



Andrew Riseley  
Chief Executive  
JCRA  
2<sup>nd</sup> Floor, Salisbury House  
1-9 Union Street  
St Helier  
JERSEY  
JE2 3RF

23<sup>rd</sup> October 2012

Dear Andrew

**Initial Notice Determination issued to JT (Jersey) Limited: Fixed Interconnection Rates in Jersey**

Cable & Wireless Jersey Limited ("CWJ") is submitting this letter in response to the JCRA's Initial Determination issued to JT (Jersey) Limited: Fixed Interconnection Rates in Jersey, which was issued as CICRA Document Number 12/44 on 24 September 2012.

CWJ has been questioning for a long time why fixed interconnection rates in Jersey are so much higher than those charged by Cable & Wireless Guernsey Limited ("CWG") in Guernsey, especially when JT operates in a significantly larger market. We therefore agree with the JCRA's approach of applying a ceiling on JT's fixed origination and fixed termination charges corresponding to the rates in Guernsey. This is consistent with ensuring that rates in Jersey are in line with those that would be charged by an efficient operator.

We agree that the rates should be applied retrospectively to 1<sup>st</sup> April 2012, although it could be argued that there is a case for backdating the rates even further given that the JCRA had originally promised to take action to reduce these rates in 2011. However, in the interests of securing regulatory progress in Jersey, we find the effective date of 1<sup>st</sup> April 2012 acceptable. We also agree with the proposals to dispense with the time of day gradient for fixed interconnection rates and to ensure that they are charged on a per second basis with no minimum call duration, both of which measures will align Jersey to Guernsey.

CWJ notes that the rates will stay in place until at least 30 September 2013 and that the JCRA, together with the GCRA in Guernsey, intend to review fixed interconnection rates for Jersey and Guernsey before that time. With respect to the possible move to LRIC based pricing, we would observe at this point that lack of resources for implementation of such an approach is not confined to the regulators but is also relevant to the operators. LRIC based pricing is a very specialist area and we do not currently have such expertise available to us, either

in Guernsey or Jersey. We would therefore ask that the JCRA and GCRA carefully consider the potential costs of implementing such an approach in the Channel Islands when it starts its pan-island review of fixed interconnection (and indeed mobile interconnection) rates.

Finally, CWJ would like to confirm that it has no objections to the whole of this response being made public, including on the CICRA website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Durnell', written in a cursive style.

**Chris Durnell**  
Head of Legal & Regulatory, CWC Channel Islands and Isle of Man