

# Designation of SMP and Decision on Obligations

# Market Analysis: Wholesale unbundled access (including shared access) to metallic loops and sub-loops

Document No:	04/70
Decision No:	D8/04
Date:	15 June 2004

# 1 Executive Summary

- 1.1 The new communications regulatory framework requires that ComReg define relevant markets appropriate to national circumstances, in particular relevant geographic markets within its territory, in accordance with the market definition procedure outlined in the *Framework Regulations*. In addition, ComReg is required to conduct an analysis of the relevant markets to decide whether or not they are effectively competitive.
- 1.2 The *Framework Regulations* further require that the market analysis procedure under Regulation 27 be carried out as soon as possible after ComReg defines a relevant market, which takes place as soon as possible after the adoption, or subsequent revision, of the Recommendation on relevant product and service markets ("the *Relevant Markets Recommendation*") by the European Commission.\(^1\) In carrying out market definition and market analysis, ComReg must take the utmost account of the *Relevant Market Recommendation*\(^2\) and the Commission's Guidelines on Market Analysis and Significant Market Power ("The SMP Guidelines")\(^3\).
- 1.3 The European Commission's *Relevant Markets Recommendation* states that there is, at the wholesale level, a market for "wholesale unbundled access (including shared access) to metallic loops<sup>4</sup> and sub-loops for the purpose of providing broadband and voice services".
- 1.4 ComReg has formed the view that there is a distinct relevant market in Ireland for wholesale unbundled access (including shared access) to metallic loops and subloops for the purpose of providing broadband and voice services. ComReg also takes the view that the relevant geographic market for the provision of wholesale unbundled access is national in scope, to include the whole of Ireland.
- 1.5 ComReg then conducted an analysis of the relevant market to decide whether or not it is effectively competitive. ComReg used a wide range of criteria including market share, countervailing buying power and barriers to entry and also conducted a prospective analysis of the relevant markets.
- 1.6 Having regard to the above, ComReg is of the view that, in accordance with the *Framework Regulations*, eircom should be designated as having Significant Market Power on the markets for "wholesale unbundled access" (including shared access)

<sup>&</sup>lt;sup>1</sup> S.I. No 307 of 2003. European Communities (Electronic Communications Networks and Services) (Framework) Regulations 2003. See in particular Regulations 26 and 27.

<sup>&</sup>lt;sup>2</sup> EU Commission Recommendation of 11 February, 2003 on Relevant Product and Service Markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services.

<sup>&</sup>lt;sup>3</sup> Commission guidelines on market analysis and the assessment of significant market power under the Community regulatory framework for electronic networks and services, OJ 2002 C 165/3.

<sup>&</sup>lt;sup>4</sup> The 'local loop' is the physical twisted metallic pair circuit in the fixed public telephone network connecting the network termination point at the subscriber premises to the main distribution frame or equivalent facility.

- to metallic loops and sub-loops for the purpose of providing broadband and voice services
- 1.7 ComReg is obliged under the *Framework Regulations* to impose such specific regulatory obligations as it considers appropriate on undertakings with significant market power.<sup>5</sup>
- 1.8 ComReg proposed to impose on eircom obligations listed in Regulation 10 to 14 of the *Access Regulations*<sup>6</sup> which include transparency, non-discrimination, accounting separation, access to specific network facilities and price and cost accounting obligations.
- 1.9 As required, ComReg issued Document 03/146<sup>7</sup> and consulted on its preliminary findings in respect of market definition, market analysis and proposed remedies. Four respondents provided comments to that consultation.
- 1.10 In Document 04/40<sup>8</sup> ComReg issued its response to consultation and further consultation on the Draft Decision (set out at Annex B to that paper).
- 1.11 Document 04/40 also contained the views of the Competition Authority of Ireland. Their statement agreed that ComReg had defined markets in accordance with competition law; had taken due account of the SMP Guidelines; and stated that ComReg's conclusions were appropriate.
- 1.12 As required by Regulation 20 of the *Framework Regulations*, the draft measure was made accessible to the European Commission and the national regulatory authorities in other member states of the European Community prior to taking a final decision.
- 1.13 The European Commission provided comments pursuant to Article 7 (3) of the *Framework Directive*<sup>9</sup> on 18<sup>th</sup> May 2004.
- 1.14 Two responses were received in response to the consultation on the Draft Decision. These were from:
  - eircom

