



CICRA media release

19 February 2013

CICRA freezes JT fixed-line prices

CICRA (the Channel Islands Competition and Regulatory Authorities) has frozen JT's retail fixed-line prices in Jersey until 31 December 2013.

The regulator issued an initial notice of its intention to extend the one-year price control applied to JT's retail services in November and, after consultation with the Jersey telecommunications industry, it issued its final notice today.

Charges levied by JT for local calls, calls to the UK and international calls are to be capped at the rates that applied last year. Connection charges for fixed lines and maximum monthly line rental charges will also be capped at last year's rates.

CICRA chief executive, Andrew Riseley, explained that the price freeze remained necessary while the industry continued with its development of new wholesale access products aimed at increasing choice and competition in fixed-line telecom services.

"If successful, competitive access to JT's network may stimulate further competition in fixed-line services, providing consumers with greater choice and better pricing, and would help drive innovation in the services provided," he said.

It is the regulator's view that, if vigorous competition is created in this market, there could be little or no need for retaining retail price controls as competitors would be a catalyst for keener pricing.

“JT is currently the dominant provider for fixed-line telecoms services in Jersey. In the event that competition is increased for these services there will be less need for retail price controls and there may be scope to significantly reduce or remove them,” Mr Riseley said.

CICRA anticipates that rival telecoms companies will be in a position to offer fixed-line competition within the next nine months.

“Given the time period in which sufficient competition might develop CICRA is not setting the usual three-year price control period.

“Currently JT provides 100% of all fixed exchange lines for residential customers. We do not believe that competition from mobile phones (as a substitute for fixed lines) or broadband-facilitated calling services are, as yet, of sufficient magnitude to apply pressure to fixed-line prices so it is necessary for a price control to remain in place.”

The standard line rental will remain at £12.75 (plus GST). Standard calls within the Channel Islands, and to landlines in the UK, start at a minimum of 7p per minute from JT landlines.

International charges can be found at

http://www.jtglobal.com/Global/PDFs/Consumer/fixed%20line/international_call_charges.pdf.

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, 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@bicra.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 Guernsey 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 came 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.