

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY G.C.L. BAUDAINS  
ANSWER TO BE TABLED ON TUESDAY 9th OCTOBER 2012**

**Question**

With regard to the fibre optic roll-out by Jersey Telecom (JT), would the Minister, as the representative of the shareholder advise whether –

- (a) home installations, due to the relative inflexibility of the fibre cable compared with copper and the need for a power source near cable entry, have resulted in inconvenience to householders;
- (b) the installation time and associated costs have been higher than anticipated;
- (c) customers who have broadband have expressed an unwillingness to pay for a faster service;
- (d) large consumers such as banks already have fibre connections from the town ring-main and, if so, is a significant growth in this market unlikely?

Would the Minister advise what action, if any, has been taken to resolve the aforementioned issues?

Would the Minister make available the evidence which persuaded him to support JT's project?

What measures are in place to mitigate the risk of either existing customers migrating to other providers or returns on the fibre investment failing to materialise?

Does the Minister consider that JT's charges and available speeds compare well with other jurisdictions, even before fibre brings increased speeds and associated increased costs to customers?

**Answer**

The four matters raised in the question are being dealt with as part of JT's Gigabit Jersey rollout as follows:

- a) The fibre being installed in homes is exceptionally resilient and modern day fibre is as physically flexible as the copper that preceded it, the crucial difference being that fibre can carry unlimited amounts of data whereas copper has a limited capability. Regarding power supply, the terminating unit in the house does require access to a household electricity socket, as it the case with almost all modern telecommunications equipment. In the unlikely event that there is a difficulty in the provision of the electricity, JT engineers work with the householder to put in place a sensible solution.
- b) JT are in year 1 of a 5 year programme and it would therefore be premature (and impossible) to make a final assessment on the overall installation time and costs.

However, a recent review by JT of the financial position confirmed the programme to be running to cost and time budgets (which is pleasing in light of effort applied to providing training and development to 100 previously unemployed local residents taken-on to roll out the fibre).

- c) Some of JT's customers have moved to higher speeds and some have chosen to remain on their existing package. The roll out of this network will allow people make a choice that suits them and the products and services offered will change over time, as would be expected.
- d) Large corporate customers with existing fibre connections were not included as part of the Gigabit Jersey business case; although it is worth noting that the data being carried across these links is increasing at significant rates too.

On the basis of the answers set out, the Minister does not see any need to take action and intends to leave it to JT to roll out the network and deal with the operational aspects arising.

The reasons for supporting the decision were contained in the Ministerial Decision which was made public and published on 7 December 2011 (MD-TR-2011-0139).

A number of the questions raised are operational matters for JT. These are not new, and they have been highlighted and explained to States Members previously. The Minister continues to have full confidence in JT and is very supportive of the fibre optic business case and the roll-out programme.

Prices are discussed on a regular basis between the regulator and JT. There have been discussions in a number of countries over the relative merits of super-fast copper and fibre optic. Super-fast copper can provide speeds for today's technology. However, the pace of technical innovation and future proofing leads to fibre optic being the better option.