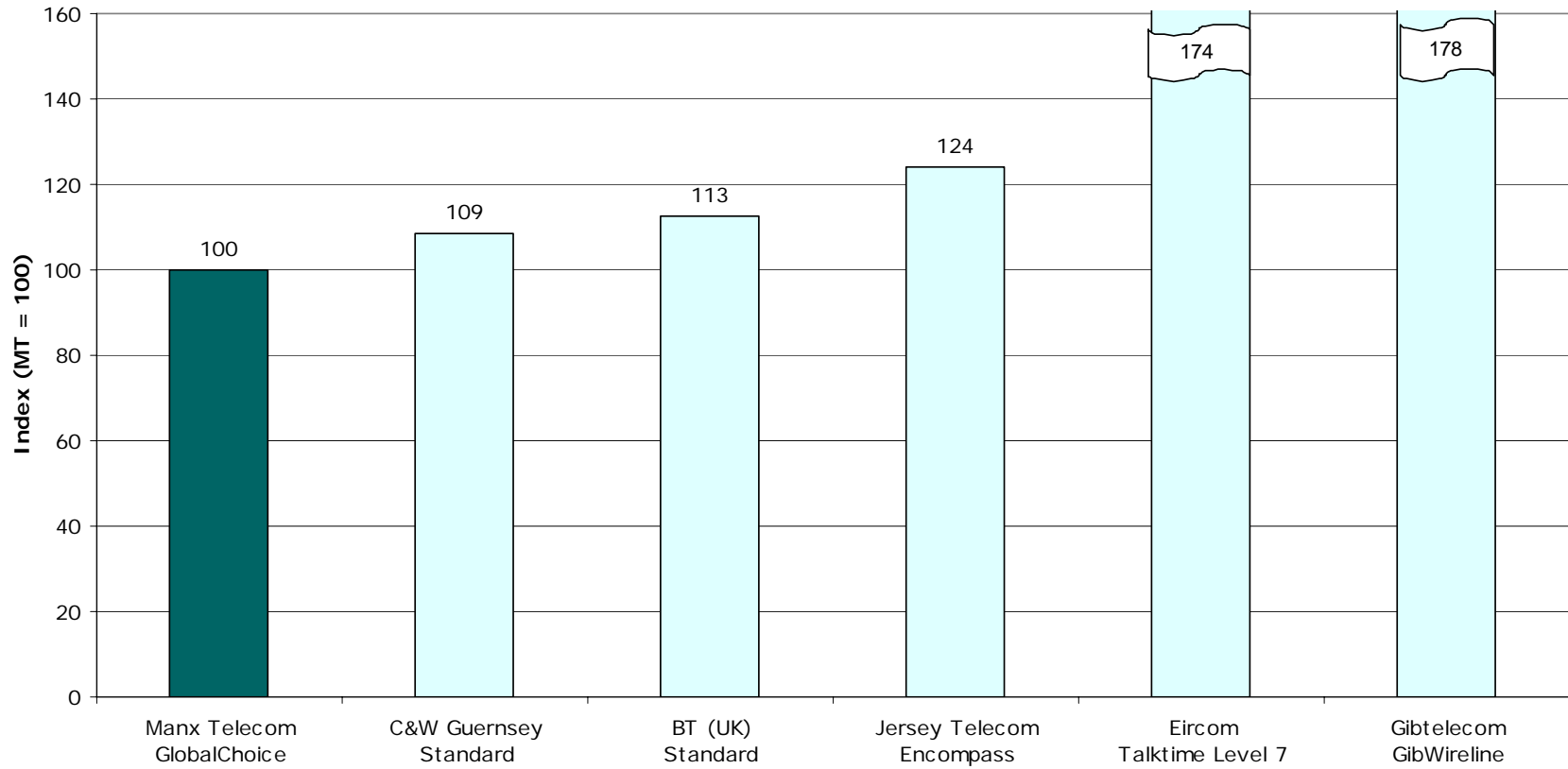


MT compares reasonably well for light business use

Fixed telephony for heavy business use

... but less so for larger businesses.
(2004)

High Use Fixed Line Telephone Tariff
(Basket No. 6)



