



Media Release- Friday, 26<sup>th</sup> of September

## **ComReg says challenge to LLU pricing dropped**

In the High Court today ComReg and eircom have agreed to settle the judicial review proceedings in relation to the pricing of local loop unbundling (LLU). Eircom has agreed to withdraw its challenge to ComReg's direction of May 2003. Both sides have agreed that the current prevailing price of €16.81 will continue to apply until 31 March 2004.

ComReg believes that, despite the endeavours of those involved, the judicial review proceedings were unlikely to have been concluded before the existing price expires in March 2004. ComReg believes that the most efficient way to resolve this matter will be to issue a new decision as soon as possible in the New Year to be implemented on 1 April 2004. ComReg looks forward to a fresh decision early in the New Year and we hope for a constructive and realistic approach from eircom.

The Chairperson for the Commission for Communications Regulation, Etain Doyle said that now that the challenge is behind us we can look forward to getting certainty on this particular issue.

ComReg issued a decision on May the 28<sup>th</sup> this year directing eircom to apply a price of €14.67, which takes into account the costs of an efficient operator. This price was challenged by eircom who were seeking a price of €27. As part of their challenge, eircom sought a stay the price directed by eircom pending a Judicial Review by the High Court. Eircom undertook to apply a price of €16.81, the price which had previously been in place, for the duration of the Judicial Review.

ComReg considers that there is merit in avoiding the possibility of parallel proceedings through, an appeal or a judicial review, on the same or similar issues. ComReg believes that the settlement has the merit that - although the implementation of ComReg's view of the appropriate price of LLU will be delayed in the short term - the matter is likely to be brought to a conclusion more speedily.

A Local Loop is the connection between a local telephone exchange and a customer's premises. The vast majority of Local Loops in Ireland are owned by eircom. eircom is legally obliged to allow other operators have access these loops in order that they may provide their own services, including broadband, directly to customers. This process is known as Local Loop Unbundling (LLU). Eircom is obliged to provide these loops at a price which reflects their cost of provision.

ComReg is very conscious of the importance of LLU for the development of broadband and LLU pricing is also critical in terms of the provision of other important products, such as Partial Private Circuits.

It is imperative that other operators have certainty on the issue of pricing at the earliest possible date, so that they can plan their investment and broadband product development for the long term.

The main points of the settlement are:

- The case is to be struck out.
- The prevailing rate of €16.81 to continue to apply until 31 March with a further decision to be made in the interim. ComReg has amended its decision note to allow this to happen.

An information note ComReg 03/116 about this matter and an amended version of document ComReg 03/55 is available on the comreg website [www.comreg.ie](http://www.comreg.ie)

**ENDS**

**Issued By**

**Tom Butler**

**Public Affairs Manager, ComReg**

**Ph: 01 804 9639 Mobile: 087 2536358**

**[tom.butler@comreg.ie](mailto:tom.butler@comreg.ie)**