



## **JCRA Media Release – 24 November 2011**

### **JCRA proposes freezing some JT prices**

The Jersey Competition Regulatory Authority (JCRA) is proposing to cap the charges levied by Jersey Telecom Limited (JT) for line rental and certain fixed-line calls in 2012. In proposals announced today by the JCRA, line rental charges and charges for calls to local, UK and international destinations would be capped at their current level until 31 December 2012. The proposals are now subject to a 28 day consultation.

The JCRA is currently working with JT to understand how JT sets prices for fixed-line services, as part of a general review of JT's regulatory accounts. Given that this work is ongoing, the JCRA has determined that it should not allow any increase in charges for line rental and fixed-line calls at this time. The JCRA noted that, since the current price control was put in place in 2008, JT had implemented significant cost-cutting and the regulator wanted to assess whether these savings had been fed through to the prices consumers pay.

The JCRA, along with the Office of Utility Regulation in Guernsey, is likely to carry out a detailed assessment of the cost of providing line rental services in 2012 in both Jersey and Guernsey as part of a project aimed at introducing greater choice for consumers in fixed-line services. It is hoped that the work in these areas will enable the JCRA to have a firm basis for decisions on JT's prices in the future.

“From the regulated accounts recently presented to us by JT, there appear to be some issues with the way in which JT allocates costs between its services. We also know JT has implemented cost savings in its business, yet it is unclear how this has fed through to the prices that Jersey consumers pay for JT's services. Given the likelihood of a detailed assessment being made of line rental charges and further investigation being undertaken into

JT's separated accounts, we believe the fairest course of action at this time is to freeze charges" said John Curran, Executive Director of the JCRA.

The JCRA consultation on the proposed price control for JT is published on the JCRA website, [www.cicra.je](http://www.cicra.je), or is available from the JCRA's office by calling (01534) 514990.

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All enquiries should be directed to the JCRA's Executive Director, John Curran, on +44 (0)1534 514990.

Full report is on the JCRA website, [www.cicra.je](http://www.cicra.je).

#### About the JCRA

The JCRA is an independent authority established by the States of Jersey to enforce Jersey's competition law and regulate its telecommunication and postal sectors. In each of these areas, the JCRA's primary mission is to promote consumer welfare through efforts that encourage lower prices and greater choice and innovation in the goods and services available in Jersey. The JCRA is recognized internationally as a leading voice in the application of competition law and policy in small economies.