



Case T-138

Wholesale Broadband Price Control

Non-statutory Draft Decision

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1 Executive summary

- 1.1 This document is the Jersey Competition Regulatory Authority (**the JCRA**)’s non-statutory Draft Decision (**Draft Decision**) for the Wholesale Broadband price control.¹ The proposed price control will apply to JT (Jersey) Limited (**JT**), is due to begin on 1 October 2026 and will be for five years. It will replace the current control which is due to expire on 30 September 2026 (**2021 price control**).²
- 1.2 Wholesale Broadband services are used by JT and Other Licensed Operators (**OLOs**) – Home Net Limited (**Homenet**) and Sure (Jersey) Limited (**Sure**) - to provide broadband to their retail customers over the JT fibre to the premises (**FTTP**) network. 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 Ethernet FTTP. To access the Wholesale Bitstream service a Wholesale Line Rental (**WLR**) service is required. Consistent with the 2021 price control, the proposed maximum price encompasses both elements (e.g. Wholesale Bitstream and WLR).
- 1.3 For this price control, the JCRA, has examined Wholesale Broadband in Jersey and proposes a price control on JT for five years (2026 to 2031). This assessment has been carried out using a updated model from the 2021 price control, taking into account the latest data and analysis. A Frontier Economics (**Frontier**)³ report “Wholesale Broadband Services in Jersey: Price Control” (**Frontier Report**) accompanies this Draft Decision. This sets out the detail behind the approach adopted for this price control and is cross-referenced within this document.
- 1.4 A price control has been applied as a remedy to address JT’s Significant Market Power (**SMP**) in the wholesale fixed broadband market. The price control is consistent with generally accepted principles and applied proportionately to Jersey. It has been set to both:
 - 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.
- 1.5 The average of price of Wholesale Broadband over the 2021 price control period (2021 to 2026) was £26.14, this can be compared to an estimated average for the next price control period of circa £29.30 (an average difference over the period of £3.16, or circa 12%).
- 1.6 The proposed price control is higher than that set in the 2021 price control for three main reasons. First, the costs associated with Wholesale Broadband are now more fully captured due to JT’s updated Regulatory Financial Reporting approach. Second, actual inflation has been higher than was forecast in 2021, with RPI averaging 6.5% from 2021 to 2025 (significantly above the 2.4% forecast), and this is reflected in the underlying cost

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 Frontier is a microeconomics consultancy with extensive experience in supporting price reviews and carrying out fixed network modelling across multiple jurisdictions.

base.⁴ Third, JT will incur additional costs over the upcoming time period to prepare for and meet future Telecoms Security requirements as set by Government, as well as investing to maintain alignment with industry best practice.

- 1.7 Therefore, the JCRA is consulting a range of options to address the gap between prices and forecast costs within the cost based price control. The options are a combination of a starting charge adjustment (in year 1) and glidepath adjustments (in years 2-5). There is a trade-off between the upfront increase introduced by the starting charge adjustment and annual increments introduced by the glidepath adjustment. A higher starting charge adjustment results in smaller increases in subsequent years, and vice versa with the JCRA's preferred option being a uniform increase in each year of the control.
- 1.8 The JCRA is also considering the appropriate approach to the glide path, and whether it should be linked to actual inflation in each year of the control, rather than being assumed at the beginning of the price control.
- 1.9 The JCRA has also considered broadband line only in this price control. While the proposed price control (and pricing profile) continues to model the costs of a combined service (Wholesale Bitstream and WLR), during the period of the control the JCRA would expect to see broadband line only introduced alongside the deployment of Fixed Number Portability (**FNP**). The JCRA expects future Wholesale Broadband price controls to apply to broadband line only. Although the JCRA recognises that separating services may not significantly change costs or prices, it will provide retailers more flexibility in choosing access services, strengthening competition.
- 1.10 On other policy matters related to Wholesale Broadband, the JCRA is not proposing to change its approach to other charges, including one off charges and supporting leased lines. The JCRA also proposes that if any deferral to the start date of the control is required, this will be reflected in the starting charge adjustment. If a deferral extends to a lengthy interim period, the JCRA would consider whether further action is appropriate.
- 1.11 Reflecting these points this Draft Decision seeks views on the following:
 - The methodology used to develop the price control proposals;
 - The price profile and the balance between the starting charge adjustment and glidepath;
 - The approach to the glidepath and the appropriate measure of inflation to use;
 - Broadband line only and how the JCRA can best facilitate its introduction for the next price control;
 - The proposed approach to other charges and deferral.
- 1.12 The JCRA welcomes views on this Draft Decision and the consultation questions set out in this document and presented in the relevant chapters and together in Chapter 6. The consultation period closes at 5pm on 2 April 2026.

⁴ Compound annual growth of RPI (All items) from September 2021 to September 2025.

1.13 A Final Decision on the price control is scheduled for completion and publication in Q2 2026. This will be implemented by following the Jersey statutory process (requiring an Initial and Final Notice), which, subject to the receipt and consideration of any representations in respect of the Initial Notice, will allow the new price control to come into force on 1 October 2026.

1.14 The rest of this document is structured as follows:

- Background (chapter 2);
- Price control proposals (chapter 3);
- Broadband line only and other policy matters (chapter 4);
- The Draft Decision (chapter 5); and
- Consultation and next steps (chapter 6).

1.15 This document includes two annexes. Annex 1 provides an overview of the legal and licensing framework, while Annex 2 is the glossary. As noted above, the Frontier Report has also been published alongside this Draft Decision.

2 Background

- 2.1 Telecoms services are regulated in Jersey under the Telecommunications (Jersey) Law 2002 (the **Law**). The primary duty of the JCRA is to ensure that (so far as reasonably practicable) telecoms services are provided, both within Jersey and between Jersey and the rest of the world, to ensure that all current and prospective demands for such services are satisfied.
- 2.2 The Law also imposes duties on the JCRA to protect and further the short-term and long-term interests of users and to promote competition among those engaged in commercial activities connected with telecoms in Jersey. Further detail on the Legal and Licensing Framework is included as Annex 1.
- 2.3 This chapter covers:
- Price control framework;
 - Wholesale Broadband product overview;
 - Government policy; and
 - Consultation process.

