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3.6 Deputy S.Y. Mézec of St. Helier of the Minister for Economic Development regarding mobile roaming charges:

Hopefully a little bit less controversial. Following the news that mobile roaming charges are being abolished across the European Union, could the Minister inform Members whether the Government has any intention of seeking to apply those new rules to Jersey?

Senator P.F.C. Ozouf (Assistant Minister for Economic Development - rapporteur)

The simple answer is I am afraid that, as the Deputy knows, we cannot apply E.U. (European Union) rules, because we are not a member of the E.U. However, I do welcome the Deputy's question, because it is an important one regarding E.U. developments and roaming charges, which could have unintended consequences for Jersey. I can say that officials, that are responsible for it, have been carefully monitoring the situation and it is important to know that, while these announcements have been made in the E.U., there is not yet enough detail, or sufficient detail, to explain how telecoms providers in the E.U. are going to respond to this. Perhaps there may be unintended consequences with E.U. citizens facing higher roaming charges from non-E.U. countries; and it is possible, and that is why we need to guard against this, that Jersey could be affected by that. Telecoms companies operating in the Channel Islands have to negotiate, as I am sure the Deputy will be aware, roaming rates on an individual basis with individual E.U. providers. I am certainly conscious that roaming charges can be a real issue for any Islanders travelling within the E.U. and certainly for businesses, who are going and coming from the U.K. and other places. I can say that officials have been in discussion with the Regulator as to how we can improve services and value for money for not only this issue, but across the telecom sector. For example, I am sure the Deputy is aware that there is now improved customer information, with alerts giving customers the amount of money that they have used. However, value for money on the whole telecoms area is something that is receiving a very high priority by me and I can also inform the Deputy that invitations are going out, I hope today, for the Oxera report on the whole review of the Regulator and the Competition Authority, and he can expect a number of recommendations which I think are going to be clarifying exactly the work we are going to be doing in this area. I cannot do anything directly, but indirectly I will be working with the Regulator and putting this as a priority.

3.6.1 Deputy S.Y. Mézec:

A supplementary. I am grateful for the answer from the Assistant Minister; he is certainly right that we are not part of the European Union but, at the end of the day, if you do not ask, you do not get. As he is well aware and as he is regularly saying, if Jersey provides value to the U.K. and to the European Union then it would seem only fair for consumers here to ask for a fairer deal, especially - not least because the Assistant Minister himself is regularly travelling across these countries - it would certainly benefit consumers and those seeking to do business. Could the Assistant Minister confirm, then, that this is something he will be looking into and, if the situation arises where it is appropriate and feasible for a better deal for Jersey consumers, that that will be something the Government pursues?

Senator P.F.C. Ozouf:

Absolutely. I do not think the Deputy was saying that it was wrong that this Assistant Minister or anybody is travelling; we are busy working, as the Chief Minister and others are working, in order to boost our economy, which is of course working, as we are seeing in the results. I absolutely

understand the point the Deputy is making and the concern that Islanders have about this, and I think that while it is easy to simply point the finger at the telecom providers, the right way of doing this is to go directly to the Regulator. At the moment we have not got a telecom strategy for Jersey. I have said one of the things that we need coming out of this, as the Minister for Economic Development and I, when I was Minister for Treasury and Resources, said, is a joined up policy in relation to what we are trying to achieve with telecoms. We also need a prioritised list of things that we are going to ask the Regulator to tackle, and this one is right up there in terms of the issues that I want to do. If necessary, I will not hesitate in going with the Regulator to Ofcom to ask what they can do to assist us.

[10:45]

I absolutely fully understand the issue, and he can rest assured I will keep him informed, and any other Member informed, about the vigorous attempts that we will make to do it; I cannot promise, I have not got a magic wand on this issue, but we can certainly promise to try.

