



Office of the Director of  
**Telecommunications  
Regulation**

## **OECD Review of Regulatory Reform in Ireland**

### **ODTR Submission on Telecommunications**

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## I. GENERAL ISSUES

### *1. Please provide an overview of regulatory and structural change for the last 10 years in the Irish telecommunications sector.*

The strong economies of scale that characterised the cost structure of backbone telecommunications networks led Ireland, like most other European countries, to view the telecoms sector as being naturally monopolistic. The traditional and widely utilised solution was a public monopoly (known as an “exclusive privilege”), together with implicit regulation and policy-making by the same Minister or government department.

In the 1980s, the introduction of limited competition in the UK coupled with the privatisation of BT produced evidence that suggested that privatised utilities operating in a liberalised market increased labour productivity, achieved sustained improvements in quality of service and offered real price reductions.

This influenced the decision, during the 1980s, to separate ownership and control by establishing semi-state bodies that were owned by the state and managed by a board that was appointed by the Minister. The monopoly or “exclusive privilege” was transferred to Telecom Eireann. The board was free to run the company along commercial lines but was answerable to the Minister as shareholder. Telecom Eireann remained vertically integrated and the natural monopoly status was leveraged into downstream services but also extended to complementary areas such as telephone handsets. There was also horizontal integration as illustrated by the fact that the monopolies on telecommunications and television (Telecom Eireann and Radio Teilifis Eireann respectively) jointly owned Cablelink, the cable TV operator for Dublin.

Also during the 1980s, the European Commission began to look with increasing disfavour on the state-owned and supported monopolies in European telecommunications. This was fuelled by the positive experiences with liberalisation in the UK (as outlined above) and the US as well as the intellectual debates that were bubbling in the background (that is, over the possibility of competition in many layers of the vertical chain and over government failure).

In 1987, it initiated a series of measures to open telecommunications to competition with the liberalisation of the market for terminal equipment. In 1992, the provision of “value added services” was liberalised and a licensing scheme for the provision of such services was established and administered by the Minister. In 1994, regulatory conditions regarding the supply of leased lines by TE were laid down. A number of operators began to compete with TE in the liberalised markets, relying on the supply of network facilities from TE. In 1996, a competition was held by the Minister for a licence for a second GSM operator (the first operator was Eircell, a wholly-owned subsidiary of TE) and Esat Digifone, a consortium consisting of Esat Telecom, an Irish value-added service provider, and Telenor, the Norwegian public telecommunications operator, won it. Esat Digifone commenced operations in 1997.

In 1996, the EC decided to complete the liberalisation of the telecommunications market in Member States by January 1998 but allowed some, including Ireland, to apply for derogations. Ireland sought and was granted the following derogations:

- Full liberalisation of voice telephony and the associated public telecommunications networks by 1 January 2000;
- International interconnection of mobile telephony networks by 1 January 1999;
- Provision of alternative infrastructure for liberalised services by 1 July 1997.

Further liberalisation took place in 1997 with the adoption by the Minister of regulations dealing with alternative infrastructure provision, removal of monopoly on provision of satellite-based telecommunications services and the supply of liberalised telecommunications services over cable TV networks. In 1998, the Interconnection, Licensing and Leased Lines Directives were all transposed into national law.

The decision to end the liberalisation derogations in May 1998 was largely driven by the desire to maintain competitiveness with nearby countries, which appeared to be gaining a competitive advantage from embracing the EU liberalisation programme more rapidly. In particular, telecommunications is a necessary input to the world class, high-tech industrial base that we have succeeded in attracting and its sustained development and upgrade was necessary for a country with every intention of maintaining this industrial base. Ireland had engaged in a huge effort to upgrade its telecommunications infrastructure (through digitalisation) during the 1980s, but did not immediately identify with the potential benefits of liberalisation and competition in the sector. The necessary regulations were subsequently adopted to allow these derogations to end.

Regulation was separated from ownership with the establishment of The Office of the Director of Telecommunications Regulation (ODTR) under the Telecommunications (Miscellaneous Provisions) Act, 1996. The Director, Etain Doyle, took up her functions on 30<sup>th</sup> June 1997. These functions consist of the implementation of national and EU legislation that facilitates the policy agenda of regulatory reform and liberalisation of the sector. Such independent regulation has enabled both domestic and overseas firms to compete on a level playing field in the Irish telecommunications market. It has also made regulation more explicit and transparent.

The EU agenda of regulatory reform has two focuses: 1) liberalisation and the opening of domestic markets to competition; and 2) harmonisation of the conditions of access in Member States to public telecommunications networks (ONP). In Ireland, therefore, regulatory reform has concentrated on liberalisation, with a heavy focus on regulating the conduct of the former monopoly, as well as adopting the ONP framework.

Up until 1999, Telecom held 75% ownership of Dublin's former monopoly cable TV network and service provider (Cablelink), when it was obliged to sell. It also has full ownership of Eircell, Ireland's largest mobile phone network and service provider. However, Telecom Eireann was privatised in 1999 (hence the name change to *eircom*) in the form of a public share offering. Separating *eircom* vertically into an upstream network and downstream service provider was not considered. EU Directives have however, imposed vertical accounting separation and *eircom* was one of the first, formerly state-owned, incumbents to produce separated accounts.

Liberalisation has occurred at all levels of the vertical chain in Irish telecommunications. Although there was some alternative provision of value added services since 1992, it largely began in 1997 with a provision for alternative infrastructure providers to enter the market and compete with Telecom Eireann. Voice telephony was fully liberalised on 1 December 1998. Accompanying this has been a clarification of the legal and regulatory conditions for access to *eircom*'s network by competing downstream firms. A licensing regime acts as a screening device to ensure that entrants satisfy minimum efficiency and quality standards. There are now 70 licence holders with 45 operational, a clear indication of the potential for effective competition to develop in the market. This potential is further enhanced by the recent announcement of the top ranked candidates for seven licences to provide "Wireless in the Local Loop". This will allow firms to directly access customers

without the large-scale investment required to build a parallel fixed-wire infrastructure to the incumbent's.

Entry has necessarily been restricted (as in all countries) to the mobile communications market due to the scarcity of spectrum. There has been a delay of almost two years in issuing a third mobile licence. The Supreme Court has recently upheld the ODTR decision and the third licence is expected to be issued shortly.

In both fixed and mobile communications, the incumbents (*eircom* and Eircell) have been licensed to ensure that they are on an equal footing with new entrants. This licence contains onerous regulatory obligations (aimed at conduct) that are triggered by this position of incumbency.<sup>1</sup> These conditions adhere to the principles of non-discrimination, transparency and cost-orientation of tariffs and are designed to ensure that abuses of this position of incumbency are prevented. At the downstream level, price controls are imposed on *eircom* in the form of a price cap on a basket of services that have yet to see the benefits of competition. The cap requires *eircom* to reduce the overall price of this basket of goods by 8% before inflation every year for the next three years<sup>2</sup>. While benefiting users, the three year lag between reviews allows *eircom* to sustain (at least in the short-term) the benefits from cost reductions, over the required 8%, in which it has successfully invested, providing good incentives for productive efficiency. The extent to which effective competition in the market has developed is illustrated by three things: 1) *eircom* exceeded its requirements for price cap compliance (by 4%) in 1997/98; 2) the incumbent, in response to new entrants, has recently introduced per second billing after the minimum fee has been incurred; 3) international voice services were removed from the price cap in 1999.

At the upstream level, accounting separation and cost-orientation have helped to ensure that *eircom* (who remains vertically integrated) does not foreclose the downstream market by setting access prices for entrants that are discriminatory in favour of its own retail operating arm. In setting these interconnection tariffs, the ODTR has remained conscious of the fact that their level can affect the pace of liberalisation. In particular, it has always tried to take account of the costs of an efficient operator to ensure that entry into both the upstream and downstream market is not distorted.

