

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY SENATOR A. BRECKON
ANSWER TO BE TABLED ON TUESDAY 1st FEBRUARY 2011**

Question

Can the Minister as representative of the shareholders confirm the financial position and business arrangements between the Jersey Electricity Company (JEC) and Newtel Holdings and, in particular, can the Minister state –

- (a) how much was invested in Newtel Holdings and in what year?
- (b) how much of this was written off and in what year?
- (c) whether the JEC extended a line of credit for services provided to Newtel and, if so, for how long?
- (d) was there an outstanding amount and, if so, why was this allowed to happen?
- (e) was any money repaid and if so, what amount and how?
- (f) for what purpose was the credit extended?

Does the Minister consider that there is a chance of recovering any of the outstanding monies invested in Newtel and, if so, how and when?

Answer

I have corresponded with the JEC on this matter and received the following answer:

“We are limited in the access we have to information pertaining to Newtel as it is a private company with minority shareholders – even if this was available we would need to be careful not to prejudice minority shareholders, as further transactional activity may be in progress. Historical information that is available can be sourced via the Jersey Electricity published accounts over the last 13 years or so.

What we can say is that the JEC’s investment in Newtel was an important catalyst for the installation of fibre optic within the CIEG electricity grid which was put in place in 2000. This has benefited Jersey Telecom and other telecom operators who have either directly or indirectly used the cable for the benefit of consumers. We can also confirm that the JEC has a long-term agreement with Newtel to provide access to the fibre optic network and annual payments are made by Newtel.”