MT's tariffs very attractive for heavy business use

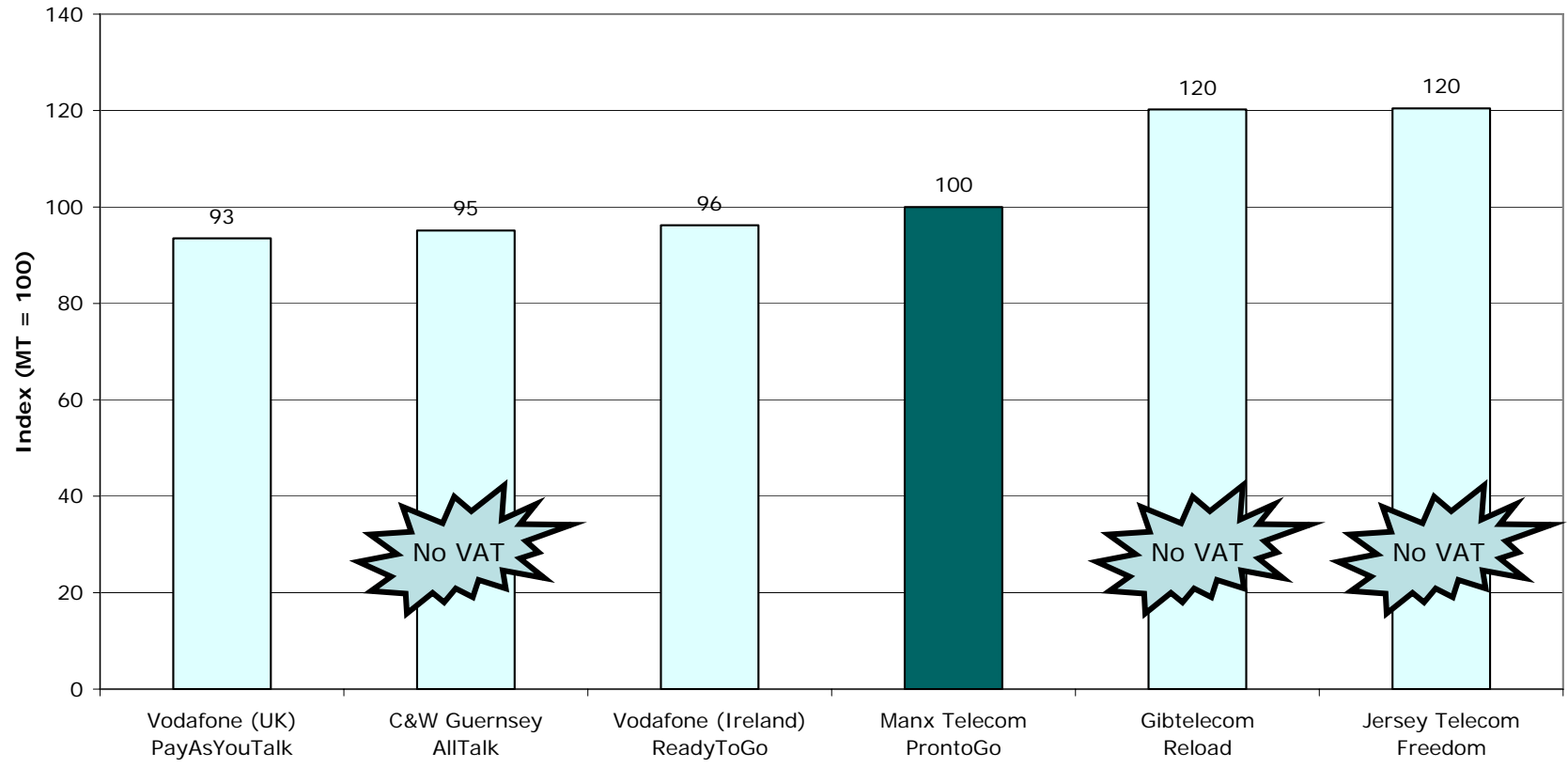
Mobile Telephony

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Mobile telephony for light leisure user Pre-paid

Pre-paid was relatively cheap... (2004)