Price control framework

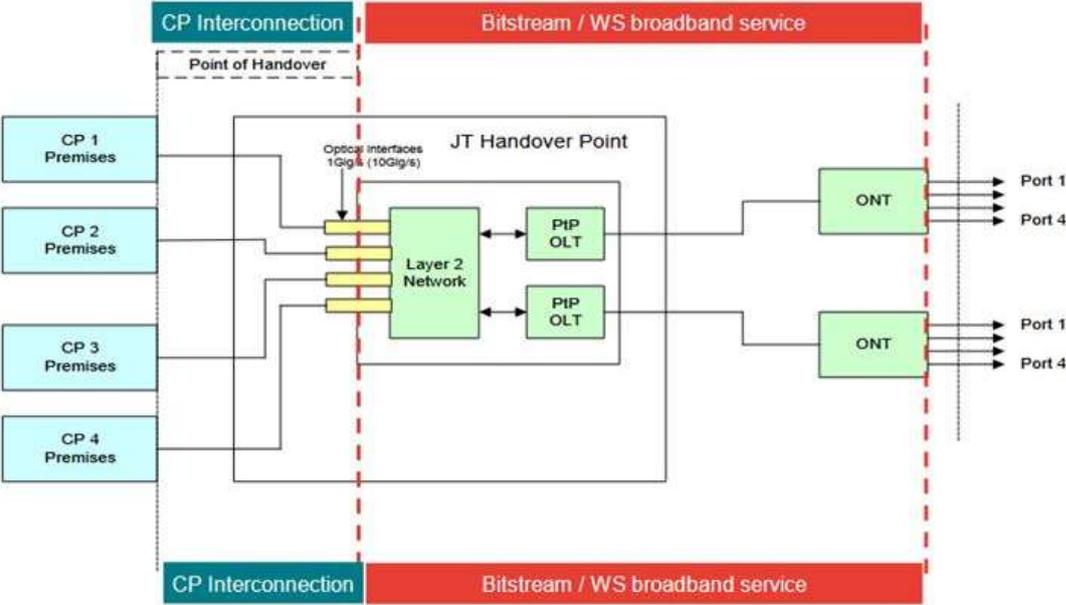
- 2.4 On 16 July 2025 the Telecoms Market Review Final Decision was published (**TMR Final Decision**).⁵ This set out the JCRA’s analysis of competition in the provision of telecoms services in Jersey and concluded that the appropriate market definitions for fixed broadband are:
- *‘Retail fixed broadband 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.’*
- 2.5 Further it was noted that
- *‘The retail fixed broadband market is not currently susceptible to ex-ante regulation.’*
 - *‘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.’*
- 2.6 With respect to remedies, it was set out that:
- *‘... there will be a continuation of the existing wholesale access obligation, combined with a wholesale cost-based price control. To note, where appropriate, work on the wholesale broadband access obligation and cost-based price control will also consider broadband line only.’*
- 2.7 To set the wholesale cost-based price control, this case was opened with the publication of a Case Opening Information Note on 17 July 2025.

⁵ [2025-07-16-t-083-telecoms-market-review-final-decision.pdf](#) (jcra.je)

Wholesale Broadband product overview

- 2.8 Wholesale Broadband is the access service that enables JT and OLOs to provide fixed broadband and voice services to end users over JT’s FTTP network in Jersey.
- 2.9 In respect of fixed broadband, Wholesale Broadband leverages JT’s Wholesale Bitstream service. This Wholesale Bitstream service is a part of the end-to-end system that is required to be deployed and configured to provide an end-customer with internet access. The service provides a logical connection between a provider’s network and its end-customer through JT’s FTTP network, this is then integrated with the provider’s wider network and systems, to provide internet access service to the end-customer. Wholesale Bitstream is the data access component of the service, providing wholesale customers with a logical connection between their network and their end-customer with up to 1 Gbps capacity.
- 2.10 The figure below provides a representation of Wholesale Broadband, in particular Wholesale Bitstream, as a component of the solution to connect end customers through their Optical Network Terminal (ONT) at their premises and their provider through the Communications Provider (CP) Interconnections in Jersey.

Figure 1: Overview of Wholesale Broadband⁶



- 2.11 As it relates to fixed voice services JT provides a WLR service through which it enables telephony services on the ONT in customers’ premises and bills the use of these services to providers who in turn bill the end users.⁷ While the Wholesale Bitstream and WLR services may be delivered as retail services to an end-user from different providers both must be provisioned in JT’s systems and network to enable fixed broadband services.

⁶ Referenced from the Frontier Economics report supporting the 2021 price control – see [PRICE CONTROL FOR WHOLESAL BROADBAND SERVICES IN JERSEY](#) (jcra.je)

⁷ Some providers may offer a Voice-over-IP (VoIP) service that has no reliance on JT’s WLR service however where JT’s wholesale broadband service is provisioned WLR is still provided.

2.12 Consistent with the 2021 price control this Wholesale Broadband price control sets the price for the combined Wholesale Bitstream and WLR services. A discussion of broadband line only is set out in chapter 4.

Government policy

2.13 In 2018 the Government commissioned Oxera to develop a telecoms strategy for Jersey; this was subsequently adopted and informed the Government’s Telecoms Strategy Action Plan.⁸ This plan set out a series of actions for Government departments and associated bodies including the JCRA (CICRA at the time). The action plan influences the JCRA’s activities and policy direction on an ongoing basis.

2.14 The policy seeks to promote competition between licensed operators at the retail, rather than network, level and also wishes to encourage competing licensed operators to produce differentiated retail services. Consistent with this, the plan requires the JCRA to:

“As appropriate, direct JT to offer fibre wholesale products to allow for differentiated retail services.”

2.15 Therefore, the JCRA has established a wholesale environment which enables OLOs to offer differentiated retail products. This has supported a diverse retail market, which itself has helped enable high broadband uptake. This has in turn helped boost the social and economic benefits of broadband and to realise the economic potential arising from the digitalisation of the economy and society.

Consultation process

2.16 The JCRA’s approach to consultations was set out in an Information Note in July 2018.⁹ The Information Note outlines the process to be undertaken before carrying out certain regulatory functions in accordance with the relevant statutory process.

2.17 Under the process there is first a non-statutory process. The non-statutory process consists of a Call for Information, a Draft Decision and a Final Decision. For this price control, a Call for Information was held in the summer of 2025 and this document is the Draft Decision. The conclusion of this consultation process will be presented in a non-statutory Final Decision.

