



Regulator Consults on Regulatory Accounting Guidelines for Cable & Wireless Guernsey

The Regulator has today (03/08/04) published a consultation paper inviting comments on draft Guidelines for Cable & Wireless Guernsey on how it prepares its separated Regulatory Accounts. The Guidelines, first published in March 2002, are now being updated to take account of experience gained in Guernsey over the past two years and to keep pace with international developments.

“The preparation and publication of separated Regulatory Accounts is a central part of the regulatory regime”, said Regina Finn, Director General of OUR, “and a strong regulatory regime is fundamentally important to fostering competition and investment in the telecoms sector in Guernsey”.

Regulatory Accounting is a standard feature in all EU telecoms markets as well as markets in a number of other countries. A recent study by ECTA, a leading pan-European trade association for the telecommunications industry, found that the lack of an effective cost accounting separation regime hinders the development of the market by making enforcement of the regulatory rules more difficult.

“Guernsey needs to be at the forefront of developments to encourage commitment by telecoms operators to invest in the Bailiwick and compete to deliver services to end customers”, said Regina Finn. “The availability of Regulatory Accounts in Guernsey puts the Bailiwick on a par with best international practice and the benefits of that can be seen in the new developments we have seen announced in the market in the past months.”

The consultation paper and draft Guidelines are available on the OUR website www.regutil.gg (Document OUR 04/15) or by contacting OUR on 711021.

**ENDS/
3rd August 2004**

Information for Editors

Regulatory Accounts

The Regulatory Accounts provide financial information about regulated businesses for use by the regulator, the industry, other stakeholders and interested parties. The Accounts split the regulated operator's activities into separate businesses so that the financial information for each separate business can be clearly seen.

The Accounts are intended to provide a useful starting point for information to consider possible questions of unfair cross subsidization, discrimination, or other unfair practices, as well as to demonstrate the cost-orientation of charges to competing operators and provide base information for the setting of price controls.

The ECTA report referred to in the press release is available in full at:

<http://www.ectaportal.com/regulatory/2004scorecard.zip>

The OUR

The Office of Utility Regulation was established in 2001 to regulate the three utilities of post, telecommunications and electricity in the Bailiwick of Guernsey. The Office is headed up by Director General, Regina Finn and has four staff.

The role of the OUR is to protect the interests of Guernsey consumers and the economy. It does this by ensuring that customers receive the best in price, choice and quality services in the three regulated sectors, while at the same time ensuring that those sectors are vibrant and robust so that they can positively contribute to and underpin a successful Guernsey economy.

The OUR licenses and regulates telecommunications operators, Guernsey Electricity Ltd and Guernsey Post Ltd. Wherever possible, the OUR promotes the introduction of competition by ensuring that there is fair play and a level playing field between the operators. Where competition is not yet effective or where it is not feasible, the OUR regulates prices and quality of services to end customers.

More information is available from the OUR website www.regutil.gg, or by contacting the Office of Utility Regulation on 01481 711120.