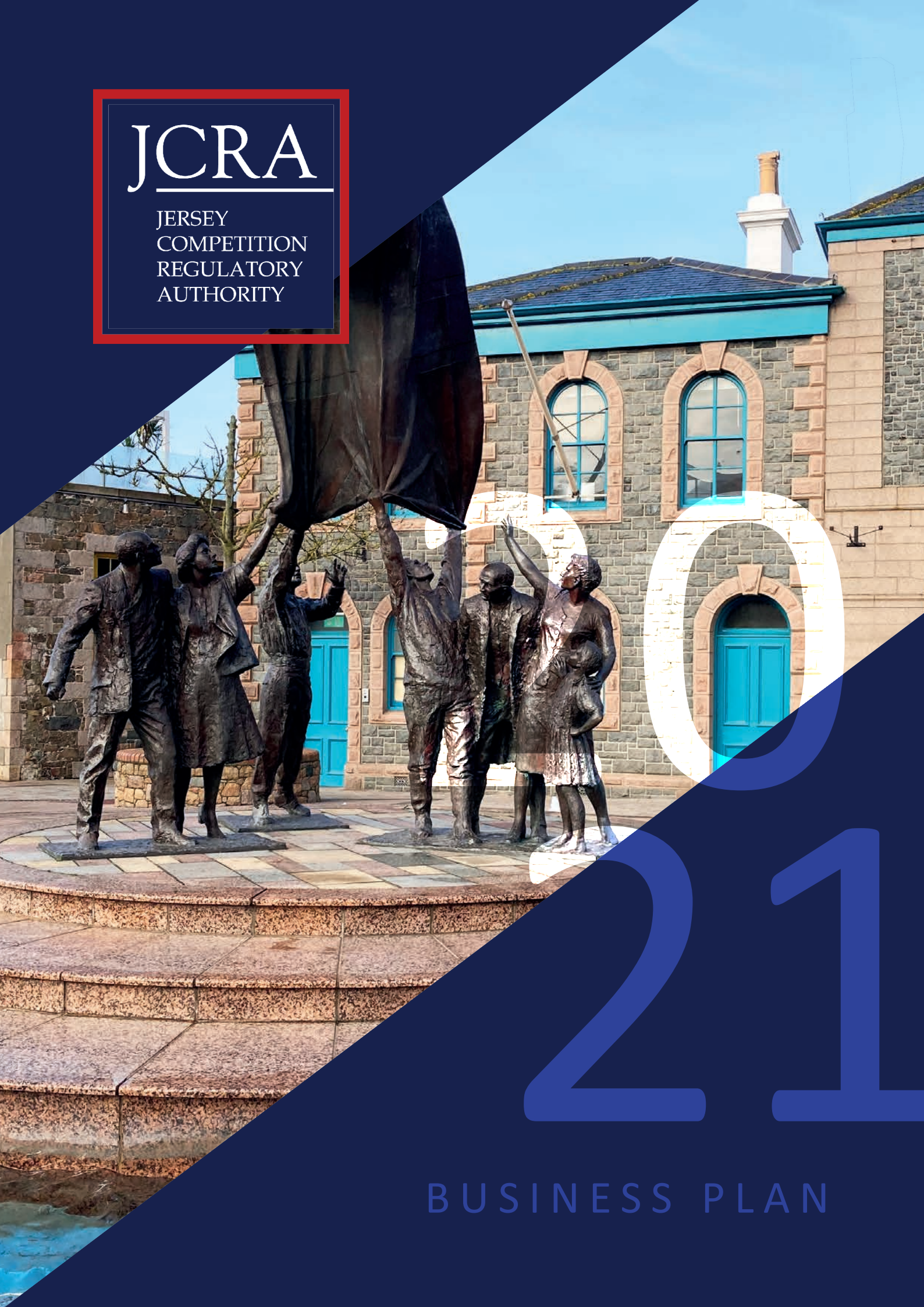


JCRA

JERSEY
COMPETITION
REGULATORY
AUTHORITY



2021

BUSINESS PLAN

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Along with the rest of the world, Jersey faces significant challenges in 2021. The coronavirus pandemic has had a profound and, in some cases, tragic effect on people's lives. Alongside this, January 2021 will mark the end of the Brexit Transition Period, and negotiations on the future relationship between the UK and EU will undoubtedly impact locally.

