







Progress against the Strategic Plan and Business Plan – six months to 30 June 2014

Complete business connectivity market review in Guernsey and Jersey, with the aim of ensuring that connectivity services provided to business customers in the Channel Islands are of an appropriate standard and that prices are cost-justified and comparable to those in competitor jurisdictions		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> • Q1-Q2: <i>findings of significant market power and remedies</i> • Q3: <i>begin implementation of remedies</i> 		<p>In April, we set out our findings on competitive conditions in business connectivity markets, and formal market definition and market power designations.</p> <p>By the end of September we will have completed the process that places our findings on a legal footing.</p> <p>Once the legal process is final and where necessary we will enforce associated regulatory obligations placed on operators to allow access to off-island capacity. The market power designations invoke legal powers in areas such as access obligations and price setting.</p> <p>We are now in the process of carrying out a cost justification exercise for on-island wholesale prices. We expect this process to be complete by Q4/Q1.</p>


Conduct review of retail price control regimes for Sure Guernsey and JT Jersey to assess whether they are still appropriate, given the potential for future competition

Implement new obligations on telecoms operators in relation to quality of service


Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none">• Q2: <i>consultation</i>• Q3 <i>decision</i>		<p>Current retail price controls expire at the end of 2014.</p> <p>Our review has identified that retail price controls remain appropriate at this time. This is informed by the continued existence of significant market power, the absence of wholesale line rental and other access products providing choice for consumers of provider and the length of time since the last price control reviews were undertaken, given developments in technology in this sector. We are currently assessing price controlled charges with Sure in Guernsey and JT in Jersey, with information requirements on cost base and benchmarking data as key inputs to that assessment.</p> <p>At the end of June an invitation to tender for specialist consultancy assistance was issued to support our work in this area.</p> <p>Implementation of new obligations on telecoms operators in relation to new connection and repair times is included within the retail price control process rather than as a separate standalone objective.</p>

Complete review of effect on consumer of variation to fixed-term telecoms contracts, following action by Ofcom in this area		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Q1-Q2 		<p>A considerable amount of work has been undertaken in this area to ensure the measures put in place by Ofcom are appropriate in a Channel Islands context.</p> <p>In April we issued an Initial Notice / Draft Decision and following consideration of the responses received, in July we issued a Final Notice and Final Decision which will see the implementation of this consumer protection measure in the Channel Islands from 1 October.</p> <p>Whilst our work in implementing this measure is now complete (save in the unlikely event of an appeal to the Final Notice / Final Decision) operators need time to implement the new requirements and a decision was made not to require an immediate change consistent with Ofcom's approach, hence the 1 October deadline rather than earlier.</p>
Ensure that consumers are protected from 'bill shock' through appropriate measures by mobile operators, and explore opportunities to reduce roaming charges through co-operation with the European Union		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Q2: <i>bill shock</i> Q3-Q4: <i>EU co-operation</i> 		<p>One of the minimum requirements that we set as part of the 4G award process set, was that operators had to commit to protection for Channel Island data roaming consumers that are equivalent to those in place in Europe.</p> <p>All three successful applicants accepted this obligation for their 4G services.</p> <p>In addition, and after an extended period of discussion, two of the three mobile operators have already announced measures for existing services to mitigate risks of bill shock for mobile services generally.</p> <p>Work on EU-cooperation will start shortly.</p>


Complete review of billing and payment charges imposed by Sure Guernsey and JT Jersey




Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none">• Q1		<p>We have carried out a review to benchmark billing practices in the Channel Islands. The review indicated that the billing practises implemented by both Sure in Guernsey, and JT in Jersey, are largely consistent with other jurisdictions in terms of timescales for payment and related terms and conditions.</p> <p>Separately we surveyed billing as one aspect of our recently completed telecoms customer satisfaction survey. The results of the survey will be issued in three reports during July, August and September and will highlight positive and negative customer perceptions in this area. We anticipate repeating the customer satisfaction survey at regular intervals hereafter.</p> <p>In Guernsey, we have worked with Sure, to raise issues that we have identified as the results of customer feedback and to obtain Sure's commitment that it will ensure that, going forward, changes to billing practises will be introduced in a more appropriate manner.</p> <p>In Jersey, there remain significant issues with the JT billing system. This is borne out through the responses to our customer satisfaction survey, through the local media and through customer complaints made directly to us. We have been proactive in meeting with JT, have engaged with Jersey Consumer Council and have attended focus groups to further understand the issues and JT's response.</p> <p>During meetings with JT, we have been given assurance it is addressing the billing issues raised. However the timescales indicated are longer than ideal and so we are currently assessing what other steps we can take to push JT for a speedy resolution.</p>

