Commission for
Communications Regulation

Information Notice

Amendment and Addition to Table 1 of ComReg Decision No. 01/06

Document No:	10/25
Date:	29, March 2010

Amendment and Addition to Table 1 of ComReg Decision No. 01/06

By virtue of ComReg Decision No. 03/05[1], Eircom was designated with significant market power ("SMP") in the market for wholesale broadband access ("WBA"). Eircom is subject to various regulatory obligations as a consequence of its SMP in the market for WBA.

ComReg Decision No. 03/05 imposed certain *ex ante* obligations upon Eircom which have as their object and purpose, the regulation of Eircom's conduct in the market for WBA. ComReg Decision No. 01/06[2] further imposed particular obligations on Eircom which have as their object and purpose, the regulation, through specified controls, of Eircom's pricing practices in the market for WBA. Table 1 in the decision instrument in ComReg Decision No. 01/06 ("Table 1") sets out the retail minus price controls used to derive the wholesale prices for bitstream[3] products.

In accordance with ComReg Decision No. 01/06, following this year's annual review, the following is the amended Table 1 for existing bitstream products[4]. Table 1 sets out the maximum bitstream price that Eircom may charge, Eircom can elect[5] if it so wishes to set the actual bitstream charge below this maximum[6].

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[1] Decision Notice - Designation of SMP and Related Remedies - Market Analysis – Wholesale Broadband Access, dated 24 February 2005. All parts of this Decision, except section 9 are currently in force.

[2] Decision Notice - Retail minus wholesale price control for the WBA market – dated 13 January, 2006.

[3] Bitstream is another term for WBA.

[4] See Information Notices 10/05 and 08/12 for previous amendments to Table 1 of D01/06.

[5] Subject to regulatory and competition law obligations and the need to recover its efficient costs.

[6] See footnote 18 of ComReg Decision No. 01/06.

Amendment to Table 1

Wholesale product description	[7]Previous price controls[8] effective		New price controls[9] effective	
	Percentage (%)[10]	Fixed Monetary Value (€)[11]	Percentage (%)	Fixed Monetary Value (€)
1024/128 @ 48:1 (IP) plus usage[12]	30%	€4.09	20%	€6.86
1024/128 @ 48:1 (IP)	29%	€5.18	20%	€6.86
"up to" 3072/384 @48:1 (IP)	26%	€6.79	20%	€7.12
"up to" 7168/384 @48:1 (IP)	20%	€7.74	20%	€7.74
"up to" 8192/800 @12:1 (IP)	25%	€11.59	20%	€14.35
"up to" 12288/1024 @12:1 (IP)	24%	€12.64	20%	€14.76
"up to" 12288/2048 @12:1 (IP)	26%	€34.06	20%	€15.80
"up to" 24576/768 @48:1 (IP)	20%	€7.75	20%	€7.75
"up to" 24576/1024 @12:1 (IP)	24%	€35.44	20%	€15.79

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[7] The retail minus price control applying to products shall be established by reference to the following formula: Wholesale Rental Price = retail rental price * (1 – fixed percentage < 100%) - fixed monetary value ("the price control").

[8] An example of the price control for illustrative purposes – if the retail price of "1024/128 @48:1 (IP)" product is €20.65 ex Vat, the wholesale price based on previous price control values could be no more than €20.65 * (1-29%) - €5.18 = €9.48.

[9] To update the illustrative example in the previous footnote to reflect the new price control values: if the retail price for "1024/128 @ 48:1 (IP)" product was to be €20.65 ex Vat, the wholesale price could be no more than €20.65 * (1-20%) - €6.86 = €9.66

[10] This column represents the "fixed percentage < 100%" that is used in the price control formula.

[11] This column represents the "fixed monetary value" that is used in the price control formula.

[12] Where usage charges make up a significant portion of retail or wholesale prices, these charges will be converted into monthly revenues and the price control in Table 1 will be applied accordingly.

Addition to Table 1

Wholesale product description	Control	
	Percentage (%)	**Fixed Monetary Value (€)**
Bitstream Managed Backhaul – "Bitstream MB"	20%	€7.91

Eircom's new Bitstream Managed Backhaul (Bitstream MB) product[13] will only be available in NGN enabled exchanges. The product will support multiple retail broadband service types as all customer traffic will be carried across the bitstream network and the retailer controls usage available to each service. The bitstream service will be uncongested between the DSLAM port and hand over to the access seeker's Bitstream Ethernet Connection Service ("BECS").

Eircom's actual charging for this new bitstream product will be in two parts:
1. A fixed monthly rental charge for the DSLAM port
2. A variable monthly traffic charge for Bitstream MB traffic carried across all BECS circuits which is dependent on traffic carried; therefore there is no maximum on this price.

The maximum bitstream price in addition to Table 1 above is based on sensitivity analysis prepared by Eircom of traffic carried to ensure that the assumptions made by Eircom in their supporting D01/06 retail minus price control model are valid and that the risk of possible margin (price) squeeze, contrary to Eircom's obligation, are minimised. ComReg recognises that Eircom has endeavoured to ensure that the maximum price under the price control will not be breached. However, both ComReg and Eircom recognise that actual usage of the product may differ from that assumed for this new product. Therefore, Eircom has agreed to provide to ComReg detailed analysis of the actual traffic carried by this product so that ComReg can review this against the forecast assumptions made by Eircom in its D01/06 price control model to ensure that there is no margin (price) squeeze post launch.

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[13] Further information on the Bitstream MB product can be found at http://www.eircomwholesale.ie/dynamic/pdf/adslbitstreamPD_v27.pdf