• Another respondent submitted comments which were marked confidential in their entirety. Whilst ComReg would not consider these comments to be confidential as a matter of law, the respondent did not provide ComReg with a non confidential

2

<sup>&</sup>lt;sup>5</sup> Regulation 27(4) states 'Where the Regulator determines that a relevant market is not effectively competitive, it shall designate undertakings with significant market power in accordance with Regulation 25 and it shall impose on such undertakings such specific obligations as it considers appropriate'.

<sup>&</sup>lt;sup>6</sup> Access Regulation 9(1) states 'Where an operator is designated as having a significant market power on a relevant market as a result of a market analysis carried out in accordance with Regulation 26 of the Framework Regulations, the Regulator shall impose on such an operator such of the obligations set out in Regulations 10 to 14 as the Regulator considers appropriate'.

<sup>&</sup>lt;sup>7</sup> Market Analysis – Wholesale Unbundled Access (including shared access) to metallic loops and sub-loops.

<sup>&</sup>lt;sup>8</sup> Response to Consultation and Consultation on Draft Decision – Market Analysis – Wholesale Unbundled Access (including shared access) to metallic loops and sub-loops.

<sup>&</sup>lt;sup>9</sup> Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services ("Framework Directive") OJL 108, 24.4.2002.

version and ComReg has therefore not referred to the comments in this document. ComReg has nonetheless taken this submission fully into account in arriving at its conclusions.

- 1.15 In this document ComReg designates SMP, and also provides a response to consultation to finalise the Decision in relation to regulatory obligations to be imposed further to the SMP designation.
- 1.16 Having determined that the market for wholesale unbundled access (including shared access) to metallic loops and sub-loops is not effectively competitive, ComReg is now designating eircom with SMP, in accordance with Regulation 27 (4) of the *Framework Regulations*
- 1.17 This document also provides a response to consultation on the Draft Decision. In accordance with Regulation 27 (4) of the *Framework Regulations*, ComReg is issuing its Final Decision setting out the obligations on eircom in this relevant market.

### 2 Statutory Powers Giving Rise to Decision

- 2.1 In making this Decision, the Commission for Communications Regulation ('ComReg') has taken account of, amongst other things, its functions under Regulation 6 (1) of the *Access Regulations*, <sup>10</sup> has (where appropriate) complied with the Policy Directions made by the Minister and has also taken the utmost account of the *Relevant Markets Recommendation* and the *SMP Guidelines* and has had regard to sections 10 and 12 of the Communications Regulation Act, 2002. This Decision is based on the market definition, market analysis and reasoning conducted by ComReg in relation to the market for wholesale unbundled access (including shared access) to metallic loops and sub-loops for the purpose of providing broadband and voice services, <sup>14</sup> as part of the consultation process arising from the ComReg documents 03/146 and 04/40. The said documents form part of this Decision.
- 2.2 The measures imposed under this Decision were notified to the EU Commission in accordance with Regulation 20 of the *Framework Regulations* and the Article 7 Recommendation, <sup>15</sup> and were registered by the EU Commission on 19<sup>th</sup> April 2004. The notified measures were accepted by the EU Commission in its comments to the Chairperson of ComReg, made pursuant to Article 7 (3) of the *Framework Directive* on 18<sup>th</sup> May 2004
- 2.3 This Decision is made pursuant to the provisions of Regulations 25, 26 and 27 of the *Framework Regulations*.

<sup>&</sup>lt;sup>10</sup> S.I. No. 305 of 2003 the European Communities (Electronic Communications Networks and Services) (Access) Regulations 2003 which transposes Directive 2002/19/EC of the European Parliament and the Council of 7 March 2002 on access to, and interconnection of, electronic communications networks and associated facilities ('the Access Regulations').