2.18 Before carrying out certain regulatory functions, following the non-statutory process the appropriate Jersey statutory process is followed. A decision to regulate the prices an undertaking can charge is the exercise of a specified regulatory function pursuant to the Law. Therefore the statutory process, in the form of an Initial Notice, with an opportunity for representations to be made and considered by the JCRA, and Final Notice, has to be followed. The Initial Notice will be issued alongside the Final Decision.

⁸ [Telecoms Strategy action plan](#) (gov.je)

⁹ [g1369gj-regulatory-consultation-process-information-note.pdf](#) (jcra.je)

3 Price control proposals

3.1 This chapter sets out the:

- JCRA’s approach to data gathering;
- Model scope and methodology; and
- Proposed pricing profiles.

3.2 The JCRA is seeking stakeholder comments and views on each of the areas discussed in this chapter, and would welcome views on the following consultation questions.

Consultation questions

Question 1: Do you agree with the methodology used to develop the price control proposals? If you do not agree, please provide your analysis and assessment.

Question 2: What are your views on the proposed pricing profiles? What impact do you consider these will have on the retail market, and do you have a preference between a starting charge adjustment and a glidepath adjustment? Please provide your analysis and assessment.

Question 3: Do you agree that the JCRA should continue to determine maximum allowable prices for each year of the price control (using forecast RPI to establish a nominal price profile)? If not, what alternative approach would you prefer? Please provide your analysis and assessment.

JCRA’s approach to data gathering

3.3 In August 2025, the JCRA held Call for Information meetings with licensed operators active in the provision of broadband services in Jersey. At these meetings the JCRA set out the approach to the project, the information required from stakeholders and sought stakeholder views.

3.4 These meetings were followed up in September 2025 by the issuing of a formal set of requests for information (**RFIs**) to JT, to inform the cost modelling and provide further information as to other key areas of consideration for the control. The RFIs explored the following areas:

- JT’s operational and capital costs and approach to cost allocation;
- JT’s planned network update (network refresh);¹⁰
- Development of Wholesale Broadband line only; and
- Future demand for fixed services.

3.5 These have been complemented by further engagement on the submissions, between JT, the JCRA and Frontier to ensure the information is as far as possible complete and appropriate. Key activities include:

¹⁰ JT plans to carry out a large scale replacement of key components of its FTTP access network to address obsolescence, maintain reliability and support future developments – referred to in engagement with JT as ‘network refresh’.

- Following review, a range of clarifying questions and requests were sent to JT, based on the information received in October 2025
- An initial meeting was held with JT on 6 November 2025 to discuss its responses to the RFIs and further questions raised.
- Further workshops were agreed and carried out with JT in mid-November and early-December 2025 to discuss its responses to the further questions.
- JT provided its responses to the further questions in early December 2025.
- Following receipt of all information from JT, the JCRA and Frontier have reviewed all provided information and assessed how this should be reflected in the updated model.

3.6 Requests were also sent to OLOs to understand future demand for wholesale access to JT's FTTP network and gather input on broadband line only. The responses from OLOs have been used to validate the JT-provided information and inform the JCRA's approach to broadband line only.

Model scope and methodology

3.7 This overview of the model scope and methodology should be read in conjunction with the Frontier Report.

3.8 As a starting point, the model used to determine the 2021 price control has been the basis used for estimating the pricing profile for the next price control period. This reflects the need for regulatory efficiency, as well as the model's established use and robustness. The model has been reviewed and updated by the JCRA and Frontier, to provide a robust basis for the estimation of all relevant costs and wholesale charges.

3.9 The model utilises two available financial years' accounting data - 2023 and 2024 - provided by JT in response to the RFIs issued in September 2025. These years are consistent with JT's submissions for Regulatory Financial Reporting¹¹ and provide an established baseline for the model.

3.10 The JCRA's Draft Decision position is set out in summary in the following Table with further detail set out in the Frontier Report.

¹¹ Under the JCRA's Regulatory Financial Reporting direction JT are required to provide a set of accounts on an annual basis that demonstrates costs and returns for key regulated wholesale markets (wholesale broadband being one), the JCRA reviews these to confirm that JT's returns align to expectations – for example - see [T-127 - Regulatory Financial Reporting 2024 | JCRA](#) (jcra.je).

Table 1: Proposed JCRA position on model scope and methodology

Element	Approach	JCRA rationale
Service scope	Model represents the combined (maximum allowable) Wholesale Broadband charge for Wholesale Bitstream and WLR.	Consistent with the 2021 Price Control and Wholesale Broadband product. See chapter 4 for consideration of broadband line only.
Network scope	The existing JT FTTP network as of October 2025.	Low level of forecast household growth, approach is proportionate and avoids significant complexity. Consistent with 2021 price control.
Costs considered	<p>Network capital costs (e.g. FTTP access network, exchange equipment, core network links and routers, voice platform costs¹², buildings).</p> <p>Network operating costs (e.g. repair and maintenance).</p> <p>Wholesaling costs (JT wholesaling team, operating / billing systems).</p> <p>Common costs (e.g. share of HR / Finance costs).</p> <p>Telecoms Security Requirements operating and capital cost forecasts.</p>	Reflects costs incurred to support provision of Wholesale Broadband services. Note adjustments to cost allocation and cost levels have been made where appropriate and evidence based.
Time period	1 October 2026 – 30 September 2031.	Five years is consistent with regulatory best practice and the 2021 price control.
Price base	Nominal (cost trends are inclusive of expected inflation).	Removes requirement to adjust for inflation each year. Consistent with 2021 price control. Assumed inflation value of 2.7%, applied to all years, and informed by the inflation forecasts set out in Jersey's Fiscal Policy Panel's Economic Outlook 2025. ¹³
Model type and cost standard	Top-Down, Fully Allocated Costs (FAC).	Proportionate given the small size of the jurisdiction and consistent with 2021 price control.
Asset valuation method	Historical cost accounting.	Ensures JT recovers its actual efficiently-incurred costs, and focus on facilitating retail competition based on access to JT's network (consistent with Government policy).
Capital cost annualisation approach	<p>'Legacy' assets (e.g. ducts, buildings): Regulatory Asset Based (RAB-type) approach, with holding gain (HG) adjustment.</p> <p>'Newly built' assets (e.g. fibre cables, ONTs etc): standard annuity reflecting asset price trends.</p>	For legacy assets, the RAB approach ensures that only the remaining value of reused assets is reflected in prices. For newly built assets, net and gross book values ensure prices recover only costs actually incurred. The HG adjustment prevents over-recovery by reflecting expected changes in duct and building values, while the annuity approach

¹² To provide WLR services JT operates a voice platform which has associated costs.

