



CICRA media release

15 January 2012

CICRA consults on telecoms changes of control

CICRA (the Channel Islands Competition and Regulatory Authorities) has launched a public consultation into the way in which it investigates changes of control in the telecommunications sector, with an eye to the likely notification of the proposed acquisition of Cable & Wireless in the Channel Islands by Bahrain Telecommunications Company (Batelco).

In December, Batelco announced it intended to acquire the Monaco & Islands division of Cable & Wireless Communications plc, which includes Cable & Wireless Guernsey Limited (CWG) and Cable & Wireless Jersey Limited (CWJ). Batelco hopes to complete the deal by 31 March this year.

The proposed acquisition involves a change of control under the telecoms licences held by CWG and CWJ and will need to be notified to CICRA in both Guernsey and Jersey.

CICRA chief executive, Andrew Riseley said the current change of control provisions in both islands were similar and were expressed very broadly.

He said CICRA had proposed more specific principles in the consultation document and was seeking input from interested parties on the way in which these issues should be assessed.

“The manner in which CICRA exercises its functions in respect of the change of control of the local telecommunications companies is potentially a matter of significant public interest, and we want to make sure the views of all interested parties are taken into consideration as to the way we do this,” Mr Riseley said.

“There is currently no stipulation as to the substantive test that CICRA should apply when deciding whether to approve or refuse a change of control, or to impose new licence conditions as a condition of approving the change of control.”

Mr Riseley said CICRA’s provisional view was that, given the statutory duties applied to telecoms regulatory functions, the focus of an assessment of a change of control should be on whether the change to the control of the relevant licensee jeopardises its willingness or ability to provide high quality, sustainable telecoms services, or to comply with its licence conditions or other regulatory requirements.

Mr Riseley encouraged all interested parties to contribute to the discussion on how changes of control within the telecommunications sector should be assessed.

“We are asking those interested in participating in the consultation to indicate what factors they consider to be relevant to an assessment of a change of control under the relevant provisions in the licences and whether a commitment to support the respective States’ strategic objectives, with respect to the telecommunications sector, should be regarded as a relevant factor for consideration, and if so, the best method by which to secure such a commitment,” he said.

During coming weeks, CICRA expects to receive notifications from CWG and CWJ advising of the proposed change of control to Batelco.

In considering these notifications, and deciding whether further information is required from CWG, CWJ and Batelco, CICRA will consider the results of this consultation, and, where appropriate, will take account of the views expressed by respondents.

CICRA expects to publish a provisional decision in respect of these notifications in February 2013. CICRA will then allow a brief period for further public comment before publishing a final decision. At this stage, CICRA anticipates that a final decision on the notifications will be published by the end of February 2013.

All comments should be clearly marked “Consultation on Approach to Change of Control Notifications under Telecommunications Licences” and be sent to CICRA by 5.30pm on Thursday, 24 January 2013.

ENDS

NOTES TO EDITORS:

All enquiries should be directed in writing to CICRA Chief Executive, Andrew Riseley, in Guernsey at the Guernsey Competition and Regulatory Authority (formerly the Office of Utility Regulation), Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey GY1 2NH or in Jersey at the Jersey Competition Regulatory Authority, 2nd Floor, Salisbury House, 1 - 9 Union Street, St Helier, Jersey JE2 3RF. Alternatively email info@cicra.gg.

About CICRA:

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) (formerly the Office of Utility Regulation). The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001, and the GCRA was established under The Regulation of Utilities (Bailiwick of Guernsey) Law, 2001, as amended by The Competition and Regulatory Authority Ordinance, 2012. In Jersey, the telecoms and postal sectors are regulated by the JCRA, which is also responsible for administering and enforcing the Competition (Jersey) Law 2005. In Guernsey the telecoms, postal and electricity sectors are regulated by the GCRA, which is also responsible for the administration and enforcement of the Guernsey competition law since it has come into force on 1 August 2012.

By working together and sharing resources and expertise between the islands, CICRA strives to ensure that consumers in all the Channel Islands receive best value, choice and access to high quality services.