Conduct regulation is also concerned with quality, particularly in utility industries where high costs may provide incentives to skimp. The ODTR has commenced a number of processes that are concerned with regulating quality.

ODTR has also made considerable progress in the area of imposing standards on the market. Non-geographic number portability already exists and geographic number portability is due in July 2000. Carrier pre-selection has also been introduced.

Universal service obligations are used for redistribution, whereby all customers pay the same price for connection (and other basic services) regardless of the cost of provision. *eircom* is currently designated as the USO provider.

## ***2. What benefits or costs have been experienced from telecommunications liberalisation to date? Are there any studies quantifying this? Please provide them if there are.***

Please see the attached documents:

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<sup>1</sup> More accurately, these onerous obligations are triggered by the possession of "Significant Market Power". In the early stages of liberalisation, it is only the former monopolies that hold such a position in the market.

<sup>2</sup> The price cap is CPI-8% and is a practical application of the UK RPI-X formulation. CPI is the Consumer Price Index.

- “Liberalisation in the Irish Telecommunications Market: One Year On,” Document No. ODTR 99/71, 1 December 1999; and
- “The Irish Telecommunications Market: Quarterly Review, December 1999–February 2000,” Document No. ODTR 00/21, 22 March 2000.

**3. *What are the major difficulties encountered with the promotion of competition in the telecommunications sector? Which areas are of significant concern and what steps are being taken to find solutions?***

A number of difficulties have been encountered in the promotion of competition in the telecommunications sector and have mainly arisen from the regulatory framework under which the ODTR operates. These difficulties can, in general, be divided between those encountered at the EU level and those encountered at national level.

**EU LEVEL**

**Problems**

Ireland’s initial derogation meant that Ireland had less time to complete the EU framework than would otherwise have been the case. The success of liberalisation has, therefore, required a heavy focus on *eircom*’s conduct. Disputes between operators and legal challenges (by all parties involved) to ODTR decisions on conduct and liberalisation issues have been common, and continue to expend considerable time and resources that could be better spent on establishing the solid base that is required for effective competition to take over.

The European regulatory framework has been overtaken by the rapidity of technological and market change that it was designed to promote. Such changes include convergence, globalisation of technologies and markets, mergers and acquisitions, cross-border problems, and the growth of the Internet.

No provision for full copper unbundling of the local loop was provided for in the Voice Telephony and Interconnection Directives, which deal with access to the incumbent’s fixed network. Such a provision is also absent from national legislation. Local access is a key bottleneck that currently prevents OLOs from having direct access to customers.

**Action Steps**

The 1999 Communications Review<sup>3</sup> is making progress in addressing the technological constraints faced by the current regime and can be summarised by the following points:

1. The Commission has recognised the need to shift to a position of technological neutrality. Removing technology-specific elements should allow the Commission to shorten and simplify the legislation, thereby reducing the costs to Member States (including Ireland) of implementing it and the burden on industry of complying with it.
2. The Commission has recognised the need to deepen the level of harmonisation. Through the Independent Regulator’s Group (IRG), European regulators (including Ireland) are increasingly active in voluntarily exchanging ideas and taking common views that take account of the full range of domestic circumstances across the European Union. These views and ideas are, in turn, fed into the Commission. This is a

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<sup>3</sup> “Towards a new framework for Electronic Communications infrastructure and associated services: The 1999 Communications Review” Communication from the Commission to the European Parliament, The Council, The Economic and Social Committee and the Committee of the Regions.

deliberate attempt by NRAs to reconcile what they can within the limited mandates provisioned by European directives.

3. The Commission has recognised the need for increasing in-depth technical advice from regulators in the creation of the soft law, upon which it hopes to rely more heavily.
4. The Commission recognises that more work needs to be done to allow for consistent application of rules and withdrawal of regulation, as markets become effectively competitive. Part of the solution is to adopt a market definition process that allows regulation to focus on economic markets rather than arbitrary pre-defined groups of services, as currently applies (something that has already caused problems in Ireland and other Member States<sup>4</sup>).

The Commission is also moving on the issue of Local Loop Unbundling. It recently issued a recommendation for full copper unbundling (as well as the other possibilities) on the basis of strong competition policy (as well as regulatory) principles.<sup>5</sup>

## **NATIONAL LEVEL**

### **Problems**

In relation to interconnection and licensing, the relevant regulations, up to recently, provided that a decision of the Director was suspended automatically pending the outcome of the appeal. This was amended in March 2000 to provide for the continuation in force of the Director's decision pending the outcome of the appeal, subject to any decision that the court may make otherwise, in the light of the specific circumstances of the case (see S.I. 69 and 70 of 2000).

The ODTR has limited enforcement powers to ensure effective regulation of the market. In particular, the ODTR can impose a maximum fine of IR£1,500 (or IR£50,000 for more serious offences) on a telecommunications operator who commits an offence. (See the Telecommunications (Miscellaneous Provisions) Act 1996, section 13.) These fines are tiny relative to the potential benefits in a billion-pound market.

### **Action Steps**

The Irish government is preparing legislation on a range of issues relating to communications regulation, a process that is designed to address the problems with the national legal framework outlined above. In particular:

1. Enforcement and the inadequate sanctioning process in place for the ODTR;
2. The appeals process;
3. Governance and Accountability.

The Competition Law Review Group is undertaking similar work on the side of competition policy.

Department of Public Enterprise to respond and supply relevant literature.

#### ***4. In order to promote further competition in the Irish telecommunications sector, in which areas are government and regulatory policy being focused in the future?***

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<sup>4</sup> See ODTR Document No 99/47R.

<sup>5</sup> See "Communication from the Commission: Unbundled Access to the Local Loop," Brussels, 26 April 2000 and "Commission Recommendation on Unbundled Access to the Local Loop," Brussels, 26 April 2000.

## **GOVERNMENT POLICY**

Department of Public Enterprise to respond.

## **REGULATORY POLICY**

The ODTR's first year (1997/98) was dedicated to laying the foundations for the effective regulation of a newly liberalised market. The second year focussed on realising this liberalisation. The ODTR is now, in its third year, shifting a large part of its focus to the pivotal role of the consumer in the process of regulatory reform. In particular, prioritising those measures that will continue to reduce prices, increase choice and enhance the innovation in and quality of service to the end-user.

The focus of regulatory policy now and into the future can be summarised by the following headline issues:

### **Access to the incumbent's local network**

#### *Local Loop Unbundling*

The ODTR, following a consultation<sup>6</sup>, recently issued a decision<sup>7</sup> that mandates *eircom* to provide ULL in the form of bitstream access. As outlined above, neither Irish nor EU legislation provides for full copper unbundling. The next step is implementation and two industry fora have been organised to assist in this matter. The first will deal with operational issues such as service description, operating systems and procedures and contracts. The second is the method of access forum and will look at methods of access and co-location. A third forum to deal with LLU pricing will be scheduled for a later date.

#### *Wireless in the Local Loop*

In July 1999, the scope of the General Telecommunications Licence was broadened to encompass "Wireless in the Local Loop" (WLL) technology. A competition was already in progress for the award of up to four narrowband and four broadband WLL licences and the new amendment means that all licensed telecoms services can be delivered over the local loop by the new licensees. The names of the highest ranked applicants in the competition were announced in September 1999. Six licences will be awarded with a seventh expected to be awarded before the end of July. Their issue is expected shortly, once licensing arrangements have been finalised.

### **Third Generation Mobile**

See section VIII.

### **Spectrum Resource Review**

The ODTR is currently undertaking a review of the radio spectrum, including its commercial and economic aspects, which is expected to be completed early in 2001.