<sup>&</sup>lt;sup>11</sup> Policy Directions made by Dermot Ahern T.D. Minister for Communications, Marine and Natural Resources on 21 February 2003 and Policy Directions made by Dermot Ahern T.D. Minister for Communications, Marine and Natural Resources on 26 March 2004.

<sup>&</sup>lt;sup>12</sup>EU Commission Recommendation of 11 February, 2003 on Relevant Product and Service Markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services.

<sup>&</sup>lt;sup>13</sup> Commission Guidelines on market analysis and the assessment of significant market power under the Community regulatory framework for electronic communications networks and services.

<sup>&</sup>lt;sup>14</sup> As referred to in the EU Commission's Recommendation.

<sup>&</sup>lt;sup>15</sup> Commission Recommendation of 23 July 2003 on notifications, time limits and consultation provided in Article 7 of Directive 2002/21/EC of the European Parliament and the Council on a common regulatory framework for electronic communications networks and services.

# 3 Market Definition and Analysis

# ComReg's Position as set out in Document 04/40 Response to Consultation

- 3.1 Document 04/40 stated that this Decision relates to the market for wholesale unbundled access (including shared access) to metallic loops and sub-loops for the purpose of providing broadband and voice services which has been defined as a distinct relevant market
- 3.2 The relevant geographic market is defined as Ireland.
- 3.3 ComReg then analysed the market using the three criteria identified in the EU Commission's Recommendation. Given eircom's 100% market share, the existence of barriers to entry and the absence of countervailing buying power, ComReg stated that eircom should be designated with SMP in the relevant market.

#### **Comments received from the European Commission**

- 3.4 As required by the Framework Regulations, ComReg made the draft measure accessible to the European Commission and other national regulatory authorities. Comments were received from the European Commission on 18<sup>th</sup> May 2004.
- 3.5 The European Commission stated that ComReg's approach in terms of market definition is consistent with the *Relevant Markets Recommendation*, and note that it is national in scope. The European Commission notes the approach taken by ComReg in analysing the market, making reference to market share, analysis of future competition, existence of barriers to entry and the absence of countervailing buying power. The European Commission adds that in line with the principles set out in the *SMP Guidelines* ComReg determines that the relevant market is not effectively competitive and therefore identifies eircom with SMP on this market.

#### Views of respondents

- 3.6 eircom states that they regarded the parallel approach to consultation as superficial and wholly inadequate. They state that all operators should be given an opportunity to comment on the substance of the draft decision.
- 3.7 eircom then reiterates points made in its previous responses; namely that LLU has had no significant impact on liberalisation; is costly to implement; does not work in Ireland because of the economies of the access network; and that ComReg should have decided not to mandate Local Loop Unbundling (LLU).
- 3.8 eircom also states that ComReg has not presented any analysis of the regulatory issues arising from the imminent re-entry by Government into the telecommunications infrastructure supply market. eircom states that the Government plan to comprehensively duplicate eircom's (and others') infrastructure by building 19 Metropolitan Area Networks (MANs), and has indicated its intent to extend this to 88 towns and provide alternative national backhaul via the Electricity Supply Board. Eircom states that the scale of this initiative is having a significant impact on the economics of the access network and may lead to stranding of assets. Eircom urges ComReg to reconsider its market definition.