3.6.2 Deputy K.C. Lewis of St. Saviour:

I am sure the Assistant Minister is aware, and we have all heard the horror stories of people leaving the Island incurring humungous roaming charges, which is of quite a shock when you get home. It would be tragic if we were now boosting our tourism industry for tourists to come from the European Union not realising we are not part of this roaming area, going home and having these horrendous charges. The chances of a return visit will be nil. Also, we obviously need to protect our local Islanders travelling abroad too. So will the Minister treat this as a priority?

Senator P.F.C. Ozouf:

Yes, and I will perhaps let Members into a little secret: I do have a U.K. mobile and I change my SIM card regularly on a pay-as-you-go basis so that I can get better value. I noticed when I landed after the fog this morning - and it was it not a helicopter, otherwise people would be no doubt questioning my expenses even more, which were overstated, but we will come back to that on another occasion - that it is not so much of an issue, I am pleased to say, with inbound people, because I got a message from one provider which said: "E.U. pass available in Jersey." Now, that pass is the same pass that is available currently when people go into France, for example, so holding a U.K. mobile, you are told in Jersey. So I think that is an issue we will continue to keep under review, because the Deputy is absolutely right. The Deputy's point was more importantly focused on the outgoing Islanders who are subjected to these very high charges to which E.U. customers are not. I cannot say any more than that; this is one of those things where Government needs to prioritise what it is concerned about and this is a priority. I urge Members, if they have got the time, to attend the presentation by OXERA on the 16th and listen attentively, as I am sure they will, to the ministerial statement which I intend to make in terms of the action plan on the J.C.R.A. (Jersey Competition and Regulatory Authority) and the competition law that will follow the day after.

3.6.3 Connétable J. Gallichan of St. Mary:

I welcome the Minister's intervention, but I recently took out a mobile phone contract in the U.K. for my daughter when she moved to college there, and I was astounded at the number of destinations that she could roam free of charge, not only for voice but with data, not limited to the European Union, but Australia and New Zealand, Sri Lanka, Macau, that is just to name a few of them; all free of charge. I am astounded. I asked the provider there: "Why can we not have any liaison with Jersey?" because Jersey is one of the places you cannot use it. It is simply on a case-by-case basis there is individual negotiation. Now, I know there is probably a cost benefit to J.T. (Jersey Telecom), but we need to look at this because I certainly would not think twice about buying a second phone

for the U.K. to have my roaming through that operator rather than through J.T., which ultimately will lose them money.

Senator P.F.C. Ozouf:

I am just a little bit confused by what the Connétable is saying because I think she was talking about her daughter getting a mobile phone in the U.K. and the fact that free roaming was available on that U.K. number. Then she asked about J.T. Well, as much as I would like to ask J.T. these 2 things, a number of things, I cannot ask J.T. to solve the problems of other places. What I can say to her is this: what we have noticed is there are a number of U.K. telecom providers which have put better deals in place for ... which is the answer to the question that Deputy Lewis raised, which was about U.K. companies giving better roaming rates to people coming to Jersey. They have been giving better value for that so, from a visitor point of view, it is better and there have been new countries added quite rapidly. In fact, I could name 2 companies, which I would not want to do, because I will give her some private advice about how to get best value on U.K. mobile phones in the coffee room. There are a number of companies that have added Jersey. The real point of this is the fact that we have got to try and do something, if we possibly can, to get Ofcom to assist us to the extent that we can to try and get better deals with these big U.K. companies. That is the problem: we are minnows in this area and we need to try hard. This is not a government decision, this is a commercial decision by these entities, and our local telecom providers are very small in relation to that, and that is the problem, but we can certainly be small but talk loudly.

3.6.4 Deputy M. Tadier:

We are hearing a lot of skirting around the issue here, and it is not to do with the fact that we are minnows, it is to do with the fact we are not part of the European Union and, therefore, this directive will not apply to Jersey. There will be other small jurisdictions, who are part of the European Union, who will not be able to charge roaming charges, but whose residents will also benefit from the fact that there are no roaming charges. I believe that Europeans will look back at this perhaps in 10 years' time and say: "Do you remember the time when we used to travel in Europe and get ripped off and you would come back home and you would have a bill for hundreds of pounds, or you would get your data cut off because there was a ceiling?" "Yes, that was crazy, but they still do that in Jersey and Guernsey." "Oh, well, you had better not go there for a holiday, or to do business, because they are really backwards." I do not want that kind of message going out to the international or European community, either for tourism purposes or for business purposes, as I am sure the Assistant Minister does not want to. So does he agree that the action that needs to be taken is at government level to try and get access for this scheme to apply mutually to Jersey and within the European Union, so that our residents, our tourists, our business community and those coming in can benefit from this level playing field?

