



Media Release- 24 September 2003

ComReg completes review of Carrier Pre Selection

ComReg today issued its Response to Consultation paper following the completion of the review of Carrier Pre Selection (CPS) in Ireland. CPS is a service whereby other operators can offer consumers a range of telephone services using eircom's network. This has been available in Ireland since January 2000.

Carrier Pre Selection is one of the key measures of competition among service and network providers in Ireland, offering consumers a choice of provider for voice telephone calls.

ComReg has been concerned that the continued existence of competition in this segment of the market is endangered by its current instability. Of particular concern has been the exceptionally high levels of churn being experienced which is seriously threatening the viability of the CPS product.

Therefore ComReg considers that a package of measures must be adopted immediately to provide the conditions for sustained competition. Key decisions taken by ComReg in this response to consultation include:

- Imposing a three month no contact period for all "win back" on all service providers – this is an increase of two months from the current no contact period. This will be reviewed by ComReg in 18 months time;
- An initiative on price transparency / comparability where all service providers will be required to publish average monthly cost to low, medium and high users using standard profiles devised by ComReg in association with the industry;
- Proactive monitoring by ComReg to ensure all service providers are complying with the CPS Code of Practice - this will include on-site inspections by ComReg officials, quarterly consumer surveys, monitoring accuracy of price comparisons made by providers, monitoring compliance with the extended no contact period for "win back";

- Effective enforcement of the Code of Practice by ComReg by reporting breaches of the Code and /or providers' obligations by service providers on ComReg's website. Other enforcement measures including a Service Level Agreement of inter-operator penalties will be discussed by ComReg with the Industry;
- A commitment to promote consumer awareness of CPS;
- A revised Anti- Slamming letter to be sent by the losing operator to the lost consumer;
- A requirement on eircom to record and store all contacts with 'winback' consumers both business and residential, for a period of 6 months. This will be subject to random inspections by ComReg;
- ComReg will, in association with the industry, develop a template of basic information that should be retained by other service providers [CPSOs and Resellers] in order to facilitate compliance investigations.

The Chairperson, Etain Doyle commented that the various initiatives and decisions in this paper should promote competition and protect consumers. "The CPS market is important as this is the main medium through which consumers and smaller businesses can experience the benefits of competition, the measures taken by ComReg today are designed to help stabilise the market so that alternative operators can devote more energy to developing enhanced, cost effective offerings for users," Etain Doyle said.

The full paper ComReg 03/115 is on the ComReg website www.comreg.ie

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Note for Editors

A "no contact" period refers to a win-back standstill in respect of new losses [business and residential customers] for a specific period starting from the date the customer is lost. It covers contacts made by the losing provider to the lost customer for the lost voice services only. It does not concern a new supplier contacting customers in an attempt to win their business. Customers can always contact their own service providers or any other service provider at any time of their own volition.

"no contact" means all direct customer contacts, including telesales, feet on the street (FOTS) contacts, written correspondence, account manager contact in relation to CPS etc. However, it does not include general advertisements such as television or radio adverts, billboard adverts or the selling of other products.

Churn is the number of customers lost over the period as a percentage of the overall customer base [total no of CPS lines]. Churn can be calculated in a number of ways; it is conventional to express churn rates on an annual basis which is the method used by ComReg in this paper.

“Anti-slamming letter” Under the CPS rules, the losing operator is allowed to contact the lost customer once. This contact must take the form of an Anti-Slamming letter. The purpose of the Anti-Slamming letter is to safeguard customers from being slammed by Service Providers. Slamming is where a customer has been signed over to a new supplier without their understanding and consent.