Against this background, the Jersey Competition Regulatory Authority (the Authority) is responsible for promoting competition in the supply of goods and services in Jersey, together with the economic regulation of the telecoms, ports and postal sectors. JCRA's aim is to help markets work well in the interests of consumers, businesses and the wider Jersey economy by encouraging innovation, investment, value for money, choice and quality. To support this objective, the Authority, as an independent body, has a broad range of formal powers to ensure that the competition law and its regulatory duties are upheld. Depending on the issue, the Authority may also use informal 'soft power' if this will resolve the issues in a more efficient manner. Whichever approach, or combination, is adopted, the Authority will follow best practice across all its activities.

The Authority works in partnership with a range of organisations – Government of Jersey, consumer organisations such as Trading Standards, Jersey Consumer Council, and other international competition and regulatory bodies. This helps improve outcomes for Jersey consumers through knowledge sharing and coordinated action where possible.

The Authority will begin this new year with a full-strength new Board, representing a broad spectrum of experience and talent, with 2021 representing the first full year of the Authority as a separate organisation from the Channel Islands Competition and Regulatory Authorities (CICRA). However, the Authority continues to work closely with the Guernsey Competition and Regulatory Authority (GCRA). It is also looking to develop a Jersey Regulators Forum, which will look at key issues that are affecting the Island and collectively working with Government and Jersey businesses to develop appropriate policies for the future.

This is an ambitious business plan, which is designed to provide a clear understanding to all stakeholders as to where the Authority will focus its limited resources to deliver the best results possible. It is the intention of the Authority to develop a longer-term strategic plan which will be published in Q2 2021, which will help develop further trust and respect for the work of the Authority, together with a more proactive and outward facing stance for the organisation.

The Authority would like to thank stakeholders for their contributions in the development of this plan and it will strive to continue to provide choice, value and confidence for consumer, citizens and businesses in Jersey.

Tim Ringsdore
Chief Executive Officer

The Authority is established by way of the Competition Regulatory Authority (Jersey) Law 2001, with further functions and legal duties set out in legislation passed by the States of Jersey, to which the Authority is ultimately accountable.

Competition law and economic regulation seek to achieve economic efficiency and sustainable competition, which allow consumers to have the benefits of fair prices, desirable goods and services and the opportunity to choose what they want to buy. In contrast, where firms have a great deal of market power, consumers are more likely to encounter unfair prices, inferior products and a lack of responsiveness to their needs.

In 2015, Oxera carried out a review of the competition and regulatory framework in Jersey. Professor Sir John Vickers stated: 'In small economies, such as Jersey, it is just as important that markets work well as it is in larger economies. But in smaller jurisdictions competition policy, and regulation, where competition is not possible, face particular challenges. Conducting competition and regulation policy well is hard, but the economic benefits can be substantial'.

It is vital that the Authority remains independent so that it supports the interests of the Island and its citizens without external undue pressure or influence.



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Engagement Principles

Given the modest size of the Authority it is vital that focus is on projects that provide the best possible support for the community and economy. In order to maximise impact of any intervention, the Authority builds its engagement and trust around four key principles:

Principle 1: Public and consumer benefit – we work for the benefit of the public and consumers in Jersey, ensuring there remains strong choice, value and protection. We accomplish this through engaging with consumer and business groups to understand the specific needs of our citizens and businesses.

Principle 2: Transparency and communication – whilst maintaining our duty of confidentiality, we ensure openness and transparency with stakeholders, working on the basis of ‘no surprises’. Clear and regular communication to all stakeholders is a priority for the whole organisation.

Principle 3: Working closely with Government – while independent in its decision making, it is essential we work in close collaboration with Government, to ensure that our work programme remains aligned with policies and the strategic plan. We provide independent advice and guidance where necessary to inform and assist with the development of government policy.






Principle 4: Engagement with licensees/ stakeholders – we will maintain close working relationships with licenced operators and wider stakeholders ensuring that we remain aware of key issues affecting them.



