



CICRA media release

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CICRA reviews retail price control in Jersey

The Channel Islands Competition and Regulatory Authorities (CICRA) has published a consultation seeking views on what price controls may be needed in future for JT in Jersey for fixed line services such as calls and exchange lines.

Price controls are a tool by regulators in markets where there is limited competition, as has historically been the case with fixed line services in Jersey, to ensure that prices to customers are appropriate.

Retail fixed-line services include call charges using fixed-line phones, exchange line rentals and a range of related fees associated with having a fixed-line phone service.

CICRA has worked with consultants Frontier Economics to determine whether continued price controls are justified and, if so, to assist in the determination of what those controls should be.

As part of the process the prices JT currently charge for fixed-line service were benchmarked against those of comparators to assess whether JT's pricing levels are justified. The benchmarking found that JT's retail prices were on average considerably higher than the most direct comparator, namely Sure in Guernsey.

CICRA is therefore proposing to bring JT's retail prices more closely in line with appropriate comparators and is seeking views on how much and how quickly prices should be brought into line to achieve that.

CICRA chief executive, Michael Byrne, said: "While we acknowledge that different market features might support different average prices between jurisdictions, we do not find compelling evidence to explain why Jersey consumers are paying significantly more for their fixed-line phone services than those in a comparative jurisdiction such as Guernsey."

"We are particularly keen to hear interested parties' views on any price control to be imposed and the length of time over which any price control should be imposed".

The closing date for responses to CICRA's consultation is 8 of May. The full details of the consultation and how to make a submission can be found on CICRA's website www.cicra.je.

CICRA will consider all responses received if appropriate will issue an Initial Notice – part of the statutory process required to implement a price control on JT – shortly thereafter.

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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.