# **ComReg's Position**

- 3.9 ComReg wishes to point out that national respondents were, in fact, given two opportunities to comment on the proposed remedies. ComReg conducted a national consultation process on market definition and analysis (Document 03/146) which also gave respondents an opportunity to comment on the proposed remedies. Document 04/40 was both a response to consultation on market definition and analysis, and a further consultation providing an opportunity for national respondents to comment on the detail of the proposed remedies in the Draft Decision. Document 04/40 is also made accessible to the European Commission and other national regulatory authorities for their comments. Therefore, all national respondents have, in fact, had two opportunities to comment on the proposed market remedies.
- 3.10 It should be noted that in their comments, the European Commission has accepted the approach adopted by ComReg stating that ComReg had chosen to run the national consultation prescribed by Article 6 of the *Framework Directive* at the same time as the consultation of NRAs and the Commission pursuant to Article 7 of the *Framework Directive*.
- 3.11 In any event, ComReg does not consider the submission by eircom with respect to the Government's interventions to be relevant. As can be seen from ComReg's Document 04/59<sup>16</sup> the Government initiatives do not relate to the local access market and as such are more properly categorised in the market for Wholesale Trunk Segments. They have been duly taken into account in ComReg's national consultation document on that market.
- 3.12 ComReg notes that the European Commission has concluded that ComReg's analysis is consistent with the *Relevant Markets Recommendation* and the *SMP Guidelines*.
- 3.13 The European Commission has stated that ComReg, taking the utmost account of other NRAs and the European Commission may adopt the resulting draft measure.
- 3.14 ComReg therefore proposes to maintain its conclusions that:
  - 1..1 The relevant product market is the market for wholesale unbundled access (including shared access) to metallic loops and sub-loops for the purpose of providing broadband and voice services which has been defined as a distinct relevant market.
  - 1..2 The relevant geographic market is defined as Ireland.
  - 1...3 Given eircom's 100% market share, the existence of barriers to entry and the absence of countervailing buying power, ComReg stated that eircom should be designated with SMP in the relevant market.

<sup>&</sup>lt;sup>16</sup> Market Analysis: Wholesale Terminating and Trunk Segments of Leased Lines and Retail Leased Lines (National).

# 4 Designation of Undertakings with Significant Market Power

- 4.1 eircom Ltd. is designated as having SMP on the market for 'wholesale unbundled access (including shared access) to metallic loops and sub-loops'.
- 4.2 A reference in this section to any given undertaking is deemed to include that undertaking and any undertaking which is associated with, or is controlled by, or controls, directly or indirectly, the undertaking in question and which carries out business activities in Ireland, where the activities engaged in (either directly or indirectly) are activities falling within the scope of the relevant market.

# 5 Obligations

#### **ComReg's proposed Remedies**

- 5.1 Document 04/40 set out the remedies which ComReg proposed to address the identified competition problems. These obligations are set out in Regulations 10-14 of the *Access Regulations* and are:
  - Obligation of Transparency
  - Obligation of Non Discrimination
  - Obligation of Accounting Separation
  - Obligation of access to and use of specific network facilities
  - Price Control and Cost Accounting Obligations
- 5.2 The proposed obligations were set out in the Draft Decision at Annex B to Document 04/40. Respondents were asked if they believed that the draft text of the proposed decision was, from a legal, technical and practical perspective, sufficiently detailed, clear, precise and intelligible with regard to the specifics of the remedies proposed.

## **Views of Respondents**

- 5.3 Eircom states that its obligations in respect of the access network should be suspended pending adequate consideration of the commercial and regulatory impact of Government initiatives in respect of the infrastructure supply market. Eircom allege that the inappropriateness of Local Loop Unbundling for Ireland was compounded by ComReg's proposal to apply all of the possible remedies to eircom. It alleged that ComReg's consideration and assessment on the proportionality of remedies has been wholly inadequate. Eircom state that the remedies proposed by ComReg will continue to fail to deliver significant benefits to end users in Ireland and will negatively impact investment in a key component of the national economic infrastructure.
- 5.4 With regard to the obligation of access, eircom makes specific reference to the proposed obligation that eircom is obliged to provide cabin collocation at Roches' St. exchange. Eircom states that whilst this is detailed, clear, precise and intelligible it is unreasonable in substance and represents micro regulation of operational arrangements between eircom and other authorised operators (OAOs) and prevents future commercial agreements which may be more effective and efficient.

