

Press Releases - Local Loop Unbundling - 19/04/00

Eoin Costello welcomes today's move by the Office of the Director of Telecommunications to stimulate competition in telephone and Internet services area.

Today's announcement from the Telecommunications Regulator concerning the introduction of local loop unbundling is very much welcomed by any member of the public who uses the telephone or internet. It will ultimately lead to competition and reduced prices.

"This is an issue that many in the Internet Industry have been campaigning for change. For too long there has been a lack of competition in the provision of such services directly to customers. This has been restricted as Eircom controls the lines that go directly to residential and business customers. It's rather like the situation in public transport where one company controls all the buses and competition is not allowed. Under the new arrangements new suppliers will be able to pay a rent for using Eircoms lines."

The unbundling of the "last mile" (as the wiring to houses and businesses is know) will allow other telecom companies and service providers access the Eircom local network and provide services directly to the customers. This is critical in the provision of broadband services for internet use. The US and many countries in Europe have already introduced local line unbundling.

I was contacted last week by a businessman who had just paid Eircom to install an ISDN line for fast access to the Internet. Between installation, rental and call charges his bill was over £800. The equivalent bill in the UK or in the States would be more in the order of £300. Local calls in the US are free. The current system is damaging our competitive position internationally.

I would call on the Regulator to ensure that the April 2001 deadline for unbundling is met. Any slippage on this date will damage Irish business and our reputation as ecommerce capital of Europe.