

**Daniel Vincent**  
**CICRA**  
**2<sup>nd</sup> Floor, Salisbury House**  
**1-9 Union Street**  
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**JE2 3RF**

Dear Daniel

**Wholesale Leased Lines: Review of Price Controls: Proposed Directions to JT (Jersey) Limited**

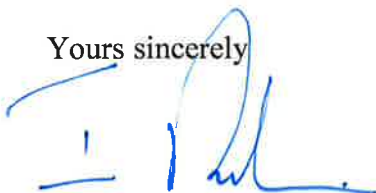
Thank you for providing Newtel with the opportunity to comment on the proposed direction. In our view, your initial notice correctly identifies that the current arrangements do not provide sufficient incentives to OLO's to cultivate material competition at the retail level, consequently we agree that competition is restricted. We are also of the view that a retail minus 20% formula is the absolute minimum that should be implemented, we do feel that retail minus 28% would be more appropriate given the examples you provide in the Initial Notice. We agree with the deemed effective date of 1 April 2012.

Your pragmatic approach in addressing this market failure is very much appreciated, others respondents may argue that a lengthy investigation is the most appropriate way forward, but in our view this would only serve to prolong the market failure, at the customers expense.

We are concern that without a control on JT's retail price that JT may try to adjust their retail price upwards to recover some lost revenues. Consequently, we think that a control on JT's retail price is appropriate.

Whilst we support your proposed direction we request that you give consideration to freezing JT's retail price until the CIWAP is completed.

Yours sincerely



**Ian Ridgway**  
**Director**  
**27 July 2012**