



# Telecommunications (Jersey) Law 2002

## Case T-138: Wholesale Broadband Price Control

### Initial Notice of proposed direction to JT (Jersey) Limited

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## 1. Executive summary

- 1.1 The Jersey Competition Regulatory Authority (the **JCRA**), is issuing this Initial Notice of its intention to exercise a specified regulatory function. This will give effect to a price control that will be used to determine JT (Jersey) Limited's (**JT's**) charges for Wholesale Broadband.<sup>1</sup> The new price control will run for five years from 1 October 2026, replacing the current control that ends on 30 September 2026 (the **2021 price control**).
- 1.2 Wholesale Broadband comprises a 1 Gbps internet access port (**Wholesale Bitstream**) that enables an operator to provide internet access at varying speeds to end users in Jersey over JT's Ethernet Fibre to the Premises (**FTTP**) network. To access the Wholesale Bitstream service a Wholesale Line Rental (**WLR**) service is currently required. Consistent with the 2021 price control, the proposed maximum price set in this Initial Notice encompasses both elements (e.g. Wholesale Bitstream and WLR).
- 1.3 This document summarises the JCRA's process to date and should be read alongside the non-statutory Final Decision (JCRA 26/39), which has been published with this Initial Notice. It sets out the directions the JCRA proposes to issue to JT under the Class III licence issued to JT by the JCRA under Article 14(1) of Telecommunications (Jersey) Law 2002 (the **Telecoms Law**). The proposed price control is set out in chapter 4.
- 1.4 This Initial Notice sets out the intention of the JCRA to exercise a specified regulatory function. In due course, the JCRA may issue a Final Notice or a further Initial Notice if responses are received, following the process outlined in Article 11 of the Telecoms Law.

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<sup>1</sup> The definition which the JCRA has adopted is set out in paragraph 3.8 of this Initial Notice

## 2. Background

2.1 This chapter is split into three subsections, which cover in turn:

- Statutory background;
- The licence granted to JT; and
- The price control process.

### Statutory background

2.2 The Telecoms Law provides that no person may run a telecommunications system without a licence and establishes the regime under which telecoms operators may be licensed by the JCRA, the basis of such licensing and the various powers and duties of the JCRA and the Minister.

2.3 Article 7 of the Telecoms Law sets out the duties of the Minister and the JCRA, and in particular obliges them, in the performance of their functions, to:

- (a) Protect and further the interests of telecommunications users within Jersey by, wherever appropriate, promoting competition amongst telecoms operators;<sup>2</sup>
- (b) Promote efficiency, economy and effectiveness in commercial activities connected with telecommunications;<sup>3</sup> and
- (c) Further the economic interests of Jersey.<sup>4</sup>

2.4 Article 15(1) of the Telecoms Law states that a licence will be “subject to such conditions as are contained in it”, and Article 16 sets out the types of conditions that may be included, as well as the various powers of the JCRA.

2.5 Article 16 specifically provides that the JCRA may include in any licence, conditions that are:

- (a) Intended to prevent or reduce anti-competitive behaviour<sup>5</sup>; or
- (b) Relate to, or imposing requirements about, competition in relation to telecommunications services, telecommunication systems, apparatus and telecommunication equipment.<sup>6</sup>

2.6 Article 16(2) provides that conditions can, amongst other things, require the licensee:

- (a) “to refer for determination by the [JCRA] any specified question ... and to act on such a determination”: and
- (b) “to comply with any direction given by the [JCRA] in respect of anything to which the licence relates”.

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<sup>2</sup> Article 7(2)(a)

<sup>3</sup> Article 7(2)(b)

<sup>4</sup> Article 7(2)(c)

<sup>5</sup> Article 16(1)(i)

<sup>6</sup> Part 5, Article 16 (2) (4) (a)

2.7 Article 16 confers powers on the JCRA, amongst other things, to make such determinations, pursuant to Article 16(3)(b), and to issue such directions, pursuant to Article 16(3)(c). Exercising either of those powers is a ‘specified regulatory function’ for the purposes of Article 11, which prescribes the process which the JCRA must follow in order to exercising such function.

