Telecommunications (Jersey) Law 2002

Case T-138: Wholesale Broadband Price Control

Final Notice of Proposed Directions to JT (Jersey) Limited (Non-Confidential)

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Jersey Competition Regulatory Authority
2nd Floor Salisbury House, 1-9 Union Street
St Helier
Jersey JE2 3RF
Tel 01534 514990
Web: www.jcra.je

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1. Executive summary

1.1 This document sets out the Jersey Competition Regulatory Authority's (**JCRA**'s) statutory Final Notice confirming directions to JT (Jersey) Limited (**JT**) establishing a new Wholesale Broadband Price Control with effect from 1 October 2026.[1]

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. It is used by JT and Other Licensed Operators (**OLO**s) - Home Net Limited (**Homenet**) and Sure (Jersey) Limited **(Sure**) - to supply retail broadband in Jersey.

1.3 The price control addresses JT's Significant Market Power (**SMP**) in the wholesale fixed broadband market. The new price control will run for a period of five years from 1 October 2026 - replacing the current control that ends on 30 September 2026 (**2021 price control**).[2]

1.4 The use of a price control to address JT's SMP in the wholesale fixed broadband market is aligned with regulatory best practice, and the new price control has been set with a view to:

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

1.5 The JCRA's approach to the price control was set out in the Final Decision (JCRA 26/39) [3], which took account of stakeholder feedback on the Draft Decision (JCRA 26/10).[4] The key features of the new price control are:

- The Maximum Allowable Charge includes both the Wholesale Bitstream and Wholesale Line Rental (**WLR**) services, as access to Wholesale Bitstream currently requires WLR.
- A starting charge adjustment of 10.2 % applies from 1 October 2026, resulting in a Maximum Allowable Charge of £27.00 per port per month in the first year of the control.
- In years 2 to 5, the Maximum Allowable Charge will be adjusted in line with Jersey RPI + 3.7%.

1.6 To implement the Wholesale Broadband Price Control, the statutory process set out in the Telecommunications (Jersey) Law 2002 (**Telecoms Law**) must be followed. The statutory Initial Notice (JCRA 26/41)[5] was issued on 27 May 2026 and set out the proposed

[1] All case documents can be found at: T-138 - Wholesale Broadband Price Control (jcra.je)
[2] All case documents can be found at: T-011 - Wholesale Broadband Access Services: Price Review (jcra.je)
[3] 2026-05-27-t-138-wholesale-broadband-price-control-final-decision-published-non-confidential.pdf (jcra.je) - Terms used in this Final Notice have the meanings set out in the Glossary of the Final Decision, unless otherwise stated.
[4] 2026-02-25 - T-138 - Wholesale broadband price control - Draft Decision (PUBLISHED).pdf (jcra.je)
[5] 2026-05-27-t-138-wholesale-broadband-price-control-initial-notice-published.pdf (jcra.je)

Directions. The Initial Notice was open for representations until 25 June 2026. One representation was received from Sure.

1.7 The representation received in response to the Initial Notice is considered in Chapter 3. Following that consideration, the JCRA confirms the Directions to JT under the Telecoms Law. The Directions will come into effect on 1 October 2026.

1.8 This Final Notice is structured as follows:

- Matters contained in the Final Decision and Initial Notice (see Chapter 2);
- Representations (see Chapter 3); and
- The Directions (see Chapter 4).

1.9 This document does not repeat all the background and analysis set out in the Final Decision and Initial Notice. A high-level summary is provided in Chapter 2.

2. Matters contained in the Final Decision and Initial Notice

2.1 This chapter provides an overview of the matters contained in the Final Decision and Initial Notice.

Final Decision

2.2 The Final Decision concluded the non-statutory consultation process and set out the JCRA's conclusions on the Wholesale Broadband Price Control. The document was accompanied by a Frontier Economics (**Frontier**) report "Wholesale Broadband Services in Jersey: Price Control" (**Frontier Final Report** - JCRA 26/40).[6] This provided further detail of the approach adopted for this price control and was cross-referenced within the Final Decision.

2.3 Chapter 2 of the Final Decision outlined the background to the review and the process followed by the JCRA. It explained:

- The Telecoms Market Review Final Decision, published in July 2025, which set out the JCRA's analysis of competition in the provision of telecoms services in Jersey.[7] This defined a wholesale fixed broadband market, in which JT was found to have SMP. Consequently, the JCRA decided to maintain the wholesale access obligation and a wholesale cost-based price control;
- The JCRA's consultation process, including engagement with JT and OLOs, publication of the Draft Decision, and consideration of responses; and
- The Final Decision concluded the non-statutory consultation process and that the statutory process would be commenced through publication of an Initial Notice.