### **Light-handed Regulation**

The ODTR needs to ensure that regulation can be removed where it is no longer required to ensure that the effective competition that has developed is not distorted. The ODTR has already sought clarification of this issue in the context of the EU 1999 Communications Review.<sup>8</sup>

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<sup>6</sup> See Document No ODTR 99/21.

<sup>7</sup> See Document No ODTR 00/30.

<sup>8</sup> See ODTR Response to the 1999 Communications Review, Document No ODTR 00/12.

### **Satellite Links**

The necessary regulations under which satellite earth stations will operate are expected shortly. The new licensing structure is expected to encourage the development of satellite services in Ireland.

### **Convergence**

See section XII.

Legg Mason has identified telecommunications, Internet and Electronic Commerce as the necessary building blocks for the development and growth of the new information economy,<sup>9</sup> with the first being a necessary pre-requisite for the second and so on.

The ODTR's work has and will continue to ensure that the telecommunications industry provides an adequate foundation for Internet growth. Ireland, according to Legg Mason, appears to have successfully set in place the necessary foundations for a telecommunications sector that is conducive to continued growth. These factors are:

- Regulatory Authority independent?
- Licensing system fair?
- Interconnection regime in place?
- Accounting systems balanced?
- Local competition facilitated?
- Spectrum management efficient?
- Network architecture open?
- Standards open?
- Operational issues addressed?

With the correct framework for telecommunications in place, continued development and growth of the Internet and e-commerce is facilitated and the government can focus on wider industrial policy objectives, such as attracting foreign direct investment. The Legg Mason report places Ireland as one of the top four countries (the "Broadband Four") in terms of creating a very hospitable environment for high growth prospects in the new economy.

### ***5. What are the major policy challenges for the telecommunications sector in the medium term (e.g. 5 years)?***

Department of Public Enterprise to respond.

ODTR views:

1. Weak legislation means that every decision is open to challenge. The ODTR, in general, requires greater decision-making and enforcement powers through changes in both national and EU legislation.
2. Convergence of communications and broadcasting as well as fixed and mobile communications and the resulting breakdown in traditional industry boundaries.

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<sup>9</sup> See Legg Mason Precursor Research, "The Building Blocks of Growth in the "New Economy"", Spring 2000.



3. World-wide wave of M&A activity and the entry of huge conglomerates into the Irish market. While such developments should make the Irish market more competitive, these firms do have the capability to leverage the market power that they possess elsewhere.
4. Meeting consumer needs and expectations in terms of lower prices, greater choice and enhanced quality.
5. The possibility that other utility providers may move into the industry such as the provision of telecommunications services over the backbone electricity network (as is currently the case in Sweden) raises the concern discussed in point 4. Such companies also have the potential to leverage market power in terms of their access to end-users and established billing systems.

## **II. INSTITUTIONAL ISSUES**

### ***1. What are the Department of Public Enterprise's general areas of responsibility in the telecommunications sector?***

Department of Public Enterprise to respond.

### ***2. What are the ODTR's responsibilities in the telecommunications sector?***

The ODTR is the national regulatory authority ("NRA") for the purposes of EU and national telecommunications legislation. Its functions and duties are set out in primary national legislation and in secondary national legislation transposing the EU telecommunications legislative package. The range of legislative instrument setting out the functions of the Office is significant [and is attached at annex A]

Key functions include:

- The development and implementation of a licensing regime for telecommunications operators in Ireland, including fixed, mobile and satellite operators;
- Supervision of the interconnection regime in Ireland, including overview of rates, terms and conditions, etc.;
- Dispute resolution in the case of disputes among operators;
- Supervision of access to networks including rights of access to local loops, terms and conditions etc.;
- Licensing and regulation of television distribution systems, including Digital TV, cable, MMDS, satellite, etc.;
- Management and licensing of use of the frequency spectrum for all purposes, including defence, public services, broadcasting, telecommunications, etc.;
- Management and administration of the national numbering resource;
- Enforcement of licence conditions, including those relating to the provision of universal service.
- Setting price caps on the major operator in the market where services are not competitive
- Monitoring and enforcing quality of service and performance targets for the sector generally and the main player in particular.

### ***3. How many staff of the Department are dedicated to the telecommunications sector?***

Department of Public Enterprise to respond.

### ***4. How many staff of the ODTR are dedicated to the telecommunications sector?***

Approximately 25-30; this is difficult to quantify because, due to convergence, the ODTR is not organised along traditional sectoral lines and those functions related to broadcasting and frequency management also overlap with telecommunications.

**5. Are there any formal requirements for co-operation between the ODTR and the Department and, if so, under what circumstances?**

The primary legislation establishing the ODTR is the Telecommunications (Miscellaneous Provisions) Act, 1996. This act specifically provides that:

1. “The Director shall be independent in the exercise of his or her functions”; and
2. “The Director may do all such acts or other things as are necessary or expedient for the purpose of the exercise of his or her functions.”

There are also a number of provisions directly related to co-operation between the ODTR and the Department, namely:

**SECTION 3(7), (8) & (9) WHICH STATE:**

- (7) The Minister may, following consultation with the Director, issue directions in writing requiring the Director –
  - (a) to comply with policy decisions of a general kind made by the Minister in relation to the allocation and use of the radio frequency spectrum;
  - (b) to comply with decisions made by the Minister and specified to be necessary to enable the State to discharge its obligations as a member of an international organisation or as a party to an international agreement.
- (8) The Director shall, in formulating, revising and implementing the Radio Frequency Plan, comply with any direction given by the Minister under *subsection (7)*.
- (9) The Minister shall have regard to principles of good frequency management in giving directions under this section.

**SECTION 4(8), (9), (10) AND (11) WHICH STATE:**

- (8) Regulations shall not be made by the Director under section 6 of the Wireless Telegraphy Act, 1926, other than with the consent of the Minister.
- (9) The Minister may from time to time specify public service requirements and those requirements so specified shall be published in the *Iris Oifigiuil*.
- (10) Notwithstanding SECTION 111(2B) (*e*) (inserted by the European Communities (Mobile and Personal Communications) Regulations, 1996 (S.I. No. 123 of 1996)), of The Principal Act, any licence (within the meaning of the said section) granted by the Director shall include the public service requirements published by the Minister under *subsection (9)*.
- (11) In this section “public service requirements” includes requirements relating to conditions of permanence, availability and quality of the service in accordance with Article 3 of Commission Directive 90/388/EEC on competition in the market for telecommunications services (1)(1).

**SECTION 6(5), WHICH STATES**

“The Minister may, with the consent of the Minister for Finance, direct the Director to pay into the Central Fund or the growing produce thereof such sum as he or she may specify being a sum that represents the amount by which the aggregate sum received by the Director in each financial year exceeds the aggregate costs incurred in the administration of his or her office in that year.”

See also the answer to Question 4, Section VIII (Spectrum Allocation).

**6. *What is the relationship between the Department's regulatory function and policy function?***

Department of Public Enterprise to respond.

**7. *Please explain the relationship between the ODTR and the Competition Authority.***

The Competition Authority is established under the Competition Acts, 1991 and 1996 and its function is to enforce the competition law in Ireland. Irish competition law directly mirrors the EU Treaty provisions on competition law.

The ODTR was set up under the 1996 Act with the specific aim of regulating the telecommunications sector. A summary of the functions of the Office is set out earlier.

There is no statutory provision for interaction or co-operation between the two bodies. In particular, both bodies have their own obligations in relation to protecting commercially confidential information and there is no legal framework within which such information can be exchanged.

