

CICRA Suites B1 & B2
Hirzel Court
St Peter Port
Guernsey
GY1 2NH

24th January 2013

Dear Sir,

Consultation on approach to change of control notifications under telecommunications licences

Prospect is a trade union representing over 120,000 professional, managerial and specialist staff in the UK across a diverse range of industries including Telecoms. We have negotiated on behalf of our members in Cable and Wireless Guernsey and Jersey for a number of years, indeed our predecessor union Connect was involved in the discussions that saw the TUPE of staff from Guernsey Telecom to Cable and Wireless. Prospect wish to highlight our concerns with the proposed transfer of ownership of Cable and Wireless Guernsey and Jersey Limited to the Bahrain Telecommunications Company BSC (Batelco).

Upon the original transfer of staff from Guernsey Telecom to Cable and Wireless in 2002 assurances were provided that employees who were members of the PSPS would be guaranteed a pension at least as good as they would have received had they continued in membership of the PSPS as it was when they left it. A large number of employees subsequently transferred into a new Defined Benefit Pension Scheme administered by Cable and Wireless Guernsey and Jersey Limited. Prospect has sought assurances from the company that the funding requirements and current levels of benefits provided by the Defined Benefit Pension Scheme have been discussed by the parties involved in the transfer of ownership and that these arrangements will continue following the transfer. No such guarantees have been received. We are therefore extremely concerned that as a result of the transfer of ownership unilateral changes may be enforced upon the Defined Benefit Pension Scheme.

Membership of the Cable and Wireless Guernsey and Jersey Defined Benefit Pension Scheme and the ability to draw the benefits accrued for service to date and in the future is a fundamental part of the remuneration package. Imposed detrimental changes to the scheme may result in a serious deterioration in employment relations and thus impact greatly upon the ability of the licensee to fulfil the following subsection of the Regulation of Utilities (Bailiwick of Guernsey) Law 2001:

b) to secure, so far as practicable, the provision of utility services that satisfy all reasonable demands for such services within the Bailiwick, whether those services are supplied from, within or to the Bailiwick,

Prospect are also concerned that a transfer of ownership may have also have implications for the licensee in respect of fulfilling the following subsection of the 2001 Regulation of Utilities Law:

c) to ensure that utility activities are carried out in such a way as best to serve and contribute to the economic and social development and well-being of the Bailiwick,

Employees of Guernsey Telecom and subsequently Cable and Wireless have delivered a successful and growing modern telecommunications network for Guernsey, a profitable network which has ensured considerable economic benefits for, and further investment within, the Bailiwick. We would like the Regulator to review if a change of licensee may have implications for the level of employment and consequently the level of economic activity and investment in the Bailiwick. Taken alongside the concern that a change of ownership may lead to a decline in the income levels of retired Defined Benefit Pension Scheme members, and also for those continuing to accrue these benefits, Prospect wishes to ensure that change of ownership will not jeopardise the economic and social well-being of the Bailiwick.

We understand that the Trustees of the Cable and Wireless Guernsey Defined Benefit Pension Scheme will also be writing to you. Prospect have seen and indeed are fully supportive of their submission. If you require further information the union would be happy to discuss our concerns with you directly.

Yours faithfully

Andrew Sturtevant
National Officer