#### The licence granted to JT

2.8 On 23 January 2026, the JCRA, exercising its powers under Article 18 of the Telecoms Law, issued a Class III licence under Article 14.1 of the Telecoms Law, to JT (the **Licence**).<sup>7</sup> This Licence modified previous versions of the licence and is for a term of 15 years from the date of the original licence, 30 June 2016.

2.9 The Licence contains, in Part IV, certain provisions only applicable to Class III licences<sup>8</sup>, which, pursuant to Condition 28.1 apply:

(a) “where the [JCRA] has decided that a Licensee possesses Significant Market Power<sup>9</sup> in a relevant market”; and

(b) The JCRA “determine[s] that the provisions of this Part IV shall apply”

2.10 Where the conditions described in paragraph 2.9 are both satisfied in relation to a relevant market, Part IV provides, amongst other things, measures which, in summary:

(a) Under Condition 37.2, entitle the JCRA to determine the maximum charges JT may charge for Telecommunications Services in that market; and

(b) Under Conditions 38, require JT to compete fairly and to comply with directions of the JCRA in that regard.

2.11 Chapter 3 of this Initial Notice sets out in more detail the basis on which the JCRA is relying on Conditions 37.2 and 38 to issue the directions to JT.

#### The price control process

2.12 The JCRA’s approach to consultations was set out in an Information Note in July 2018.<sup>10</sup>

2.13 First there is a non-statutory process. The non-statutory process consists of a Call for Information, a Draft Decision and a Final Decision. For this price review, the Draft Decision (JCRA 26/10), having taking into account stakeholders’ call for information input, was issued on 25 February 2026. The conclusion of this consultation process can be found in the non-statutory Final Decision (JCRA 26/39) published alongside this document. This

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<sup>7</sup> See: [2023-07-07-modified-jt-class-iii-licence-non-confidential.pdf](https://www.jcra.je/2023-07-07-modified-jt-class-iii-licence-non-confidential.pdf) (jcra.je)

<sup>8</sup> The only Class III licence in issue is the Licence (i.e. JT’s licence)

<sup>9</sup> The definition of a position of SMP / dominance and the abuse of a position of SMP / dominance is not explicit in the Telecoms Law. However, the Competition (Jersey) Law 2005 sets out the States’ approach to defining abuse of a dominant position and anti-competitive practice.

<sup>10</sup> Document CICRA 18/29 “Regulatory Consultation Process”

<https://www.jcra.je/media/597858/g1369gj-regulatory-consultation-process-information-note.pdf>

provides an outline of the responses to the Draft Decision and how the JCRA has taken them into account in its decision making.

- 2.14 Following the non-statutory process, the JCRA intends to make a decision as to the maximum charges which JT can apply to Wholesale Broadband. As noted at paragraph 2.7 and set out more fully in chapter 3, this is a specified regulatory function for the purposes of Article 11 of the Telecoms Law. Accordingly the JCRA has issued this Initial Notice to begin the statutory process.

### 3. Framework for the directions

#### 3.1 Condition 37.2 of the Licence provides that:

“The JCRA may determine the maximum level of charges the Licensee may apply for Telecommunication Services within a relevant market in which the Licensee has been found to be dominant. A determination may:

- (a) provide for the overall limit to apply to such Telecommunications Services or categories of Telecommunication Services or any combination of Telecommunication Services;
- (b) restrict increases in any such charges or to require reductions in them whether by reference to any formula or otherwise; or
- (c) provide for different limits to apply in relation to different periods of time falling within the periods to which any determination applies.”

#### 3.2 Additionally Condition 38.1 of the Licence provides that:

“The Licensee shall:

- (a) not abuse any position of Significant Market Power and/or established position in any telecommunications market;
- (b) not engage in any practice or enter into any arrangement that has the object or the likely effect of preventing, restricting or distorting competition in the establishment, operation and maintenance of Licensed Telecommunication Systems or the provision of Telecommunication Services; and
- (c) comply with any direction issued by the JCRA for the purpose of preventing any market abuse or any practice or arrangement that has the object or effect of preventing, restricting or distorting competition in the establishment, operation and maintenance of Licensed Telecommunication Systems or the provision of Telecommunication Services.”

