

Market Reviews: WLA and WCA

Correspondence between ComReg and Eircom concerning the deadline for responses

Information Notice

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Introduction

- 1. Eircom Limited (Eircom) wrote to ComReg on 6 January 2017 seeking an extension to the 30 January 2017 deadline for responding to the WLA/WCA market review consultation (ComReg Document 16/96).
- 2. ComReg has considered Eircom's request and has decided that an extension to the response deadline, based on the contents of the letter dated 6 January, is not appropriate.
- 3. The reasons for ComReg's position are detailed within ComReg's response to Eircom of 13 January, with the relevant correspondence appended to this Information Notice.

Annex: 1 Eircom Letter 6 January 2017



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6th January 2017

Graeme O'Meara
Commission for Communications Regulation
Irish Life Centre
Abbey Court
Blocks D, E & F
Lower Abbey Street
Dublin 1

Request for amendment to the consultation response deadline for ComReg 16/96

Dear Graeme,

I am writing on behalf of eir to request that the consultation response deadline for ComReg 16/96 (WLA and WCA Market Reviews) be amended to occur at least one month after the publication of the 'Separate Pricing Consultation' (as defined in paragraph 1.41 of ComReg 16/96). The Separate Pricing Consultation will set out proposals regarding "The detailed nature of the margin squeeze obligations, pricing obligations relating to bundles and cost orientation obligations for FTTC based VUA". The WLA and WCA Market Reviews and the Separate Pricing Consultation consider complex interrelated matters that have a material impact on eir's interests. eir needs to have a holistic view of the proposed measures in order to fully consider their appropriateness and to respond effectively to the consultations It is prejudicial to eir' interests if it is not afforded the opportunity, as was apparently ComReg's original intention, to consider the complex and inter-related matters together.

We note ComReg's position (paragraph 16.1) that it "has provided a 11 week consultation period and will not be extending this period" (having taken into account the holiday period between Christmas and New Year). As a point of principle we do not agree that ComReg can enforce a prohibition against any extension requests. We did not raise this point when ComReg published CornReg 16/96 because ComReg clearly stated that the Separate Pricing Consultation "will issue in Q4 2016" [emphasis added]. Publication of the Separate Pricing Consultation before the end of 2016 would have provided interested parties at least one month to consider the inter-related issues together. ComReg has not published the Separate Pricing Consultation by the deadline it had advised and it is clear that publication of the Separate Pricing Consultation is unlikely in the near future.

eir needs to look at the proposed measures together in order to fully consider their appropriateness, consequences for the business and to respond effectively to the consultations. It would be inefficient, and may be ineffective, to be able to respond to the market review consultation further once the pricing consultation has been issued and this would not be acceptable to eir.

I would also note that a number of the proposed SMP obligations are related to matters currently being considered in ComReg's Review of eir's Regulatory Governance Model. This Review is still ongoing and much of the proposed remedies are dependent on the outcome of analysis in the Phase 2 work. It is not appropriate for ComReg to pre-judge the outcome of the Review in its proposals, eir needs to have the opportunity to comment again on what is set out in the consultation in the light of the finalised reports at the conclusion of ComReg's Review. At this stage we do not know the timing of the draft Phase 2 reports and we believe that comments on the proposed remedies that are currently subject to 'deep dive' reviews in Phase 2, such as product development processes and prioritisation, and SLAs (including suspension), should be deferred until 30 days after we have sight of the Phase 2 reports. Without this opportunity for comment ComReg is essentially prejudging the outcome of its ongoing Review of eir's Regulatory Governance Model which is contrary to the provision of natural justice.

I trust you will look on our requests favourably and look forward to your response over the next few days.

Yours sincerely,

William McCoubrey

Head of Regulatory Operations

Annex: 2 ComReg Letter 13 January 2017



William McCoubrey
Head of Regulatory Operations
Eircom Limited
1 Heuston South Quarter
St John's Road
Dublin 8

13 January 2017

Re: Request for amendment to consultation response deadline for ComReg 16/96

Dear William,

I refer to your letter of 6 January seeking an extension to the 30 January deadline for responding to the WLA/WCA market review consultation (ComReg Document 16/96). ComReg has considered Eircom's request and, for the reasons set out below, has decided that an extension to the response deadline, based on the contents of the letter dated 6 January, is not appropriate.

Eircom expresses the view that, given the Separate Pricing Consultation referred to in ComReg Document 16/96 has not been published, an extension is necessary in order to allow Eircom to fully consider, in a non-prejudicial manner, the implications of the overall inter-related proposed price control obligations.

Firstly I would like to take the opportunity to clarify that it is ComReg's intention to issue two separate pricing papers; one which will deal with *inter alia* price control obligations in Markets 3A and 3B and the second which will address margin squeeze obligations at the retail level in the context of bundles.

I note that ComReg Document 16/96 sets out our proposals and the reasons for the proposed price control obligations in these markets. The planned papers will provide more detail on how these proposals might work. We are of the view that it is quite reasonable to ask respondents to respond to the market review consultation as published. We look forward to receiving any views that Eircom wishes to express in response to the proposed price control obligations and reasoning for them that are contained in that document.

We nonetheless understand that Eircom (and indeed other respondents) may wish to provide supplementary commentary on the market analysis consultation once it has seen the detailed proposals in the pricing papers. In this respect and, as also noted in ComReg

Document 16/96¹, ComReg will expressly provide a further opportunity for parties to provide additional views on the matters set out in ComReg Document 16/96.

In view of this approach, Eircom will have until the end of the consultation periods on the separate pricing consultations to refine and develop its views on all matters relating to price control obligations. ComReg will consider Eircom's final views before making decisions on the proposals contained in ComReg Document 16/96 and the separate pricing consultations. We therefore do not accept that Eircom's position is prejudiced in any way.

While it was ComReg's intention that there would be an overlap in the consultation periods for ComReg Document 16/96 and the price control consultations, this did not materialise for a number of reasons, including our wish to progress the WLA/WCA market review.

Eircom notes that many of the proposed remedies set out in ComReg Document 16/96 are related to and/or are dependent on the ongoing ComReg review of Eircom's Regulatory Governance Model (RGM). Eircom therefore seeks an extension to the response deadline to ComReg Document 16/96 until such time as the RGM review is completed. Eircom also expresses the view that absent such an opportunity ComReg is prejudging the outcome of the ongoing RGM review.

ComReg fully reasons and justifies the proposed obligations, as set out in ComReg Document 16/96, based on the nature of the competition problems identified, an assessment of proportionality and having regard to ComReg's objectives. ComReg's view is that Eircom is in a position to respond on this basis. ComReg rejects the allegation that it is prejudging the outcome of the RGM review. If and to the extent that the RGM review may give rise to any further work streams, this will be considered at the appropriate time.

Finally, in the interests of transparency, ComReg intends to publish Eircom's letter of 6 January and this letter via an Information Notice.

Yours sincerely,

Donal Leavy

Director of Wholesale

Commission for Communications Regulation

¹ For example, see paragraphs 1.43, 1.59 and 16.2 of ComReg Document 16/96.