



Commission for
Communications Regulation

Information Notice

A Review of Carrier Pre-selection (CPS) in the Irish Market

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The availability and take-up of Carrier Pre-Selection (CPS) is considered by many as a key barometer of competition in the marketplace. Since its introduction in January 2000, ComReg has sought to work with the industry to create the conditions that would allow consumers enjoy the competitive benefits in terms of choice, value for money and quality that CPS can bring. By continuing to work with industry players, ComReg has significantly enhanced the CPS framework and has consistently sought to take all the necessary steps to foster competition.

Last year, ComReg undertook a review of CPS. This review gave rise to a number of changes and initiatives in CPS processes and the enhancement of the product by means of a wholesale line rental product and a single billing option. Ireland will be among the first countries in Europe to develop these innovations and it is hoped that they will provide a further stimulus to competition when they come to fruition in the near future. These changes to CPS processes initially gave rise to growth in CPS numbers and a degree of stabilisation in the level of churn.

However, evaluating progress almost a year after its last review ComReg are concerned that progress appears now to be faltering. Overall levels of CPS usage are around 10 % which is significantly below international best practice where figures in excess of 20% have been achieved by some countries. Churn also seems comparatively to be very high and this, combined with the costs of customer acquisition, raise serious questions on the potential for industry and consumers to fully optimize the benefits that CPS can bring in terms of price choice and quality.

Given the critical role CPS can play in the Irish market, ComReg intends to carry out a wide ranging consultative process with the industry and consumers to review all elements of the CPS framework and associated processes and costs. The purpose of this review will be to identify ways in which further growth in competition through CPS can be achieved, in particular, as new product developments such as wholesale line rental and single billing are rolled out. CPS growth is a strategic priority for ComReg and in that context it is intended to complete this review in the shortest possible timeframe.

The review will include analysis and discussions with players on business case and strategy issues, further international benchmarking, market research to assess consumer views and investigation of CPS processes and procedures.

ComReg will announce further developments in this area as appropriate.