#### 3.3 The Telecoms Market Review Final Decision (**TMR Final Decision**)<sup>11</sup>, published on 16 July 2025, set the JCRA’s analysis of competition in the provision of telecoms services in Jersey. It concluded that the appropriate market definitions for fixed broadband are:

- “Retail fixed broadband connectivity provided over any technology, and for any speed, within the Bailiwick of Jersey.”
- “Wholesale fixed broadband connectivity provided over any technology, and for any speed, within the Bailiwick of Jersey.”

#### 3.4 Further it was noted that:

- “The retail fixed broadband market is not currently susceptible to ex-ante regulation.”

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<sup>11</sup> See: <https://www.jcra.je/media/2flc0yza/2025-07-16-t-083-telecoms-market-review-final-decision.pdf> (jcra.je)

- “The wholesale fixed broadband market fulfils the three criteria test and is susceptible to ex-ante regulation. JT has been found to have SMP in this market as defined.”

3.5 Accordingly, the JCRA has the power:

- To determine the maximum level of charges which JT can apply to Wholesale Broadband, which is the key wholesale product in the wholesale fixed broadband market, including by category or combination and by reference to time periods; and
- To issue a direction to JT with the purpose of preventing market abuse or any practice or arrangement as referred to in Condition 38(1)(c) in relation to Wholesale Broadband.

3.6 In order to determine the maximum level of charges as referred to in paragraph 3.5(a), and in accordance with best practice, the JCRA has carried out a price control.

3.7 For the purposes of the price control the JCRA has been supported by Frontier Economics (**Frontier**).<sup>12</sup> The price control has been set using an Excel-based cost model, which has been developed on the basis of the model adopted in the 2021 price control. The cost model examines Wholesale Broadband services in Jersey and calculates the appropriate cost, set on a forward-looking basis, with prices set to:

- Promote more effective competition at the retail level; and
- Provide JT, the licensed operator with SMP, the opportunity to recover its efficiently incurred costs plus an appropriate return on investment.

3.8 The relevant service within scope of the price control has been determined to be the provision of Wholesale Broadband; this is consistent with the approach in the 2021 price control, comprising Wholesale Bitstream:

“JT’s 1Gbps bitstream product, introduced on 28 July 2020, which provides a 1Gbps internet access port that enables an OLO to provide internet access at different speeds over Ethernet FTTP technologies to end users in Jersey, and any variation to such service agreed with all the OLOs taking such service at the time of the proposed variation”

and further a line rental service (WLR) which is currently also required for the Other Licensed Operator (**OLO**) to avail itself of Wholesale Broadband.

3.9 The JCRA has adopted the definitions and determinations set out in paragraph 3.8 for the purposes of exercising its powers pursuant to Condition 37.2 of the Licence, as being the “Telecommunications Services” referred to therein and for the purposes of this Initial Notice.

3.10 In relation to paragraph 3.8, Wholesale Broadband is defined such that the Wholesale Line Rental (**WLR**) element can be sourced “from the service provider procuring the Bitstream service or an alternative service provider as long as a landline service is in place in the end-

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<sup>12</sup> Frontier Economics is a microeconomics consultancy with extensive experience in supporting price controls and carrying out fixed network modelling across multiple jurisdictions.

user premises that wishes to procure the Bitstream service.” This means that an OLO can either procure from JT:

- (a) The Wholesale Bitstream service and WLR; or
- (b) In respect of retail customers who access their landline services via another OLO or as a retail product from JT, the Wholesale Bitstream element as referred to in paragraph 3.8.

3.11 The JCRA therefore has determined that:

- (a) In respect of the Wholesale Bitstream service and WLR procured together from JT, JT’s maximum charge is set out in the Direction in chapter 4; and
- (b) In respect of Wholesale Bitstream service only, JT’s maximum charges will be the maximum charge minus the price of JT’s WLR product.

3.12 The price control has two components:

- (a) A starting charge adjustment, the adjustment to charges at the beginning of the control period (October 2026); and
- (b) A glidepath, charges adjusted annually according to a set formula (often described as  $RPI \pm X$ ), allowing them to increase or decrease in a controlled, predictable way.

3.13 Further detail on the considerations taken in setting the prices is included in the Final Decision. Accompanying the Final Decision is the Final Frontier Report (JCRA 26/40) which provides an overview of the cost model.