Government Policy Framework

The Government of Jersey has established five long-term strategic priorities. These are supported by and enabled through the Government Plan, currently 2020-2023, together with policy development and initiatives in key sectors. The Authority seeks to ensure its work programme supports these policies, while also contributing to the development of new policies and initiatives.

The diagram below provides an overview of possible options the Authority explored in its planning for 2021, these are mapped against the different Government priorities in the Government Plan.

Government priority	Examples of possible options
 Children	<ul style="list-style-type: none">• Ensuring wider access to range of Broadband services to support remote learning• Potential market study in area of importance and focus of families and children, e.g. childcare
 Wellbeing	<ul style="list-style-type: none">• Potential market study in area related to wellbeing e.g. primary care market• Supporting rollout of 5G to support healthcare innovation
 Economy	<ul style="list-style-type: none">• Active advocacy and market study programme• Merger control tailored and targeted on potential harm to Jersey businesses and consumers• Securing island lifeline services e.g. post/ports• Facilitation of full utilisation of fibre network
 Inclusivity	<ul style="list-style-type: none">• Greater engagement with Jersey stakeholders e.g. Consumer Protection Network• Potential market study on areas of concern around living standards/ consumers• Interaction with the Inflation Strategy
 Environment	<ul style="list-style-type: none">• Greater environmental reporting from regulated companies e.g. CO2 emissions, power usage• Reporting of Authority's own environmental performance in annual report

The Authority's work programme flows from the legislative framework and is shaped by the wider policy framework. Further, as 2021 represents the first full year of the Authority as a separate organisation, a section on organisation development has been included.

The full list of work areas are:

- Administration of the Competition Law
- Market Studies
- Regulation of Air and Sea Port Operations
- Regulation of Postal Services
- Regulation of Telecommunications Services
- Regulation of Spectrum and Numbering
- Organisational Development

For each work area this section provides the context and the Authority's objective. Key work areas, which often align to cases, are then identified and a brief overview is provided.

Each work area (except for Organisation Development) is also mapped to a different area of focus, where the focus areas flow from the wider policy framework.

The four areas of focus are:



Markets that work well for Jersey, encouraging innovation and investment



Value for money for Jersey and Jersey consumers



Desirable goods and quality services and support



Consumer choice



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Administration of the Competition Law

Context

The Competition (Jersey) Law 2005 promotes competition in the supply of goods and services in Jersey.

Objective

In line with its strategic objectives, the Authority aims to ensure that consumers and the economy benefit from competitive markets. As with most competition laws in the world, in Jersey, competition law is designed to deal with three issues associated with problems arising from market power:

- Anti-competitive arrangements
- Abuse of a dominant position in a market
- Mergers that are harmful to competition

Key work areas

Work area	Focus	Further detail
Competition Investigations		Carry out investigations into possible breaches of the Competition Law. At the end of 2020, there is one open investigation into a potential breach of Article 8 which will continue into 2021.
Merger control		Assessment of mergers notified for clearance in line with published guidelines and a 25 working day administrative target date for Phase 1 clearance.
Advocacy and Training		Continue to promote and support competitive markets in Jersey, by the provision of information and guidance in a variety of forms as appropriate for different stakeholder groups.
Competition Guidelines		In 2021, the Authority will carry out a review of existing guidelines and amend where appropriate.
Competition Law Amendments		Working with Government to make recommendations for amendments to competition legislation for the benefit of the Island.



Markets for Jersey



Value for money



Desirable goods & services



Consumer choice

Market Studies

Context

A market study is a flexible tool to explore whether a market or features of a market are working well for Jersey consumers. It considers the relationship between consumer behaviour in a market, the behaviour of firms in that market, and the market's structure.

By looking at these relationships, the Authority can determine whether action that will encourage changes to consumer behaviour, business behaviour, or both, will help address any market problems found.

The outcomes of a market study may be one or more of the following:


- A clean bill of health for the market
- Consumer/business focused action
- Non-binding recommendations to Government
- Investigation and enforcement action

A market study can be initiated at the request of the Minister for Economic Development, under the Competition Regulatory Authority (Jersey) Law 2001, or self-initiated by the Authority.

