



Media Release- Monday, 1 Oct 2007

ComReg imposes price cap on Eircom line rental charges

The Commission for Communications Regulation (ComReg) has today published its final decision imposing a price cap on Eircom's fixed narrowband retail access markets. The decision follows a detailed consultation process and means that as Eircom has maintained dominance in the provision of access services to end-users. ComReg will continue to regulate Eircom's retail access services through a price cap. The price cap is effective from today and should continue until September 2010.

The details of the price cap include a twelve-month price freeze via individual price caps for lower and higher level access services from 1 October 2007 until 30 September, 2008. From 1 October 2008, a price cap based on the rate of inflation (or CPI minus 0) will apply to Eircom's access charges. In addition, a sub-cap on basic residential line rental will apply within the overall basket cap for lower level services.

ComReg believes that these measures will ensure that prices for retail customers reflect efficient costs and it also gives Eircom an incentive to deliver services as efficiently as possible. Price caps continue to be necessary to safeguard consumers from excessive increases in charges for connections and basic line rental while simultaneously facilitating the development of competition, innovation and long term investment.

The full Decision Notice containing the price cap Decision Instrument - Decision Notice 03/07, ComReg Document 07/76 - is available on the ComReg web site www.comreg.ie

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