



## REGULATORY FINANCIAL REPORTING – STATUTORY INITIAL NOTICE (JCRA 24/13)

Sure (Jersey) Limited (“Sure”) remains generally supportive of the Jersey Competition and Regulatory Authority’s (“the Authority’s”) plans regarding a requirement for JT (Jersey) Limited (“JT”) to produce, submit and publish annual regulatory financial statements. This response is provided on a non-confidential basis and we are happy for it to be published on the Authority's website.

Sure’s support is reflective of our belief that JT has maintained its costing system, post the removal of the regulatory requirement for its existence<sup>1</sup>, meaning that the Authority’s proposals should be readily achievable by JT. The Authority’s proposed timeframe within which JT would submit its 2023 regulatory statements (by 31<sup>st</sup> May 2024), appears to confirm our belief, as it would take considerably longer than that to create the regulatory statements, in the absence of an existing costing system.

We have reviewed the Authority’s proposed changes to the reporting template, since the version that it published on 18<sup>th</sup> July 2023. We support most of those changes, but there are two aspects that we are concerned about:

### **Average Cost and Revenue**

We are perplexed as to why there is no intention to publish any data from the Average Cost and Revenue tab. It relates solely to areas of JT’s business where it has been deemed by the Authority to hold Significant Market Power (“SMP”). Much of it can be pieced together from other areas of the template that are still intended to be published. The remaining data is considered below:

- The split between rental and installation – The vast majority of revenues and costs will relate to rental, so any publication of installation values should be of no commercial concern to JT, nor of material relevance to the market. However, were the average cost and revenue information to be published, as we believe should be the case, the split between rental and connection would be important, to ensure visibility of the regulated rental values.
- WACC (Weighted Average Cost of Capital) – This is simply JT’s WACC percentage, which should be publicly known, multiplied by the MCE (Mean Capital Employed).

---

<sup>1</sup> That being for the production of the 2014 regulatory accounts – the last year for which the Authority required them to be submitted. We also note that JT’s costing system existed in 2022 and was audited by the Authority at that time.

- Volume – This is not the volume on a per-product basis (therefore it does not reveal the quantity of each product rented); it is simply the total of each group of products. A check of the Authority’s most recently published Telecommunications Statistics and Market Report<sup>2</sup> shows that these wholesale volumes are already published (either directly, or can be deduced).

Based on the above, there appears to be no valid reason why the data on the Average Cost and Revenue tab would not be published. We therefore request that the Authority reconsiders its position, in this regard.

### **Retail Voice Access**

We are grateful that the Authority has now recognised within its proposed reporting template that JT is still classed as having Significant Market Power (“SMP”) in Retail Voice Access (landlines), but we are disappointed to see that there is no intention to publish any financial details relating to those landlines. We can only assume that JT considers that it has something to hide and has somehow managed to influence the Authority into agreeing that this data does not need to be published. Considering the significant market distortion that JT itself has highlighted to stakeholders over a number of years, in relation to its legacy Prime Talk tariff, we are disappointed to think that there would be no publicly available measure of the gradual correction to this SMP market, as the quantity of the thousands of remaining customers on the Prime Talk tariff decreases. All of these customers receive an 82% discount on their JT landline rental charge<sup>3</sup> and as no wholesale equivalent was ever made available by JT, there is no ability for OLOs to fairly compete for those thousands of customers. The annual change to the viability of JT’s Retail Voice Access service is therefore of material relevance to stakeholders, all of whom should have access to JT’s results in relation to this key SMP market. We request that the Authority reconsiders its position; otherwise the level of market distortion will remain a secret to all but JT and the Authority.

We remain keen to engage with the Authority on this topic and can make ourselves available, should the Authority wish to discuss any of the points that we have raised.

**Sure (Jersey) Limited**

22<sup>nd</sup> March 2024

---

<sup>2</sup> [telecommunications-statistics-and-market-report-2022.pdf \(icra.je\)](#)

<sup>3</sup> JT’s notification of 16/02/24 shows that its Prime Talk customers currently pay only £2.70 per month, compared to JT’s standard landline tariff of £14.70.