



CICRA media release

6 January 2012

CICRA freezes some JT prices

The Channel Islands Competition and Regulatory Authority (CICRA) has capped the charges levied by Jersey Telecom Limited (JT) for line rental and certain fixed-line calls in 2012.

Line rental charges and charges for calls to local, UK and international destinations will be capped at their current level until 31 December 2012. The decision follows a 28 day consultation which has now closed.

CICRA 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 on-going, CICRA has determined that it should not allow any increase in charges for line rental and fixed-line calls at this time.

The regulatory authority 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.

CICRA, which encompasses the Jersey Competition Regulatory Authority and the Office of Utility Regulation in Guernsey, will be carrying 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 CICRA to have a firm basis for decisions on JT's prices in the future.

"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.

Text

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NOTES TO EDITORS:

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About the CICRA

The Channel Islands Competition and Regulatory Authority (CICRA) is the name given to the two Channel Islands regulatory authorities, the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Office of Utility Regulation (OUR). A memorandum of understanding was signed in December 2010 to facilitate closer working between the two authorities. Both regulatory bodies were established in 2001. The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001 and the OUR was established under the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001. In Jersey the telecoms and postal sector are regulated by the JCRA, which is also responsible for administering and enforcing the Competition Law (Jersey) 2005. In Guernsey the telecoms, postal and electricity sector are regulated by the OUR. The aim of both authorities is to ensure that consumers receive the best value, choice and access to high quality services while Jersey has the added responsibility of promoting competition and consumer interests.