



DIGITAL JERSEY

PROMOTING TECHNOLOGY
AND INNOVATION



Mr. Michael Byrne
Chief Executive, JCRA
2nd Floor Salisbury House
1-9 Union Street, St Helier
Jersey, JE2 3RF
By email to lisa.white@cicra.je

2 September 2014

Dear Michael,

Initial Notice: Review of the market for business connectivity: Jersey

I am responding on behalf of Digital Jersey to your invitation to comment on the above document.

Digital Jersey is funded by the States of Jersey to accelerate the growth of the digital economy based in the Island and to act as a representative body for the digital sector. Our objectives are to:

- Enable growth of the digital sector, measured by GVA and jobs
- Enable a connected digital society
- Establish Jersey as an internationally well regarded "digital centre"

We welcome the efforts being made by JCRA to examine the efficiency and cost effectiveness of the telecommunication services providers in the Island.

Our specific objective in this area is to ensure that Jersey has effective data connectivity, which we define as providing:

- Sufficient capacity to meet existing and future needs
- Competitive pricing
- Competitive technology and services

Our broad perspective

Effective data connectivity is an essential foundation of digital economies and digitally connected societies. Jersey has a strong telecommunications infrastructure and a well established telecommunications industry. Further, the island is making a significant and bold investment in the future by providing FTTH (Fibre to the Home) to all households and businesses through the Jersey Telecom (JT) Gigabit project. However, the Island lacks a comprehensive 4G network at present.

By many international standards, Jersey is highly connected, with a range of products and services broadly comparable to other markets. While JT is the leading service provider and owns a dominant percentage of the infrastructure, it should be recognised that there are multiple service providers and multiple infrastructure operators in the island, including three separate mobile network operators, four separate owners of off-island submarine data networks and three owners of fibre networks in St Helier. However, the



retail market and some wholesale markets lack essential competition through the diversity of offerings such as bundling of different services.

The telecommunications industry is governed by the Telecommunications (Jersey) Law 2002, which is viewed as potentially effective legislation and sets out the roles and responsibilities of the industry, the regulator and government, together with the primary duty to ensure provision of services to meet current and future demand. However, this is a blunt instrument and the parties need to do more to work together to deliver better services to the public rather than resorting to Law.

The cost of telecommunications services remains a critical factor. Compared to other jurisdictions, businesses and retail consumers in Jersey experience significantly higher prices. This is viewed by the digital industry as a challenge to retaining existing business and a barrier to future growth, especially for data intense businesses; similarly connectivity costs are also becoming a greater consideration for other sectors, including finance. It is unclear how these relatively high prices can be justified and they are unsustainable if the Island is to prosper as a leading digital economy.

JCRA Conclusions from the Business Connectivity Review: Initial Notice and Response

In response to the consultation, Digital Jersey:

- Is broadly supportive of the conclusions
- Is supportive of the planned direction as to how the remedies to address the conclusions will be implemented.
- Would welcome greater focus on the timing of when the benefits of intervention will actually be seen by end-users
- Encourages speedy implementation if the market participants do not immediately respond in the desired manner

In addition we would like to comment on the following matters:

CICRA/JCRA Resources

Digital Jersey continues to express concerns over the few resources at CICRA's disposal, especially given the broad range of issues that you are addressing, not simply regarding telecommunications but across all sectors.

Improving responses to consultations

We note that there has been little or no publicity of this very important consultation document and that the fact that it is a consultation could not be gleaned from its title, which suggested it was a decision and feedback statement, rather than a further consultation on the conclusions and recommendations therein.



It would have been helpful had the document contained specific questions that were being asked about the conclusions reached as this can facilitate developing a response.

For future consultations please could you consider how Digital Jersey can assist in improved the distribution of such documents and gathering a response from the digital sector. We would welcome an early meeting with you as soon as such documents are made public.

Yours sincerely

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

Paul Masterton
Chairman, Digital Jersey