Light (peak and off-peak) leisure mobile
Leisure basket 1 - 160 calls a year

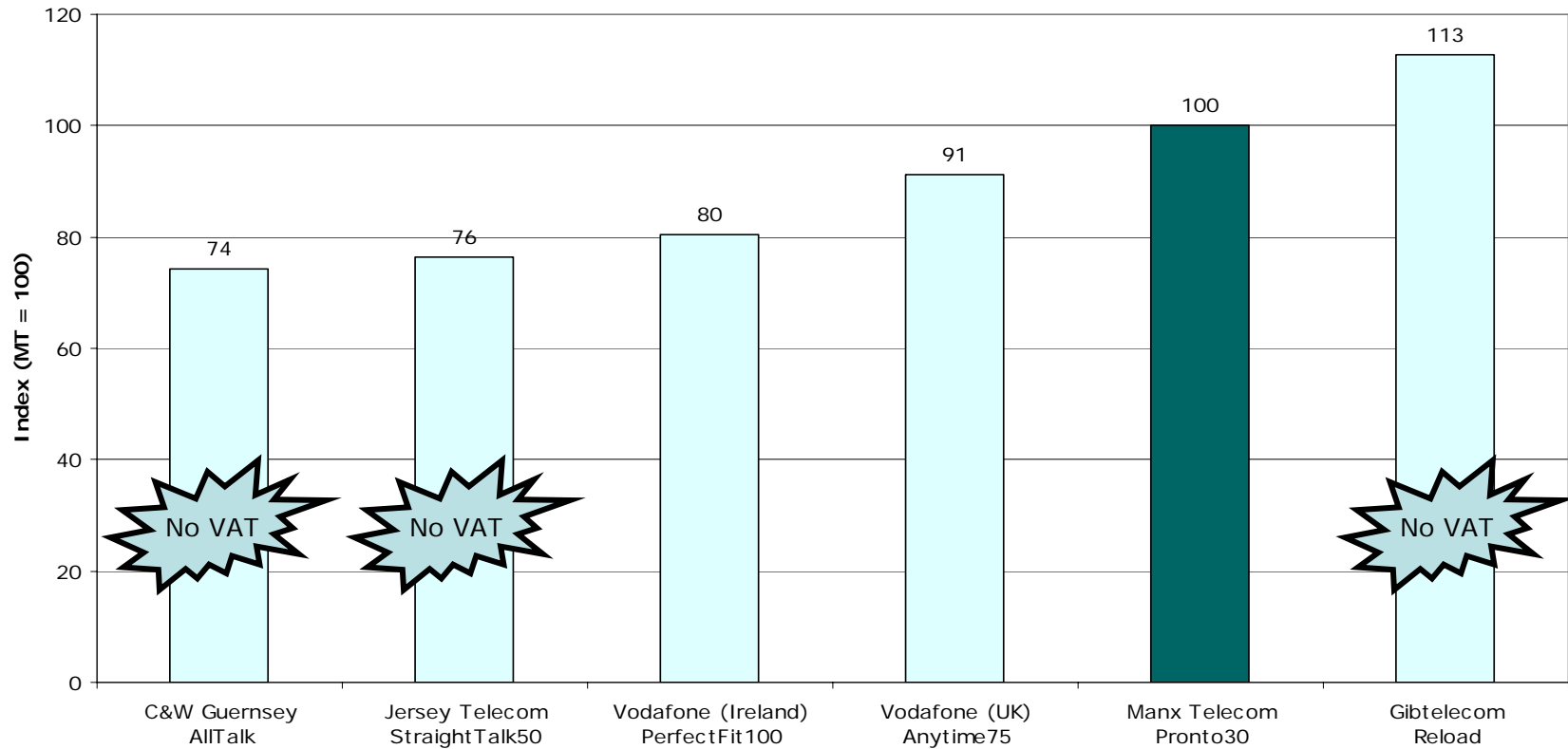


MT on a par with most comparators

Mobile telephony for medium leisure users – Post-paid

... but post-paid prices relatively high. (2004)

