

# JCRA Media Release

24 October 2006

## **JCRA enforces Number Portability Direction against Jersey Telecom**

The Jersey Competition Regulatory Authority (JCRA) has today commenced enforcement proceedings against Jersey Telecom (JT), for breaching the JCRA's Direction on mobile number portability (MNP), which was issued in June this year.

MNP enables mobile phone users to keep their number if they decide to switch to a different mobile service provider. Cable & Wireless has recently entered the Jersey mobile sector and Jersey Telenet (Airtel) has signalled its intention to do so later this year. Consistently with many other jurisdictions, both large and small, the JCRA determined that MNP was essential if Jersey consumers were to be given genuine freedom to choose their mobile service provider, and to create a level competitive playing field between JT and the new entrants. Research commissioned by the JCRA revealed that more than 50% of Jersey consumers and businesses would not switch to a different mobile operator if they had to change their numbers. This confirms not only the strong demand for MNP in Jersey, but also that the lack of MNP would place the new entrants at a considerable disadvantage in competing with JT.

When the Direction was issued in June this year, JT publicly welcomed it<sup>1</sup>. Since then JT has been working with the two other operators, under the JCRA's supervision, to implement MNP. However, the work was interrupted when JT announced to the JCRA, on 6 October, that it was withdrawing from the process. On 12 October 2006, JT failed to ensure it was represented at a meeting called by the JCRA concerning the implementation of MNP, in breach of the Direction. Despite efforts by the JCRA since then to convince JT to rejoin the MNP implementation process, JT has refused to do so. Giving the high priority the JCRA attaches to introducing competition and consumer choice in the mobile sector, and the importance of MNP in that context, the JCRA has decided it has no alternative but to commence enforcement proceedings against JT in respect of its breach of the Direction.

Bill Brown, Executive Director of the JCRA said:

*“We are surprised and disappointed by JT’s conscious decision to breach its legal obligations by withdrawing from the MNP process. We expect businesses to take their legal obligations seriously. In spite of initial concerns which JT had expressed before the Direction was issued, JT did not seek to challenge the Direction and indeed publicly welcomed it. Since the Direction was adopted in June, JT has been working with the other Operators and the JCRA over the last four months to put MNP in place in accordance with the Direction. Its decision to breach the Direction at this stage, when the work has already confirmed that MNP can be implemented at a reasonable cost (and*

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<sup>1</sup> ‘We welcome the JCRA’s decision to require all operators to put in place a fair and cost effective number portability system for mobile phone users’, JT Press Release, cited in Jersey Evening Post, 9 June 2006.

*a fraction of the cost which JT had previously estimated), is therefore particularly surprising.*

*The JCRA's primary duty under the Telecoms Law is to ensure that all reasonable demands by telecoms users are satisfied. Our evidence indicates that there is a strong demand for MNP from Jersey consumers and businesses and we believe that this demand is reasonable. Unfortunately it appears that JT's conduct will delay (if not prevent) MNP from being available to Jersey mobile users. We therefore feel that we have no option but to protect their interests (as we are required to do under the Telecoms Law) by taking this enforcement action."*

ENDS

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