



## MEDIA RELEASE

8<sup>TH</sup> July 2021

### **Wholesale price review should benefit broadband customers**

A review of wholesale broadband prices in Jersey conducted by the Jersey Competition Regulatory Authority (the Authority) should result in lower charges being passed on to Islanders and could save consumers up to £80 year by 2026.

The Authority has directed JT (Jersey) Limited (JT) to lower the price of wholesale broadband from £31.25 to £27.94 per user per month from 1 October, with a continual reduction until 2026 to £24.51. Over the five years of the price cap, the average price is £26.14 per user per month.

The Authority is confident this price reduction will encourage new retail competitors into the fixed broadband market in Jersey, while encouraging other licensed operators (OLOs) to invest in their broadband services.

The level of prices has been set to promote more effective competition at a retail level while providing JT with sufficient opportunity to recover the costs of installing the Island-wide fibre network and achieving an appropriate return on its investment.

Peter Hetherington, Senior Economic Case Officer for the Authority said, “While this is a review of the wholesale price paid by OLOs to JT, we do expect the impact to feed through into the retail market, and deliver greater choice and competition for consumers, supported by lower prices.”

Tim Ringsdore CEO, JCRA said “At a time when everyone has been impacted by the pandemic this is good news for all Jersey residents, especially vulnerable users and it will also go a long way in supporting the government’s inflation strategy during the next 5 years”.

**Ends**

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## **NOTES TO EDITORS:**

The Authority has published its non-statutory Final Decision and statutory Initial Notice directing JT (Jersey) Limited (JT) to lower the price it sells access to its fibre network to other licensed operators (OLOs). The Final Decision is the last step in the non-statutory process and the appropriate legal process will now follow before the price regulation can come into effect 1 October 2021.

JT owns the Island's fibre network and provides access to OLOs who then sell their broadband products to their customers. The price review, which was carried out by the Authority in conjunction with Frontier Economics, examined the market, and has put in place controls to address JT's position of significant market power.

The price that has been set is the price at which JT sells access to its fibre network to OLOs to provide broadband to their customers. JT has been directed to reduce this cost from £31.25 to £27.94 per user per month from 1 October. There will also be a continual reduction in wholesale charges until 2026 to £24.51. Over the five years of the price cap, the average price is £26.14 per user per month.

[Attached to this press release is the full texts of the Initial Notice and Final Decision, together with the report by Frontier Economics.](#)

## **About The Jersey Competition Regulatory Authority:**

The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001. It is responsible for administering and enforcing the Competition (Jersey) Law 2005 and also regulates the telecoms and postal sectors and the Ports of Jersey.

The JCRA strives to ensure that the markets work well for the benefit of all stakeholders, including Government, business, citizens and consumers facilitating best value, choice and access to high quality services.