#### ComReg's position

- 5.5 As ComReg has already noted, any Government interventions are not relevant to the market for wholesale unbundled access. Having designated eircom with SMP, ComReg is obliged to impose obligations which remedy the identified competition problems. ComReg has justified this through a Regulatory Impact Assessment and is confident that the remedies suggested are proportionate, justified, based on the nature of the problem identified and are the least burdensome remedies required.
- 5.6 In respect of the exchange at Roches St. ComReg has taken into account the arguments put forward by eircom as it is indeed possible that OAOs and eircom may agree alternative arrangements for that exchange at some time in the future. ComReg considers that the arrangements at Roches St. are sufficiently protected by

- the licence agreement between eircom and the OAO availing of cabin collocation, and the requirement on eircom not to withdraw facilities already granted which is set out in the Decision. ComReg therefore taken into account eircom's comments and has removed the explicit reference to the Roches St. exchange in the Decision.
- 5.7 ComReg has also removed the specific references in the Decision to the provision of bulk data (pursuant to Decision 15/03) as this is now captured at Annex G of the Access Reference Offer and so is already covered by other provisions in the Decision.
- 5.8 ComReg is therefore finalising the Decision set out in Section 6 of this paper.

#### 6 Decision

#### STATUTORY POWERS GIVING RISE TO DECISION

- 1.1 In making this Decision, the Commission for Communications Regulation ('ComReg') has taken account, of amongst other things, its functions under Regulation 6 (1) of the *Access Regulations*, <sup>17</sup> has (where appropriate) complied with the Policy Directions made by the Minister, <sup>18</sup> has also taken the utmost account of the *Relevant Markets Recommendation* and the *SMP Guidelines* <sup>20</sup> and has had regard to sections 10 and 12 of the *Communications Regulation Act, 2002*. This Decision is based on the market definition, market analysis and reasoning conducted by ComReg in relation to the market for wholesale unbundled access (including shared access) to metallic loops and sub-loops for the purpose of providing broadband and voice services, <sup>21</sup> as part of the consultation process arising from the Consultation Paper entitled *Market Analysis: Wholesale Unbundled Access (Including Shared Access) to Metallic Loops and Sub-Loops (Response to Consultation Document 03/146 and Draft Decision)* (ComReg Document No. 04/40) dated 16<sup>th</sup> April 2004. The said Consultation Paper forms part of this Decision.
- 1.2 The obligations set out in this Decision are imposed on eircom Ltd. ('eircom') pursuant to the provisions of Regulations 25, 26 and 27 of the *Framework Regulations*, Regulations 6, 9, 10, 11, 12, 13 and 14 of the *Access Regulations* and having regard to Sections 10 and 12 of the *Communications Regulation Act 2002*.
- 1.3 eircom shall comply with the obligations imposed by this Decision from its effective date.

#### 2 MARKET DEFINITION

<sup>&</sup>lt;sup>17</sup> S.I. No. 305 of 2003 the European Communities (Electronic Communications Networks and Services) (Access) Regulations 2003 which transposes Directive 2002/19/EC of the European Parliament and the Council of 7 March 2002 on access to, and interconnection of, electronic communications networks and associated facilities ('the Access Regulations').

<sup>&</sup>lt;sup>18</sup> Policy Directions made by Dermot Ahern T.D. Minister for Communications, Marine and Natural Resources on 21 February 2003 and Policy Directions made by Dermot Ahern T.D. Minister for Communications, Marine and Natural Resources on 26 March 2004.

<sup>&</sup>lt;sup>19</sup> EU Commission Recommendation of 11 February, 2003 on Relevant Product and Service Markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services.

<sup>&</sup>lt;sup>20</sup> Commission Guidelines on market analysis and the assessment of significant market power under the Community regulatory framework for electronic communications networks and services.

<sup>&</sup>lt;sup>21</sup> As referred to in the Commission's Recommendation.

