



Office of Utility Regulation

Media Release – 21st February 2006

Drop in Broadband Prices Proposed

The price of broadband internet access could come down in Guernsey under proposals announced today by the regulator. In a draft decision the Office of Utility Regulation (OUR) is proposing to require C&W Guernsey (C&WG) to reduce the cost of the wholesale broadband services they provide to local Internet Service Providers (ISP's) by 22%. ISP's (including the company's own ISP) buy broadband services from C&WG so that they can sell them on to local consumers and business. Today's draft decision is the result of a detailed review of wholesale broadband pricing in Guernsey.

“The availability of high speed broadband services is an important service for Guernsey consumers and we want to ensure that competition in this market can grow and so ensure people can get a wider range of services for the right price”, says Jon Buckland, Director of Policy at the OUR. “People naturally compare local broadband prices with what's available in the UK, and we have to make a decision on what we think is right for Guernsey”.

“We also have to consider the long term infrastructure of the Bailiwick by allowing C&W Guernsey to earn a reasonable and fair return on their investment in telecoms services. Based on the evidence to date the OUR's view is that requiring them to reduce the wholesale cost of broadband by 22% strikes the right balance”.

Today's decision is being published in draft form by the OUR, who are now inviting comments on the announcement before releasing a final decision in April.

It follows a detailed investigation into broadband pricing which began last September after the launch by C&W Guernsey of its 'Double Broadband' service. The OUR had highlighted concerns about broadband pricing in its Broadband Audit published in June 2005 and a number of independent ISPs had also raised concerns. In September C&W Guernsey reduced its wholesale prices by £2.00 as an interim measure pending the outcome of this review.

The proposed decision – “OUR 06/05; Investigation into Wholesale Broadband Pricing” is available on the OUR’s website or from its Office.

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Notes:

Wholesale Broadband Prices – Comparison

Service	Wholesale Charge August '05	Wholesale Charge September '05	Proposed Wholesale Charge
Residential Broadband (1Mb)	£19.49	£17.49	£13.64
Business (Pro 2000 Lite)	£98.99	£73.99	£57.71

About 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, John Curran 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.