Semi-light (mostly peak) leisure mobile
Leisure basket 2 - 400 calls a year



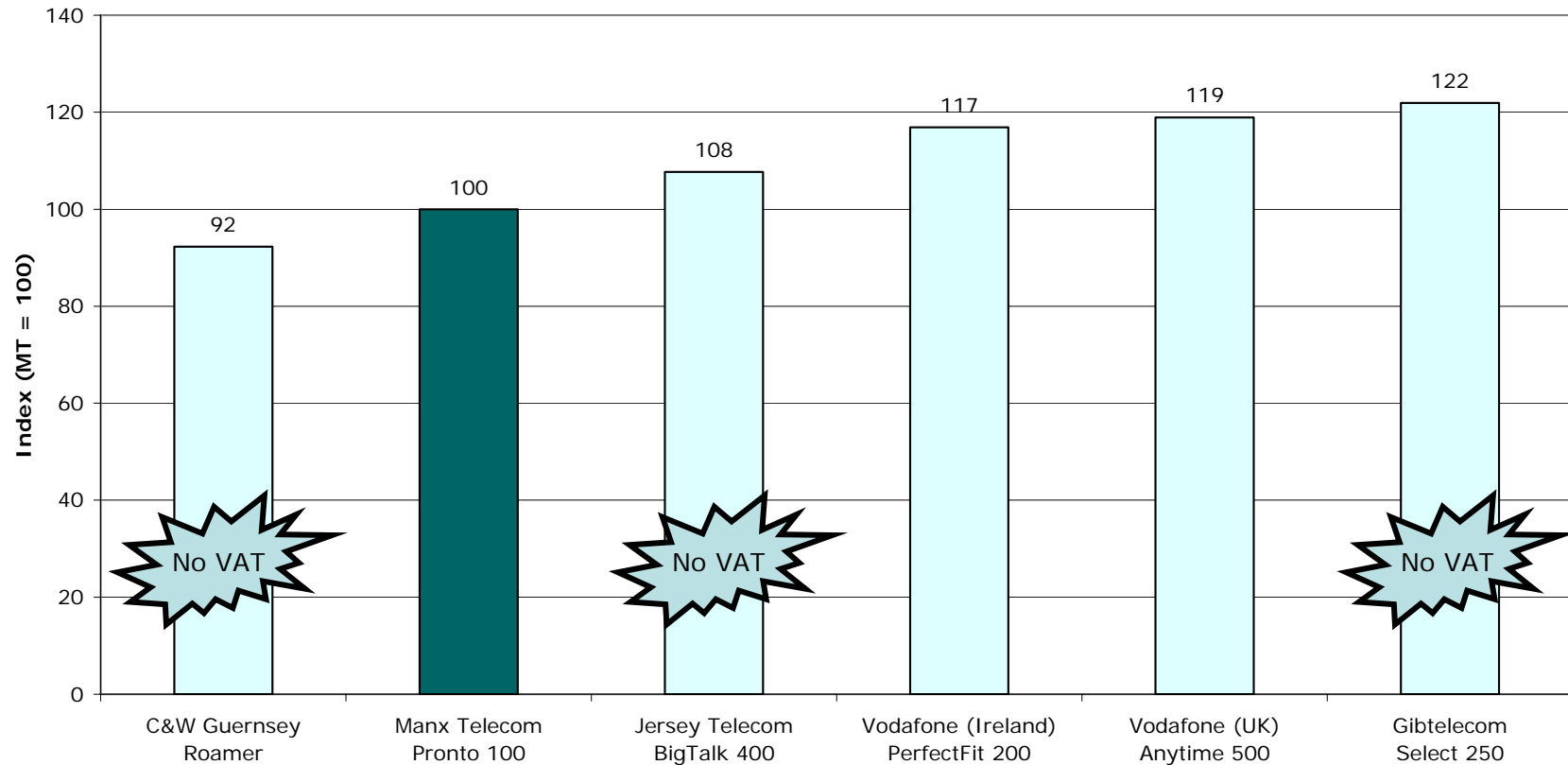
MT's prices are relatively high

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Mobile telephony for high leisure users

