



Media Release

Embargo: 1am Tuesday 10th June 2003

Regulator Publishes Information Note on Cable & Wireless Price Changes

The Regulator today (10th June 2003) published an Information Notice (Document OUR 03/15) in relation to price changes announced by Cable & Wireless Guernsey in the fixed telecommunications market. Cable & Wireless is required to notify the OUR and publish price changes 21 days before they come into effect. The new prices, which are to come into effect on 1st July 2003 include increases in some charges and decreases in others.

“The number of individual price changes announced by Cable & Wireless Guernsey is considerable”, said Regina Finn, Director General of OUR, “and the impact on individual customers’ bills is not clear so it is difficult for customers to know how this will affect their individual bills. For example some of the changes are structural such as changes to charging periods and the introduction of minimum call charges for certain services, whereas others are absolute changes in price levels”.

Many of the services where prices have been changed are subject to a price control put in place by the OUR in March 2002. That price control prevents the price of overall groups or “baskets” of services from increasing beyond the level set in the price control, for example the main basket cannot increase by more than inflation minus 5%. Clearly the absolute movement in the basket will depend on the level of inflation and it is possible for the prices of individual products to go up or down. The important thing is that the overall impact of the price changes within the basket complies with the OUR’s price control.

“C&W’s prices changes are taking place in a price control period that does not come to an end until March 2004”, said Ms Finn, “so it will not be possible to confirm absolute compliance until after that date. However, given the number of changes being made, the magnitude of some of the individual changes and the complexity of the package, the OUR will carry out a detailed examination to forecast compliance with the price control and to examine compliance with other aspects of C&W’s licence.”

The OUR will specifically examine the changes to understand their overall impact on typical customer bills. In the meantime, the OUR Information Notice includes a list of the charges that have been changed compared to the former charges so that customers can understand the individual changes and consider their telephone usage in that light.

**ENDS/
10th June 2003**

For further information call the Office of Utility Regulation on 711120

The OUR Information Notice (Document **OUR 03/15**) will be available from the OUR website (www.regutil.gg) from 9am on Tuesday 10th June 2003, or by contacting the Office on 711120.

Previous papers that may be of interest include:

- OUR 01/22:** Proposals for the Price Regulation of Fixed Telecommunications Services – Consultation Paper
- OUR 02/11:** Price Regulation of Fixed Telecommunications Services – Report on the Consultation and Decision Notice