

Submission to Consultation on Draft Decision: Interconnection Market Review on Wholesale Call Origination and Transit Services



Commission for
Communications Regulation

Submission received in relation to Draft Decision

Interconnection Market Review: Wholesale
Call Origination and Transit Services

Submissions received from respondents

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31 August 2007

Wholesale Division
Commission for Communications Regulation
Irish Life Centre
Abbey Street
Dublin 1

Reference: Submission re ComReg 07/51

Dear Sir or Madam:

I refer to the *Response to Consultation and Consultation on Draft Decision - Market Analysis – Interconnection Market Review Wholesale Call Origination & Transit Services (Response to Consultation Document 07/02)*, issued on 31 July 2007. This letter constitutes eircom's response to that consultation.

eircom welcomes the withdrawal of existing obligations on eircom in the wholesale market for fixed international transit, which is long overdue. In 2001, ComReg's predecessor, the ODTR, confirmed that regulation should be removed from eircom in the substantially competitive international transit market, and, having regard to perceived difficulties under the then prevailing regulatory regime, proposed a relaxation of regulatory obligations on the company.

eircom welcomes the withdrawal of existing obligations on eircom in the wholesale market for Directory Enquires.

eircom would argue that the first bullet in section 7.1 of both draft Decision Instruments should be deleted as this instrument relates to a wholesale market and there are no retail offerings in this market. The following bullets deal in full with the provision of the component wholesale products, which support the provision of retail offerings.

eircom would also question the meaning of section 10.3 in the call origination draft Decision Instrument, which seems to relate to the services listed in section 10.2 but then goes on to refer to the PAC and does not include an action in relation to either. We would suggest this section be deleted.

As regards a price control for the Payphone Access Charge (PAC),

- There is uncertainty under the draft Decision as to what price control would apply to the PAC once Decision D15/02 is revoked. eircom would welcome clarification from ComReg on this point.
- As per our response to Consultation Document 07/02, eircom proposes that the entire PAC regime be reviewed separate from this consultation and in a timely manner. The decline in the volume of calls originating on payphones means that the capped level of PAC is substantially below cost. However, the application of a cost-oriented PAC may have the effect of suppressing demand for payphone services further sending the service into a 'downward spiral.' A separate consultation across payphone providers is required to review the PAC regime.

There should be a rolling back of *ex ante* regulation in the national transit markets to reflect their increasing competitiveness and the widespread availability of competing core networks in Ireland.

In ComReg's approach to non-discrimination and the application of related regulatory remedies, eircom disagrees with ComReg's attempts to present eircom's retail arm as an other authorised operator (OAO). eircom's retail arm is eircom.

eircom calls for the timely introduction of a wholesale price cap (WPC), which has been a pending proposal of ComReg since 2002, as part of this market analysis process. With a WPC, eircom and the SMP-designated OAOs to which it will apply indirectly will be given incentives to increase its wholesale efficiency.

The accounting separation and cost accounting remedies currently proposed for wholesale fixed interconnection in ComReg's separate consultation are unjustified and disproportionate.

eircom calls upon ComReg for the timely completion of this market review process, one that commenced in October 2004. eircom reminds ComReg that the EU Regulatory Framework requires it to carry out analyses of the relevant markets "as soon as possible after the adoption of the recommendation, or any updating thereof," which came into effect in July 2003.

Sincerely,

Victoria Gerus
Head of Regulatory Strategy
eircom