¹³ [ID FPP Economic Outlook May 2025.pdf](#) (gov.je)

		enables efficient cost recovery given the more frequent replacement of new assets.
Efficiency adjustments	Operating cost trends reflect inflation and efficiency gains of 3% per annum.	Ensures JT recovers only efficiently incurred cost, value adopted consistent with other regulators (e.g. Ofcom).
Weighted Average Cost of Capital (WACC)	8.74%	2021 price control estimate reassessed to reflect latest market developments and data.

- 3.11 The JCRA notes that, consistent with using the 2021 price control model as a starting point, the proposed approach is broadly aligned with the approach adopted previously and so based in the decisions made in developing the existing control.
- 3.12 The changes made for this price control reflect evolving market dynamics, updated benchmarks (for example for efficiency and the WACC), improved data (from Regulatory Financial Reporting) and methodological refinements (to better align with policy). On the last point, the JCRA has refined its approach to recovering capital costs from that used in the 2021 price control. This includes moving from a tilted annuity (with front loaded capital cost recovery) and changing to ‘book’ values rather than ‘replacement costs’ for the capital costs. These changes reflect improvements in JT’s cost data and the expectation that large scale new network entry in Jersey would be contrary to Government policy. The JCRA would expect to apply this approach consistently across future telecoms price controls.
- 3.13 On the basis of initial data supplied by JT, the cost model indicated Wholesale Broadband costs and prices could increase significantly in the first year of the new price control and this would be maintained throughout the control period. While the JCRA recognises that some cost increases, consistent with general inflation and other factors, may be expected, the estimated increases based on the initial and unadjusted JT cost data were materially higher than anticipated. These estimates were also inconsistent with the initial assessment of related costs set out in JT’s Regulatory Financial Reporting information.
- 3.14 Therefore, the JCRA and Frontier thoroughly reviewed the cost data submitted by JT and considered the reasonableness and efficiency of each cost category. This has also included adjustments to some of the model parameters/ assumptions. These proposed adjustments are evidence based and draw on relevant precedent, either from previous JCRA Decisions or wider regulatory best practice. These adjustments include:
- Cost allocation adjustments - JT’s cost allocations were revised to align with an assessment of the resources required in providing Wholesale Broadband services.
 - Cost level adjustments - The cost level adjustments replace elements of JT’s reported costs where JT either could not justify above inflation increases or where the data was not relevant to the upcoming control period. There were also additional costs incorporated reflecting new requirements, such as those related to Telecoms Security and industry best practice.
 - Capital cost adjustments - Asset lifetimes were reviewed and appropriate assumptions made for forward looking capital inflation.

- 3.15 The Frontier Report provides further detail on these adjustments (see Annex A of the Frontier Report).
- 3.16 The model has also been subject to sensitivity to assess the robustness of its outputs under a range of plausible assumptions. Key input variables (such as efficiency and WACC) were varied to understand the extent to which changes to them impact the average price over the duration of the control. This analysis is discussed in more detail in the Frontier Report (see Annex A of the Frontier Report).

Proposed pricing profiles

- 3.17 Notwithstanding adjustments to the underlying costs and model parameters, the analysis indicates it is necessary to account for an increase in costs to be recovered from Wholesale Broadband charges over the next price control.
- 3.18 The proposed price control is higher than that set in the 2021 price control for three main reasons. First, the costs associated with Wholesale Broadband are now more fully captured due to JT's updated Regulatory Financial Reporting approach. Second, actual inflation has been higher than was forecast in 2021, with RPI averaging 6.5% from 2021 to 2025 (significantly above the 2.4% forecast), and this is reflected in the underlying cost base. Third, JT will incur additional costs over the upcoming time period to prepare for and meet future Telecoms Security requirements as set by Government, as well as investing to maintain alignment with industry best practice.
- 3.19 Where there is a gap between prices and forecast costs within a cost based price control, this gap can be removed by a combination of:
- Starting charge adjustment, the adjustment to charge at the beginning of the control period; and
 - Glidepath adjustment, charges gradually glide (change) over time, often referred to as a RPI +/-X control.
- 3.20 There is a trade-off between the upfront increase introduced by the starting charge adjustment and annual increments introduced by the glidepath adjustment. A higher starting charge adjustment results in smaller increases in subsequent years, and vice versa.
- 3.21 The average of price of Wholesale Broadband over the 2021 price control period (2021 to 2026) was £26.14, this can be compared to an estimated average for the next price control period of circa £29.30 (an average difference over the period of £3.16, or circa 12%). Therefore, over the next price control, the proposed pricing profile should be at a level where, based on the model, JT is recovering its efficient costs (consistent with an average price over the period of circa £29.30). Pricing profile options considered by the JCRA to meet this are set out in the Tables below.

Table 2: Summary of scenarios considered for Wholesale Broadband: 2026/27 – 2030/31

	Starting charge adjustment (year 1)	RPI+X glidepath (years 2-5)	Average Maximum Price (£/subscriber/month)
Scenario 1. RPI+0% glide path	13.2%	RPI+0%	~£29.30
Scenario 2. RPI+1% glide path	10.9%	RPI+1%	
Scenario 3. RPI+2.5% glide path	7.6%	RPI+2.5%	
Scenario 4. RPI+3.3% glide path	6.0%	RPI+3.3%	
Scenario 5. RPI+3.7% glide path	5.0%	RPI+3.7%	

3.22 Taking the Table 2 scenarios into account, the forecast prices for each for each year of the price control are presented in the Table 3 below. Note, consistent with the model, this analysis uses forecast RPI of 2.7%, which is applied in each year of the price control period.

Table 3: Estimated “maximum price”: 2026/2026 – 2030/2031, per subscriber per month

Scenario	2026/27	2027/28	2028/29	2029/30	2030/31
Scenario 1. RPI+0% glide path	£27.74	£28.49	£29.26	£30.05	£30.86
Scenario 2. RPI+1% glide path	£27.19	£28.19	£29.24	£30.32	£31.44
Scenario 3. RPI+2.5% glide path	£26.38	£27.75	£29.19	£30.71	£32.31
Scenario 4. RPI+3.3% glide path	£25.97	£27.52	£29.16	£30.90	£32.75
Scenario 5. RPI+3.7% glide path	£25.74	£27.39	£29.15	£31.02	£33.01

3.23 The JCRA notes that Wholesale Broadband represents the combined (maximum allowable) Wholesale Broadband charge for Wholesale Bitstream and WLR. This enables price adjustments to be made to each component (WLR and Bitstream), albeit within the overall constraint imposed by the maximum allowable charge for the combined product.