On an informal level, the ODTR and the Competition Authority meet regularly to discuss issues of general interest. Efforts are also made to ensure that tasks are carried out by the most appropriate organisation, for example, responding to requests by the Commission for information about competition in the telecommunications sector. However, the legislation sets out the statutory functions of both bodies and in particular, there is a direct obligation on the ODTR to carry out its functions and to protect commercially confidential information. These provisions naturally limit the scope for co-operation on individual cases. The Government is considering ways of dealing with these kinds of issues by way of legislative reform (see answer to Question 3, Section I).<sup>10</sup>

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<sup>10</sup> See "Market Regulators: Governance and Accountability – Response to the Minister for Public Enterprise", Document No ODTR 99/67 and "Submission to the Minister for Public Enterprise in relation to Governance and Accountability Arrangements in the Regulatory Process", Prepared for the ODTR by Dr. John Fingleton.

### III. MARKET ENTRY

- 1. Would you please explain changes in market entry regulations (including the licensing/authorisation framework and any obligations placed on licensees and requirements to attain a licence)? How have they changed over the last 10 years? Explain separately how entry by mobile operators is regulated.*

#### REGULATION OF ENTRY INTO THE MARKET BY FIXED-LINE OPERATORS

Initially, the provision of certain value-added services was permitted, with the incumbent retaining its special privilege with regard to voice telephony. A new licensing framework was put in place by 1<sup>st</sup> December 1998 (the date of liberalisation) permitting operators who were appropriately licensed under the new regime to supply any of the newly liberalised networks and services, including voice telephony.

At present, where an operator proposes to provide:

- Public telecommunications network;
- Voice telephony;
- A network, service or system requiring the allocation to users of numbers from the national telecommunications numbering resource;
- A telecommunications network;
- A telecommunications service,

that operator must be authorised with the relevant licence from this Office. All licensed operators are subject to the obligations contained in the conditions of their respective licences and at law in general. The conditions imposed in those licences are in accordance with, and reflect, the relevant legislative provisions.

#### REGULATION OF ENTRY INTO MARKET BY MOBILE OPERATORS:

The operation of mobile networks and/or services is dependent on spectrum. Because spectrum is a scarce resource, the amount of licences issued for such operators has been limited. To operate a mobile network/service in Ireland an operator needs both a service licence and a spectrum licence. Owing to the scarce nature of spectrum the licences are, therefore, allocated on foot of a competition for the available spectrum. These competitions and the allocative process on foot thereof are conducted in accordance with the relevant legislation.

The Department managed the competition for the licensing of the second mobile operator (Esat Digifone) in 1996, prior to the establishment of the ODTR. The ODTR managed the beauty contest to award the third mobile phone licence, which will be issued shortly on foot of the recent Supreme Court decision.

- 2. Do telecommunication operators need to provide a business plan? Do licensees have to specify the network or service they will provide and the time schedule for such provision? Do they have any other obligations or requirements attached to the license?*

Applicants for our General Licence (Individual Authorisation) should provide a high-level business plan – key sources of finance, as well as revenue and expenditure projections. The plan should cover, as a minimum, the first three years of operation.

Applicants for telecommunications licences are required to specify the network or service they will provide. Time schedules are not required.

See Pro-forma General Telecommunications Licence and Basic Telecommunications Licence for the relevant conditions attaching to licensed telecommunications operators in Ireland. General licensees can provide telecommunications services, including voice telephony, and can apply for numbers from the national numbering plan. Basic licensees can provide all telecommunications services, except voice telephony. They are not entitled to numbers from the national numbering plan.

**3. *Are there any line-of-business restrictions (e.g. a national carrier is not allowed to offer international services) imposed on licensees? Is there any ownership restrictions? Is there any foreign ownership restrictions on telecommunication operators? Please provide information on how these policies have changed over last 10 years.***

Under the terms of the new cable licences issued in 1999, each cable operator has a period of 5 years in-platform exclusivity for the provision of programme services.

There are certain notification procedures in relation to changes of control, ownership or shareholding of a licensee. In addition, a mobile licensee must seek the consent of the Director prior to effecting a change in control, ownership or control of the licensed entity.

**4. *Please provide the number of carriers in each market segment (i.e., local, long distance, international, cellular, PCS, UMTS, paging, and CATV market), by region to the extent sensible, during this period. Please provide the latest data you have on market shares of individual companies in individual telecommunications services (e.g., local, long distance, international, mobile (general, GSM, and DCS 1800), ISDN, leased lines, DSL, cable modem etc.).***

Due to the commercially sensitive nature of the information required to answer this question, we have decided to withhold it until discussions regarding are had between ODTR and OECD representatives.

**5. *Is entry into the cable television market subject to any form of licensing or authorisation? Do cable operators require any approval from municipalities? Are cable operators permitted to provide telephony services and Internet access services?***

Entry into the cable television market is subject to the granting of a licence<sup>11</sup> from the ODTR in respect of a defined cable licensed area.

Operators require authorisation from local authorities (municipalities) from a planning perspective in relation to the installation of equipment such as headends and from a road management perspective in relation to road openings.

The cable licences issued by the ODTR do not cover these services being confined to the distribution of licensed programme services. Separate telecommunications services licences are required in relation to the provision of telephony or Internet access services.

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<sup>11</sup> See Document No ODTR 99/45.

**6. Do consumers have a choice of ISPs in case of subscribing to the cable modem services?**

There are currently no companies in Ireland offering Internet access via cable modems. One company, NTL/Cablelink, are due to roll out their digital services over the coming months and areas that have had their cable upgraded will have Internet access via cable modems. Other areas will gain access via dial-up.

**7. How are Internet service providers treated in the telecommunications market? Do they need a telecommunications service licence if they provide voice telephony services through the IP network?**

Internet service provision is not licensable *per se*. Whether or not a particular Internet service provider is licensable or not will depend upon the means of provision and/or the network over which the service is provided. In accordance with communication from the Commission voice telephony over the Internet is not a licensable service. Whether or not voice telephony through IP network is licensable would depend upon individual proposals.

**8. Is there a specific framework and methodology for accounting separation in the telecommunications sector? What are the main principles?**

Following consultation with the Industry the ODTR has issued a number of decision notices on the areas of costing and accounting separation. These are:

- Decision D5/99 on Accounting Separation and Publication of Financial Information for Telecommunications Operators<sup>12</sup>
- Decision D6/99 on Development of Long Run Incremental Costing for Interconnection Decision Notice<sup>13</sup>
- Decision D8/99 on Costing Methodologies for use in Accounting Separation<sup>14</sup>
- Decision D10/99 on Accounting Separation and Publication of Financial Information for Telecommunications Operators<sup>15</sup>

These decision notices provide guidelines on:

- The format and level of detail of the accounting separation statements;
- Principles to be followed when preparing separated accounts;
- Cost allocation guidelines and principles;
- Sampling guidelines;
- Principles and guidelines for building LRIC models both Bottom Up and Top Down;
- Principles and guidelines for preparing current cost accounting separated accounts.

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<sup>12</sup> See Document No ODTR 99/35.

<sup>13</sup> See Document No ODTR 99/38.

<sup>14</sup> See Document No ODTR 99/43.

<sup>15</sup> See Document No ODTR 99/52.

**9. Are companies with significant market power in the telecommunications area subject to specific regulatory requirements? If so, which companies have been designated as having such significant power?**

**EUROPEAN DIRECTIVES AND NATIONAL REGULATIONS**

There is a range of obligations on operators with SMP under European directives and the corresponding regulations transposing them into Irish law. These obligations arise from:

- ◆ Council Directive 97/33/EC on Interconnection in Telecommunications (the “Interconnection Directive”) as transposed by the European Communities (Interconnection in Telecommunications) Regulations, SI No. 15 of 1998 (the “Interconnection Regulations”);
- ◆ Council Directive 98/10/EC on Voice Telephony and Universal Service for telecommunications in a competitive environment (the “Voice Telephony Directive”) as transposed by the European Communities (Voice Telephony and Universal Service) Regulations, SI No. 71 of 1999 (the “Voice Telephony Regulations”); and
- ◆ Council Directive 97/51/EC (amending Council Directives 90/387/EEC and 92/44/EEC) on Leased Lines (the “Leased Lines Directive”) as transposed by the European Communities (Leased Lines) Regulations, SI No. 109 of 1998 (the “Leased Lines Regulations”).

