

2.6 Deputy J.G. Reed of St. Ouen of the Minister for Economic Development regarding number portability between mobile phone operators:

Could the Minister inform Members when he expects the issue of telephone number portability between mobile phone operators to be resolved?

Senator P.F.C. Ozouf (The Minister for Economic Development):

As Members will be aware, the issue of number portability is now subject to an appeal before the Royal Court and therefore it is not really appropriate for me to discuss the particulars of the case. What I can say is that I understand the court has allocated 2 and a half days to hear the case at the end of December. I can also say that if the Royal Court rejects Jersey Telecom's appeal, that the J.C.R.A.'s (Jersey Competition Regulatory Authority) decision requires the 3 operators to implement M.M.P. (Mobile Multimedia Platform) within 5 months, if it is upheld then the J.C.R.A., and possibly in consultation with myself, will have to consider an alternative course of action. What I can also say is that I have asked my chief officer to hold discussions with the parties in an attempt to avoid the court proceedings. I am hopeful that a solution can still be found before the Royal Court hears the case. My political position is that number portability is a prerequisite for a competitive mobile market.

2.6.1 The Deputy of St. Ouen:

Could the Minister inform this Assembly whether a similar problem exists in Guernsey and, if so, might this have any bearing on the situation locally?

Senator P.F.C. Ozouf:

My position on the regulation of telecoms is clear. I would like a Channel Island solution and certainly there is an attempt, as I understand it, by the regulator in Guernsey to also have number portability. I can also tell Members that I learnt yesterday that Ofcom in the U.K. made an adjudication on number portability in the United Kingdom that requires operators to deal with number portability down from 5 days to 2 hours, therefore highlighting the importance of number portability as a prerequisite for a competitive market and Jersey needs the same.

2.6.2 Deputy J.A. Martin:

The Minister has informed the House that the number portability is now under an appeal at the Royal Court. Would the Minister inform the House of the cost of these proceedings and is it to come from the J.C.R.A.'s regulatory budget or its competition budget - one of those is States' money - and has he discussed this with the Authority?

Senator P.F.C. Ozouf:

As I understand it, the court case is being paid for by Jersey Telecom on the one side and the J.C.R.A. in respect of the funds that they get from telecommunications regulation costs. Of course, the States, and my department, has a responsibility to ensure that the J.C.R.A., and indeed other bodies such as the J.F.S.C. (Jersey Financial Services Commission), has sufficient resources in order to deal with their responsibilities.

2.6.3 Deputy G.P. Southern:

If the J.C.R.A. has to go to court over such a minor issue as number portability what are the chances of a far more extended court case with a larger company, a multinational company, in the future over various aspects of regulation or competition?

Senator P.F.C. Ozouf:

I think the Deputy overplays his remarks. He is effectively saying that the J.C.R.A. is not capable of dealing with the regulations of a global entity. How is the regulator dealing with Cable & Wireless, a company well versed in dealing with regulators and other jurisdictions and has a ferocious reputation in various places of dealing with regulation. The J.C.R.A. is quite capable of

dealing with Cable & Wireless and I have full faith in the J.C.R.A. to deal with this. This is an important case. It is the first hearing under the Telecom law but I have to say I have faith in the J.C.R.A. and they have my full support.

2.6.4 Deputy G.P. Southern:

The J.C.R.A. is currently acting in favour of Cable & Wireless. What would happen if they were acting against Cable & Wireless following a take-over of Jersey Telecom?

Senator P.F.C. Ozouf:

It has got nothing to do with whether or not it is Cable & Wireless or Jersey Telecom. The J.C.R.A. is proving itself perfectly capable of regulating and dealing with competitive issues whether they be local businesses, whether they be small businesses or large multinationals. It matters not.

2.6.5 Deputy J.A. Martin:

It is really back to the Budget. The Minister says the J.C.R.A. has his full backing. Under this, the cost supposedly will be paid out of the licence fees but we only have 3 operators and the licence is not that large so the monies are not that big. Will the Minister not agree that the problem will come if one of the current operators wants to take over Jersey Telecom and it is an issue of competition? Is he saying it is an open-ended cheque book because that will be from his budget or the States' budget to fund a court case under competition law?

Senator P.F.C. Ozouf:

The first thing I would say is on the issue of the sale of Jersey Telecom, the J.C.R.A. will need to make a decision about that sale irrespective of the process that this Assembly agrees. The J.C.R.A. will consider under the competition law the issue of whether there is a substantial lessening of competition in the market. I think, therefore, it is clear that if one of the existing operators were to be interested in Jersey Telecom then arrangements would need to be made in order to not reduce the competition in the marketplace, perhaps divesting a mobile operator or something. I think that is speculation. The fact is the J.C.R.A., in my view, is perfectly fit for purpose in dealing with the issues of telecoms regulation and I would remind the Deputy - and we are going on to ask another question - that there is going to be a review of the J.C.R.A. and a strengthening of their powers in respect of findings, et cetera.