3.24 In considering the appropriate trade-off between the starting charge adjustment and the RPI+X glidepath, a key concern for the JCRA is the impact on the retail market – see Box 1. In this context, the JCRA’s preferred approach (subject to stakeholder views) would be a nominal control, setting maximum annual prices from the outset with a uniform increase in each year of the price control (this is illustrated as scenario 4 in Table 3 above). This approach distributes the cost increases over the price control period in broadly equal amounts, giving certainty to OLOs, while allowing the market to adjust to the new price control.

Box 1: Retail market considerations

Broadband is a key consumer product used by almost every household in Jersey, alongside many small businesses. As of 2024, there were nearly 44,000 connections, the majority underpinned by a regulated Wholesale Broadband product. The 2021 price control has contributed to the delivery of a range of broadband services (with different speeds and price points) from the different providers (JT, Homenet, and Sure).

The JCRA recognises that increases in wholesale charges could be expected to have an effect on the retail market; perhaps more immediately on lower priced residential services. More generally, wholesale price increases may result in changes to some retail products beyond pricing.

In setting out the scenarios the JCRA is keen to understand from operators their preferences with respect to the pricing profile and the balance between the starting charge adjustment and glidepath adjustment. The consultation on this Draft Decision will be used to further inform the JCRA's view on this issue and the potential impact, if any, on the retail broadband market. This will be taken into account alongside wider considerations, for example the JCRA's statutory duties, the wider market context, prevailing economic conditions and Government policy.

Note, the JCRA would not expect wholesale price increases to be simply passed onto consumers through increased retail charges. Indeed, the JCRA expects competition in the retail market to be a mitigating factor for any price increases. Whatever the outcome of the JCRA's Final Decision it will continue to closely monitor future developments and pricing in the retail market.

- 3.25 The JCRA's preferred approach of a nominal control is consistent with the current approach and price control. The 2021 price control, used forecast RPI, which was informed by the latest economic forecasts. This means the prices were set in nominal terms (cost trends are inclusive of expected inflation).¹⁴ This approach enabled the JCRA to determine a clear and fixed pricing profile for the duration of the price control period.
- 3.26 The JCRA notes that a glidepath could also be implemented using actual RPI. In this case the glidepath would be restricted to RPI+X%, where RPI is the retail price index (inflation) published by Statistics Jersey for June preceding the October in which the charges are adjusted.
- 3.27 However, while the use of actual RPI might help account for potential uncertainty in forecast inflation, it does not provide future pricing certainty and precludes advance determination of maximum allowable annual prices over the price control period (nominal control). Further, the JCRA recognises that as actual RPI is only known shortly before the annual price adjustment, both retailers and JT (and consumers) will have less predictability over future prices. Therefore, the JCRA proposes to continue with a forecast (RPI) approach.
- 3.28 Stakeholder views on this issue are welcome, and particularly, on the choice of scenario for the starting charge adjustment and glidepath.

¹⁴ The JCRA notes that inflation over the price control period was higher than the forecast of inflation used in the 2021 price control (as noted, the assumption was 2.4% and the outturn over the period was 6.5%) and this in part explains the requirement for a starting charge adjustment.

4 Broadband line only and other policy matters

4.1 This chapter sets out:

- The proposed policy approach to broadband line only; and
- Other matters related to the price control, including other charges and the approach to deferral (if required).

4.2 The JCRA is seeking stakeholder comments and views on each of the areas discussed in this chapter, and would welcome views on the following consultation questions.

Consultation questions

Question 4: What are your views on the introduction of a broadband line only product and the proposed timing of its introduction? How can the JCRA best support this?

Question 5: Do you agree with the JCRA's proposed approach to other policy matters (other charges and approach to deferral)? If you do not agree, please provide your analysis and assessment.

Broadband line only

4.3 The TMR Final Decision stated the JCRA's intention to progress work on a broadband line only service and that this would be undertaken alongside the Wholesale Broadband price control. Consistent with this the JCRA has carried out further consideration of this area. This section sets out:

- Call for Information responses;
- JCRA analysis; and
- Proposed approach.

Call for Information responses

4.4 Through the information gathering process, JT and Sure noted that broadband line only would only result in minimal cost savings for consumers. This is because a connection (line) is still necessary for a broadband line only service, and the costs associated with the voice service represents a small proportion of the overall wholesale cost.

4.5 Concerns were also raised around the potential rollout of broadband line only without FNP being in place. In particular, currently, JT's WLR service acts as a form of 'proxy' for FNP in that the consumer can utilise an OLO's retail voice service while retaining their telephone number. However, WLR and FNP are entirely different services. Moreover, just as WLR is currently 'tied' to Wholesale Bitstream to form Wholesale Broadband, the ability for consumers - and to an extent businesses - to retain their telephone number when switching services is 'tied' to JT's WLR service.

4.6 JT also noted several technical and system-based reasons as to why a broadband line only service could not be readily implemented and that any rollout would be dependent on its broader network refresh, this is replacement of key components of its fixed access network which supports Wholesale Broadband and other services.

- 4.7 JT further noted that JT Retail has submitted a Statement of Requirements (**SoR**) request¹⁵ for broadband line only, highlighting the retail demand for such a service.
- 4.8 Outside of the JT and the OLOs, it is clear there is consumer support for the development of a broadband line only service, with the area often being subject to consumer comment and engagement with the JCRA.