The Interconnection Regulations are intended to limit any abuse of market power in the provision of network services by one operator to another. Therefore, it is primarily concerned with market power at the network level. In contrast, both the Leased Lines and the Voice Telephony Regulations are primarily concerned with limiting the possible abuse of market power at the retail level.

**S.I. No. 15 of 1998 – European Communities (Interconnection in Telecommunications) Regulations, 1998 [giving effect to Directive 97/33/EC]**

*Rights and Obligations for Interconnection – Regulation 4*

The purpose of this regulation was to clarify the legal and regulatory conditions for access to the incumbent’s network. It has been essential and useful in facilitating the liberalisation element of regulatory reform discussed above.

*Non-discrimination and Transparency– Regulation 7*

Ensures that charges for interconnection offered to others follow the principles of non-discrimination and transparency.

*Principles for Interconnection Charges and Cost Accounting Systems – Regulation 8*

This ensures cost-orientation of interconnection charges and the publication, by those designated with SMP, of a Reference Interconnect Offer, specifying the types of interconnection services to be provided and their relevant charges.

*Accounting Separation and Financial Reports – Regulation 9*

Ireland has been successful in implementing the minimum requirements of EU legislation, that is, accounting separation. BT’s “Liberalisation Milestones” reported Ireland as the first EU Member State (bar the UK) to have implemented accounting separation for the incumbent fixed line operator.



**S.I. No. 71 of 1999 – European Communities (Voice Telephony and Universal Service) Regulations, 1999 [giving effect to Directive 98/10/EC]**

*Conditions of access and use and essential requirements – Regulation 17*

*Provision of Additional Facilities – Regulation 19*

*Special Network Access – Regulation 20*

*Tariff Principles – Regulation 21*

This ensures transparency and cost-orientation of charges for use of the fixed public telephone networks and fixed public telephone services, as well as sufficient unbundling of services.

*Cost accounting principles – Regulation 22*

**The Interconnection Directive**

The following are the relevant parts of this EU Directive.

*Article 4(2) – Rights and obligations for interconnection*

*Article 6 – Non-discrimination and transparency*

*Article 7 – Principles for interconnection charges and cost accounting systems*

*Article 8(2) – Accounting separation and financial reports*

**The Voice Telephony Directive**

The following are the relevant parts of this EU Directive.

*Article 16 – Special network access*

*Article 17 – Tariff principles*

**LICENCE CONDITIONS**

Part 3 of the Pro-forma General Telecommunications Licence (conditions 12 to 21) details the additional conditions that apply where the licensee is designated as having significant market power in the fixed telephone networks and services market.

Part 4 of the Pro-forma General Telecommunications Licence (conditions 22 to 24) details the additional conditions that apply where the licensee is designated as having significant market power in any market.

Part 3 of the Pro-forma Mobile Licence (conditions 11 to 16) details the additional conditions that apply where the licensee is designated as having significant market power in any relevant market.

These conditions refer, in large part, to the conduct of the relevant licensee.

**SMP DESIGNATIONS**

The first SMP designation (1997/98) saw Telecom Eireann (now *eircom*) being designated with SMP in the Fixed Public Telephone Networks and Services Market, the Leased Lines Market and the National Market for Interconnection. Eircell were designated in the Public Mobile Telephone Networks and Services Market.<sup>16</sup>

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<sup>16</sup> See Document No ODTR 98/25 and ODTR 98/47.

The second SMP designation (1998/99) saw *eircom* being designated with SMP in the Fixed Public Telephone Networks and Services Market, the Leased Lines Market and the National Market for Interconnection. Eircell were designated in the Public Mobile Telephone Networks and Services Market and the National Market for Interconnection. Esat Digifone was designated in the Public Mobile Telephone Networks and Services Market.<sup>17</sup>

***10. Do telecommunications companies need to obtain any approval from the Department, the ODTR or the Competition Authority for mergers and takeovers?***

In brief, mergers, acquisitions or takeovers in telecommunications in Ireland may currently fall under one of two jurisdictions, depending on the scale and projected potential impact of the Merger. There are also ancillary consents required in certain circumstances.

**NATIONAL JURISDICTION**

The principal legislation governing mergers, acquisitions or takeovers in Ireland is the Mergers and Takeovers (Control) Acts, 1978 to 1996. Enforcement of this legislation is the sole responsibility of the Department of Enterprise, Trade and Employment. Proposed mergers, acquisitions or takeovers above a certain size (IR£2.5million) must be notified to the Department of Enterprise, Trade and Employment, in accordance with the national Mergers and Takeovers (Control) Acts, 1978 to 1996. Failure to notify may render the transaction void. The Merger Regulations cover all sectors including Telecommunications. Section 7 of the Competition Act, 1991 makes the provision for the referral of mergers, acquisitions or takeovers by the Department of Trade, Enterprise and Employment to the Competition Authority for an independent assessment. The Department of Enterprise, Trade and Employment are not bound by the Competition Authorities analysis. The final decision rests with the Department. The economic standard in the law is a mix of social, political and economic efficiency factors.

While it may be the case that the Department consults with the ODTR on a telecoms merger or acquisition there are no provisions in the Mergers Act for a referral to the ODTR. There may be a requirement for separate consent from the ODTR, depending on the terms of the telecommunications licence as issued to the relevant operators. This will only apply where the operators or undertakings involved in the proposal are licensed operators and consent will depend upon the terms and conditions of the licence affected. In the case of a mobile licence, for example, the consent of the Director is required, whereas a change in control involving the holder of a basic telecommunications licence simply requires notification.

Because a merger, acquisition or takeover is an agreement between firms, it could affect competition and, therefore, falls under those parts of the Competition Acts, 1991 and 1996, on agreements. Parties to the transaction may voluntarily notify the agreement to the Authority. The qualitative standards (section 4 of the Competition Act, 1991) used in the analysis are potentially different to those used if a merger has been referred the Competition Authority by the Minister. This has given rise to some conflict and, as a result, is currently subject to review.<sup>18</sup>

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<sup>17</sup> See Document No ODTR 99/59 and ODTR 99/75.

<sup>18</sup> See the “Final Report of the Competition and Mergers Review Group.” To be submitted by Department of Public Enterprise.

## **EUROPEAN JURISDICTION**

Where the proposal is a “Concentration with a Community Dimension” and certain thresholds and conditions are present, the proposed merger, acquisition or takeover may be subject to the European Community rules and jurisdiction for mergers.<sup>19</sup>

As the European measures provide a “one-stop shop”, where the Merger Task Force of the Commission is satisfied that the proposal satisfies the tests and thresholds laid down in the Merger Regulations, national jurisdiction is not applicable, unless other provisions are relied upon by a particular Member State.

Thus, thresholds can trigger the Merger Regulations, excluding national assessment.

However, again, in certain circumstances and depending upon the terms and conditions contained within the licence, the ODTR’s consent may be required by the operators party to the merger.

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<sup>19</sup> Council Regulation (EC) No. 4064/89, as amended. See also the ODTR’s response to the 1999 Communications Review, as referred to footnote 8.

