

Memorandum of Understanding

Between the

Jersey Competition Regulatory Authority

And the

Office of Utility Regulation



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Part One: the Memorandum of Understanding

1. The Parties

Jersey Competition Regulatory Authority (JCRA)

Office of Utility Regulation (OUR)

(Together the 'Parties')

The JCRA was set up by the States of Jersey in 2001 under the Competition Regulatory Authority (Jersey) Law 2001 as an independent body, accountable to the Minister for Economic Development, with responsibility for promoting competition and consumer interests through economic regulation and competition law.

The JCRA is responsible for the regulation of telecommunications under the sector specific Telecommunications (Jersey) Law 2002 and is responsible for regulating postal services under the Postal Services (Jersey) Law 2004. With respect to competition law, it is responsible for administering and enforcing the Competition (Jersey) Law 2005. The JCRA also advises the Minister and other States Departments from time to time on issues relating to competition and economic regulation.

The OUR was set up by the States of Guernsey in 2001 under the Regulation (Bailiwick of Guernsey) Law, 2001 as an independent body, accountable to the States of Guernsey with responsibility for ensuring that consumers receive the best value, choice and access to high quality services and to ensure that the Bailiwick of Guernsey has vibrant, sustainable utility sectors capable of maintaining pace with global developments and thereby contributing to the economic and social well-being of the islands.

The OUR is responsible for the regulation of telecoms market under the sector specific Telecommunications (Bailiwick of Guernsey) Law 2001, for regulating postal services under the Post Office (Bailiwick of Guernsey) Law 2001 and electricity under the Electricity (Guernsey) Law 2001. The States of Guernsey has approved the introduction of a Competition Law and this will be put in place once funding is secured.

2. The purpose of this Memorandum of Understanding

This Memorandum of Understanding (MoU) will help the Parties to co-operate efficiently and effectively at operational and strategic levels in areas of mutual interest as the Parties exercise their respective competition and regulatory functions and powers. It will support the delivery of island specific and pan Channel Island strategies in the areas of regulation and competition¹ and encourages actions that will:

- Reduce the cost of regulation to the States of Jersey and States of Guernsey through sharing of knowledge and resources.
- Reduce the compliance burden on business by implementing pan Channel Island procedures and remedies where appropriate.
- Set clearly defined strategies for the regulation of areas of mutual interest.

¹ Pan CI cooperation on issues of Competition Law is subject to the enactment of Guernsey Competition Law.

- Facilitate an integrated relationship between the Parties by promoting co-operation and communication.
- Provide a common understanding and consistent approach between the two Parties which results in a stable and uniform platform for business.
- Align the Parties to become a functional Channel Island Regulatory and Competition Authority which will enable the establishment of a single agency, should both the States of Jersey and the States of Guernsey desire in due course.

3. How we will work together

The Parties will

- Define a pan Channel Islands Strategy recognising each Party's priorities, identifying opportunities to align projects
- Maintain and improve liaison at industry and Party level to ensure the exchange of relevant information
- Agree clear lines of communication for shared public relations matters, including press releases and branding
- Identify opportunities for collaborative working, research and the sharing of best practise

4. Information Exchange

The Parties recognise the intrinsic value of their information holdings to one another and the efficiencies that can be gained from sharing these, subject to proper controls and legal restrictions and policies of the respective Parties.

Subject to relevant legal obligations, the Parties will commit to:

- Promote access to and exchange of information in an efficient manner
- Use the information exchanged under this MoU solely for the purpose for which the relevant information was disclosed.
- Exchange information without cost or charge where the information is to be used solely for the statutory, regulatory or other not for profit functions of the other Party and is of roughly equivalent value.
- Handle data and information in accordance with current legislation which is the Data Protection (Jersey) Law 2005 in Jersey and the Data Protection (Bailiwick of Guernsey) Law, 2001 together with the Regulations that implement the Directive on Privacy and Electronic Communications that came into force in 2004, in Guernsey.

- Record each other as data recipients under data protection legislation registrations / notifications.
- Seek closer understanding of and exploring means by which greater collaboration in daily operations may be established.
- Establish internal processes by which appropriate material will be made available to the other Party.

5. Legal Effects

This MoU will not affect the statutory duties, responsibilities or other legal rights and obligations of either Party.

6. Finance

In line with each Parties statutory duty, the Parties will finance their own parts of any joint working arrangement and be responsible for covering their own costs.

7. Confidentiality

Any information disclosed by either Party which is declared as confidential must be treated as confidential.

Any information disclosed which the recipient Party should reasonably be expected to know is confidential must also be treated as confidential.

All confidential material must be handled in compliance with the relevant Data Protection Legislation.

The Parties will take all reasonable steps to ensure compliance with the above confidentiality provisions by their employees, agents and sub-contractors.

8. Conflict of Interest

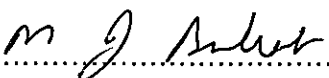
Issues of possible or potential conflict of interest should immediately be brought to the attention of the joint Executive Director of the JCRA and Director General of the OUR.

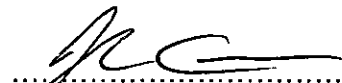
9. Joint review

The Memorandum of Understanding and the Annex will be reviewed annually or upon request by either Party.

For Jersey Competition Regulatory
Authority

For The Office of Utility Regulation

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Mark Boleat - Chairman

John Curran – Director General

Date 13/12/10

Date 14/12/10

Part Two: Annex 1

Regulatory matters of mutual interest

Other than the industry specific regulation set out below there are other regulatory matters of mutual interest e.g. ferry services, where a joint approach to matters is considered beneficial to the islands' best interests.

Postal Regulation

The Law setting out the Statutory Responsibilities of each Party in respect to Postal Regulation and the principal areas of mutual interest are as follows

Statutory Responsibilities

JCRA – Postal Services (Jersey) Law, 2004

OUR – The Post Office (Bailiwick of Guernsey) Law, 2001

Principal Areas of Mutual Interest

- Ensuring a consistent regulatory environment i.e. consistency in the speed of liberalisation
- Ensuring a consistent regulatory framework, i.e. licensing

Telecoms Regulation

The Law setting out the Statutory Responsibilities of each Party in respect to Telecoms Regulation and the principal areas of mutual interest are as follows

Statutory Responsibilities

JCRA – Telecommunications (Jersey) Law 2002

OUR – The Telecommunication (Bailiwick of Guernsey) Law, 2001

Principal Areas of Mutual Interest

- Ensuring a consistent regulatory environment
- Ensuring a consistent regulatory framework, i.e. licensing
- Ensuring a joint approach to resolving pan-channel islands issues.

Electricity Regulation

The Law setting out the Statutory Responsibilities of each Party in respect to Electricity Regulation and the principal areas of mutual interest are as follows

Statutory Responsibilities

JCRA – There is currently no sector specific regulation in Jersey for the electricity, however where appropriate matters are considered in line with the JCRA's responsibilities under the Competition (Jersey) Law, 2005.

OUR - The Electricity (Guernsey) Law, 2001

Principal Areas of Mutual Interest

- When and if regulation of Jersey's electricity industry is considered to work together to ensure consistency of approach to regulation.

Competition Law

The Law setting out the Statutory Responsibilities of each Party in respect of Administration and Enforcement of Competition Law are as follows

Statutory Responsibilities

JCRA – Competition (Jersey) Law 2005

OUR – The Competition (Bailiwick of Guernsey) Law is in draft form and until enacted the OUR have no statutory responsibilities in this regard. However the Parties agree to co-operate to ensure any Guernsey competition law enables close co-operation between the parties for the benefit of economic activity in the Islands.

