



Fixed Termination Rates

Information Note

Channel Islands Competition and Regulatory Authorities

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1. In the Channel Islands, the rates that telecommunications network operators can charge both to originate and to terminate a call on their fixed network are regulated by the JCRA (in Jersey) and the GCRA (in Guernsey).
2. In both Jersey and Guernsey, the incumbent telecommunications operator (JT and Sure respectively) are required¹ to make a “reference interconnect offer” (“RIO”), setting out the rates at which it will provide fixed interconnection and access services to other telecommunications operators.
3. Fixed Termination Rates (FTRs) are the maximum rates that telecommunications network operators can charge to terminate a call on their fixed network. FTRs in the Channel Islands are currently set at 0.428 ppm² (equivalent to slightly less than 0.5 Eurocents a minute).
4. The 2017 CICRA work programme stated that CICRA would:
“Assess appropriateness of fixed interconnection rates for telecoms network providers and where necessary set a new price control [Q1 – Q3].”
5. The Body of European Regulators for Electronic Communications (“BEREC”) produces a report which include incumbents’ lowest regulated fixed termination rates per country³. Analysis of the January 2017 BEREC Report shows that although the Channel Islands FTRs are at the higher end of FTRs charged by incumbent operators in the EEA, they are not significantly “out of line” with those rates. In absolute terms, the difference between the highest and the lowest FTR, excluding those charged by incumbents in Finland and Liechtenstein, is less than half of one Eurocent per minute (0.4963 Eurocent per minute).
6. Although the Channel Island rate is at the higher end of the FTR range, having undertaken an initial review and having applied its prioritisation principles, CICRA has come to the view that the potential benefit of this work stream is unlikely to be outweighed by the costs of proceeding with the review of FTRs.
7. CICRA has therefore decided to discontinue this work stream on this occasion.

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¹ Condition 26 of JT’s telecommunications licence in Jersey ; Telecommunications (Bailiwick of Guernsey) Law, 2001, s.10 in Guernsey.

² In Guernsey by <http://www.cicra.gg/files/OUR1009.pdf> and in Jersey by [http://www.cicra.gg/files/FIR%20Final%20Notice\[86664\].pdf](http://www.cicra.gg/files/FIR%20Final%20Notice[86664].pdf)

³ Some operators have more than one regulated rate, due to the fact that rates charged at different “layers” vary. A number of assumptions were made in order to make the tariffs comparable, as set out on pages 8-9 of the BEREC report: http://berec.europa.eu/eng/document_register/subject_matter/berec/download/0/7095-termination-rates-at-european-level-janu_0.pdf