## IV. PRICE REGULATION

1. *Have there been any specific policies on tariff re-balancing of eircom's prices? If so what has been accomplished to date? (Please provide data in this regard.) Are there any specific provisions regarding cross-subsidisation?*

### REBALANCING IN THE CONTEXT OF IRELAND'S PRICE CAP REGULATION

Within the overall price cap on *eircom*'s services (see answer to question 2 below) there are sub caps on the prices of individual services.<sup>20</sup> This ensures that no single service within the basket is subject to a substantial relative increase and is consistent with the requirement to protect the interests of users by ensuring that rebalancing takes place in a progressive and affordable manner, particularly for vulnerable consumer groups. These sub caps are applied at a level of CPI+2%, allowing flexibility in pricing while protecting users from a substantial relative increase in any one individual service.

Such protection is particularly important in the case of line rentals, charges for which *eircom* claimed were insufficient to cover costs of provision (prior to the ODTR's 1999 review of its price cap) and, therefore, required rapid rebalancing. ODTR examination revealed that there was indeed a negative margin between line rental charges and the relevant costs and that the existing sub-cap (at that time, CPI+0) left little scope for eliminating it. The absence of a sub cap would allow *eircom* to substantially increase line rental charges, which would have a significant impact on many users.

Regulation 8(2) of the Voice Telephony and Universal Service Regulations, 1999 (as specified in Regulation 8(3) thereof) requires the price cap to be set in such a way as to take into account *eircom*'s obligations to maintain the affordability of services, particularly for users in rural and high cost areas and members of vulnerable groups (such as those with low telephone usage). Tariffs must be progressively adjusted in order to achieve prices that are based on costs, except in those cases where doing this would conflict with the obligation to maintain affordability.

On the basis of the information available to the ODTR, it was considered that sub caps of CPI+2 would not prevent *eircom* from making an adequate return on the totality of its regulated businesses throughout the price cap period. The nature of price caps allows *eircom* to make efficiency gains and, taken together, these factors suggested that any remaining imbalance in tariffs would not place an unreasonable burden on the firm. In addition, there is little evidence that unbalanced line rental tariffs are a significant impediment to competition (see below for more on this point) and only one European country (the Netherlands) has undertaken a one-off rebalancing exercise. Therefore, to meet statutory requirements on affordability, while allowing for progressive rebalancing, the sub cap on line rentals was set at CPI+2. Low-user discount schemes (once approved) are allowed to count towards *eircom*'s price cap obligations, but the latter has not proposed any such schemes as yet.

### REBALANCING IN THE CONTEXT OF LOCAL LOOP UNBUNDLING

If line rentals require upward rebalancing (as claimed by *eircom*), then it is argued that this could limit the demand for unbundled local loops, at least for narrowband telephony

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<sup>20</sup> See Document No ODTR 99/61.

applications. The ODTR considers that LLU prices should be geographically averaged, as are retail prices.<sup>21</sup>

## **CROSS-SUBSIDISATION**

See Condition 14 of the Pro-forma General Telecommunications Licence.

**2. *How are prices regulated? Have there been any changes in the method used for price regulation over the last ten years? Who is responsible for price regulation? Is there a price cap scheme currently in operation? Could you please provide full details of the price cap regulation scheme currently in operation?***

## **RELEVANT LEGISLATION**

### **S.I. No. 71 of 1999 – European Communities (Voice Telephony and Universal Service) Regulations, 1999 [giving effect to Directive 98/10/EC]**

#### *Tariff Principles – Regulation 21*

Ensures transparency and cost-orientation of tariffs for use of the fixed public telephone networks and services.

#### *Discounts and other special tariff provisions – Regulation 23*

Ensures that discount schemes are applied in accordance with the principles of transparency and non-discrimination.

### **S.I. No. 15 of 1998 – European Communities (Interconnection in Telecommunications) Regulations, 1998 [giving effect to Directive 97/33/EC]**

To the extent that the regulation of interconnection charges can be considered under the OECD's heading of Price Regulation, the relevant Regulations (detailed in section III, question 9) apply.

### **The Telecommunications (Miscellaneous Provisions) Act, 1996**

The 1996 Act gives the power to the Minister to impose a price cap as well as to direct the Director (of Telecommunications Regulation) to review this price cap. Having reviewed the mechanism, this legislation also empowers the Director to amend it if appropriate.

## **PRICE CAP REGULATION**

### **Fixed Incumbent Operator**

The government retains the power to impose price caps (in any sector) it deems appropriate.

In 1996, the Minister for Transport, Energy and Communications imposed a price cap on Telecom Eireann (now *eircom*) in relation to the supply of a specified grouping of services. Section 7 of the Telecommunications (Miscellaneous Provisions) Act, 1996 (the act that established the ODTR) allows a price cap to be placed on the charges for telecommunications services in Ireland where the provider of those services holds a dominant position or where there is no competition in the provision of the relevant services.

Under the 1996 Act, the Minister has since directed the Director to review this price cap and the Director has amended it as appropriate.

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<sup>21</sup> See Document No ODTR 00/30.

The price cap mechanism follows the Littlechild (1983) mechanism with formula  $CPI-X$ , where CPI is the consumer price index as calculated by the Central Statistics Office and X is the adjustment specified by the Minister (which can be amended by the Director if appropriate after review).

Over the course of 1999, the ODTR carried out a detailed review and consultation concerning proposed modification of the price cap on *eircom*, Ireland's incumbent operator.<sup>22</sup> This cap had been set three years previously for a five-year term. Because Irish law stipulates that a price cap may be imposed only on markets in which the relevant operator is the only supplier or has a dominant position, a major part of the review involved examining the degree of competition in each affected market.

It was found that *eircom* was dominant in all the relevant markets. However, the view was taken that there was the prospect of international calls becoming competitive within the three-year life of the modified cap. International calls were therefore dropped from the cap. The full set of services included in the price cap is as follows:

- The provision of telephone exchange lines
- Telephone exchange lines connection and take-over
- Local dialled calls
- National dialled calls (removing the existing distinction between weekday and weekend calls)
- ISDN connection and take-over
- The provision of Integrated Services Digital Network (ISDN) lines
- Operator calls
- Directory enquiry calls
- Payphone calls

After detailed examination of *eircom*'s accounts, likely impact on entrants and other information, X was changed from 6% to 8%.

To protect affordability for vulnerable groups, allowance was made for approved low user or vulnerable user schemes to count towards price cap obligations. A sub cap of  $CPI-0$  for the lower quartile bill was also retained. Further sub-caps of  $CPI+2$  were maintained on individual services, but a sub-cap of  $CPI-0$  on line rental charges was raised to  $CPI+2$  to allow progressive rebalancing (as outlined in answer to question 1 above). No sub-cap was placed on directory assistance as the prices of these services were found to be substantially below the cost of provision.

Considerable efforts were made to take the views of the incumbent, entrants and other parties into consideration in setting the price cap, and specific attention was paid to likely competitive effects. Regulation was withdrawn from international services, where competition is becoming established, and was made more limited on directory assistance, where the existing limits on price increases could have had an adverse effect on the development of competition.

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<sup>22</sup> See Document No ODTR 99/19 and ODTR 99/61.

## Mobile Operators

It is worth noting that both Eircell and Esat Digifone are subject to controls on their retail charges, contained within their mobile telecommunications licence. In both cases the retail price control was offered by the licensee in the context of its application for either GSM900 or 1800 spectrum.

### 3. Which services and companies are subject to price cap regulation?

See answer to question 2 above.

### 4. Please provide data on price changes over the last ten years in local (subscriber charge/call charge), long distance, international and mobile services. These should be the standard published prices (rather than discounted prices).

#### 1989

Peak (8am to 6pm weekdays) Direct Dialed Cross Channel (Ireland to the UK) telephone calls reduced by 20%, from 60p to 48p per minute.

