



Media Release- 16 April 2009

ComReg secures undertakings from mobile operators to significantly reduce mobile termination rates over the next three years

The Commission for Communication Regulation (ComReg) has announced that there will be reductions in mobile termination rates (MTRs) in excess of 47% over the next three years.

The reductions in MTRs will amount to potential savings in the order of €100 million for consumers from 2010 onwards. Ireland's three largest mobile phone operators- Vodafone, O2 and Meteor - will reduce mobile termination charges on their networks in line with similar reductions in other European member states.

ComReg Chairman, John Doherty said "these reductions by the mobile operators should deliver significant cost savings to Irish consumers over the next three years and ensure Ireland remains competitive among its European peers."

To ensure that consumers benefit fully it is important that these reductions at the wholesale level are passed on as this should ultimately benefit both fixed and mobile customers. These lower termination rates follow on from recently announced reductions in international roaming tariffs.

Through regulatory interventions and competition in the mobile sector many consumers have seen a reduction in their average monthly bills. ComReg estimates that for Irish mobile phone users the monthly average revenue per user (ARPU) has fallen by 23% from €54.00 in Q4 2006 to €41.20 in Q4 2008. According to the European Commission's 14th Implementation Report, a mobile phone call costs an average Irish consumer €0.11 per minute, making them better off than the EU average (€0.23).

A mobile termination rate is a wholesale charge levied by a mobile operator to terminate a call of another network (fixed or mobile) on their network. Voluntary reductions for the three operators are set to achieve an average rate of 5 cent per minute for call termination in 2012. Reductions will be implemented from the beginning of April 2010. These undertakings form part of ComReg's overall regulation of mobile termination rates.

The Information Notice containing further details is available from the ComReg website www.comreg.ie, document number ComReg09/32.

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