## 4. The directions

4.1 The JCRA intends to issue directions to JT as follows:

### DIRECTIONS

The Jersey Competition Regulatory Authority (the **JCRA**) has determined that JT (Jersey) Limited (**JT**) has significant market power in wholesale fixed broadband connectivity provided over any technology, and for any speed, within the Bailiwick of Jersey.

In accordance with its powers under the Telecommunications (Jersey) Law 2002 (**Telecoms Law**) and the provisions of the licence granted to JT under the Telecoms Law and dated 23 January 2026 (**Licence**), the JCRA has determined that the provisions of Part IV of the Licence apply as follows.

The term **Wholesale Broadband** service means:

JT's 1Gbps **Wholesale Bitstream** product which was introduced on 28 July 2020. This provides a 1Gbps internet access port that enables JT and Other Licenced Operators (**OLO**) to provide internet access at different speeds over JT's Ethernet Fibre to the Premises (**FTTP**) network to end users in Jersey. Any variation to such service must be agreed with all the OLOs taking such service at the time of the proposed variation.

Further: a wholesale line rental (**WLR**) service is currently also required for an OLO to avail itself of the Wholesale Broadband service.

An OLO can either procure from JT:

- (a) the Wholesale Bitstream service and WLR; or
- (b) in respect of retail customers who access their landline services via another OLO or as a retail product from JT, the Wholesale Bitstream service only.

Pursuant to Conditions 37.2 and 38.1 of the Licence and Articles 16(3)(b) and (c) of the Telecoms Law, the JCRA makes the following directions:

1. JT shall provide the Wholesale Bitstream service to OLOs when requested to do so.
2. From 1 October 2026 to 30 September 2027 (Year 1), having implemented a starting charge adjustment JT shall be entitled to levy the following maximum allowable charge per port per month for Wholesale Broadband (Wholesale Bitstream and WLR) unless otherwise approved by the JCRA:

Period	Maximum Allowable Charge
1 October 2026 – 30 September 2027	£27.00

3. For years 2 to 5 of the control, JT shall determine the maximum allowable charge to be levied per port per month for Wholesale Broadband in each of the years, starting on 1 October 2027 and ending on 30 September 2031, using the following formula:

$$M_t = M_{t-1} * (1 + RPI_t + X)$$

Where:

- $M_t$  is the maximum allowable charge for Wholesale Broadband in year t (where t = 2 corresponds to October 2027 – 30 September 2028, t = 3 corresponds to 1 October

2028 – 30 September 2029,  $t=4$  corresponds to 1 October 2029 – 30 September 2030 and  $t=5$  corresponds to 1 October 2030 – 30 September 2031.

- $RPI_t$  is the increase in the retail prices index (inflation) over the 12 months to June of that year, published annually by Statistics Jersey in July, represented as a percentage. (e.g., if  $t= 2$  October 2027 – 30 September 2028, then  $RPI_t$  would be the annual percentage increase in the retail price index for the 12 months to June 2027, expected to be published in July 2027).
  - $X = 3.7\%$ . The glidepath adjustment set through the price control.
4. In respect of retail customers who access their landline services via another OLO or as a retail product from JT, JT shall be entitled to levy a per port per month charge of the then applicable maximum allowable charge minus the then applicable charge for WLR provided by JT.
  5. The directions will come into force on 1 October 2026 and end on 30 September 2031.

## 5. Next steps

- 5.1 This Initial Notice is of an intended exercise by the JCRA of a specified regulatory function. Written representation to the exercise of this specified regulatory function may be made by e-mail to [info@jcra.je](mailto:info@jcra.je) on or before 5pm on 25 June 2026.
- 5.2 Representations should be clearly marked: 'Wholesale Broadband Price Control – Initial Notice'. The JCRA's normal practice is to publish responses to consultations on its website. It should be clearly marked if any part of a response is held to be commercially confidential and a redacted version also supplied for publication.
- 5.3 If representations are received before the deadline regarding the proposed exercise of such function, the JCRA will consider them and will decide:
  - (a) Not to exercise such function;
  - (b) To issue a new Initial Notice; or
  - (c) To issue a Final Notice confirming the direction to JT.
- 5.4 If no responses are received before such time, the Final Notice effecting such modification will be made in early July 2026. The direction will take effect on 1 October 2026.