Senator P.F.C. Ozouf:

There were quite a number of issues there and I know you want me to be brief, so I will. No, we are not part of the E.U. and if we were, we would have a minimum rate 15 per cent V.A.T. (Value Added Tax) for a start. Let us not forget that. So there are some advantages of not being in the E.U. and there are some disadvantages. The Deputy says it is going to be lovely when you can travel around the E.U. and not have roaming charges. That may well be the case, but the unintended consequence of that fortress Europe single market may well be that E.U. citizens may face even higher roaming rates for countries that are outside of the E.U. These companies will attempt to raise those revenues that they are losing by roaming rates, which I fully agree is a good idea, in other ways. The Deputy is speaking as though I am not answering the question. I am saying to the Deputy that there

is a real risk that, while it may be fine within the E.U., it may not be fine for E.U. citizens outside of the E.U. There are real concerns about this. Finally, I would say to the Deputy this: we are now prioritising activities around setting our stall out about Jersey being one of the most highly-connected and digital societies in the world with some of the best connectivity, with some of the best fibre, Wi-Fi and fixed line and mobile phones, and it is good value here. What we need to do, and I understand the point, is to try and make sure that the roaming rates available for Jersey citizens are good value, and we will try and do that. I cannot say more than that. Frankly, joining the European Union for getting free roaming rates would not be, I think, a binary choice which I would suddenly jump into bed with the E.U. for.

3.6.5 Deputy M. Tadier:

Sir, I need a supplementary. The Minister is obviously twisting my words. I did not say: "Join the European Union." The question I asked is: "Will the Minister go and have direct discussions, or some Minister, with the people that are implementing this, so we can see if we can be part of it?", rather than looking for reasons not to be part of the scheme. That was the question.

The Bailiff:

I understood the Minister to say that that was being looked into.

Senator P.F.C. Ozouf:

Absolutely. We will do that, but I am not going to stand here and raise expectations that we can deliver something which is not within our competence to do so. Will we put strenuous efforts to try and find solutions? Absolutely. I thank the Deputy for having raised this issue, which is clearly a matter of public importance, and I would hope Members are suitably aware that this is a big issue for which we will try our very best in order to find solutions.

3.6.6 Deputy S.M. Wickenden of St. Helier:

I was wondering if the Assistant Minister could answer whether he is aware of the 2 work streams that Jersey Telecom is currently undertaking to get free Wi-Fi around St. Helier and the Island in its 2 different projects. That should mitigate the roaming charges of anyone that comes into the Island because if you are using Wi-Fi you are not roaming. Could you tell us if you are aware of it and, if you are not, would you endeavour to go and speak to the people? I can give their contacts?

The Bailiff:

Through the Chair.

Senator P.F.C. Ozouf:

I think the Deputy would be surprised if I was not aware of it. Absolutely, and that is one of the things that I have identified. Again, it is not easy: these things come at a cost, but certainly I have been personally attracted by the prospect of, for example, visitors being able to get free Wi-Fi in St. Helier. The Connétable of St. Helier is not here, but I know that is something that he would like to do. A connected, smart St. Helier is the aspiration that I have: plentiful data, accessible for tourists, getting information on all sorts of things by all sorts of fantastic technologies, saying to businesses about our history, coming up with messages on their phones about important historical issues, cultural events and the rest of it. Absolutely. More of it, lots of it and we are going to work very hard to do it.

The Bailiff:

So the answer is yes, then, Assistant Minister?