Off-peak charges reduced by 10%, from 40p to 36p per minute.

Introduction of a new Economy Rate (from 12 midnight to 8am everyday) at a charge of 24p per minute, representing a 40% reduction on the current reduced rate.

Rental for Eircell service reduced from £35 to £25 per month.

*The reductions were equivalent to a 2.5% overall reduction in telecommunications charges.*

#### 1990

Business and residential customers charged the same for line and equipment rental on a monthly basis.

		OLD (Quarterly)	NEW (Monthly)
Exchange Line Rental:	Business	£36.08	£10
	Residential	£33.30	£10
Auxiliary Line Rental		£30.55	£10
Basic Instrument Rental		Nil	£1.10

#### 1992

1. National trunk calls over 80km were reduced from 33p per minute to 22p per minute.
2. Local call timing was introduced, with intervals of 15 minutes (peak) and 30 minutes (off peak) per unit of 11.17p.
3. The fee for operator assistance was increased from 20p to 50p, and for operator assisted alarm clock calls from 50p to 75p.
4. Directory Enquiry charges introduced and charged at the local rate.
5. Payphone charges were rationalised, with 6% overall increase from a new unit fee of 16p for all units. Previously, the first unit cost 17p and subsequent units 13p. The minimum local call charge remained at 20p for a maximum of 5 minutes. Call card prices were not changed.

6. Payphone charges were increased by 6%. The unit fee increased from 16p to 18p. The time interval for local calls was reduced from 5 minutes to 4 minutes. Prices of 50 unit and 100 unit Callcards increased by 6%. The minimum fee for a local call remained unchanged at 20p.

### **1993**

1. Eircell rental reduced from £25 to £20 per month. Calls to and from Eircell mobile phones reduced from 33p per minute to 22p per minute.
2. The unit fee for direct dialled calls was reduced from 11.17p to 9.5p.
3. Local calls were timed at 180-second interval (peak) and 900 second intervals (off-peak).
4. A new Weekend trunk rate of 11.5p for 10 minutes introduced for all National trunk calls on Saturday, Sunday and Bank Holidays.
5. New timings for midweek peak and off-peak trunk calls, resulting in nominal increases of about 2%.
6. Charges for International Calls were revised with reductions ranging from 16% to 59% and averaging about 40% (excl. VAT).
7. Calls to Eircell were reduced from 33p to 23p (peak) and from 22p to 15p (off-peak). The peak rate applies to 8pm each weekday (previously 6pm).
8. The economy rate for premium rate calls was discontinued. Calls between midnight and 8am increased from 24p to 36p per minute.
9. Directory Enquiry charges increased from 11.17p to 28.5p per call. A rebate of 2 calls per month per line was introduced.
10. Freephone service tariffs were reduced, regional by 13% (Peak) and 20% (Off-peak) and national by 32% (Peak), 35% (Off-peak) and 64% (Weekend).
11. Payphone charges were amended, with new timings, in line with other direct dialled calls, and an increase in the unit fee on coin-phones from 18p to 20p. There was no change in the nominal price of Callcards.

### **1994**

1. VPN rental charges reduced from £2,500 pa to £960 pa.
2. International Volume Discounts introduced, on combined cross channel and International bill, at 20% (£2,000 - £4,000), 25% (next £4,000) and 30% (balance).
3. Weekday trunk calls up to 56km reduced by 25%, by extending the time allowed for each 9.5p unit.
4. Total Volume Discount scheme introduced on all National and International calls, at 6% (£3,000-£7,000), 9% (next £5,000) and 12% (Balance).
5. International Freephone Volume discount scheme introduced for customers exceeding 1500 minutes per month.

### **1995**

1. Reduction in tariffs to UK by 10% and USA by 20%. IVPN and ISDN calls were reduced in line with PSTN calls.



2. Revised International Volume Discount Scheme.
3. Discounts apply to combined account total for direct dial Cross-channel and international calls.

First	£50	@	no discount
Next	£150	@	6%
Next	£800	@	8%
Next	£1,000	@	10%
Next	£2,000	@	20%
Next	£4,000	@	25%
Balance		@	30%

Thresholds are doubled if bill covers a two-month period.

4. “Long Distance Savers” subscription based B Trunk discount scheme introduced.

<i>Level</i>	<i>Subscription</i>	<i>Discount on B Trunk Usage</i>
1	£20	20%
2	£45	25%
3	£145	30%

5. Reduction in B Trunk rate (except ARK exchanges) by 12½%.
6. Introduction of 12½% discount for metered call customers (ARK exchanges).
7. 1800 and 1850 charges reduced as follows. Regional peak rate reduced 33%, national peak and off-peak rate reduced by 12%.
8. Introduction of 1890 service where the caller pays at a local call rate and the 1890 customer pays 1800 charges less the local call fee.

	<i>1890 Service</i>	<i>Cost per minute</i>
Regional	Standard (peak)	5.44 pence
	Reduced (off-peak)	7.44p
National	Standard	17p
	Reduced	12.32p
Weekend rate (all customers)		7.44p

<i>Service access number</i>	<i>Charge</i>
1530	26p per minute
1540	46p per call
1550	58p per minute

1560	75p per minute
1570	£1.00 per minute
1580	£1.50 per minute

9. Introduction of National Freephone Volume Discount.
10. Expansion of International Freephone Volume Discount, and a reduction in the rates.
11. Introduction of International Term Discount scheme.

## 1996

1. Expansion of 17 local call areas to include calls up to 27km between chargegroup centres.
2. 10% reduction on B Trunk rates to

	<i>Second/Unit</i>	<i>Price p/min (VAT ex)</i>	<i>Price p/min (VAT incl)</i>
Standard	31.7	18p	22p
Reduced	47.6	12p	15p
Weekend	600	1p	1p

*\* Metered customer discount (ARK exchanges) increased to 21%*

3. Leased Line Rebalancing.
4. 20% reduction on calls to Australia/New Zealand to

	<i>Second/Unit</i>	<i>Pence per min (VAT ex)</i>	<i>Pence per min (VAT incl)</i>
Standard	7.85	73p	88p
Reduced	10.2	56p	68p

5. 10% reduction on calls to Near Europe
6. 37% reduction on calls to Middle East
7. 17% reduction on calls to Thailand.
8. Introduction of Business Selections and Multi Site Discount schemes (on trial).  
Introduction of Prepaid Chargecard.
9. UK rates reduced by 11.6% (peak) and 4.6% (off-peak) to

	<i>Second/Unit</i>	<i>Pence per min (VAT ex)</i>	<i>Pence per min (VAT incl)</i>
Standard	23.75	24p	29.04p
Reduced	28.5	20p	24.2p

10. Poland, Hungary and Czech Republic move from Far Europe to Mid Europe band and prices in these bands change to

	<i>Second/Unit</i>	<i>Pence per min (VAT ex)</i>	<i>Pence per min (VAT incl)</i>	<i>% Reduction</i>
<b>Mid Europe</b>				
Standard	14.25	40p	48.4p	15.8%
Reduced	16.76	34.01p	41.15p	4.5%
<b>Far Europe</b>				
Standard	9.5	60p	76.6p	11.6%
Reduced	10.96	52.01p	62.93p	10.2%

11. USA and Canada rates reduced to

	<i>Second/Unit</i>	<i>Pence per min (VAT ex)</i>	<i>Pence per min (VAT incl)</i>	<i>% Reduction</i>
Standard	14.25	40p	48.4p	27%
Reduced	15.4	37.01p	44.78p	26%
Economy	16.28	35.01p	42.36p	22%

