



CICRA media release

20 December 2013

CICRA proposes RPI price rise for fixed line telecoms services in Guernsey and Jersey

CICRA (the Channel Island Competition Regulatory Authorities) has proposed an RPI price increase for fixed line telecoms services provided by JT in Jersey and Sure in Guernsey for 2014.

The retail price controls for fixed line telecommunications largely cover exchange line rental (XLR) and call costs. The current price controls expire on 31 December this year and the regulator has been in discussions with the operators on their proposed increases for next year.

Sure requested an increase of just over 2% in its retail prices for calls by moving to 'per second' billing and discontinuing an old discount scheme. It did not propose any changes to its existing XLR rate of £9.99 per month.

JT sought a 17% increase in XLR which would equate to an additional £2.20 per month on the current £12.75 but no change to fixed line call charges. Including GST, standard monthly XLR charges would have increased to £15.66 for consumers.

CICRA has instead proposed a Guernsey RPI price increase of 2.7% for Sure and a Jersey RPI price increase of 1.2% for JT.

Consultation on the proposal will take place over the next four weeks finishing on 17 January. Depending on the responses, CICRA's decision will be finalised by the end of January.

CICRA chief executive, Andrew Riseley, said "Given the size of the XLR increase sought by JT, we have decided to propose a 'placeholder' RPI rise and will conduct a full review commencing in the second quarter of 2014," he said.

"Clearly there are competing views over JT's regulated accounts and the costs of each area of its business, including the costs of its PrimeTalk tariffs. Considered debate is needed which is part of the reason for conducting a review.

"With the start of retail landline competition perhaps only 12 months away, the prospect of competition would presumably exercise a degree of constraint on the operators' pricing. However, given the uncertainty around the timing of the introduction of competition, we believe a review would give clarity and establish more clearly JT's position."

Interested parties can find further details on CICRA's website at www.cicra.gg.

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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@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 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.