



CICRA media release

15 March 2013

CICRA approves Batelco deal with Cable & Wireless with conditions

CICRA (the Channel Islands Competition and Regulatory Authorities) has issued its final decision approving the acquisition of Cable & Wireless (C&W) in the Channel Islands by Bahrain Telecommunications Company (Batelco).

A provisional decision on the change of control had been issued by CICRA on 25 February after Batelco announced it intended to acquire the Monaco & Islands division of Cable & Wireless Communications plc (including Cable & Wireless Guernsey Limited (CWG) and Cable & Wireless Jersey Limited (CWJ)). The acquisition involves a change of control under the telecoms licences held by CWG and CWJ and needed to be approved by CICRA in both Guernsey and Jersey.

CICRA chief executive Andrew Riseley said: "The focus of our investigation was on the effect of the change of control on CWG, given its position as the dominant, incumbent telecoms operator. It was particularly important that we were satisfied that Guernsey's fixed telecoms network would remain fit for purpose now and in the future.

"We have imposed new conditions for CWG's fixed telecoms licence to address some of the concerns raised by respondents about how the business is managed and controlled, by ensuring that CWG retains appropriate resources within the local business and securing the availability of information to meet regulatory and statutory requirements. Those licence conditions have been refined to take account of responses to our provisional decision.

“In addition, we have signalled that we will use existing licence powers to monitor closely the development of fixed-line services in the initial years of Batelco’s ownership.”

As well as highlighting potential risks, and developing licence conditions to mitigate those risks, CICRA looked at Batelco’s business including its capital investment, regulatory compliance record and its international connectivity. CICRA is satisfied, subject to the conditions, that the deal can proceed.

Batelco hopes to complete the deal by 31 March.

ENDS

NOTES TO EDITORS:

- The investigation parameters did not include trying to address the complaints that have been raised over the years about the initial sale of Guernsey Telecoms to C&W
- Batelco demonstrated it had the necessary financial and management resources, and the systems needed for internal control, in place to ensure C&W would remain a viable business in the Channel Islands.

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@bicra.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.