



Media Release - 28<sup>th</sup> May 2003

## **ComReg lowers price for eircom's Local Loop Unbundling (LLU) Charges**

The Commission for Communications Regulation (ComReg) today issued a Decision Notice fixing eircom's LLU charges at €14.67, over €2 lower than the current rate of €16.81, set last year. Eircom had submitted a proposal for the LLU price of €27 per month which has been reviewed by ComReg and found to be overstated in several key respects.

While ComReg recognises that given Ireland's demographics, it is unlikely that we have the lowest cost base in Europe, nevertheless with LLU rates falling generally across Europe, eircom's proposal of an estimated 60% increase - from the current €16.81 to €27.00 - would seriously impact on Ireland's competitiveness in the key electronic communications sector and could not be justified from the extensive analysis under taken by ComReg. This analysis included inputs from independent parties, eircom and other licensed operators.

The rates proposed by eircom would potentially place Ireland's LLU charges at more than three times best international practice and 70% above the next highest country. It potentially would have **significant price implications for retail line rental, increasing the level well over €30 per month.**

The decision was reached after 13 months of work, including the work of the Industry Advisory Group comprising eircom, the OLOs and ComReg on the development of a model analysing Bottom-Up LRIC costs (Long Run Incremental Cost) in the access network. LRIC is the forward- looking approach based on current costs used as a basis for cost orientation in many EU countries.

ComReg's obligations under the LLU European Regulation require it to ensure that eircom's charges are set on the basis of cost orientation, fair competition, efficiency and maximum benefit to end-users. ComReg believes that eircom's proposal fails to meet all of these criteria.

According to Etain Doyle " Businesses and citizens in this country must have access to an inexpensive, world-class communications infrastructure and a wide range of services. Unbundling the local loop for other service providers is one method to bring about a substantial reduction in the costs of using the internet." Local Loop Unbundling allows other operators to access eircom's lines and provide broadband services to consumers.

ComReg have written to eircom directing a number of specific adjustments to their submission, the details of which are set out in today's decision notice D12/03 and Document No. 03/55.

**ENDS**

**Issued By**

**Public Affairs, ComReg  
Ph: 01 804 9661**