



Office of the Director of
**Telecommunications
Regulation**

PRESS RELEASE

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TELECOMS REGULATOR ISSUES CONSULTATION PAPER ON LOCAL LOOP UNBUNDLING

The Telecommunications Regulator has issued a consultation paper on Local Loop Unbundling (LLU). LLU is an access service that allows an access seeker to utilise the existing network owned by another access provider to deliver services to customers.

There is considerable merit in the development of the existing network infrastructure and providing it for use by many operators so that they may provide a range of services to end-users. There are also potential benefits to incumbents arising from increased network utilisation.

While the aim of LLU may be easily stated, there is a need for a structured and planned approach to the issue. Pricing is critical to the operation of the local loop, and it also presents particular difficulties as to how it should be calculated. The paper sets out various pricing options and asks for comments. The paper also addresses issues such as likely markets and technical requirements and the practical issues associated with access and security.

The Regulator, Eoin Doyle, stated that “Local Loop Unbundling (LLU) is another way of delivering choice to consumers, encouraging growth of the market and delivery of new services. New entrants are anxious to deliver new services to a growing market and LLU represents another potential delivery mechanism. Looking at experience elsewhere, LLU can be particularly useful in the early stages of competition when new entrants have limited networks of their own. It is complex and perhaps costly to operate, and it may not suit in all circumstances but, where it is appropriate, it could result in rapid delivery of upgraded services to users. It is not a magic formula for opening the market to competitors, but a potentially useful additional mechanism to stimulate growth and competition”.

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LLU is primarily a matter for commercial agreement between service providers. However, at the outset there are initial requirements which must be addressed and the ODTR, as the National Regulatory Authority under EU and national legislation, has unique functions and expertise in regard to LLU. Given the complexity of the issues associated with LLU, and in particular pricing, there needs to be a comprehensive examination of the immediate and wider impact of LLU in an Irish context.

The Director looks forward to the responses to the consultation. They will help frame what role LLU might play in the development of telecommunications in Ireland. Other consultations and in particular costing work with Telecom Eireann will also be very relevant in the reaching of final conclusions.

The consultation paper **ODTR 99/21 - "Local Loop Unbundling"** can be viewed on the ODTR website (<http://www.odtr.ie>). The consultation period concludes on May 4st 1999.

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