Objective

Market studies are an important tool for the Authority to evaluate issues in particular markets that are not working well for our stakeholders and promote a competitive environment as well as raise awareness of competition policy and its benefits among businesses, consumers and public institutions. Preparation work has been undertaken while considering the Government of Jersey's strategic plan and inflation strategy, shortlisting sectors that may be suitable for a market study commencing in 2021. The Authority will prioritise these market studies in line with its broader policy framework not only for 2021 but into the future.

Key work areas

Work area	Focus	Further detail
Market study programme		Deeper links with wider consumer bodies will be developed alongside a pipeline of potential future market studies.
Market study guidelines		Draft guidelines that describe our general processes and approach to market studies will be issued for consultation. These will then be finalised, incorporating any stakeholder feedback.
Market study delivery		Terms of reference will be finalised and an appropriate market study undertaken during the course of 2021.

Regulation of Air and Sea Port Operations






Context

The Authority is responsible for regulating Jersey’s air and sea port operations through the Air and Sea Ports (Incorporation) (Jersey) Law 2015, and aims to protect and further the interests of users of port operations, where appropriate by promoting competition.

Objective

Ports of Jersey Limited (PoJL) plays a vital role for the economy of Jersey, and faced significant challenges during 2020. The Authority intends to work closely with PoJL to develop a strong and constructive relationship and understand the impact of the coronavirus pandemic on its business, focusing attention on supporting Jersey consumers, connectivity and the economy.

Key work areas

Work area	Focus	Further detail
Government Policy		Support development of the MoU with Government and a Government policy for port operations.
Impact of Pandemic		Support PoJL in dealing with the impact of the pandemic on the air and sea port operations.
Price Control		If necessary, review the price control in light of the impact of the coronavirus pandemic on the regulated business and long-term investment programme.
Quality of Service		PoJL reports quality of service metrics to the Authority on a quarterly basis. These will be reviewed in 2021 to ensure they are still appropriate and fit for purpose.
Customer Support		Support consumers of air and sea port services where necessary and appropriate – for example, airlines and shipping and freight companies in accessing port services.
Investigations		Investigate potential breaches of the law and licence conditions by licensed operators.

Regulation of Postal Services

Context

The Authority is responsible for regulating Jersey's postal services by way of the Postal Services (Jersey) Law 2004, and aims to protect and further the interests of users of postal services, where appropriate by promoting competition.

Objective

Postal services play a vital role for the economy of Jersey, and Jersey Post faced significant challenges during 2020. The Authority intends to work closely with Jersey Post and other operators to understand the impact of the coronavirus pandemic on the business, focusing attention on Jersey consumers and the economy.

Key work areas

Work area	Focus	Further detail
Impact of Pandemic		Support postal operators in dealing with the impact of the pandemic on postal operations.
Price control		If necessary, review the price control in light of the impact of the coronavirus pandemic on the regulated business of Jersey Post.
Quality of Service Metrics		Quality of service targets will be reviewed in 2021 to ensure that Jersey Post continues to provide the best value and service possible to Jersey.
Customer Support		Support consumers of postal services where necessary and appropriate – for example, Jersey public and businesses complaints in regard to postal services.
Investigations		Investigate potential breaches of the law and licence conditions by licensed operators.

Regulation of Telecommunications Services

Context

The Authority regulates Jersey’s telecoms market in line with legislation and the Government Telecoms Strategy action plan. Its aim is to encourage sustainable competition, which will deliver innovation, value for money and service development for the benefit of consumers.

Objective

Telecoms technology and solutions continually change and play a vital role in the economy of Jersey but local operators have faced significant challenges during 2020. The Authority intends to work closely with operators to understand the impact of the coronavirus pandemic on the industry. Other areas of attention include the impact of telecoms on Jersey consumers and the economy, and ensuring there are secure and resilient services.

