



Commission for  
**Communications Regulation**

## Information Notice

### **Extension of Response Period for the MACO elements of ComReg Document 05/56.**

<b>Document No:</b>	<b>05/69</b>
<b>Date:</b>	<b>2nd September 2005</b>

On 18 July 2005 the Commission for Communications Regulation (ComReg) issued a consultation paper (ComReg Document 05/56)<sup>1</sup> setting out its proposals on the accounting separation and cost accounting obligations to be imposed on Vodafone and O2 in relation to mobile voice call termination (MTR) and mobile access and call origination (MACO) markets. The objectives of accounting separation and cost accounting obligations are to enable the creation of relevant financial information on markets, products, and services for, inter alia, the purpose of monitoring compliance with the obligations of non-discrimination and cost orientation.

In order to allow interested parties a proper understanding of the relationship between the proposed accounting separation obligations on the MTR and MACO markets, ComReg chose to publish both elements simultaneously. As stated in decision notice D6/05 (ComReg Document 05/27)<sup>2</sup> ComReg will implement the accounting separation obligation relating to MACO if commercial negotiations between Vodafone and O2 and access seekers fail to be satisfactorily resolved. As stated in D6/05 the obligation of accounting separation for MACO will only become effective upon a direction being issued by ComReg. ComReg understands that negotiations are ongoing.

ComReg has reviewed the timetable for responses to Document 05/56 and, given the conditional nature of the remedy and the complexity of the subject, considers that it is appropriate to extend the time frame for responses to those aspects of paper relating to MACO. In extending this deadline ComReg recognises the resource implications associated with responding to such a technical consultation, and is seeking to avoid placing a potentially unnecessary burden on interested parties.

Responses to the MTR elements of the consultation paper will continue to be required by 12 September 2005 as stated in the paper. Responses to those elements of the consultation relating exclusively to MACO will not be required until 6 weeks after any direction regarding Accounting Separation for MACO becomes effective. In the event of such a direction being issued ComReg will issue a further decision notice with details of precise timelines for responding to the MACO elements of 05/56.

ComReg remains hopeful that successful commercial negotiation will obviate the requirement for accounting separation in relation to MACO, but should this obligation be necessary ComReg will ensure that the outstanding consultation process is brought to a conclusion as swiftly as possible. Furthermore, should ComReg be required to intervene in the MACO market by imposing a wholesale price control it will, if necessary, do so without waiting for the production of separated accounts. As stated in previous papers on this issue, in the absence of detailed separated accounting and cost accounting information, other methods could be used to set wholesale prices in the short to medium term.

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<sup>1</sup> Consultation on the proposed financial reporting obligations for dominant mobile network operators having accounting separation and/or cost accounting system obligations.

<sup>2</sup>D6/05- Market Analysis – Wholesale Access and Call Origination on Public Mobile Telephony Networks.

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05/56

Respondents who require further clarification should contact Fergal Booth of  
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