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ComReg proposes measures to trigger more competition in the mobile market

The Commission for Communications Regulation (ComReg) has today published its conclusions and notification to the European Commission on the Wholesale Mobile Access and Call Origination market.

Following its comprehensive analysis of the Irish mobile market, ComReg has found that the mobile operators, Vodafone and O₂, have joint dominance. ComReg is proposing to open the networks of these operators to alternative service providers such as Mobile Virtual Network Operators (MVNOs).*

ComReg has also said that existing national roaming agreements between network operators should remain in place. Vodafone and O₂ will be required to maintain the roaming agreements they currently have with other operators.

In other European countries where further competition has been developed through the entry of MVNOs, the prices paid by consumers have fallen in some cases by up to 25%.

ComReg's decision is based on a comprehensive analysis of the mobile market from data collated from the industry. ComReg has discussed its findings with the Competition Authority who believe that intervention in the mobile market is justified at this point.

Following the introduction of new EU communications legislation in 2003, ComReg was required by the European Commission to analyse the level of competition in this market. ComReg was required to determine whether this particular market is effectively competitive and, if not, to introduce measures to stimulate more competition.

ComReg is now notifying the EU Commission of its findings and, subject to the Commission's approval, ComReg will implement the proposed measures for this market from January 2005.

ComReg's analysis of the Irish mobile market concluded that:

- Irish mobile prices are high particularly in the post-paid sector;
- There has been little change in prices, particularly in the post-paid segment of the market;
- There is clear evidence that other telecoms operators want access to existing mobile networks in order to supply alternative services

Isolde Goggin, the chairperson of ComReg, said: "This has been a long and very thorough process, and we have not taken this step lightly. We have based our decision on a very comprehensive, factual analysis of the market, and our statutory responsibilities under the European telecommunications regulatory framework. We expect that there will be vociferous opposition from the major operators, but we cannot let that deter us from doing what we believe to be in the interests of competition and of Irish consumers."

The full paper in relation to this matter - ComReg 04/118 - is available in the publications section of ComReg's website www.comreg.ie

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Note for Editors

* MVNO – Mobile Virtual Network Operator, is a mobile operator who uses the network of another mobile network operator to offer services. MVNOs tend to have some infrastructure which would allow them to differentiate their service from other operators and would require more investment to set up than say a basic reseller who would have no network.