Post-paid

Heavy (mostly peak) leisure mobile
Leisure basket 5 - 4000 calls a year

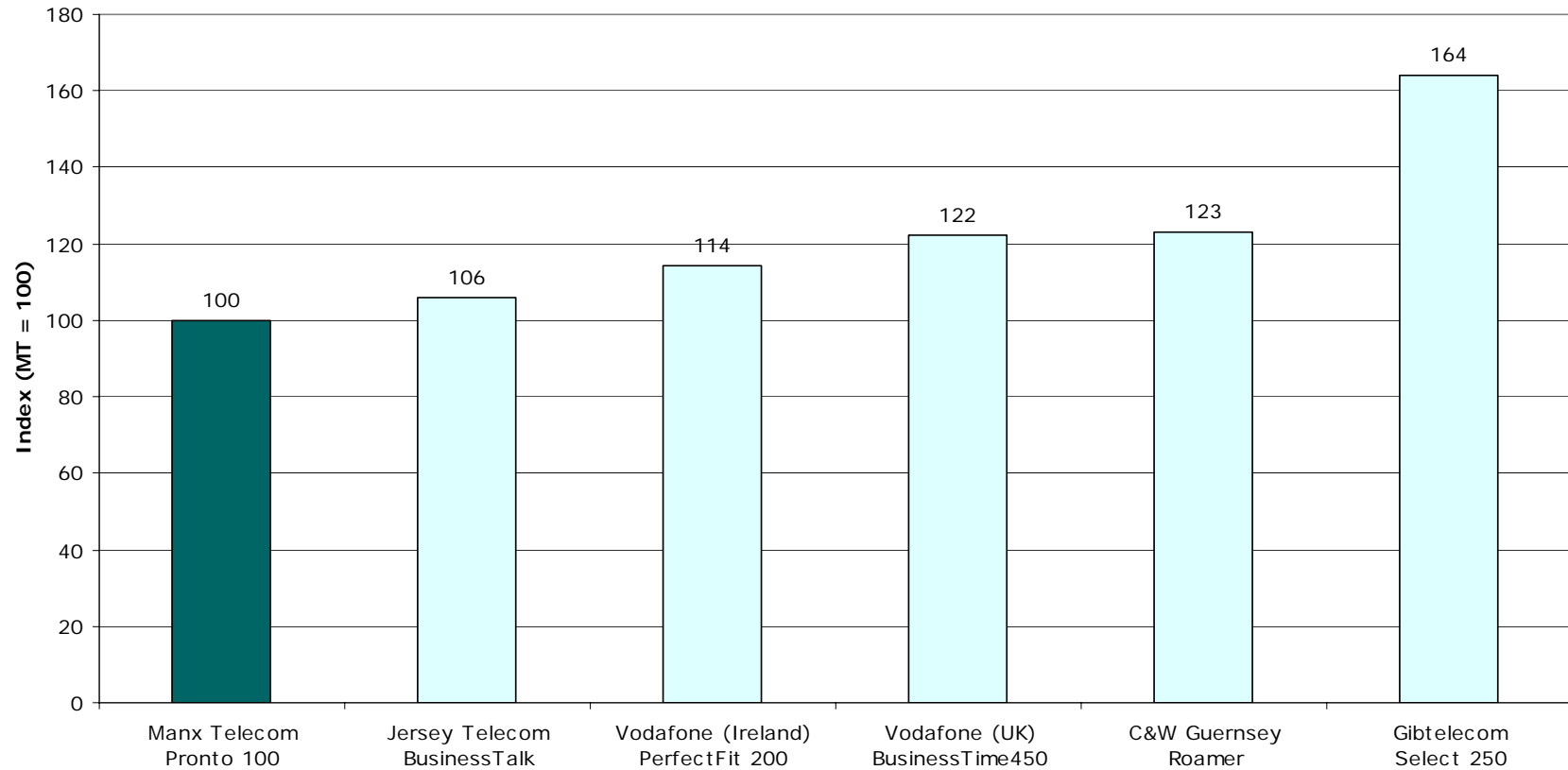


MT's prices compare well for heavy leisure use

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Mobile telephony for business user

