

Office of Utility Regulation

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Further Price Control on C&WG being considered

Guernsey's utilities regulator today launched a wide ranging review of telecoms prices in Guernsey. The review looks to establish whether C&WG prices should continue to be controlled by regulation. The current retail price control runs out in March 2008 and the OUR is consulting on whether it should continue and in what form.

"C&W Guernsey is currently subject to a retail price control on certain fixed telecoms services, which was introduced in October 2005," said Jon Buckland, Director of Policy at the OUR. "As C&WG continues to have a strong presence in the telecoms market, in particular for certain fixed services, it is appropriate to now review what services may still need some form of regulatory oversight to ensure consumers are protected."

One of the issues being considered by the OUR is how much competition has developed since the current price control was put in place and whether C&W Guernsey still has a dominant position in certain parts of the market.

"We are asking questions in this paper about what types of services should be price controlled, how any control should be targeted and the way the control should be set," said Jon Buckland. "In asking these questions we will be keeping in mind that in the absence of real competitive pressure on prices, regulatory controls are often needed to act as proxy for competition to ensure that consumers in the Bailiwick are protected. However, ideally we would want as a minimum some scaling back of where such controls are needed". The consultation document, OUR 07/08: Price Control for Telecommunications Services in Guernsey, is available on the OUR website <u>www.regutil.gg</u>, or by calling the OUR on 711120.

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Information for Editors

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 three 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 <u>www.regutil.gg</u>, or by contacting the Office of Utility Regulation on 01481 711120.