



Office of Utility Regulation

Roll-forward of Cable & Wireless Guernsey Ltd's Price Control

Call for comments

Document No: OUR 10/01

February 2010

Office of Utility Regulation
Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey, GY1 2NH
Tel: (0)1481 711120, Fax: (0)1481 711140, Web: www.regutil.gg

Roll-forward of Cable & Wireless Guernsey Ltd's Price Control

The Office of Utility Regulation ("OUR") invites comments from all interested parties on the matter of the upcoming price control for Cable & Wireless Guernsey ("C&WG").

Background to the current price control

The current three-year C&WG price control is due to expire at the end of March 2011. For the current price control, the OUR had issued a consultation paper in May 2007 (OUR 07/08) seeking views on a proposed new price control for C&WG. In February 2008, the Director General of Utility Regulation ("DG") published a final decision (OUR 08/07) following his review of C&W Guernsey's ("C&WG") Price Control.

The rationale for price controls on certain services where there is a lack of effective competition had been discussed previously in OUR documents and the DG believed at that time, in light of his legal duties, such controls remained a useful and appropriate regulatory measure in the Guernsey telecoms market. Therefore the DG proposed specific controls on four baskets of services provided by C&WG which would come into effect on 1st April 2008.

Current activities affecting the next price control

The OUR is currently working with local operators as part of a Pan-Channel Wholesale Access Working Group to look at ways of increasing competition in the telecoms market. Further, more effective competition may provide scope to remove or significantly reduce the scope of C&WG's price controls. However, the timing for this is uncertain at present. A three-year price control risks being too long given the current workstreams and therefore inappropriate in the face of the potential for increased competition in the fixed line market. On the other hand, no price control risks consumers being afforded no adequate safeguards.

In order to better assess the need for, and possible scope of, any future price control, the OUR is considering a roll-forward of the current price review from April 2011 to April 2012, rather than a full three-year price review for April 2011 to April 2014. The DG believes this move would be a proportionate approach to take given the current circumstances. However before considering this further he wishes to understand the views of interested parties on this proposal.

Call for comments

The OUR therefore invites operators to respond to this proposal and provide views on:

- The issues a roll-forward may raise; and
- The specific areas operators would like us to address in such a roll-forward

Responses to this document should be submitted in writing and should be received by the OUR before 5.00pm on 1 March 2010. Written comments should be submitted to:

Office of Utility Regulation,
Suites B1 & B2,
Hirzel Court,
St. Peter Port,
Guernsey, GY1 2NH

Or by email to info@regutil.gg

All comments should be clearly marked: "Roll-forward of Cable & Wireless Guernsey Ltd's Price Control".