2.4 Chapter 3 considered the modelling approach adopted for the price control and was divided into four sections: model scope, model methodology, weighted average cost of capital (WACC) and cost adjustments. For each area, the chapter set out the Draft Decision proposals, summarised stakeholder responses received, presented the JCRA's analysis of those responses and concluded the appropriate approach for the Final Decision.

2.5 Chapter 4 considered the price control and was divided into three sections: the structure of the control, the profile of the control and nominal versus real indexation. The chapter set out the Draft Decision proposals, stakeholder responses, the JCRA's analysis and the resulting conclusions for each area. In reaching its Final Decision, the JCRA recognised the trade-off between maintaining the availability, quality and security of Wholesale Broadband services on the one hand, and ensuring prices remain affordable for end users on the other.

2.6 Chapter 5 considered broadband line only products and other policy matters. The chapter examined the future development of broadband line only services, the relationship

[6] 2026-05-27-t-138-final-price-control-for-wholesale-broadband-services-in-jersey-final-decision-report-stc-redacted.pdf (jcra.je)
[7] 2025-07-16-t-083-telecoms-market-review-final-decision.pdf (jcra.je)

between broadband line only and Fixed Number Portability, and other matters raised by stakeholders during the consultation.

2.7 Chapter 6 brought together the conclusions reached throughout the review and set out the JCRA's Final Decision. The chapter confirmed the final modelling assumptions, the structure and profile of the price control, and the JCRA's conclusions on broadband line only and other policy matters.

Initial Notice

2.8 The Initial Notice commenced the statutory process for the Wholesale Broadband Price Control and set out the JCRA's provisional decision on the maximum charges that JT may apply for Wholesale Broadband services.

2.9 Chapter 2 of the Initial Notice set out the background to the Directions, including an overview of:

- Statutory background – the Telecoms Law, including the key statutory provisions relevant to the proposed Directions, the duties placed on the JCRA under Article 7, and the regulatory powers available to the JCRA under Articles 11, 15 and 16 of the Telecoms Law;
- The licence granted to JT – the Class III licence issued to JT, which under Part IV contains certain provisions applicable where a licensee has been found to possess SMP in a relevant market, and which enable the JCRA to determine the maximum charges JT may apply and to issue directions to JT, in particular Conditions 37.2 and 38; and
- The price control process – the process followed by the JCRA in carrying out the Wholesale Broadband Price Control, including the non-statutory consultation process comprising a Call for Information, Draft Decision and Final Decision, culminating in the publication of the Final Decision and the accompanying Frontier Final Report. The chapter also explained that the Initial Notice commenced the statutory process under Article 11 of the Telecoms Law for the proposed Directions.

2.10 Chapter 3 of the Initial Notice set out the framework for the decision. This included an overview of the SMP determination applied to JT, as well as the approach adopted to setting the price control. Chapter 4 contained the proposed Directions to JT, with Chapter 5 outlined the next steps.

3. Representations

3.1 The deadline for representations to the Initial Notice was 25 June 2026. One representation was received, from Sure. The non-confidential version of this representation has been published alongside this Final Notice on the JCRA's website.

3.2 Article 11 of the Telecoms Law requires that the JCRA consider any representations to an Initial Notice within the given period and then decide:

(a) Not to exercise such function;

(b) To issue a new Initial Notice; or

(c) To issue a Final Notice confirming the Direction.

3.3 The JCRA has considered each of the areas raised in the representation in turn, and for the reasons set out in this chapter, decided to issue this Final Notice, confirming the Directions, which will come into effect from 1 October 2026.

General observations

Representation

3.4 Sure acknowledged that wholesale providers should be permitted to recover efficiently incurred costs. However, it submitted that the proposed wholesale price increase would have an impact on competition in the retail broadband market. Sure further argued that, absent appropriate safeguards, the increase may disproportionately affect price sensitive consumers and suggested that the JCRA consider measures to protect effective retail competition.

3.5 Sure noted that there is a need for confidentiality with respect to price controls, which means that all supporting evidence cannot be published or provided to OLOs. However, Sure considered that this may limit visibility of the cost information informing the proposed price increase. Sure also expressed a concern about [✂].

JCRA response

3.6 In setting the appropriate level of the starting charge adjustment and glidepath, the JCRA considered a range of factors, including the increase in the overall average charge since the 2021 price control, and the change in the average price compared with that proposed in the Draft Decision.