JCRA analysis

- 4.9 The JCRA recognises the gradual decline in fixed voice services and stand-alone provision of fixed voice services but notes that fixed voice subscribers in Jersey still make circa 40 million minutes of calls per annum.¹⁶ In this context, fixed line telephony is still in demand and can be expected to be a continuing feature of telecoms markets for the foreseeable future.
- 4.10 Further, the JCRA acknowledges the interrelationship between Wholesale Broadband and WLR. For the purposes of this price control and consistent with the 2021 price control and market practice, the pricing profile relates to a combined - and bundled - service, that is, Wholesale Bitstream and WLR. This is consistent with the technical configuration of JT's network and systems; which currently require WLR to be simultaneously provisioned and linked to Wholesale Bitstream to provide the Wholesale Broadband service. Despite a gradual decline in fixed voice services, demand for WLR has continued because it is effectively 'tied' to the demand for Wholesale Broadband services.
- 4.11 The development and introduction of a broadband line only service would help to separate each of these services, although it is recognised, that as noted above, the effectiveness of broadband line only may be limited by the absence of FNP. Therefore, the JCRA considers that development of broadband line only must be progressed alongside the implementation of FNP. The JCRA notes that it's 2026 Business Plan includes the launch of the FNP project and more information on this will be available in due course.¹⁷
- 4.12 Consistent with this, the development of broadband line only is also a means of aligning the regulatory framework with the market dynamic, and foreseeable market and product developments. The JCRA notes the development of the fixed voice market in the UK and other jurisdictions, and the role of regulatory authorities in facilitating change.¹⁸
- 4.13 In addition, while the introduction of a future broadband line only service may only result in marginal cost savings for consumers¹⁹, its development will help to underpin a more sustainable suite of retail and wholesale products. The retail consumer would be able to

¹⁵ This is the process through which new wholesale product or the variation of an existing wholesale products are requested – see [Information Notice - Statement of Requirements](#) (jcra.je)

¹⁶ The 2024 Telecommunications Statistics and Market Report 2024 recorded 42.5 million minutes in 2024 - see [telecoms-2024-combined-v11-final.pdf](#) (jcra.je)

¹⁷ See: [Business Plan - Final](#) (jcra.je)

¹⁸ For example, Ofcom supported the withdrawal of legacy copper-based services such as WLR, as part of the transition to All-IP networks - see [Letter from Openreach to Ofcom: WLR and ISDN2/30 voluntary commitment](#)

¹⁹ The Frontier Report suggests that the cost difference may not be significant, noting the experience of other jurisdictions.

more effectively exercise choice, between available suppliers and their preferred type of product.

- 4.14 The JCRA therefore views the development of broadband line only as being consistent with future market demand, consumer and OLO expectations and JT's intended product development.

Proposed approach

- 4.15 The proposed price control (and pricing profile) continues to model the costs of a combined service (Wholesale Bitstream and WLR).
- 4.16 During the period of the control the JCRA would expect to see broadband line only introduced and this would sit alongside the introduction of FNP. The JCRA notes there is an existing SoR request in for this product and so it could rely on this process to facilitate its introduction. Alternatively, there could be a wider role for the JCRA, for example through supporting cross sector development of the product, or as an alternative by formalising the requirement through a Direction (under Licence Condition 40 Network Access) to ensure broadband line only is developed.
- 4.17 The JCRA expects future price controls for Wholesale Broadband to be for broadband line only. While a separation of the services may not result in a material change in costs or price(s), it ensures retailers have greater choice and control of the types of access services, which provides further scope for more effective competition.
- 4.18 The JCRA welcomes views on the extent to which it should be involved in this area, how best to ensure its introduction and manage the future migration to broadband line only.

Other matters

- 4.19 In its considerations for the price control, the JCRA has assessed other charges and the approach to any deferral of the price control.

Other charges

- 4.20 With respect to other charges, these include:
- One-off charges, such as connection charges and customer migration charges; and
 - CP Broadband Interconnection charges, a type of leased line, which connect JT's network to OLOs Point of Presence.

It is not proposed to change the approach or level of one-off charges in this price control. The JCRA has reviewed some of these charges as part of its casework in the past and these have not been identified as an area of concern for this control.²⁰ With respect to CP Broadband Interconnection, these are currently captured by the existing retail minus price control for leased lines and will be in scope of the future Leased Line Price Control. As set out in the TMR Final Decision this work will be included in a future business plan.

²⁰ For example, customer migration charges were considered in: [T589/10 - JT ADSL Margin Squeeze 2010 | JCRA](#)

Approach to deferral

- 4.21 The JCRA recognises that the current price control is due to expire on 30 September 2026. While the JCRA will work to implement the new price control as soon as possible, given the required Jersey non-statutory and statutory processes, there may be an interim period between the end of the current control and the start of any new charge control.
- 4.22 If an interim period were required, the JCRA would seek a commitment from JT to hold its price during this period (i.e. during the period from 1 October 2026 until the start of the new charge control). Once the new price control is in place, the JCRA's view is that the charges should change immediately to the levels assumed within the final price control, recognising that the starting charge adjustment would have to be adjusted to reflect the delayed start to the first year, which therefore covers a shorter period. In subsequent years, the price control would then follow the trajectory set by the price control.
- 4.23 The JCRA notes that if there is a lengthy interim period, it would consider whether further action is appropriate, for example allowing an RPI increase in the interim.

5 Draft Decision

5.1 This chapter sets out the JCRA’s Draft Decision for the Wholesale Broadband price control.

The definition of Wholesale Broadband

5.2 The Wholesale Broadband charge represents the maximum allowable charge for Wholesale Bitstream and WLR. The Wholesale Bitstream rental price is a single monthly charge per broadband subscriber that does not vary by bandwidth. A WLR service is necessary for an operator to avail itself of the Wholesale Bitstream service.

Model scope and methodology

5.3 Prices are set on a cost oriented basis, using a top-down model which includes adjustments for efficiency and to capture changes in asset valuation over time. In order to determine the proposed price, the draft positions on model scope and methodology are set out in the Table below. Further detail on these is provided in the Frontier Report.

Table 4: Proposed positions on model scope and methodology

Element	Approach
Service scope	Model represents the combined (maximum allowable) Wholesale Broadband charge for Wholesale Bitstream and WLR.
Network scope	The existing JT FTTP network as of October 2025.
Costs considered	Network capital costs (e.g. FTTP access network, exchange equipment, core network links and routers, voice platform costs, buildings). Network operating costs (e.g. repair and maintenance). Wholesaling costs (JT wholesaling team, operating / billing systems). Common costs (e.g. share of HR / Finance costs). Telecoms Security Requirements operating and capital cost forecasts.
Time period	1 October 2026 – 30 September 2031.
Price base	Nominal (cost trends are inclusive of expected inflation of 2.7%).
Model type and cost standard	Top-Down, Fully Allocated Costs (FAC).
Asset valuation method	Historical cost accounting.
Capital cost annualisation approach	‘Legacy’ assets (e.g. ducts, buildings): Regulatory Asset Based (RAB-type) approach, with holding gain (HG) adjustment. ‘Newly built’ assets (e.g. fibre cables, ONTs etc): standard annuity reflecting asset price trends.
Efficiency adjustments	Operating cost trends reflect inflation and efficiency gains of 3% per annum.
Weighted Average Cost of Capital (WACC)	8.74%

5.4 The estimated average price for the next price control period is circa £29.30. Therefore, over the next price control, the proposed pricing profile should be at a level where, based on the

model, JT is recovering its efficient costs. Pricing profile options considered by the JCRA to meet this are set out in the Tables below and stakeholder views are sought on these.

