



## **CICRA media release**

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### **CICRA concludes business connectivity review**

The Channel Islands Competition and Regulatory Authorities (CICRA) is set to implement retail-minus price controls on wholesale leased lines provided by JT in Jersey and Sure in Guernsey following its business connectivity consultation.

Leased lines, also known as private circuits, are commonly used by businesses to provide secure, dedicated, high capacity data and voice connections between offices and third parties.

CICRA undertook a review of the sector during 2014 engaging with telecoms operators, businesses and policymakers, to discover if the market was working in the best interests of business consumers in terms of choice, quality and value for money.

CICRA has concluded that, while there was no evidence of excessive pricing, Sure in Guernsey and JT in Jersey continue to have significant market power (SMP) in the provision of leased lines to other telecoms operators and that it would be appropriate to put a retail minus price control of minus 20 percent (-20%).

A retail-minus price control sets the wholesale prices of products within a market with reference to the associated retail price and with a minus margin that is considered sufficient for an efficient operator to compete profitably in that market.

CICRA chief executive, Michael Byrne, said: “This is the final part in a formal process which sets out a strong, sustainable framework for regulation in the future.

“A retail-minus price control in the wholesale market will strengthen the competitive environment that encourages and protects efficient market entry for competitors and promote investment that will ultimately benefit the end user.

“CICRA has also undertaken to ensure JT and Sure publish the profits earned by providing these services in the interests of transparency around how the operators are performing in these markets. JT and Sure will also be required to submit regular statements formally confirming compliance with the wholesale price control.”

## **ENDS**

### **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.