



Commission for  
**Communications Regulation**

# **Reduction in Bitstream Managed Backhaul and NGA Bitstream Plus usage charging**

**Information Notice**

**Reference:** ComReg 14/07

**Date:** 28/01/2014

## Update to Eircom Bitstream Service Price List

1. The Commission for Communications Regulation ('ComReg') notes Eircom's latest proposed reductions to wholesale Bitstream Managed Backhaul usage charging and to NGA Bitstream Plus usage charging.
2. Eircom's proposed reductions relates to the usage element of the bandwidth backhaul prices charged to operators. Backhaul is an Eircom wholesale broadband product which uses Eircom's Next Generation Network capacity to transport operators' broadband traffic across the network. The total monthly price paid by operators for this element is based on total capacity used by operators (measured at the 95th percentile of maximum usage) per month multiplied by the usage charge price.
3. Recent discussions with operators indicate that the bandwidth requirements continue to increase rapidly for operators as consumers continue to use broadband-based applications in an increasingly sophisticated manner. Operators have consequently experienced a significant step-change to the forecast year-on-year growth experienced heretofore by industry.
4. ComReg document number 13/90<sup>1</sup> requested feedback from operators regarding the current usage levels amongst its customers. It is evident that since those submissions were received in November of last year, that broadband usage patterns have changed substantially. Consequently, while ComReg's preliminary view in that paper was that "the current Bitstream price floors that are already in place should remain in place given that the changes ...do not appear to result in any overall material difference and may not yet be sufficiently stable to merit a change", it now appears timely to re-visit the underlining assumptions in the current Bitstream price floors model in order to ensure they remain appropriate going forward.
5. ComReg intends to shortly publish a short call for input which will consider matters such as: whether interested parties consider that the throughput levels in the current Bitstream price floors model require updating; and how best to treat the different usage profiles of Bitstream and NGA Bitstream wholesale customers. ComReg may issue a binding decision depending on the responses and any further relevant evidence which we intend to gather in parallel.
6. In the meantime, ComReg considers that there is no reason that operators using Bitstream and their customers should not benefit from wholesale price reductions at the earliest possible date.

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<sup>1</sup> [http://www.comreg.ie/\\_fileupload/publications/ComReg1390.pdf](http://www.comreg.ie/_fileupload/publications/ComReg1390.pdf)

7. Consequently, while we normally require at least two calendar months between publication of wholesale broadband access price changes and their implementation<sup>2</sup> (unless otherwise determined by ComReg), ComReg agrees to Eircom's request for a derogation from this notice period in this instance.
8. The proposed Bitstream Managed Backhaul usage charging price change can become effective on 1 March 2014.
9. Similarly, while we would normally require at least two calendar months between publication of Next Generation wholesale broadband access price changes and their implementation for this type of price change<sup>3</sup> (unless otherwise determined by ComReg), ComReg agrees to Eircom's request for a derogation from this notice period in this instance.
10. The proposed NGA Bitstream Plus usage charging price change can now become effective on 1 February 2014.

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<sup>2</sup> [http://www.comreg.ie/\\_fileupload/publications/ComReg1149.pdf](http://www.comreg.ie/_fileupload/publications/ComReg1149.pdf)

<sup>3</sup> ComReg D03/13, [http://www.comreg.ie/\\_fileupload/publications/ComReg1311.pdf](http://www.comreg.ie/_fileupload/publications/ComReg1311.pdf).