In conjunction with Ofcom, allocate new spectrum ranges in Guernsey and Jersey, following policy guidance from the Commerce and Employment Department in Guernsey and the Economic Development Department in Jersey


Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> • <i>End Q2: allocation recommendation to Ofcom</i> 		<p>Following our 2013 consultation, during the first half of 2014 we designed and ran a competitive award process for the allocation of 4G spectrum in the Channel Islands.</p> <p>In July we announced three successful applicants and will be recommending the award of this new spectrum in the 800Mhz, 1800Mhz and 2.6Ghz bands to Ofcom under the Wireless Telegraphy Act.</p> <p>The award process is conditional on successful applicants fulfilling their stated commitments in respect of relinquishing 900 Mhz spectrum, spectrum alignment and contiguity, all of which are designed to facilitate a more even competitive playing field. This work is on-going.</p>

Require and facilitate actions by mobile telecoms providers to mitigate interference with other spectrum users, e.g. Digital Television, airport radars


Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> • Q3 – Q4 		<p>We designed the competitive award process to ensure that, as a minimum requirement, applicants must meet certain obligations to mitigate interference.</p> <p>In July we announced three successful applicants for awarding 4G spectrum and will be working with mobile telecoms providers and other key stakeholders to ensure that they meet their obligations.</p>




Support Ofcom and the island's government in determining whether to allow radio frequency spectrum trading in the Channel Islands and what conditions need to be imposed on such trading		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Q3 		<p>Provision of support to Ofcom is ongoing. As per the work programme, spectrum trading will be considered during the second half of 2014</p>
Continue development of wholesale access products and consideration of Wholesale Line Rental, Fixed Number Portability, Carrier Pre-Select and Naked Bitstream - to promote greater choice for consumers and increased competition		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Q1: <i>consultation</i> Q2: <i>decision</i> Q3-Q4: <i>implementation</i> 		<p>Wholesale Line Rental Initial Notice and Draft Decision were issued in June with an implementation date set for June 2015. The issue of the Final Notice and Final Decision in July effectively completes the primary legal process for a binding legal decision to come into effect.</p> <p>We have since commenced the process of working with operators to facilitate implementation. Whilst we expect to leave the technical implementation of Wholesale Line Rental to the operators we anticipate, at a minimum, to take a leading role in the setting of price and to act as a conduit to facilitate resolution of any issues that operators cannot resolve between themselves.</p>
Align the separated account regime as it is applied to JT Jersey and Sure Guernsey		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Q2 – Q3 		<p>This process has been delayed given certain significant investigations and is now expected to commence during the second half of 2014 subject to resources.</p>




Support policy makers (including Commerce & Employment Department) in reviewing investment by fixed-line telecoms operators in Guernsey, with the aim of improving access to high-speed broadband at an affordable price





Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Q1 – Q2 		<p>We have completed our initial review based on a sample of broadband customers in Guernsey. The study identified potential weaknesses and strengths in the broadband infrastructure in Guernsey.</p> <p>Informed by the initial results we are planning a fuller pan Channel Islands study.</p> <p>Based on the initial results we are supporting Guernsey’s Commerce and Employment Department’s policy development and in particular its programme to set minimum standards and, potentially, USO obligations on Sure Guernsey in relation to broadband services.</p> <p>We intend to liaise with Jersey’s Economic Development Department to utilise the evidence gathered and support any policy agendas in this area in Jersey over the second half of 2014.</p>