Business user with light data requirement

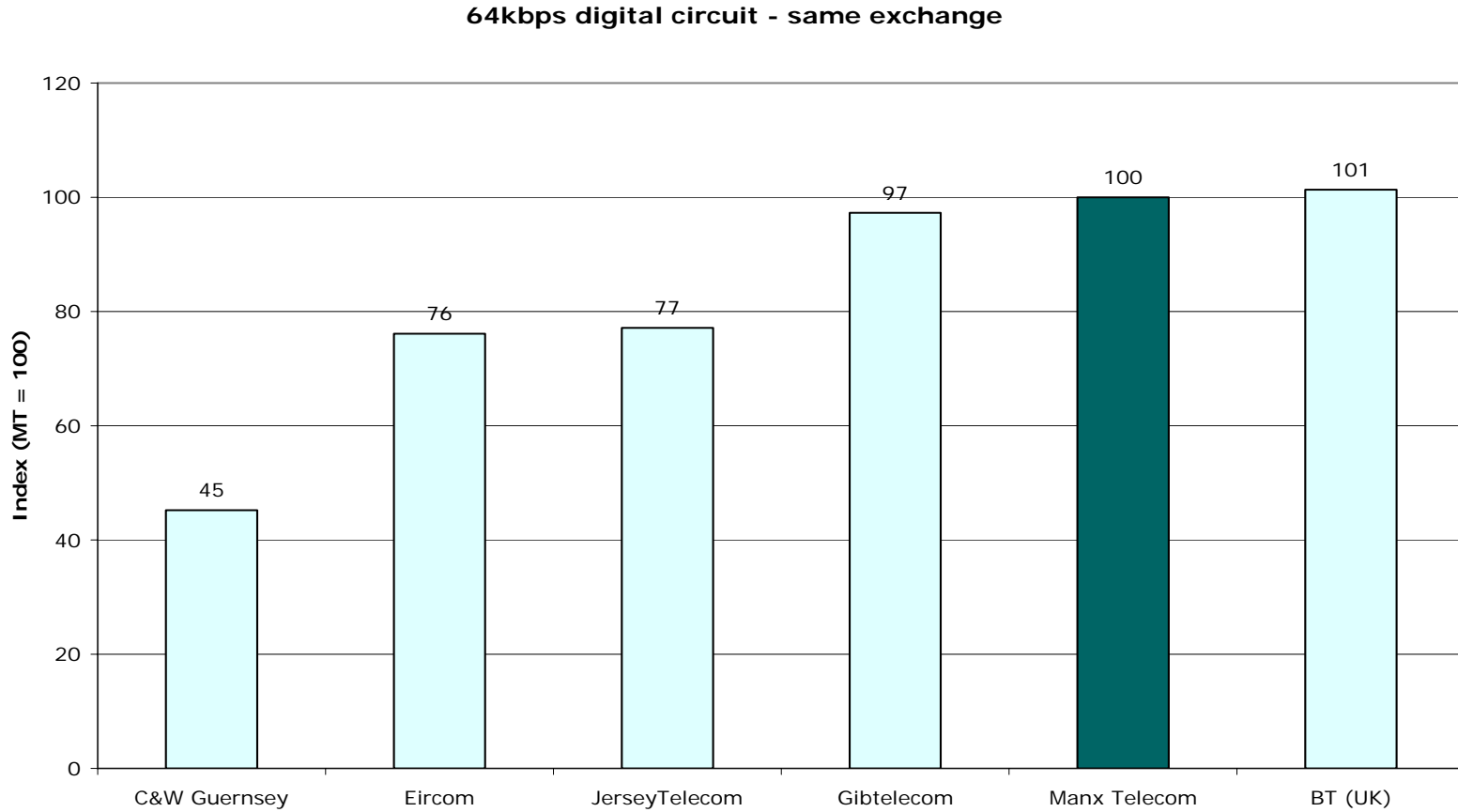


MT's prices very attractive for business users

Private Circuits

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Local 64 kbps private circuit