Key work areas

Work area	Focus	Further detail
Government Policy and MoU		Support development of an MOU between JT and the Government, as shareholder, and the implementation of Government telecoms policy. Support the development of the telecoms security framework.
Licensing		Continue to evolve, monitor and review licence conditions and guidelines as required and appropriate.
Market / Price Reviews		During 2021, market and price reviews are being carried out for the Business Connectivity Market and Wholesale Broadband Access Services, and others as required.
Telecoms Statistics		Refresh the approach to the annual statistics report to ensure it is fit for purpose and identifies key dependencies and market data.
Customer Support		Provide support to Jersey consumers where appropriate, for example dealing with customer complaints where necessary.
Investigations		Investigate potential breaches of the law and licence conditions by licensed operators. As at the end of 2020, there are two open investigations in this sector.

Regulation of Spectrum and Numbering




Context

The licensing of spectrum in Jersey (referred to as WT Licences), as in the UK, is carried out by Ofcom, by virtue of powers given to it by the Wireless Telegraphy Act 2006 and the Communications Act 2003. Certain parts of this legislation have been extended to Jersey by the Communications (Jersey) Order 2003, the Wireless Telegraphy (Jersey) Order 2006. WT Licences are granted by Ofcom for Jersey to authorise the use of radio spectrum where it considers it is satisfied the Authority's recommendation is consistent with its own statutory duties. The WT Licence include a condition that refers to there being a local telecoms licence in place issued by the Authority relevant to the spectrum granted.

Objective

The Authority maintains a close working relationship with Ofcom, and will ascertain the level and nature of demand for spectrum which is on offer. When the assessment and selection process is completed, a recommendation is provided to Ofcom.

Key work areas

Work area	Focus	Further detail
Spectrum allocation		Make recommendations to Ofcom for spectrum licensing to Ofcom as required.
Numbering		Ofcom is responsible for the allocation of numbers for Jersey. Operators will therefore apply directly to Ofcom for range allocation. Allocation will be dependent on a local telecoms licence in place. Ofcom will inform the Authority on receipt of such applications and of the outcome of its consideration of such applications. The Authority includes conditions in the licences of local operators concerning the management of numbering.
Compliance		Ensure that local licenced operators adhere to Ofcom requirements in relation to spectrum licensing and numbering.

Organisational Development

Context

2021 represents the first full year of the Authority as a separate organisation. The Authority has a small and experienced team with a wide range of skills to deliver this plan, and will continue to develop its capabilities to maximise its impact.

Objective

To continue to ensure competition works well for consumers and businesses in Jersey in the short and long term. To meet this, the organisation must be fit for purpose against current needs while also developing capability to meet future requirements.

Key work areas

Work area

Further detail

Resources

The Authority will continue to build an agile local efficient team with a wide range of skills to support this plan and its long term aims. In addition, the Authority will continue to develop a panel of external expert consultants to provide specialist support when required.

Training

The Authority will continue to support the team, encouraging self-development and providing specific training as required.

IT and Systems

The Authority will ensure secure and reliable services which enable the team to work effectively in the office or from home as required.

Engagement and Communications

The Authority will continue to build trust and respect by developing key relationships across all sectors of Island life to ensure it remains aware of what support it might provide to the Island.

Staff Wellbeing

The team is made up of dedicated individuals who have a large portfolio and do work under pressure. The Authority will ensure its staff and their families are well supported by the Board and the executive.


Corporate Governance

The Authority aims to lead by example and ensure work is delivered in line with best practice.

Risk Management

The Authority is developing a robust mitigation plan for all key risks, under the guidance of the Audit and Risk Committee.

This section provides an overview of how the Authority will measure success over the course of 2021.

 **Value for money for Jersey consumers**

Success Criteria

Price Control

Further Details

Ensure appropriate and proportionate price controls are in place and regularly reviewed for regulated sectors. In 2021, a rolling programme of reviews will be developed.

 **Consumer choice**

Success Criteria

Customer Support

Further Details

Ensure there is appropriate consumer protection in place and support the resolution of complaints by individual and business consumers of regulated services where appropriate.

 **Desirable goods and services**

Success Criteria

Quality of Service Standards

Statistics Reporting

Further Details

Ensure appropriate and proportionate quality of service standards and reporting are in place and regularly reviewed for regulated sectors.