- 2.1 The relevant product market is defined as wholesale unbundled access (including shared access) to metallic loops and sub loops.
- 2.2 The relevant geographic market for wholesale unbundled access (including shared access) to metallic loops and sub loops is defined as Ireland.
- 3 DESIGNATION OF UNDERTAKING WITH SIGNIFICANT MARKET POWER ('SMP')
- 3.1 eircom Ltd. ('eircom') is designated as having SMP on the market for wholesale unbundled access (including shared access) to metallic loops and sub loops.
- 3.2 A reference in this section to any given undertaking is deemed to include that undertaking and any undertaking which is associated with, or is controlled by, or controls, directly or indirectly, the undertaking in question and which carries out business activities in Ireland, where the activities engaged in (either directly or indirectly) are activities falling within the scope of the relevant market defined in Section 2.

#### 4 ACCESS OBLIGATIONS

- 4.1 eircom shall have an obligation to meet reasonable requests by authorised undertakings<sup>22</sup> for access<sup>23</sup> to the local loop and access to collocation, or associated facilities, as provided for by Regulation 13 of the *Access Regulations*.
- 4.2 Without prejudice to the generality of section 4.1, eircom shall provide to authorised undertakings, access to the following services and facilities:-
  - I. Full unbundled local metallic path ('ULMP');
  - II. Shared access line sharing;
  - III. Full sub-loop unbundling:
  - IV. Shared sub-loop unbundling;
  - V. Collocation:
  - VI. Associated Facilities;<sup>24</sup>

<sup>&</sup>lt;sup>22</sup> As defined in Regulation 4 of S. I. No. 306 of 2003 the European Communities (Electronic Communications Networks and Services (Authorisation) Regulations 2003 which transposes Directive 2002/20/EC of the European Parliament and the Council of 7 March 2002 on the authorisation of, electronic communications networks and services.

<sup>&</sup>lt;sup>23</sup> As defined in the Access Regulations.

 $<sup>^{24}</sup>$  As defined in the Framework Regulations and also within the meaning contained in the definition of 'access' in the Access Regulations.

- VII. Technical interfaces, protocols or other key technologies that are indispensable for the interoperability of services or virtual network services related to LLU; and
- VIII. Operational support systems or, similar software systems necessary to ensure fair competition in the provision of LLU services.
- 4.3 eircom shall continue to offer access to the services and facilities described in this section in accordance with the product descriptions and on the terms and conditions which are specified in the current *Version 1.18* of the access reference offer ('ARO') and the related manuals published as *Industry LLU Documentation* on its official website: www.eircomwholesale.ie.
- 4.4 eircom shall negotiate in good faith with authorised undertakings requesting access to LLU services and facilities.
- 4.5 eircom shall not withdraw access to facilities which it has already granted to authorised undertakings.

#### 5 CONDITIONS ATTACHED TO ACCESS OBLIGATIONS

Pursuant to Regulation 13 (3) of the *Access Regulations*, eircom shall conclude service level agreements ('SLAs') in respect of the services and facilities referred to in section 4, if such SLAs have not already been concluded immediately prior to the effective date of this Decision

#### 6 OBLIGATION OF NON-DISCRIMINATION

- 6.1 eircom shall have an obligation of non-discrimination as provided for by Regulation 11 of the *Access Regulations*.
- 6.2 Without prejudice to the generality of section 6.1, eircom shall apply equivalent conditions in equivalent circumstances to other authorised undertakings providing equivalent services and shall provide services and information to others under the same conditions and of the same quality as eircom provides for its own services or those of its subsidiaries or partners.

#### 7 OBLIGATION OF TRANSPARENCY

7.1 Without prejudice to ComReg's powers under Regulation 10 (5) of the *Access Regulations*, eircom shall have an obligation of transparency as provided for by Regulation 10 of the *Access Regulations* and shall publish an ARO that is sufficiently unbundled to ensure that authorised undertakings are not required to pay for facilities which are not necessary for the service requested. eircom shall ensure that the ARO includes a description of the relevant offerings broken down into components according to market needs; and a description of the associated terms and conditions, including prices. The ARO shall contain at least the elements

set out in the Schedule to the *Access Regulations*.<sup>25</sup> eircom shall continue to offer access in accordance with the terms and conditions (and continue to include the same items) which are specified in the current *Version 1.18* of the ARO and the related manuals published as *Industry LLU Documentation* on its official website: www.eircomwholesale.ie.

