

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT
BY DEPUTY R.G. LE HÉRISSEIER OF ST. SAVIOUR
ANSWER TO BE TABLED ON TUESDAY 18th FEBRUARY 2014**

Question

Would the Minister confirm whether the CICRA supports a "level playing field" for companies who wish to connect to the JT as wholesale customers for the purpose of retailing office telephone systems? How is the CICRA promoting a "level playing field" and when will it be in place?

Answer

The Channel Islands Competition and Regulatory Authorities (CICRA) comprise the Jersey Competition Regulatory Authority and the Guernsey Competition and Regulatory Authority (formerly known as the Office of Utility Regulation).

CICRA does not regulate the sale of office telephone systems under the Telecommunications (Jersey) Law 2002, since parties do not require a telecoms licence to sell or install office telephone systems. Regarding whether a 'level playing field' exists for companies who retail office telephone systems, CICRA has advised EDD that there is a range of suppliers, both on-island and off-island, from which businesses in Jersey can purchase telephone systems.

The Competition (Jersey) Law 2005 prohibits anti-competitive behaviour, including anti-competitive agreements between businesses and the abuse of a dominant position in a market.

I am aware that a competition concern was previously raised regarding telephone systems. In response to a complaint from Nitel, CICRA conducted an investigation in late 2012/early 2013 under Article 26 of the Competition (Jersey) Law 2005 as to whether JT was engaging in predatory pricing of telephone systems, and therefore abusing a dominant position contrary to Art 16 of the Competition Law; that is, whether JT was selling telephone systems at a price that is so low that the intent of its pricing was to drive competitors out of the market. CICRA has informed my department that, at that time, it reviewed a number of telephone system contracts between JT and customers, but could find no evidence that those systems (and the support services provided alongside them) were being sold at a price that was below average variable cost. The file was therefore closed.

If a business had a competition concern in this area it should raise it with the regulator. CICRA would then assess the complaint to see if there are grounds to commence an investigation under the competition laws.

More broadly, regarding wholesale access EDD is strongly supportive of a robust and competitive telecoms sector and believes that the introduction of WLR would give islanders the same range of choice that has been available to consumers in other jurisdictions for a long time.

CICRA has an ongoing commitment to requiring JT in Jersey and Sure in Guernsey, as the incumbent telecoms operators, to provide other operators with access to their fixed-line networks. CICRA issued a final decision last May obliging JT (and Sure) to introduce Wholesale Line Rental, but that decision was overturned by the Royal Court on procedural grounds and remitted to CICRA on 29 November last year. Following the court's decision, I have been informed by CICRA that it expects, before the end of next month, to re-consult on requiring JT (and Sure) to provide wholesale access to their fixed-line networks. This would enable competing operators to supply a broader range of fixed-line telecoms services, and would provide Jersey customers with choice.