

**REVIEW OF THE DEMERGER OF CICRA AND FORMATION OF JCRA BY ECONOMIC AND INTERNATIONAL AFFAIRS SCRUTINY PANEL AS PER LETTER DATED 6 MAY 2021.**

**RESPONSE BY JERSEY AIRTEL LIMITED**

This is Jersey Airtel Limited's ("Airtel-Vodafone") response to letter dated 6 May 2021 regarding "review of the demerger of CICRA and formation of JCRA" by Economic and International Affairs Scrutiny Panel seeking our views on the potential advantages and disadvantages of the CICRA demerger.

While Jersey Airtel limited is not aware of the driving factors / reasons behind the split of CICRA into JCRA and GCRA as we mentioned in the earlier consultation response dated 14 August 2020, we have below views basis last 12 months of dealing with respective authority from an operating perspective:

1. A split of CICRA into GCRA and JCRA has resulted in a situation where several regulatory consultations and actions have been duplicated. In our view, a pragmatic way to look at the efficacy of the current system is to compare the additional costs and efforts ensued against the outcomes and benefits.
2. Since Jersey and Guernsey are at similar maturity levels as far as telecom networks are concerned, the regulatory issues and requirements in both markets are almost identical. By way of example, open issues such as "Business connectivity market review (BCMR), Broadband price control, Mobile Termination Rates (MTC), etc" have been taken up by each regulator independently, calling for separate set of responses to each, which we believe is inefficient. Even on an upcoming issue like TSRs (Telecom Security Requirements), there is a dire need for both regulators to have a converging view on the way forward.
3. Jersey and Guernsey networks, while separate entities, also share several components using the inter-island connectivity between both islands. From a regulatory point of view, it is prudent to consider both Jersey and Guernsey as a single entity and be managed by a single regulatory agency. A case in point is the ongoing consultation on BCMR, where the regulator stated that the inter-island connectivity will not be in the scope, to which Airtel responded with a request to include the same, as this connectivity has a major impact on service delivery and cost of service on both islands. This we suspect is an outcome of each regulator being confined to their geography of authority.
4. In some areas, GCRA and JCRA have taken extremely opposite views leading to complexities and scepticism. Recent investigations into 'JT and Sure for anticompetitive arrangements/agreements' is a case in point, where both GCRA and JCRA investigating into the same issue have taken diametrical diverging stands which complicates matters further.

In conclusion, whilst a combined regulator for Channel Islands until April 2020 ensured following:

- a. Minimised costs for telecom operators and government,
- b. Effective addressal of pan Channel Island issues and,
- c. Less coordination challenges leading to more efficiency for operators.

Therefore, oblivious of driving rationale behind the CICRA demerger, we wonder and hope that a focussed authority is better for respective island markets and businesses without inflicting any escalation in costs on telecom operators and consumers.

**Jersey Airtel Limited**

**26 May 2021**