Table 5: Summary of scenarios considered for Wholesale Broadband: 2026/27 – 2030/31

	Starting charge adjustment (year 1)	RPI+X glidepath (years 2-5)	Average Maximum Price (£/subscriber/month)
Scenario 1. RPI+0% glide path	13.2%	RPI+0%	~£29.30
Scenario 2. RPI+1% glide path	10.9%	RPI+1%	
Scenario 3. RPI+2.5% glide path	7.6%	RPI+2.5%	
Scenario 4. RPI+3.3% glide path	6.0%	RPI+3.3%	
Scenario 5. RPI+3.7% glide path	5.0%	RPI+3.7%	

Table 6: Estimated “maximum price”: 2026/2026 – 2030/2031, per subscriber per month²¹

Scenario	2026/27	2027/28	2028/29	2029/30	2030/31
Scenario 1. RPI+0% glide path	£27.74	£28.49	£29.26	£30.05	£30.86
Scenario 2. RPI+1% glide path	£27.19	£28.19	£29.24	£30.32	£31.44
Scenario 3. RPI+2.5% glide path	£26.38	£27.75	£29.19	£30.71	£32.31
Scenario 4. RPI+3.3% glide path	£25.97	£27.52	£29.16	£30.90	£32.75
Scenario 5. RPI+3.7% glide path	£25.74	£27.39	£29.15	£31.02	£33.01

- 5.5 The JCRA’s preferred approach would be a nominal control, setting maximum annual prices from the outset with a uniform increase in each year of the price control (this is illustrated as scenario 4 in Table 5 above).
- 5.6 The JCRA notes that a glidepath could also be implemented using actual RPI. In this case the glidepath would be restricted to RPI+X%, where RPI is the retail price index (inflation) published by Statistics Jersey for June preceding the October in which the charges are adjusted. While, this might help account for potential uncertainty in forecast inflation, it does not provide future pricing certainty and precludes advance determination of maximum allowable annual prices over the price control period.
- 5.7 Stakeholder views are sought on the preferred approach for the control. Taking these into account, the JCRA’s control will be in the form of glide path within the framework set out in

²¹ Note, consistent with the model, this uses a forecast RPI of 2.7%, applied to all years. Outturn prices could be different if actual RPI is used for the purposes of the control.

this document. Namely, a combination of an initial starting charge and an inflation related annual adjustment.

The approach to broadband line only

- 5.8 The JCRA expects broadband line only services to be introduced during the control period, alongside FNP, giving retailers greater flexibility and supporting stronger competition.
- 5.9 The JCRA recognises that separating services may not significantly change costs or prices, but expects future price controls to consider broadband line only services.

Other matters

- 5.10 The JCRA is not proposing to change its approach to other charges, including one off charges and supporting leased lines.
- 5.11 The JCRA also proposes that if any deferral is required, this will be reflected in the starting charge adjustment. If there is a lengthy interim period, the JCRA would consider whether further action is appropriate.

6 Consultation and Next Steps

- 6.1 The JCRA invites written views and comments on the questions raised throughout this document and presented together in Box 2 below, to be made by 5pm on 2 April 2026. The JCRA encourages respondents to provide comments that are supported by evidence. Less weight may be given to submissions that cannot be supported by evidence.

Box 2: Consultation questions

Question 1: Do you agree with the methodology used to develop the price control proposals? If you do not agree, please provide your analysis and assessment.

Question 2: What are your views on the proposed pricing profiles? What impact do you consider these will have on the retail market, and do you have a preference between a starting charge adjustment and a glidepath adjustment? Please provide your analysis and assessment.

Question 3: Do you agree that the JCRA should continue to determine maximum allowable prices for each year of the price control (using forecast RPI to establish a nominal price profile)? If not, what alternative approach would you prefer? Please provide your analysis and assessment.

Question 4: What are your views on the introduction of a broadband line only product and the proposed timing of its introduction? How can the JCRA best support this?

Question 5: Do you agree with the JCRA's proposed approach to other policy matters (other charges and approach to deferral)? If you do not agree, please provide your analysis and assessment.

- 6.2 Responses can be submitted by email to info@jcra.je or alternatively in writing to:

Jersey Competition Regulatory Authority
2nd Floor Salisbury House
1-9 Union Street
St Helier
Jersey
JE2 3RF

- 6.3 All responses should be clearly marked: 'Wholesale Broadband Price Control - Draft Decision'. 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.
- 6.4 Consistent with the JCRA's process (see chapter 2), this Draft Decision will be followed by a Final Decision and Initial Notice. The Final Decision will provide an outline of the responses to the consultation and how these have been taken into account. The Initial Notice is statutory and will set out the direction that the JCRA proposes to issue to JT, to implement the JCRA's Final Decision. Subject to the responses received, it is envisaged these will be published in Q2 2026.

Annex 1: Legal and Licensing Framework

This annex sets out the:

- Legal background; and
- Licensing framework.

Legal background

Telecommunication services are regulated in Jersey under the Telecommunications (Jersey) Law 2002 (the **Law**). The primary duty of the JCRA is to perform its functions in such a manner as it considers appropriate to ensure that (so far as in its view is reasonably practicable) telecommunications services are provided both within Jersey and between Jersey and the rest of the world, so as to ensure that all current and prospective demands for such services are satisfied.²²

The Law contains a number of duties imposed on the JCRA²³, including the requirement to perform its functions in such a manner as:

- To protect and further the short-term and long-term interests of users within Jersey and perform them by promoting competition among those engaged in commercial activities connected with telecommunications in Jersey;
- To promote efficiency, economy and effectiveness in commercial activities connected with telecommunications in Jersey; and
- It considers is best calculated to further the economic interests of Jersey.

Further, the JCRA shall have regard to:

- Whether services are accessible to and affordable by the maximum number of business and domestic users;
- Whether there is innovation in services and their provision; and
- The provision of high quality and reliable services.²⁴

Article 9 provides that the JCRA shall keep under review and gather information about the provision of telecommunications services in Jersey and elsewhere.