- 7.2 eircom shall make public, specified information, such as accounting information, technical specifications, network characteristics, terms and conditions for supply and use, and prices eircom shall continue to publish the information specified in the current *Version 1.18* of the ARO and the related manuals published as *Industry LLU Documentation* on its official website: <a href="https://www.eircomwholesale.ie">www.eircomwholesale.ie</a>.
- 7.3 eircom shall keep *Version 1.18* of the ARO and the related manuals published as *Industry LLU Documentation* (and shall keep same updated) on its official website <a href="https://www.eircomwholesale.ie">www.eircomwholesale.ie</a>.

#### 8 OBLIGATIONS IN RELATION TO ACCOUNTING SEPARATION

eircom shall have an obligation to keep separated accounts as provided for by Regulation 12 of the *Access Regulations*. The obligations in relation to accounting separation applying to eircom which were in force immediately prior to the effective date of this Decision, shall be maintained in their entirety and eircom shall comply with those obligations until such time as ComReg makes a decision consequent to further consultation in relation to accounting separation obligations and cost accounting obligations. In particular, eircom shall comply with the obligations described in the following Decision Notices of ComReg:-

- D5/99 Accounting Separation and Publication of Financial Information for Telecommunication Operators;
- D8/99 Costing Methodology for use in Accounting Separation;
- D10/99 Accounting Separation and Publication of Financial Information for Telecommunications Operators;
- D9/00 Accounting Separation and Publication of Financial Information for Telecommunications Operators;
- D10/00 Accounting Separation and Publication of Financial Information for Telecommunications Operators, Supplemental Information referring to Decision Notice D9/00;
- D2/01- Accounting Separation for Internet Service provision and Report on Investigation into Indigo and eircom.net; and

\_

 $<sup>^{25}</sup>$  Schedule to the Access Regulations entitled: 'Minimum list of items to be included in a reference offer for unbundled access to the twisted metallic pair local loop to be published by notified operators'.

- D7/01- eircom's Reference Interconnection Offer & Accounting Separation and Publication of Financial Information for Telecommunications Operators
- D12/01- Revision of timetable for publication of Separated Accounts and Financial Information by eircom.

#### 9 OBLIGATIONS IN RELATION TO PRICE CONTROL AND COST ORIENTATION

eircom shall have an obligation to offer cost oriented prices for LLU services, collocation, and associated facilities on the basis of forward looking long run incremental costs ('FL-LRIC') as provided for by Regulation 14 of the *Access Regulations*.

#### 10 OBLIGATIONS IN RELATION TO COST ACCOUNTING

eircom shall have obligations in relation to cost accounting as provided for by Regulation 14 of the *Access Regulations*. The obligations in relation to cost accounting applying to eircom which were in force immediately prior to the effective date of this Decision shall be maintained in their entirety and eircom shall comply with those obligations until such time as ComReg makes a decision consequent to further consultation in relation to accounting separation obligations and cost accounting obligations.

#### 11 Provision of Information

ComReg may, under Regulation 17 of the *Framework Regulations* require any undertaking to provide (within such time as ComReg shall specify in the document containing the requirement) any information, including financial information, that ComReg considers necessary for the purpose of ensuring compliance with this Decision.

#### 12 DIRECTIONS

ComReg may, for the purpose of further specifying requirements to be complied with relating to obligations imposed by this Decision, issue directions to any undertaking to do or refrain from doing anything which ComReg specifies in the direction and the undertaking shall comply with any such directions.

#### 13 AMENDMENT OR REVOCATION OF OBLIGATIONS

ComReg may, pursuant to Regulation 15 of the *Access Regulations*, amend or revoke any obligations imposed by this Decision.

#### 14 EFFECTIVE DATE

This Decision shall be effective from the 15th of June 2004.

John Doherty Chairperson The Commission for Communications Regulation The 15th of June 2004