



CICRA media release

17 December 2015

CICRA to freeze Sure's prices for landlines services

The Channel Islands Competition and Regulatory Authorities (CICRA) has issued a draft decision proposing to freeze Sure's average price levels on landline services in real terms for the next three years.

CICRA chief executive Michael Byrne explained that price controls were a tool used where there were concerns that prices would rise without the constraint and options that healthy competition would otherwise provide.

The proposed price control will have the effect of fixing, in real terms (i.e. after taking account of inflation), the overall prices charged for landline services including call charges, exchange line rentals and a range of related fees associated with having a fixed-line phone service.

As part of the consultation process, conducted in conjunction with Frontier Economics, the prices Sure currently charges for landline services were benchmarked against similar jurisdictions to assess whether Sure's prices were justified.

The benchmarking found that Sure's retail prices were generally in line with comparators, and significantly lower than those charged by JT in Jersey where it is the incumbent.

Mr Byrne said: "CICRA can rely on price comparisons in imposing a price control of this nature. While the costs associated with fixed line services in Guernsey and

Jersey are similar there is no compelling evidence to justify allowing Sure to increase its average prices at the current time.

“JT in Jersey will be subject to a more stringent price control that will have the effect of reducing overall prices in Jersey to a similar level to those seen in Guernsey over the next two years.”

CICRA keeps markets under review and in the event that competition, introduced from 1 June 2015, negates the need to continue with price regulation CICRA will consider the removal of the control.

ENDS

About CICRA:

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) (formerly the Office of Utility Regulation). The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001, and the GCRA was established under The Guernsey Competition and Regulatory Authority Ordinance, 2012. In Jersey, the telecoms and postal sectors are regulated by the JCRA, which is also responsible for administering and enforcing the Competition (Jersey) Law 2005. In Guernsey the telecoms, postal and electricity sectors are regulated by the GCRA, which is also responsible for the administration and enforcement of the Guernsey competition law since it came into force on 1 August 2012.

By working together and sharing resources and expertise between the islands, CICRA strives to ensure that consumers in all the Channel Islands receive best value, choice and access to high quality services.