



CICRA media release

4 June 2013

CICRA launches business connectivity market review

CICRA (the Channel Islands Competition and Regulatory Authorities) has launched a review of the business connectivity market in Guernsey and Jersey to establish if tighter controls should be applied to the prices charged by Channel Islands' operators.

The business connectivity market includes leased lines and Ethernet private circuit products which are used by companies that require secure, dedicated connections between offices or need to transfer large quantities of data between offices or to third parties.

As part of the launch of the review, the regulator has issued a call for evidence from business customers to establish the scope of services to be included in the review, such as direct internet access, IP feeds and virtual private networks.

CICRA will be benchmarking prices in the Channel Islands against those charged in the United Kingdom (UK) and other comparable jurisdictions to determine whether tighter controls need to be applied.

CICRA chief executive, Andrew Riseley, said that connectivity products can be a significant cost for many types of businesses.

“Sure in Guernsey and JT in Jersey are the largest wholesale suppliers of connectivity products for businesses, and their regulatory accounts highlight that this is a very profitable area of business for each operator. However, it is also true that these markets are changing rapidly, with other operators installing their own fibre networks.

“Ofcom’s recent review of the business connectivity market in the UK led to significant price reductions being imposed on BT Openreach for many of these services. We will be looking closely at the pricing strategies of local operators to ensure that the prices they charge business customers are fair and proportionate. This review should give business customers clarity that they are receiving the best value for money in the services they are purchasing,” said Mr Riseley.

Wholesale (on-island) leased lines are currently price-controlled in Jersey and Guernsey. In Guernsey, wholesale leased line prices have been frozen overall since 2008 (although individual product prices have been allowed to vary). The most recent Jersey price control on leased lines capped JT’s wholesale prices at the retail price minus 20%.

The call for evidence and consultation are available on CICRA’s website: www.cicra.gg. Interested parties are invited to submit comments to CICRA in writing or by email before midday on Wednesday, 3 July 2013. CICRA expects to conclude the review in the fourth quarter of 2013.

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NOTES TO EDITORS:

All enquiries should be directed in writing to CICRA Chief Executive, Andrew Riseley, in Guernsey at the Guernsey Competition and Regulatory Authority, Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey GY1 2NH or in Jersey at the Jersey Competition Regulatory Authority, 2nd Floor, Salisbury House, 1 - 9 Union Street, St Helier, Jersey JE2 3RF. Alternatively email info@cicra.gg.

About CICRA:

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) (formerly the Office of Utility Regulation). The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001, and the GCRA was established under The Guernsey Competition and Regulatory Authority Ordinance, 2012. In Jersey, the telecoms and postal sectors are regulated by the JCRA, which is also responsible for administering and enforcing the Competition (Jersey) Law 2005. In Guernsey the telecoms, postal and electricity sectors are regulated by the GCRA, which is also responsible for the administration and enforcement of the Guernsey competition law since it came into force on 1 August 2012.

By working together and sharing resources and expertise between the islands, CICRA strives to ensure that consumers in all the Channel Islands receive best value, choice and access to high quality services.