

Media Release- 27th January 2004

ComReg consults on measures to increase competition in mobile phone market

The Commission for Communications Regulation (ComReg) today published the findings of its review of the mobile phone market. The ComReg consultation paper covers issues relating to both retail and wholesale mobile markets.

In the course of its review of the mobile market, ComReg found that the market for mobile phone services in Ireland has one of the highest concentrations in the EU, with the two leading operators (Vodafone and O2) having 95% of customers between them. ComReg proposes that both Vodafone and O2 will be designated as having Significant Market Power (SMP) and will be obliged to allow other operators access to their networks.

ComReg's consultation finds that the prices of the two main operators have not changed significantly following the arrival of Meteor into the market, with the two main operators having significantly higher Average Revenues Per Users (ARPU). The Irish ARPU level is significantly higher than those ARPUs earned in the majority of other EU countries. While operators have claimed that higher ARPUs are the result of higher usage of mobile phones by Irish consumers, ComReg has found the evidence for this inconclusive.

ComReg believes that the best way to ensure that customers can get greater choice and value for money is through enhanced competition and ComReg therefore proposes to introduce national roaming in order to strengthen the competitive offering of the other mobile network operators, by enabling them to give greater phone coverage to their customers throughout the country.

ComReg is also consulting on whether Vodafone and O2 should also be obliged to provide access to Service Providers, such as Mobile Virtual Network Operators ("MVNOs"). This could allow service based telecoms companies to compete in the mobile market without having to build a full mobile network.

The measures proposed by ComReg are directed at the wholesale element of the mobile market, rather than at the retail level. Under the EU Framework, retail measures or direct price controls, should only be imposed where wholesale remedies on their own would not address the market failure identified.

ComReg is asking the public and interested parties whether the remedies set out in the Consultation Paper are on their own sufficient to increase competition in the mobile market, or whether ComReg should consider a more direct or interventionist solution aimed at controlling retail prices.

The full consultation paper ComReg 04/05 is available on the ComReg website www.comreg.ie

ENDS

Issued By

Tom Butler

Public Affairs Manager, ComReg

Ph: 01 804 9639 Mobile: 087 2536358

tom.butler@comreg.ie