

**2.1 Deputy R.G. Le Hérissier of St. Saviour of the Minister for Treasury and Resources regarding economic, social and strategic implications of the sale of Jersey Telecom:**

How did the Minister and the Council of Ministers assess the economic, social and strategic implications of selling off Jersey Telecom?

**Senator T.A. Le Sueur (The Minister for Treasury and Resources):**

Until 5th January 2003 the States was the regulator, operator and owner of the only telecommunications provider in Jersey. The Telecommunications (Jersey) Law 2002 completely changed this by splitting the roles of regulator, operator and owner. That Law also ended telecommunications monopoly in the local market by empowering the J.C.R.A. (Jersey Competition Regulatory Authority) to issue licenses to new operators where this is in the interests of users. This being the case, the sole remaining reason for the States continuing to own Jersey Telecom is as an investment. Having considering the ownership of the company in this context, it was apparent to me that there were good investment reasons for disposal and this view was endorsed by the Council of Ministers. In view of the social and economic implications of this possible sale I decided, having apprised the Council of Ministers of my intention, to issue a consultation paper to explore the wider issues. Moreover, the Council of Ministers and I agreed that detailed professional advice should be sought in respect of the implications of the proposal prior to bringing the proposition to the States. I have undertaken to procure the best possible advice and having pulled that proposal I will bring that proposal back to the States for discussion. Ultimately the decision on whether to sell Jersey Telecom or not will be made by States' Members as a whole. And the States, I am sure, will only be convinced about the wider implications, for which I am not directly responsible, if they can be properly addressed.

**The Bailiff:**

Senator Le Sueur, I am sorry, you are time expired now.

**2.1.1 Deputy R.G. Le Hérissier:**

I am not looking for justification. It is the process. I wonder, Sir, if the Deputy Chief Minister could identify that when this issue came up at the Council of Ministers a proper and thorough analysis was done of all reports that were required, steps were set in motion to deal with these reports so that the appearance was not given of some kind of *ad hoc* process flowing from the initial decision. Could he confirm that a proper and full analysis was done of all work required and that all those decisions were taken at that time?

**Senator T.A. Le Sueur:**

This was not a question to the Council Ministers. This is a responsibility of myself, as the Minister for Treasury and Resources. And as Minister for Treasury and Resources I have satisfied myself, through internal documents and reading the economic arguments for and against retaining this investment, that it is in the financial interests of the Island, in my view, that this investment should be disposed of.

**2.1.2 Deputy G.P. Southern of St. Helier:**

If the Minister denies responsibility for these wider implications - the economic and social implications of the sell-off of Jersey Telecoms - who, then, is responsible for the wider implications, apart from this strictly financial, which he is responsible for?

**Senator T.A. Le Sueur:**

I would not like to give the impression, Sir, that I was totally irresponsible in this respect. My primary duty is as the investment holder to look after the investment interests. It is the duty of the States as a whole to decide the overall balance of whether or not to sell this investment. And they will make that judgment based on the advice they receive from myself, from the economic advice they will receive and from that of the Economic Affairs Scrutiny Panel. On that basis of that full information, Sir, States' Members as a whole will decide on the overall benefit or otherwise to the Island.

**2.1.3 Connétable D.J. Murphy of Grouville:**

Supplementary, Sir, if I may? Is the Minister denying that any Minister has responsibility for the wider implications, economic and social, of such a sale?

**Senator T.A. Le Sueur:**

The Minister for Economic Development has certain duties under the Telecom Law and those duties are clearly set out and I am sure he will be following those in the proper way.

**2.1.4 The Connétable of Grouville:**

Is it the intention of the Council of Ministers, through the Deputy Minister, to encourage opposition to Telecom to the detriment of that company?

**Senator T.A. Le Sueur:**

I have no reason to suppose, Sir, that the acquisition by a third party of Jersey Telecom would result in a detrimental effect on the company.

**2.1.5 The Connétable of Grouville:**

Sorry, that is not the answer I wanted, Sir. **[Laughter]** What I wanted to know was: in the interim period that Telecom has been advertised for sale, is it the intention of the Council of Ministers to encourage the opposition to Telecom, to the detriment of Telecom?

**Senator T.A. Le Sueur:**

Jersey Telecom has not yet been advertised for sale, although, it is clearly in the public domain. In the meantime, the Board of Jersey Telecom will continue to operate the company in the same way that it is being currently operated, for the benefit of the shareholders, for the benefit of the consumers of the Island, and nothing in that respect has changed.

**2.1.6 Deputy R.G. Le Hérissier:**

Is the Minister, and indeed the Council of Ministers, not absolutely making a fool of itself in the sense that when the decision was taken, clearly strategic economic and social implications have to be considered? We now have a separate report commissioned - allegedly of course it is the legal duty to do so - from the J.C.R.A. There are words that an auxiliary report is going to be produced and we have the

Scrutiny Panel at work. What kind of decision was taken when the Council of Ministers said: "Let us go forth and seek to sell this organisation"?

**Senator T.A. Le Sueur:**

I think, Sir, perhaps the Deputy did not listen to part of my original answer when I said that in view of the social and economic implications of the possible sale I decided, having consulted with the Council of Ministers, and they agreed that we should issue a consultation paper and that consultation paper, setting out the wider issues, has been issued and responses have been received.

**2.1.7 Deputy A.D. Lewis of St. John:**

I wonder if the Minister could confirm that, if sold, Jersey Telecom would be offered to larger players in the telecommunications industry that will create economies of scale that would benefit all Islanders, rather than to venture capitalists and other such investment vehicles.

**Senator T.A. Le Sueur:**

I cannot at this stage, Sir, indicate who might or might not be a potential buyer. Certainly, from my point of view, my aim is to ensure that this disposal is made of in the best possible advice.

**2.1.8 Deputy G.P. Southern:**

Can the Minister point Members to the parts of the consultation paper which deal with the wider social and economic considerations? His consultation paper deals solely with the financial aspects.

**Senator T.A. Le Sueur:**

Without the paper in front of me, Sir, I believe that the paper also addresses matters such as the pension rights and the rights of employment of the workforce, maybe not in the detail that the Deputy would have preferred, but certainly they were raised and certainly highlighted for people who were interested to respond accordingly.

**2.1.9 Deputy R.G. Le Hérissier:**

With the benefit of hindsight, would the Minister not now acknowledge that serious mistakes were made and that there is every evidence that certain political agendas are being pursued in what is becoming an increasingly irritating and lengthy process?

**Senator T.A. Le Sueur:**

No, Sir.