Ensure that the interests of consumers are protected during the continued roll-out by JT of the fibre-to-the-home network in Jersey, including by ensuring that there is fair and reasonable access for competitors to the network



Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Q1: <i>consultation on wholesale fibre broadband pricing</i> Q2: <i>decision on wholesale fibre broadband pricing</i> 		<p>We are currently carrying out a formal investigation given concerns that have arisen from competitors about JT practices in this area. The investigation also relates to wholesale broadband prices offered by JT. The price assessment process has therefore been subsumed within this investigation.</p> <p>CICRA also participates in JT focus groups, and in correspondence with JT, particularly on billing matters given the extent of customer concern in Jersey in this area. We will continue to maintain an oversight of developments.</p>

Address concern in relation to the pricing and provision of off-island connectivity services		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> • Q1 – Q2 		<p>Our business connectivity review assessed this area. Our review found no significant market power in either Guernsey or Jersey in the provision of off-island connectivity services. As such we have no price setting powers.</p> <p>The on-island wholesale market has been identified as key to addressing concerns in this area and where we are focussing our resources to ensure potential demand for access will be obligatory and in ensuring prices are fair.</p> <p>In the absence of a regulatory solution to address concerns in this area, the business connectivity review is seen as an alternative remedy to ensure access from competing off island infrastructure will be treated by the incumbent in a manner that is non-discriminatory. We have also advised that where ownership of States businesses with off-island capacity provides alternatives, this may be an avenue for the States to consider.</p>
Publish statistics on telecommunications markets on a pan-Channel Island basis		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> • Q4 		<p>This work has been commissioned and currently underway.</p>
Consider any applications for new telecommunications licences and licence modifications.		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> • Ongoing 		<p>We have dealt with all requests for advice, the renewal of licenses and other related licensing matters that have been received during the first half of 2014.</p>


Investigate practices by operators that may contravene their licences and/or the Telecommunications Laws or competition laws, and take appropriate remedial action		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Ongoing 		<p>We are currently undertaking a number of investigations and initial assessments in various sectors in both Jersey and Guernsey based on complaints that have been received or issues that have been brought to our attention.</p>
If requested by the States of Guernsey or States of Jersey provide advice in relation to scope and delivery of the USO		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Ongoing 		<p>We have participated in a range of initiatives in this area, including the States of Guernsey Broadband Workshops and have provided evidence to the Guernsey States ICT Strategy Group.</p> <p>We continue to maintain a constructive relationship with Digital Jersey who is a key stakeholder in this area, as well as support initiatives by Economic Development Department.</p>
Operate new monitoring of quality of service performance and targets for Guernsey Post and Jersey Post, to ensure that customer's needs are effectively met		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Q1 		<p>We have introduced new quality of service obligations on Jersey Post and Guernsey Post which are monitored through reporting arrangements we have put in place.</p>

Consider any applications for new postal licences or licence modifications		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> • Ongoing 		No new applications or licence modifications have been processed in the first half of 2014.
Investigate practices that may infringe the postal laws, licences issued under the postal laws and/or the competition laws with respect to postal services and take appropriate remedial action		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> • Ongoing 		Following a complaint received, we conducted an internal review of a 2012 JCRA decision. Informed by that review we took the decision not to progress this matter.
After consultation with the Commerce and Employment Department, implement an appropriate regulatory regime for Guernsey Electricity, which balances the desire to minimise the cost of regulation with the impact of tariff changes on consumers		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> • Q3-Q4 		We have proposed a new pricing regulatory regime and this is a matter for the States of Guernsey which we understand is in process with Policy Council.
Contribute to deliberations of the Scrutiny Committee in relation to security of electricity supply.		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> • Q1 		We have given evidence at scrutiny committee hearings, specifically the Security of Electricity Supply Review. The conclusions of that review have been published and noted. We will be working with the States of Jersey and the States of Guernsey to inform and, where required participate, in policy developments in these areas.