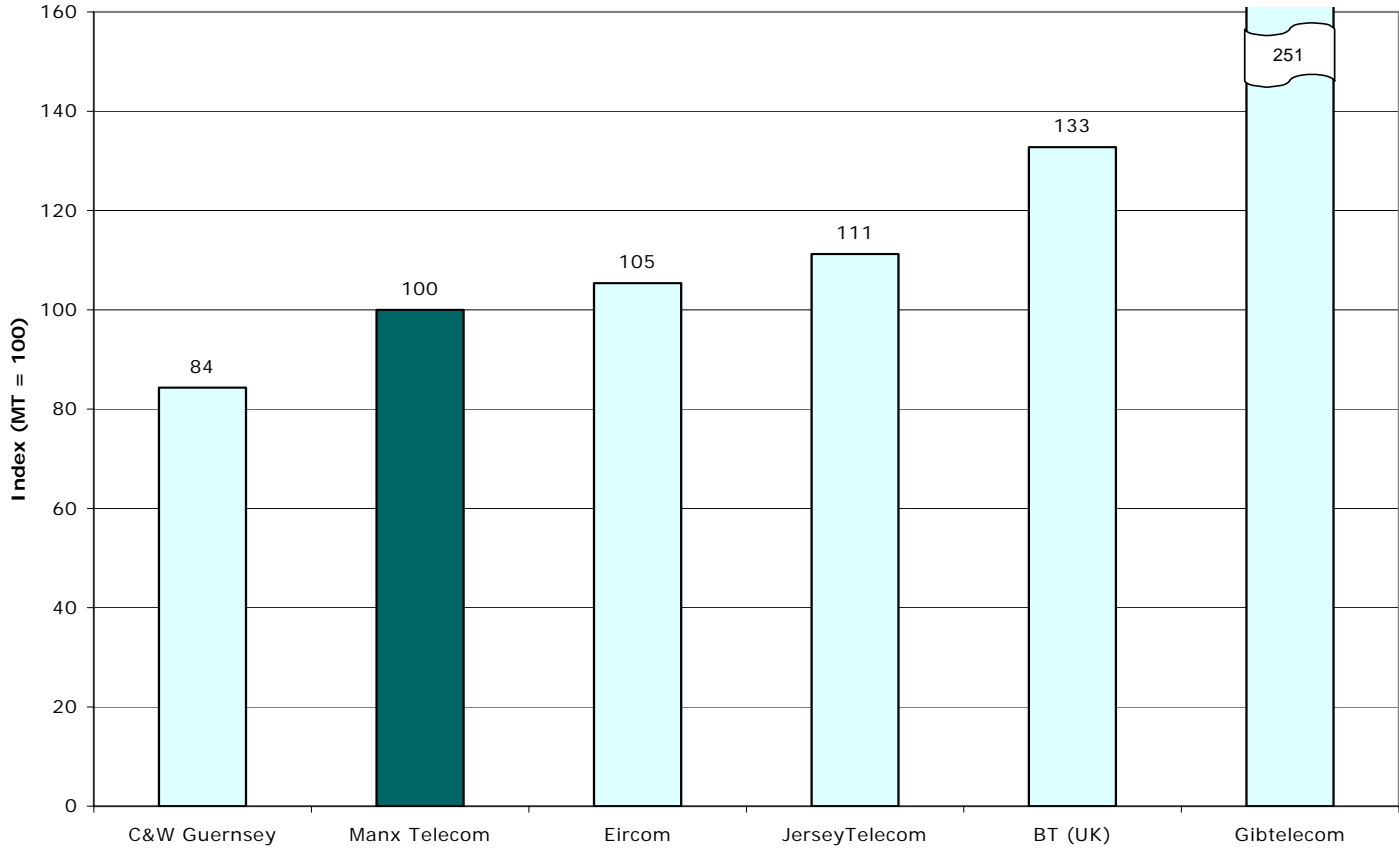


MT's low-capacity private circuit prices are relatively high

Local 2 Mbps private circuit

MT was cheaper than the CI for a local circuit... (2004)