Article 16 provides that the JCRA may include in telecommunications licenses such conditions as it considers necessary to desirable for reasons including but not limited to those set out in this article.²⁵

In addition to the JCRA's duties previously mentioned, amendments to the Law made in 2024 will require that the JCRA seeks to ensure providers of Public Electronic Communications Networks (PECN) and Services (PECS) are meeting the security duties that the Law sets out.²⁶

²² Telecommunications (Jersey) Law 2002, Article 7(1) – 'Duties of the Minister and Authority'.

²³ Telecommunications (Jersey) Law 2002, Article 7(2)(a) – (f).

²⁴ Telecommunications (Jersey) Law 2002, Article 7(3).

²⁵ Telecommunications (Jersey) Law 2002, Article 16.

²⁶ Telecommunications (Jersey) Law 2002, Part 5A.

SMP Conditions

The Law provides that the JCRA may include conditions in any licence:

- Intended to prevent or reduce anti-competitive behaviour; and
- That relate to, or imposing requirements about, competition in relation to telecommunication services, telecommunication systems, apparatus and telecommunication equipment.²⁷

If in the short to medium term an operator has and will have, in respect of an identified market, sufficient market power to behave to an appreciable extent independently of competitors, customers, and ultimately consumers, then competition is not working effectively. That is, the SMP operator has the ability and incentive to take advantage of a dominant position. In this case, the JCRA considers that ex ante SMP conditions as remedies should be considered to discharge its duties.

Licensing framework

Part 2 of the Law establishes the requirement for a telecoms operator to hold a licence, and Part 5 sets out the powers the JCRA has to grant a licence. There are four classes of telecommunications licence in Jersey. A Class III Licence is specifically for applicants which have Significant Market Power (SMP). The Class III Licence includes a Part which addresses conditions applicable to dominant operators.²⁸

The provisions which are applicable to dominant operators include (but are not limited to) measures addressing the availability and associated terms of OLO access to networks and services²⁹; the requirement not to show undue preference or to exercise unfair discrimination³⁰; the requirement not to unfairly cross subsidise³¹, supported by accounting processes to demonstrate compliance; regulation of prices, and transparency around pricing and wholesale product offerings, including the publication of appropriate Reference Offers.³²

The Class III licence also includes a Part which directly obliges the Licensee not to engage in any practice that has the object or likely effect of preventing, restricting or distorting competition in the establishment, operation and maintenance of telecommunications networks and services.³³

²⁷ Telecommunications (Jersey) Law 2002, Article 16.

²⁸ Part IV of the Class III licence.

²⁹ Condition 25, Class III licence.

³⁰ Condition 35, Class III licence.

³¹ Condition 34, Class III licence.

³² Condition 30, Class III licence.

³³ Condition 38, Class III licence.

Annex 2: Glossary

This glossary covers the key acronyms and terms used in this document and the Frontier Report.

BCMR – Business Connectivity Market Review, review of business connectivity services in Jersey carried out by the JCRA between 2019 and 2022 (Case T-012).³⁴

Broadband line only – A fixed access line used solely to provide fixed broadband service, without any accompanying fixed voice service.

CP – Communication Provider, reference to telecommunications provider used in some contexts.

Data centre – A dedicated building or space providing enhanced power, cooling and connectivity services dedicated to the support of networking and computing infrastructure.

FAC – Fully Allocated Costs, the total cost of providing a product or service, including all direct costs plus a proportionate share of indirect or overhead costs.

FNP – Fixed Number Portability, is an arrangement with tools and process agreed between operators of telecommunications service providers in a jurisdiction that allows for customers to port (move) their fixed line telephone number between providers.

FTTP – Fibre to the Premises, the implementation of fibre optic connections to individual residential and business premises as a connection medium for the provision of telecommunications services.

GBV – Gross Book Value, the original cost of an asset recorded on a company's books before any deductions e.g. depreciation, amortisation, or impairment.

HG – Holding gain, an increase in the value of an asset simply due to holding it over time, rather than from active improvements or transactions.

IP – Internet Protocol, a network layer protocol for routing and addressing packets of data so that they can travel across networks and arrive at the correct destination.

Leased Line – A dedicated high-speed private connectivity service offering an assured speed between two locations or the internet without being aggregated or shared across multiple customers.

Licensee – A holder of a licence granted under Article 14 of the Law.

MNO – Mobile Network Operator, a mobile services provider which offers services to users based on a terrestrial based wireless network that it operates.

MNP – Mobile Number Portability, equivalent to FNP but supporting the porting of numbers between mobile networks.

MVNO – Mobile Virtual Network Operator, a mobile services provider which offers services to users based on wholesale services taken from an MNO.

NBV – Net Book Value, the value of an asset after subtracting accumulated depreciation, amortisation, or impairment from its gross book value.

NRA – National Regulatory Authority, the public body responsible for overseeing and enforcing regulations for a country within a specific sector, such as telecommunications.

OLO – Other Licensed Operator, a reference to a telecommunications provider other than the incumbent provider, in Jersey being providers other than JT.

Point of Presence – see PoP.

³⁴ [T-012 - Business Connectivity Market Review](#) (jcra.je)

PoP – Point of Presence, a location where a telecommunications provider has systems deployed supporting their network, often used for connecting with other networks or customers.

RAB – Regulated Asset Base, the value of a regulated company’s assets, as determined by the regulator, used to set prices and calculate allowed returns.

SMP – Significant Market Power, this represents the ability to behave to an appreciable extent independently of competitors, customers and ultimately consumers. Note SMP is generally held to be equivalent to the concept of dominance under the Competition (Jersey) Law 2005.

Telecoms Security – see TSR.

TSR – Telecoms Security Requirements, requirements introduced by changes to the Telecommunications (Jersey) Law 2002 in 2024 intended to improve the security and resiliency of Jersey telecoms networks and services.

Wholesale Bitstream – The wholesale service provided by JT enabling OLOs to provide a 1Gbps access connection to end users in Jersey.

Wholesale Broadband – The focus of the price control, the proposed maximum price encompasses both Wholesale Bitstream and WLR.

WLR – Wholesale Line Rental, the provision of a wholesale service by the incumbent network operator – in Jersey JT via FTTP – to allow competing operators to offer equivalent voice service to consumers.