Senator P.F.C. Ozouf:

Yes, yes, yes, yes and yes, Sir.

The Bailiff:

Thank you very much. Deputy Andrew Lewis and then a final supplementary.

3.6.7 Deputy A.D. Lewis:

Speaking on something that Deputy Wickenden mentioned. I assume the Minister is well aware of Voice over IP, which may well be the next big thing, in which case roaming will become less of an issue, particularly with free Wi-Fi. However, the Telecommunications Law, my understanding is it is extended to Jersey. Does this have nothing to do with that law? In other words, is there nothing we can do within the Telecommunications Law, which is a U.K. law? I understand it is extended to Jersey. Also, does he have any concerns about the valuation or value of Jersey Telecom as a result of this? Is it likely to have much impact in the future, i.e., because of their SIM card business overseas and of course the roaming business that they enjoy here and from customers that travel?

The Bailiff:

I think 2 questions is enough, thank you.

Senator P.F.C. Ozouf:

Sir, you are being very unforgiving... at least thank you for stopping at 2; I counted 3. I can talk about telecoms all day, if the ...

The Bailiff:

Well, that is the worry, yes. [Laughter]

Senator P.F.C. Ozouf:

I do roam on, Sir, I know. But I am passionate about these issues because I know it really matters. First of all, by the way, I did not say to the Deputy: "If you have got a local SIM card, you can get free incoming calls in the U.K."; that is the first thing, and I am not aware that all U.K. operators allow that. So we can talk about roaming: you can get free incoming calls if you pay a modest supplement for your bill every year. I did not say that, and I should have done. Absolutely, the issue of J.T.; this is at the heart of the dilemma that we have about imposing regulatory burdens. There is nothing free in life, unfortunately, apart from productivity and efficiency improvements. Now, we can impose those on this industry and this telecom sector, hence the Minister for Treasury and Resources is talking about that merger between 2 companies, which may or may not be something that is a good idea. We can deliver efficiencies to get customers with lower value and maintain the value of J.T. J.T. is a hugely valuable investment, but I do not think it would be impaired in any sense by any of the issues to do with roaming. The issue is not profitability for J.T. roaming, it is the costs that others are incurring on J.T. in order to provide those roamings. That is the problem and that is the thing that we are going to have to try and do something about. But these issues are all set out, I think well, in this Oxera report - which I very much hope Members are going to take close notice of; and to just show the importance that I am putting on energy issues and telecoms and making those markets work well and the competition regulator having an agenda which is going to deliver customers what they want. Make no mistake, we are seized upon these issues and spending a lot of time on them.

3.6.8 Deputy S.Y. Mézec:

I hope this is a relatively simple question following on from what Deputy Tadier was alluding to before. Given that this is an issue which will also affect lots of jurisdictions, which have a similar status to Jersey, or a status that is comparable in some ways, has the Assistant Minister, or anyone else in the Council of Ministers, spoken to their counterparts in Guernsey, in the Isle of Man and perhaps even other countries with an important relationship with the European Union but who are not a member of the European Union, like Switzerland, Iceland, Norway, or the other small jurisdictions, Andorra, Lichtenstein, San Marino, et cetera? Have those discussions taken place as yet and, if not, will he endeavour to be part of that so that one voice can be going to the European Union to say: "Well, hang on, we contribute to the European economy, so let us come up with an arrangement where our consumers can benefit as well as consumers in other E.U. countries when they visit our territories?"

Senator P.F.C. Ozouf:

It is a point very well made and the answer to that is again one of the things that I think that the Regulator could work better on in the future.

[11:00]

I think the Deputy has heard that I have certainly an aspiration to hold some sort of small state summit on how best to regulate small telecoms. That is why I think the Deputy is absolutely correct in terms of having good co-operation with other regulators who are facing the same issues. Yes, I do talk regularly to counterparts in other small states, I am constantly surveying that, and I was only talking to a representative from the Faroe Islands on this issue very recently. So the answer is yes, if we can do more we certainly will, and it is a very good suggestion and I thank the Deputy for his question.