

JCRA Media Release

6 November 2006

JCRA Intervenes to Reduce JT's Wholesale Mobile Charges

Following intervention by the Jersey Competition Regulatory Authority (JCRA), Jersey Telecom (JT) has agreed to reduce the wholesale prices it charges to other mobile operators for connecting their customers to JT's own customers.

The JCRA's enquiry followed a complaint it received from one of JT's competitors that JT's wholesale charges were excessive, and meant that it could not compete fairly with JT for retail customers.

The JCRA found that, for a majority of the time, JT charged its competitors a wholesale rate of 8.008 pence per minute, which was higher than JT's own retail rate of 7 pence per minute. This appeared to constitute a 'margin squeeze', in breach of the Competition Law and JT's licence obligations. JT has agreed to reduce the wholesale rate to 5.6 pence per minute, thereby avoiding the need for the JCRA to take enforcement action.

Bill Brown, Executive Director of the JCRA said:-

In line with the States of Jersey's policy of promoting economic growth through competition, we have the opportunity to create a competitive market in telecommunications for the benefit of Jersey consumers and businesses. We are determined to ensure that this opportunity is not lost through conduct which breaches the Competition Law or operators' licences. That is why we launched our investigation in this case. It is also why we recently commenced enforcement proceedings against JT's withdrawal from the mobile number portability process, in breach of its licence obligations.

We are pleased that JT has addressed our concerns in this investigation, and we hope it will re-consider its position on mobile number portability for the benefit of Jersey consumers and businesses.

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All enquiries concerning this matter should be addressed to Bill Brown on +44 (0)1534 514990.