



Office of Utility Regulation

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New Price Control for C&W Guernsey

Exchange line prices in Guernsey will be fixed at their current levels until 2011 following a review of C&W Guernsey's charges the OUR has announced. It is among a range of new controls on C&W Guernsey's prices and follows a detailed review of the operator's proposals. The new price control will come into effect on 1st April 2008 and will also cover services such as local and national calls and leased lines.

“C&W Guernsey is still the dominant provider of telecoms services to most Islanders. It is important therefore for consumers interests to be protected and this decision will provide certainty for consumers for the next three years,” said Michael Byrne, Director of Regulation at the OUR. “We have looked to make sure our effort is concentrated on those parts of the market where competition has not yet developed. In markets such as mobile and broadband we believe competition will play an increasing role in ensuring consumers get value for money.”

The OUR has determined the range of price changes that C&W Guernsey can make to a wide range of services between April 2008 and March 2011. It has included specific controls on both local calls (which will be required to decrease) and exchange line rental charges (which have been frozen).

“The telecoms sector remains one of the most rapidly changing environments for operators as well as customers, and the Guernsey market has certainly developed since the last price control decision,” said Michael Byrne. “We want to ensure we strike the

right balance between protecting consumers by ensuring prices are reasonable while at the same time ensuring we encourage investment from all operators, including C&W Guernsey. Continued investment in our communications infrastructure is very important for the Bailiwick. We believe this decision achieves this balance.”

The OUR document “OUR 08/07: Price Control for Cable & Wireless Guernsey: Decision Notice” is available from the OUR’s website – www.regutil.gg – or from its Office.

ENDS

Information for the Editor

About the Price Control

The price controls being proposed will focus on four key baskets of services. Each basket has a separate control (an “X” figure) which determines, for that basket as a whole, how much prices may change annually. The five proposed baskets and the “X” for those baskets are:

- Main Basket: RPI - 4%
- On-Island Wholesale Leased Lines: RPI – RPI
- Exchange Line Rental: RPI - RPI
- Local Calls: RPI – 11.75%
- Off-Island Retail Leased Lines – RPI-RPI

About the OUR

The Office of Utility Regulation was established in 2001 to regulate the three utilities of post, telecommunications and electricity in the Bailiwick of Guernsey. The Office is headed up by Director General, John Curran and has three staff.

The role of the OUR is to protect the interests of Guernsey consumers and the economy. It does this by ensuring that customers receive the best in price, choice and quality services in the three regulated sectors, while at the same time ensuring that those sectors are vibrant and robust so that they can positively contribute to and underpin a successful Guernsey economy.

The OUR licenses and regulates telecommunications operators, Guernsey Electricity Ltd and Guernsey Post Ltd. Wherever possible, the OUR promotes the introduction of competition by ensuring that there is fair play and a level playing field between the operators. Where competition is not yet effective or where it is not feasible, the OUR regulates prices and quality of services to end customers. More information is available from the OUR website www.regutil.gg, or by contacting the Office of Utility Regulation on 01481 711120.