

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT
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ANSWER TO BE TABLED ON TUESDAY 9th MARCH 2010**

Question

With reference to the numerous reports completed by the Jersey Competition Regulatory Authority in respect of the Telecommunications Market, could the Minister provide the following details with regard to the recommendations of the Regulaid and LECG reports (57 and 9 recommendations respectively) -

- (a) the number of recommendations that have been or will be implemented and how they will/have been implemented?
- (b) a timeline for the implementation of the recommendations?
- (c) who will be responsible for the implementation of recommendations?

Answer

The JCRA has not completed major reports of the telecommunications market itself. The LECG Report was commissioned by my department, as a consequence of the findings of the steering group and Oxera report that looked into the potential privatisation of Jersey Telecom. The review was also recommended by the Economic Affairs Scrutiny Panel. One potential area of concern identified at that time was with regard to the powers of the JCRA to act as an effective telecommunications regulator of a privatised JT. The LECG Report specifically addressed this aspect of the JCRA's functions

The Regulaid report was carried out on behalf of the JCRA, pursuant to its 2009 Aims and Objectives – to review JT's wholesale access provision and separated accounts methodologies. The purpose of this review was to facilitate greater access to JT's fixed-line access and thereby promote greater choice and competition in the provision of fixed-line telecommunication services in Jersey.

- (a) the number of recommendations that have been or will be implemented and how they will/have been implemented?**

Concerning the JCRA's implementation of the LECG recommendations, since the publication of the LECG Report the JCRA has:

- published procedural guidelines on telecommunications regulation;
- revised its annual Aims & Objectives into a Strategic Plan;
- adopted KPIs for competition law enforcement;
- broadened its statistical analysis of Jersey's telecom markets; and
- consulted on the publication of JT's separated accounts.

These tasks were all completed by the JCRA in 2009. For 2010, the JCRA Strategic Plan committed it to consider adopting and publishing case management timelines, based on international best practice.

Concerning the recommendations in the Regulaid Report, the JCRA is currently working on a number of initiatives:

- i) a review of significant market power in telecommunications markets (per Regulaid Recommendation 8.1). A public consultation on this recently closed, and a decision on the way forward is expected by May;
- ii) the publication of JT's separated accounts (Regulaid Recommendation 4.5, also recommended by LECG). Again, a public consultation on this recently closed, and the JCRA expect to make a decision by May;
- iii) in co-operation with the telecoms operators, the JCRA is currently considering the potential implementation of a series of wholesale access remedies (Regulaid Recommendations 5.1, 5.7, 5.9, 5.10, 5.11, 5.17, 5.18, 5.19, 5.20 and 7.1-7.7). This analysis is being conducted on a Pan-Channel Islands basis, in cooperation with the Office of Utility Regulation;
- iv) the JCRA recently invited JT to implement the structural changes recommended in the Regulaid Report (Regulaid Recommendations 6.1-6.4, 6.6, 6.10, 6.11, 5.12-5.13, 5.28-5.29, 5.30, 6.7, 6.8 and 6.9) and will be working with JT to implement these;
- v) working with JT to implement cost accounting changes to its separated accounts (Regulaid Recommendation 4.1).

Finally, later this year the JCRA plan to consider wholesale RIO price controls (Regulaid Recommendations 4.3, 5.21 and 8.4) and then other potential wholesale price controls (Regulaid Recommendations 5.22-5.26).

These are all set out in the JCRA's 2010 Strategic Plan.

b) a timeline for the implementation of the recommendations?

The JCRA's timeframe for implementing recommendations under its responsibility is set out above. Amendments to the Telecommunications (Jersey) Law will be delivered this year once the drafting process has been completed.

(c) who will be responsible for the implementation of recommendations?

Regarding the LECG recommendations, responsibility for the legal changes is with EDD, whilst responsibility for the operational changes is with the JCRA

In respect of the Regulaid recommendations; this is a joint responsibility of the JCRA and the industry operators.