



NEWS RELEASE

1 August, 2016

CICRA welcomes JT's decision to amend its broadband pricing

The Channel Islands Competition and Regulation Authorities (CICRA) has welcomed JT's decision to comply with the regulator's direction to alter its broadband prices charged in Jersey.

In June CICRA found that JT was in contravention of its licence because the combination of its retail and wholesale prices was weakening competition.

The consequence of the pricing structure meant that the margin between what operators paid JT for access to the network and the retail price needed to compete with JT was so low as to be loss-making – known as 'margin squeeze'.

CICRA chief executive Michael Byrne said: "We launched an investigation following complaints by retail telecommunications operators in Jersey and found that the pricing strategy of JT in the broadband market constituted a margin squeeze.

"The contravention had the potential to weaken competition in the Jersey broadband market and CICRA directed JT to increase the margin between the retail and wholesale prices it charges."

“We welcome JT’s decision to accept the regulator’s direction on this issue which directly impacts on consumer choice in the island. Having worked closely with JT in consumer’s interest this behaviour has been ended.

“Ultimately competing operators would have to consider how they charged for the provision of broadband services in order to remain competitive and this could have meant higher costs for the consumer.

“JT has chosen to remove its three month ‘sweetener’ offers on its broadband deals and level the playing field. This should give the consumer further impetus to compare operators’ services before making a decision on their broadband provider.”

JT’s broadband prices complied with CICRA’s decision on 1 August, 2016.

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NOTES TO EDITORS:

All enquiries should be directed in writing to CICRA chief executive, Michael Byrne, 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.

In line with CICRA’s consultation policy, it intends to make responses to the consultation available on the CICRA website. Any material that is confidential should be put in a separate annex and clearly marked as such so that it may be kept confidential. CICRA regrets that it is not in a position to respond individually to the responses to this consultation.

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.