



Media Release - 29th May 2003

Eircom Complies to Price Tariff Obligations

ComReg has reviewed the information supplied by eircom to ensure their compliance with price cap in 2002. The result of the review is that the Commission is satisfied that eircom complied with with the Telecommunications Tariff Regulation (Modification) Order, 1999 during 2002. Under this 3 year price cap, relevant retail prices were reduced by 20% in real terms.

Following a review of the Price Cap in 2002, a new Tariff Regulation Order came into effect on 4th February 2003. The cap on the basket of services is now CPI –0%. Directory Enquiry calls have been removed from the basket of services and fixed to mobile call have been introduced. All sub-caps on main basket services have been removed.

Price Caps are imposed on inadequately competitive markets to ensure that consumers get benefits of price reduction which competition would otherwise provide. The Price Cap also provides flexibility and certainty to the incumbent to plan its programme for costs and revenue generation over a number of years. To this end, ComReg has sought to strike the balance between the interests of the consumers and the long term sustainability of the industry.

This decision notice Comreg 03/56 reports on the third year of operation of the 1999 Price Cap Order from 1st January 2002 to the 31st December of 2002. The document can be viewed on the ComReg website at www.comreg.ie.

ComReg also issued today a Decision Notice on Fixed Interconnection Charging Mechanisms which outlines various RIO (Reference Interconnection Offer) related issues. This document (ComReg 03/57) can also be viewed on the ComReg website.

- Ends -

ENDS

Issued By

Public Affairs, ComReg
Ph: 01 804 9661