Review publication of industry statistics for all regulated sectors to ensure they are relevant, add value, and support Government policy objectives.

 **Markets that work well for Jersey**

Success Criteria

Competition Investigations

Investigations

Merger control

Advocacy and Training

Market/ Price Reviews and Market Studies

Further Details

Carry out investigations into possible breaches of Competition Law in line with prioritisation principles. At the end of 2020, there is one open investigation into a potential breach of Article 8.

Investigate potential breaches of the law and licence conditions by licensed operators in the regulated sectors.

Assessment of mergers notified for clearance in line with published guidelines and administrative target dates.

Promote and support competitive markets in Jersey, by the provision of information and guidance in a variety of forms as appropriate for different stakeholder groups.

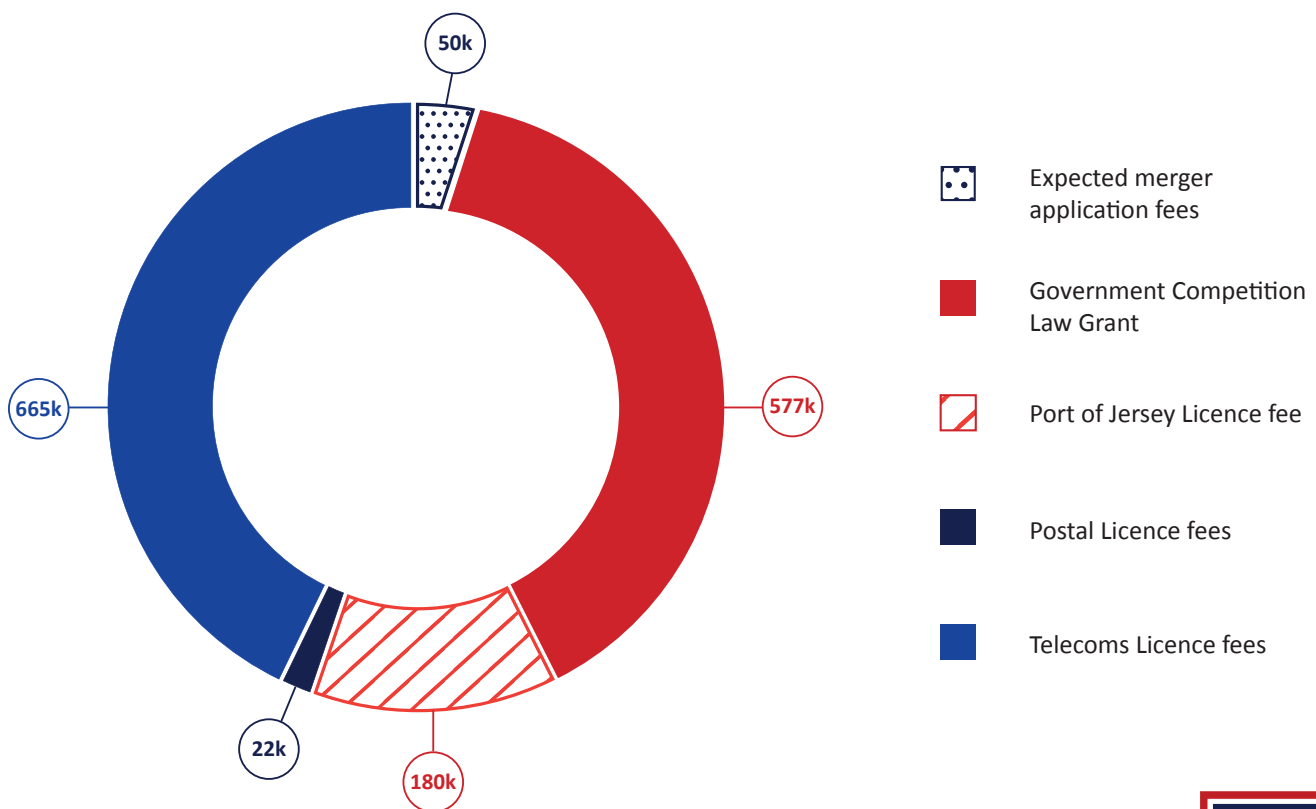
Develop a rolling programme of market/ price reviews and market studies for regulated and non-regulated local markets respectively.