Determine disputes between customers and Guernsey Electricity under The Electricity (Guernsey) Law, 2001.		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Ongoing 		No disputes have arisen in the first half of 2014.
In conjunction with the Commerce & Employment Department, consider whether amendments are required to the Guernsey merger & acquisition regulations, and use those regulations to design turnover-based merger thresholds for Jersey		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Q1 – Q2 		This is in progress. Following requests from legal firms we have updated our guidelines to provide clarification around CICRA's approach to the treatment of joint ventures. Further changes wait on inputs from key stakeholders.
Publicise new guidelines on leniency and financial penalties, to encourage disclosure of cartel activity		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Q4 		This work stream is in progress
Provide advice to the States of Guernsey and States of Jersey with respect to long- term policy for provision of ferry transport and seaborne freight services.		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Q1 		<p>As requested by Jersey's Economic Development Department, we have carried out a review of the Condor business. In March we concluded the review and presented the final report to EDD.</p> <p>We have also provided advice in respect of future monitoring models for the Condor business in relation to the new agreement with Condor.</p>

Completion of heating oil monitoring in Jersey, and provision of an update report to the Economic Development Minister.		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Q1 – Q2 		<p>We have encountered significant delays in gathering data from Rubis and the data that has been received from distributors is not sufficiently complete to draw firm conclusions.</p> <p>We have briefed EDD on the delay to this work stream and are currently addressing the delays in order to provide a full assessment for this report.</p>
Continue programme of market studies, where possible on a pan-Channel Island basis. Provisional markets for review in 2014 include primary health care (general practitioners and dentists), and aviation and marine fuel		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Primary healthcare start Q1, report Q4 Aviation & marine fuel start Q1, report Q3 		<p>We have completed the pan Channel Islands market study into aviation fuel ahead of schedule and expect to issue the final report shortly.</p> <p>The marine fuel study is underway and we expect to complete this work in line with the deadline set out in our work programme.</p> <p>We commenced the primary healthcare study in Guernsey and Jersey in Q1 and have held extensive discussions with key stakeholder. Information questionnaires have been distributed. Once responses are received we will begin the analysis and assessment of evidence submitted and anticipate a final report for publication on time in Q4.</p>


Provide advice to the States of Jersey in connection with the proposed incorporation of the Ports of Jersey and, if approved by the States Assembly, prepare for economic regulation of harbours and airports





Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Q1 – Q4 		<p>We have been working with Economic Development Department, in particular in relation to the draft legislation.</p> <p>We are developing a regulatory strategy informed by the Ports Incorporation documents currently out for consultation.</p> <p>Resources have been allocated in anticipation of the proposed JCRA's regulatory role with the date for incorporation provisionally set for mid 2015.</p>

Continue raising awareness of competition laws amount the business community and professional advisors, as well as individual consumers

Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Q1 – Q4 		<p>We have held a series of discussions with members of the Guernsey and Jersey States Assemblies covering competition law matters.</p> <p>We are currently reviewing our merger and acquisition guidelines and are liaising with local law firms and key States Departments.</p>

The provision of formal and informal guidance to businesses and States Departments on their obligations under the competition law

Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Ongoing 		<p>We continue to provide both formal and informal guidance on a confidential basis.</p>

The investigation of suspected abuses by undertakings with a dominant position in particular markets.		
The investigation of suspected anticompetitive arrangements between businesses.		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Ongoing 		We have undertaken a number of investigation into allegation of abuses of dominance and suspected anticompetitive arrangements by undertakings in particular markets.
The administration of applications for exemptions, guidance and opinions.		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Ongoing 		During the 6 months to 30 June 2014 we have granted exemptions to Jersey Doctors on Call, and to the Esso/Citiriche distribution arrangements.
Where appropriate, creating block exemptions under the relevant legislation (or advising on States' proposals to create exemptions)		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Ongoing 		No work in this area has been undertaken to date
The review of notifiable mergers and acquisitions, and the investigation of suspected failures to obtain approval for mergers and acquisitions when this is required		
Timescales	Progress to 30 June	Narrative
<ul style="list-style-type: none"> Ongoing 		We have received four notifications to date for approval in the first half of 2014, with a previously notified merger receiving approval with commitments.