



Media Statement- 30 June 2006

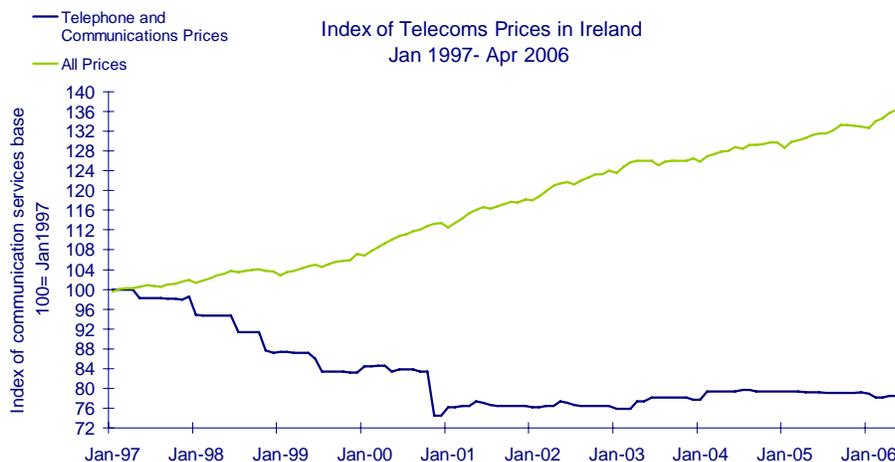
Re: ComReg Quarterly Report Q1 2006

A number of comments have been made in relation to ComReg's Quarterly Report, to which ComReg responds as follows:

Telecoms prices have declined sharply

In recent years, Irish consumers have benefited from declining telecoms prices and this trend is continuing. Most recently, the Central Statistics Office (CSO) reported a 1% reduction in costs in telephone and communications services in the year to May 2006, implying thereby that telecoms costs made a negative contribution to inflation in the past year.

The table below, from the CSO, demonstrates that, since liberalisation, Irish telecommunications prices have decreased significantly in comparison with the overall Consumer Price Index (CPI). This shows clear benefits to consumers from increasing competition in the sector.



The Irish Business and Employers Confederation (IBEC) Business Costs Survey 2006, which provides information on the relative importance of various non-pay issues to the responding companies, demonstrated that energy, transport and waste disposal costs dominate the concern of member companies. Business users do not appear to have

identified telecoms costs as an immediate priority compared to other cost categories that they encounter.

Mobile Prices

In relation to mobile prices, the Quarterly Report shows that the average revenue per user (ARPU) for Irish consumers is higher than the EU average. However, ARPU is an indication of monthly spend and cannot be used on its own to deduce the cost of mobile calls in Ireland.

Ireland remains in a relatively good position in relation to costs paid by consumers, being approximately 7th out of 19 countries surveyed in post-paid and 9th out of 19 countries in pre-paid. In addition, ComReg notes that the market share of the third largest operator is increasing.

Data Presentation

ComReg strongly refutes any suggestion that it is selective in the presentation of its pricing data.

ComReg is unique amongst European regulators in terms of tracking and publishing pricing data. ComReg's Quarterly Report uses data derived from a methodology approved by the Organisation for Economic Co-operation and Development (OECD), with the data researched and analysed independently by Teligen, a specialist research organisation commissioned by the OECD for this purpose. ComReg does not alter the data provided by Teligen, which is reviewed every three months, providing the most up-to-date picture of how telecoms costs change in all countries throughout the year. This methodology is internationally-recognised and has been used consistently by ComReg since 2000.

Line rental charge

At the outset, three points are worth noting in his respect:

- the line rental charge in Ireland is higher than other EU countries, reflecting the fact that it is costly to provide fixed line services with a dispersed population scattered around rural areas,
- the price of line rental has remained static since 2004, and
- ComReg was instrumental in the introduction of a successful Wholesale Line Rental (WLR) product in 2003, thereby significantly increasing competition in the market for the benefit of consumers.

Line rental, however, is only one element of the cost of using a phone service. When account is taken of the price of calls, the total cost of telephony compares favourably internationally, as demonstrated in the Quarterly Report, which shows that Irish consumers are doing well in comparison with other countries in terms of the overall phone costs they face.

ENDS

Issued By

Tom Butler

Public Affairs Manager, ComReg

Ph: 01 804 9639

Mobile: 087 2536358

tom.butler@comreg.ie

You may also contact: Kerry O'Hare

Ph: 01 804 9661 Mobile: 087 947 0590

kerry.ohare@comreg.ie