

JERSEY COMPETITION REGULATORY AUTHORITY ('JCRA')

Initial Notice of a Direction (issued under Article 11 of the Telecommunications (Jersey) Law 2002)

- (a) Whereas Article 2(1) of the Telecommunications (Jersey) Law 2002 (the 'Law') requires Jersey Telecom Limited ('JT') to operate its telecommunication system under a licence issued by the JCRA, and Article 2(3) requires JT to operate its telecommunication system in accordance with the conditions contained in its licence.
- (b) Under Article 14 of the Law, the JCRA issued JT with a licence to operate a telecommunications system in Jersey on 1 July 2003. Condition 19.4 of the licence requires JT to comply with any directions issued by the JCRA in respect of Number Portability. In addition, Condition 5.1(b) requires JT to comply with any direction issued by the JCRA under the licence.
- (c) Pursuant to these conditions, on 5 June 2006 the JCRA issued a Direction to JT and other licensed telecommunications operators on Mobile Number Portability ('MNP').
- (d) Paragraph 2 of this Direction requires JT and the other operators to use their best endeavours (both individually and collectively) to implement MNP no later than 1 January 2007.
- (e) Paragraph 10 of this Direction requires JT and the other operators to ensure that their representatives attend meetings on MNP implementation chaired by the JCRA.
- (f) On 6 October 2006, JT informed the JCRA that it would no longer participate in the MNP implementation process as required by the Direction.
- (g) On 12 October 2006, JT failed to ensure that it was represented at a meeting called by the JCRA concerning the implementation of MNP, despite having reasonable prior notice of this meeting.
- (h) Subsequent to 12 October 2006, despite efforts by the JCRA to convince JT to voluntarily rejoin the MNP implementation process, JT has refused to do so.
- (i) Based on JT's actions described above, the JCRA concludes that JT has failed to comply with the requirements set forth in Paragraphs 2 and 6 of the Direction on MNP.

- (j) Because JT has failed to comply with a direction duly issued by the JCRA under the licence, the JCRA also concludes that JT is in contravention of Conditions 5.1(b) and 19.4 of its licence.
- (k) Based on these contraventions, in this Initial Notice the JCRA proposes to issue a further direction to JT under Article 19 of the Law, requiring it to comply with the Direction on MNP, as it may be amended from time to time by the JCRA.
- (l) The JCRA is satisfied that its duties under Article 7 of the Law do not preclude the issuance of a further direction to JT, that JT's failure to observe the requirements of the Direction on MNP is not trivial, and that JT is not taking steps to comply with the Direction and remedy the effects of its contraventions:
 - a. In implementing the Direction on MNP, the JCRA recognized that substantial demand in Jersey exists for MNP, and that the introduction of MNP is an important factor in the further development of competition in mobile telephony in Jersey.
 - b. Despite this, JT has told the JCRA that it has decided to withdraw from the MNP implementation process.
- (m) The proposed further direction to JT under Article 19 of the Law will take effect on **23 November 2006**, unless the JCRA receives representations or objections about the proposal prior to that date, in which case the effective date will be specified in any final notice issued by the JCRA under Article 11(4) of the Law.
- (n) The proposed further direction may be inspected at the JCRA's office, the address of which is 6th Floor, Union House, Union Street, St Helier, Jersey JE2 3RF, and on the JCRA website www.jcra.je.
- (o) Any written representations or objections in respect of the proposed further direction may be made by **22 November 2006** to the JCRA at the above address.

24 October 2006

By Order of the Board of the JCRA