The Authority's forecast income is broken down and shown in the diagram below. The annual income for 2021 is aligned to expected expenditure and is £1.529m.

Telecoms Licence fees (46%) are the largest contributors to the budget, followed by the Government Grant (38%) and Ports of Jersey Licence fee (12%). Smaller contributions are made through merger application fees (3%) and postal licence fees (1%). Note, across the regulated sectors, any unused income can be reimbursed to licensees.

The figure below excludes £170,000 which is included in the Government Plan for 2020 to 2023 which is allocated to increase the ability of the Authority to supervise markets. When required, this will be subject to a separate funding request.

Figure: 2021 expected income



The Authority has a wide brief across competition and sectoral regulation of ports, post and telecommunications. The refreshed Board of the Authority includes an excellent balance of local knowledge, gender and diverse relevant skills across international regulation, competition, economic, legal and sector expertise. The small, full time team are all Jersey based and familiar with both the economic needs and stakeholders. Some projects will by necessity need to be outsourced to technical, economic and legal experts.



Stephanie Liston
Chair

Stephanie Liston is an acknowledged international expert in a wide range of technologies and has been a leading partner in the most respected communications law firms. She has significant experience in helping businesses navigate their marketing and communications strategies to address the broadest and most valuable markets.

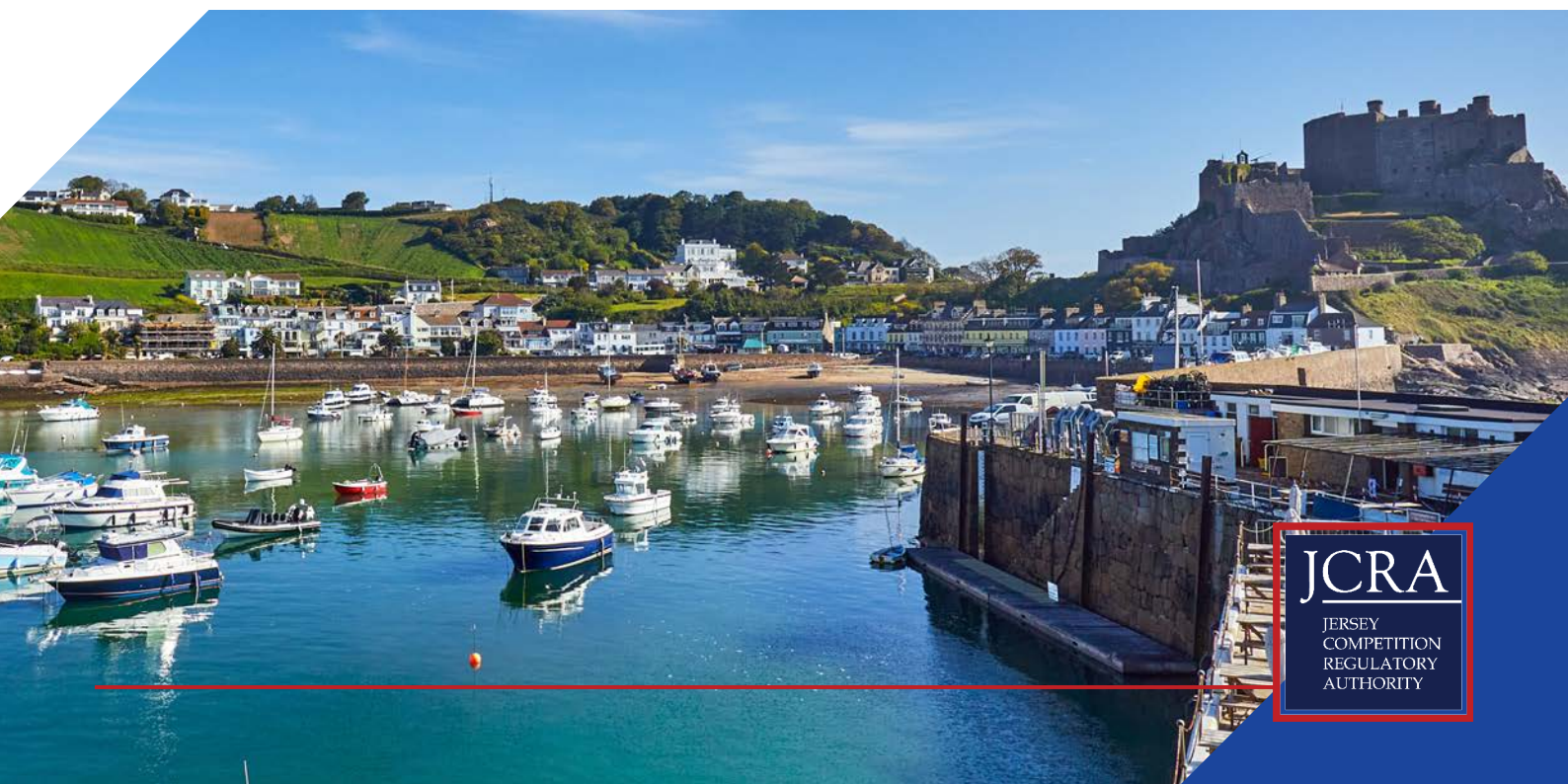
Stephanie has extensive knowledge and experience of international and emerging markets. Stephanie is Senior Counsel and leads Mishcon de Reya LLP's cross-disciplinary Regulatory Group; Senior Advisor to Frontier Economics; Chief Executive Officer of Sequoia Way Limited; Associate Director of Innovation Advisors; and Founder and Director of Women in Telecoms and Technology.