3.7 In balancing these factors, the JCRA applied the reasoning set out in paragraphs 4.23-4.31 of the Final Decision. The key aspects of that reasoning were:

"*4.26 …. In particular, the JCRA recognises the trade-off between maintaining the availability, quality and security of Wholesale Broadband services on the one hand, and ensuring prices remain affordable for end users on the other. ….*

4.28 Both the starting charge adjustment and glidepath are within the range consulted on in the Draft Decision. The JCRA considers the chosen approach balances the need for cost recovery, and the likely effects on downstream competition."

3.8 Further discussion of the JCRA's considerations regarding retail competition was set out in Box 1 of the Final Decision, which noted that:

"*Broadband is a key service for households and small businesses in Jersey and the majority of retail broadband services are underpinned by the regulated Wholesale Broadband product. The JCRA has therefore carefully considered the potential effects of changes in wholesale charges on the retail broadband market, including impacts on pricing, product availability and margins, with particular regard to entry-level services.*"

Additional reasoning is set out below.

3.9 The Draft Decision and accompanying Frontier Report ("Wholesale Broadband Services in Jersey: Price Control")[8] provided a detailed explanation of the JCRA's assessment, including a range of illustrative scenarios. This approach enabled stakeholders to comment on the proposals while preserving confidentiality.

3.10 Sure's Draft Decision response addressed a range of issues, including the proposed methodology, pricing profiles and retail market impacts. The JCRA considered these and the other consultation responses received, alongside its own analysis and Frontier's advice. Stakeholder views were taken into account throughout the review and, where appropriate, informed changes to the JCRA's proposals. The Initial Notice then provided interested parties with a further opportunity to make representations.

3.11 Sure's concern that [✂] is addressed below.

Need to protect price sensitive customers

<u>Representation</u>

3.12 Sure noted the JCRA's assessment of retail market impacts and acknowledgement of concerns regarding pressure on retail pricing. Sure highlighted that JT had taken a different view, namely that the proposed increase would not affect its retail broadband offering. [✂] Sure noted that JT's current retail pricing had no products aimed at low users such as single persons or light browsing only.

3.13 Sure noted that it has a low-priced entry level broadband product (priced at £32 a month), aimed at more price sensitive consumers. Sure argued that, with an average wholesale charge over the next control period of £30.72, [✂]. Sure, noted that these not only provide additional choice, but also provide competitive constraint on overall broadband pricing.

3.14 To minimise the impact of the wholesale charges increase on consumers using these products, Sure [✂].

<u>JCRA response</u>

3.15 No retail pricing remedies apply in the retail broadband market and, consistent with the conclusions of the Telecoms Market Review, the JCRA's regulatory framework focuses on wholesale remedies to support retail competition. Retailers are able to determine their

[8] 2026-02-25-t-138-frontier-report-price-control-for-wholesale-broadband-services-in-jersey-redacted.pdf (jcra.je)

own pricing and product strategies, and it is for each retailer to decide whether, and to what extent, changes in wholesale costs are reflected in retail prices. Competitive constraints arise from the presence of multiple retailers competing across a range of services, supported by wholesale access remedies.

3.16 The immediate impact of the price control is dependent on the wholesale charge applicable at the start of the control period; the final pricing profile moderates the starting charge adjustment and allows retailers to revise prices for new and renewing customers over time. Further, its impact also needs to be considered across a retailer's portfolio as a whole, rather than by reference to a single product, as the same wholesale input underpins the full range of retail broadband services, offered at different price points.[9]

3.17 [✂]

3.18 As noted above, the final pricing profile already moderates the starting charge adjustment, which in turn provides consumers and retailers with additional time to adapt to higher prices.

[✂]

<u>Representation</u>

3.19 [✂]

3.20 [✂]

3.21 [✂]

<u>JCRA response</u>

3.22 [✂]

3.23 [✂]

3.24 [✂]

Potential need for lower starting charge adjustment

<u>Representation</u>

3.25 Sure noted that if the JCRA decides to [✂]. Sure noted that while the JCRA's analysis was based on the average wholesale charge, its retail pricing is determined by the agreed glidepath. Sure noted that in the current year, the combined price for Wholesale Broadband is £24.51, and a year one increase to £27.00 per port is a significant cost increase to absorb.

<u>JCRA response</u>

[9] [✂]

3.26 The JCRA has considered Sure's concerns regarding the impact of the year one wholesale charge increase as set out above. The JCRA continues to consider the chosen approach balances the need for cost recovery, and the likely effects on downstream competition.

4. The Directions

4.1 Having considered the representations received in response to its Initial Notice, the JCRA issues this Final Notice confirming and making the Directions to JT.

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 1 October 2027 – 30 September 2028, t = 3 corresponds to 1 October

2028 – 30 September 2029, t=4 corresponds to1 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 (1 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.