

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
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ANSWER TO BE TABLED ON TUESDAY 15th MAY 2012**

Question

With regard to the Jersey Telecom (JT) fibre optic expansion, would the Minister, as the representative of the shareholder, advise Members –

- (a) whether this new infrastructure will result in higher prices and, if not, how it is intended JT will recoup its outlay;
- (b) whether those JT customers who were offered a free trial will face an increase of £60 a month for their broadband;
- (c) why the recent offer of new jobs was handled by outside consultants and at what cost;
- (d) how many additional people have been employed as a result of the expansion?

Answer

- a) JT's price for existing broadband speeds will not change, so the current price offering of the 2/4/8/16 Mbit/s products remains the same. However, these products will be offered across a fibre network instead of a copper network which means that the quality of the product will be far superior. The new higher speeds of 100 Mbit/s and 1 Gigabit/s are offered at £44.99 and £59.99 respectively, prices which rank at the lowest per megabit in the OECD (Organisation for Economic Co-operation and Development).

Based on the superior quality of the product and the phenomenal increase that telecom operators are seeing in user demands for increased download and upload speeds, JT's independent Board of Directors is confident that the investment will be recouped through the numbers of customers opting for the higher speeds. The investment also ensures that the company will continue to provide for the communication needs of a modern finance industry while providing a huge opportunity to diversify the economy with Digital Jersey.

- b) The customers offered the free trial have the choice of remaining on whichever service they wish to. These details, as well as further information, are publically available on www.gigabitjersey.com.
- c) The recruitment programme for the "100 jobs" was run through JT working closely with the team at the Social Security Department and the two companies that specialise in the provision of the engineering workforce for such a specialised programme of work, CH2MHill and Total Technical Solutions. As JT already uses CH2MHill on an outsourced agreement to provide JT with a flexible engineering workforce, the cost of this extra effort (which is commercially sensitive) was negotiated as an overall price to provide the services.
- d) So far 75 roles have been offered to local unemployed people and, currently, we are looking to recruit a further 25 from the local labour market.