JCRA MEDIA RELEASE

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JERSEY TELECOM REDUCES WHOLESALE PRICES FOLLOWING JCRA INVESTIGATION

Following discussions between the Jersey Competition Regulatory Authority ('JCRA') and Jersey Telecom ('JT'), JT has agreed to reduce the prices it charges to competitors for leased lines (otherwise known as private circuits). Leased lines are commonly used by companies to link offices in various locations, and competitors are dependent on JT for the supply of leased lines to compete for, and bring innovation to, business customers.

The JCRA had received complaints from JT's competitors about the wholesale price of leased lines. After investigation, the JCRA found that the prices charged by JT to competitors for leased lines in some cases exceeded JT's retail prices. This indicated that JT was operating a margin squeeze, in contravention of the competition provisions of its licence. JT has agreed to lower its wholesale prices, thereby allowing competitors a greater margin to compete, and to publish its new prices on the JT website.

Bill Brown, JCRA's Executive Director, said: 'We welcome JT's decision to reduce wholesale prices for leased lines, making it easier for other operators to compete for business customers and bringing to these customers greater choice and potentially lower prices. This should avoid any current need for the JCRA to take enforcement action in this matter, but we shall continue to monitor the situation'.

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