



Office of Utility Regulation

EMBARGO Media Release – 6:00am 19th January 2007

Regulator examines C&WG's Leased Line Prices

Guernsey's utilities regulator is seeking views on C&W Guernsey's ("C&WG") pricing for its leased line services. The OUR has launched a consultation exercise on the manner in which leased line prices for both wholesale and retail services should be set.

Leased lines are dedicated circuits that businesses usually rent from their telecom provider. They are key to effective competition as wholesale leased lines are crucial to encouraging new operators to compete with the incumbent, C&WG. Wholesale leased lines operate over the Bailiwick's existing infrastructure, which is owned by C&WG and are purchased from the company by new entrants to the market before being sold on to their customers.

"This consultation has arisen out of concerns that the pricing mechanism used by C&WG to set the prices on its leased line services may actually result in business customers being charged more than is always justified." explained Jon Buckland, Director of Policy at the OUR. "Leased Lines are an important service for both businesses and those telecom companies that compete with C&WG. We are particularly concerned because the provision of high quality, competitively priced leased lines is hugely important to businesses in Guernsey."

To guarantee fair competition on a level playing field, the OUR is seeking to ensure that the wholesale prices C&WG charges other operators, reflect the actual cost of providing the service.

"This consultation exercise is aimed at ensuring that charges for these services accurately reflect the cost of providing them" said Jon Buckland. "Whilst this is primarily a technical

consultation paper, we encourage leased line customers to be aware of the issues being raised and we would welcome responses from all customers.”

The consultation will run until 2nd March 2007. The Consultation Document (OUR 07/01) published today, is available on the OUR website www.regutil.gg, or by calling the OUR on 711120.

ENDS/

- **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.