2 Mbps digital circuit - same exchange

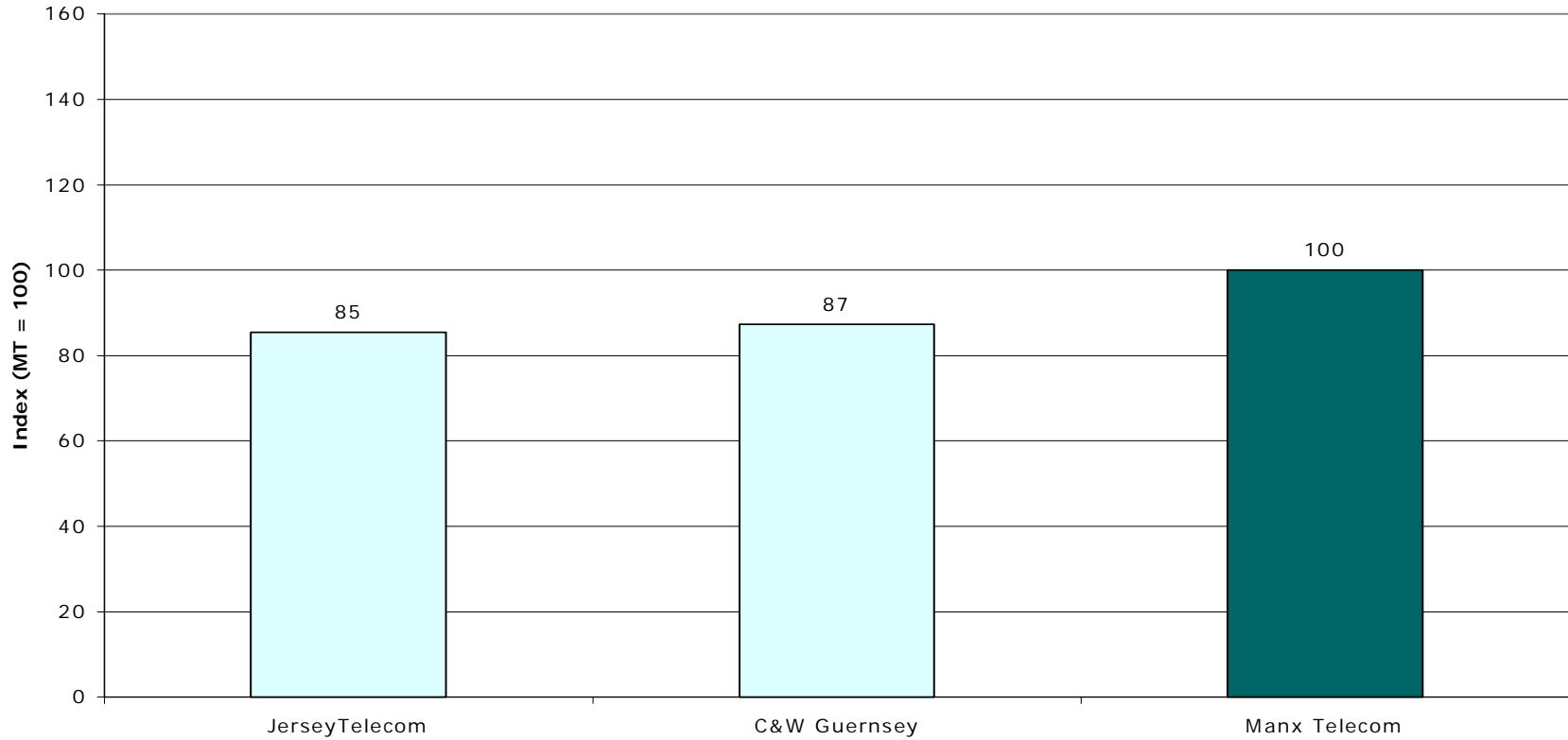


MT's higher-capacity, local private circuit prices compare well

London 2 Mbps private circuit

...and for a circuit to London. (2004)

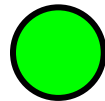
2 Mbps circuit to London



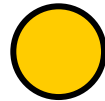
London circuit prices higher than CI although cheaper per km

Summary

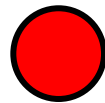
MT's ranking:



High

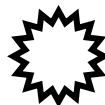


Medium



Low

Compared to 2004:







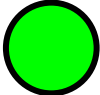

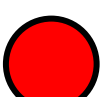

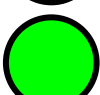


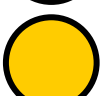
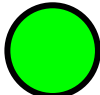

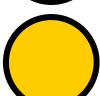
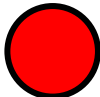

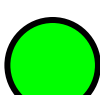

More competitive



Less competitive

Summary

Light usage Medium usage Heavy usage

Broadband-Res			
Broadband-Bus			
Bb – Wh – Res			
Bb – Wh - Bus			
Fixed tel – Res			
Fixed tel – Bus			
Mobile – Leisure			
Mobile – Bus			
Private circuits	