



Commission for
Communications Regulation

Decision Notice

Local Loop Unbundling

Review of Charges

Decision No:	D7/03
Document No:	03/37
Date:	31st March 2003

Contents

1	Background	2
2	Pricing	3

1 Background

D4/02¹ set final charges for Local Loop Unbundling (LLU) services from 1 January 2002 to 31 March 2003. The purpose of this Decision Notice is to provide clarity on the charges applying to LLU from 1 April 2003. Pending the review of the Long Run Incremental Costs (LRIC) of the Access Network which is nearing completion, ComReg intends that the current charges, excluding the Occupancy charges in section 5.3 of Annex C of Service Schedule 101, be maintained but mark them as interim until 31 May 2003. At that date, ComReg shall review LLU charges and amend as necessary, including retrospection if appropriate. The Occupancy charges in section 5.3 of Annex C of Service Schedule 101 will be reviewed with a view to having new prices in place on 1st November 2003.

¹ 02/36 - D4/02 Local Loop Unbundling – Review of eircom’s Access Reference Offer

2 Pricing

Regulation 2887/2000 of the European Parliament and of the Council on unbundled access to the local loop requires eircom to publish a reference offer for Local Loop Unbundling and also meet requests for same from 1 January 2001. eircom is also obliged to ensure that the charges for LLU follow the principles of cost orientation. ComReg must ensure that eircom have complied with these obligations.

In April 2002, following the discontinuation of legal proceedings, eircom submitted new charges for LLU services. These proposals are based on historic cost, and utilised the latest accounting information then available (Separated Accounts for 2000-2001), approved asset lives and WACC. The ODTR approved eircom's submissions and set final rates for LLU charges for the period 1 January 2002 to 31 March 2003 in D4/02.

Since D4/02, ComReg has been investigating the Long Run Incremental Costs (LRIC) of the access network with a view to finalising LLU charges on this basis. ComReg remains minded that LRIC should form the core of pricing for the access network. An industry forum is soon to complete its work with regard to advising ComReg on Bottom Up LRIC modelling and ComReg is expecting eircom to submit justification for new prices on this basis.

Pending finalisation of this programme, ComReg intends to maintain the current charges and set these as interim charges for the period 1 April 2003 to 31 May 2003. At that date, ComReg will set new charges including retrospection if material. It is to be noted that the charges for Occupancy described in section 5.3 of Annex C of Service Schedule 101 of eircom's Access Reference Offer are not subject to review until 1st November 2003.

Decision 2.1

Pursuant to the powers under Article 4 of Regulation 2887/2000 the Commission for Communications Regulation considers that the charges published by eircom in its current Access Reference Offer, excluding the Occupancy charges in section 5.3 of Annex C of Service Schedule 101, to be set as interim rates for the period 1 April 2003 to 31 May 2003.