Paul Masterton
*Senior Independent &
Non Executive Board
Member*

Paul Masterton joined CICRA as a Non-Executive Board Member in February 2017. He has spent most of his career in the printing and communications industry in the UK, USA and Asia.

Paul has a number of directorships in finance, insurance and property development. From 2012 to 2017 he was Chairman of Digital Jersey, a partnership between the States of Jersey and the digital sector to represent and promote the industry.





Hannah Nixon

*Non-Executive
Member*

Hannah was appointed a non-executive member of the JCRA and GCRA in March 2014.

Hannah has extensive experience in economic regulation and competition issues, working across a range of industries in the public and private sectors.



Ian Walden

*Non-Executive Board
Member*

Ian was appointed a non-executive director of the JCRA in October 2020.

Ian has extensive experience in technology, media and telecommunications policy, law and regulation. He is Professor of Information and Communications Law and Director of the Centre for Commercial Law Studies, Queen Mary, University of London.

Ian is a member of the European Commission's Expert Group to support the application of the GDPR.



Lara Stoimenova
*Non-Executive Board
Member*

Lara was appointed a non-executive director of the JCRA in October 2020.

Lara is a competition and regulatory policy expert with significant experience in the public and private sectors including the UK's Competition and Markets Authority (CMA) and Ofcom.

She is currently Managing Director of Sigma Economics Limited. She is also a Trustee at the Reform think tank.



Tim Ringsdore
*CEO and Board
Member*

Tim has over 15 years' senior level experience within the telecoms industry, working across the Channel Islands, London and the Caribbean.

Supporting the Board, the Authority has a small team of Officers who have extensive experience of competition law and economic regulation.



Sarah Price
*Senior Case Officer and
Company Secretary*

Sarah joined JCRA in October 2014. She holds an MA in European Competition Law and is a qualified Chartered Secretary.



**Peter
Hetherington**
*Senior Economic Case
Officer*

Peter is an experienced economist and has worked for a number of regulators in the United Kingdom, including Ofcom, Ofwat and prior to joining the JCRA, was the Senior Economist for the Fourth National Lottery Licence Competition at the Gambling Commission.



**Caroline
Spencer-Burrowes**
Office Coordinator

Caroline has worked both in the commercial and the financial sectors.

Born in Jersey, Caroline was educated in the Island and has worked in Jersey most of her life.

A general counsel, financial professional and junior case officer will join the team in the first quarter of 2021 to support the work of the Authority.

*“To promote competition in the supply
of goods and services in Jersey”*

COMPETITION (JERSEY) LAW 2005





JCRA

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