12. New (Level 6) added to Business Selections Discount and new (Level 2) added to the Multi Site Discount schemes.

### 1997

1. Introduction of Per Second Charging for Business Selections & Multi Site Discount schemes.
2. Introduction of International Bonus Discount Scheme.
3. 2nd Phase of Leased Line rebalancing.
4. Expansion of 6 local call areas.
5. Reduction in UK and US rates for Business Selections and Multi Site Discount schemes.
6. **UK** rates reduced to

	<i>Second/Unit</i>	<i>Pence per min (VAT ex)</i>	<i>Pence per min (VAT incl)</i>	<i>% Reduction</i>
Standard	28.5	20p	24.2p	17%
Reduced	31.67	18p	21.78p	10%

7. USA and Canada rates reduced to

	<i>Second/Unit</i>	<i>Pence per min (VAT ex)</i>	<i>Pence per min (VAT incl)</i>	<i>% Reduction</i>
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Standard	19	20p	36.3p	25%
Reduced	20.36	28p	33.88p	24%
Economy	21.93	25.99	31.45	26%

8. South Africa reduced to

	<i>Second/Unit</i>	<i>Pence per min (VAT ex)</i>	<i>Pence per min (VAT incl)</i>	<i>% Reduction</i>
Standard	6.33	90p	£1.09	38%

9. Other changes as follows:

<i>Charge</i>	<i>Eligible Customers</i>	<i>Old Price (Inc. VAT)</i>	<i>New Price (Inc. VAT)</i>
Line Connection to uncabled premises	Business & Residence (new customer)	£145.00	£99.00
Line Connection to cabled premises	Residential (new customers)	£36.30	£34.99
Account Transfer	Residential (new customers)	£18.15	£17.99
Moving Line to uncabled premises	Residential (existing customers)	£121.00	Eliminated
Moving line to cabled premises	Residential (existing customers)	£36.30	Eliminated
Transferring Account	Residential (existing customers)	£18.15	Eliminated

ISDN Connection & Rental Charges reduced.

10. Introduction of Circles of Friends discount scheme. 10% Discount on 5 nominated numbers. No connection or rental charge.

11. Reduction in Leased Line charges.

12. Calls over 56Km (B Trunk) reduced to

	<i>Second/Unit</i>	<i>Pence per min (VAT ex)</i>	<i>Pence per min (VAT incl)</i>	<i>% Reduction</i>
Standard	46	12.39p	14.99p	31%
Reduced	69	8.26p	9.99p	31%
Economy	600	0.95p	1.15p	Unchanged

13. Pacific Rim rates reduce to

	<i>Second/Unit</i>	<i>Pence per min (VAT ex)</i>	<i>Pence per min (VAT incl)</i>	<i>% Reduction</i>
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Standard	7.13	79.94p	96.73	33%
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14. ISDN Data call charges reduced by:

- 20% on local & short distance trunk calls
- 45% on long distance trunk calls
- 33% on international calls

Calls are now charged the same as PSTN

15. Business Selections & Multi Site Discount Schemes

34% reduction on the basic B Trunk rate

Business Selections - Percentage Discount on B Rate Traffic:		
Level	Old	New
1	12%	18%
2	15%	24%
3	19%	30%
4	26%	32%
5	31%	34%
6	31%	34%

Multi Site - Percentage Discount on B Rate Traffic:	
Old	New
Level 1 - 25%	32%
Level 2 - 25%	32%

16. Monthly Subscription Charges reduced.

Business Selections - Monthly Subscription Charges		
Level	Old	New
1	£10	£10
2	£40	£30
3	£100	£75
4	£250	£150
5	£500	£250
6	£1,080	£450

17. Multi Site changes:

Multi Site - Monthly Network Charges		Monthly Site Fee	
Old	New	Old	New
Level 1 - £1,000	£750	£40	£30
Level 2 - £1,000	£750	£80	£60

18. Introduction of National Leased Line Discount Scheme.

19. National Chargecard Weekend rate increased.

	<i>Second/Unit</i>	<i>Pence per min (VAT ex)</i>	<i>Pence per min (VAT incl)</i>
Old rate	600	0.95p	1.15p
Reduced	63.33	9p	10.89p

20. Call Premium of 50p for Direct Dial National Calls abolished.

21. Call Premium for Calls to or from Mobile Phones/Operator Assisted National Calls/Operator Assisted Calls to or from Mobiles reduced from 50p to 47.5p (VAT Excl).

## 1998

1. International Direct Dial Calls reduced to:

Countries	Rate	Seconds Per Unit			Approx. Price per Min (ex. VAT)			Approx. Price per Min. (incl. VAT)		
		Daytime	Evening	Weekend	Daytime	Evening	Weekend	Daytime	Evening	Weekend
UK (ISD 1) % Reduction	OLD	28.50	31.67	31.67	20.00	18.00	18.00	24.20	21.78	21.78
	NEW	36.30	39.60	45.26	15.71	14.40	12.60	19.00	17.42	15.24
					21%	20%	30%	21%	20%	30%
UK Mobiles (ISD 1a)	OLD	28.50	31.67	31.67	20.00	18.00	18.00	24.20	21.78	21.78
	NEW	28.50	31.67	31.67	20.00	18.00	18.00	24.20	21.78	21.78
Near Europe (ISD 2) % Reduction	OLD	17.69	20.90	20.90	32.22	27.27	27.27	38.99	33.00	33.00
	NEW	22.99	26.13	30.00	24.80	21.82	19.00	30.00	26.40	22.99
					23%	20%	30%	23%	20%	30%
Mid Europe (ISD 3) % Reduction	OLD	14.25	16.76	16.76	40.00	34.01	34.01	48.40	41.15	41.15
	NEW	18.15	20.90	20.90	31.41	27.28	27.28	37.99	33.00	33.00
					21%	19%	19%	21%	19%	19%
US/Canada (ISD 5) % Reduction	OLD	19.00	20.36	21.93	30.00	28.00	25.99	36.30	33.88	31.45
	NEW	23.79	30.00	36.31	23.96	19.00	15.70	29.00	22.99	19.00
					20%	32%	39%	20%	32%	39%
Mex & Carib (ISD 6) % Reduction	OLD	10.40	11.40	12.70	54.81	50.00	44.88	66.32	60.50	54.30
	NEW	11.43	12.71	14.12	49.87	44.85	40.37	60.35	54.27	48.85
					9%	10%	10%	9%	10%	10%
Aus & New Z (ISD 7) % Reduction	OLD	7.85	10.20	10.20	72.61	55.88	55.88	87.86	67.61	67.61
	NEW	10.21	12.78	20.00	55.83	44.61	28.50	67.56	53.97	34.49
					23%	20%	49%	23%	20%	49%

Middle East (ISD 8)	<b>OLD</b>	<b>6.33</b>	<b>6.33</b>	<b>6.33</b>	<b>90.00</b>	<b>90.00</b>	<b>90.00</b>	<b>109.00</b>	<b>109.00</b>	<b>109.00</b>
	<b>NEW</b>	7.04	7.04	7.93	80.97	80.97	71.88	97.97	97.97	86.98
	<i>% Reduction</i>				10%	10%	20%	10%	10%	20%

2. Japan, Singapore, Hong Kong & Malaysia moved from Band 9 to Band 7:

Rate	Seconds Per Unit			Approx. Price per Min (ex. VAT)			Approx. Price per Min. (incl. VAT)		
	Daytime	Evening	Weekend	Daytime	Evening	Weekend	Daytime	Evening	Weekend
<b>OLD</b>	<b>7.13</b>	<b>7.13</b>	<b>7.13</b>	<b>79.94</b>	<b>79.94</b>	<b>79.94</b>	<b>87.86</b>	<b>67.61</b>	<b>67.61</b>
<b>NEW</b>	10.21	12.78	20.00	55.83	44.61	28.50	67.56	53.97	34.49
	<i>% Reduction</i>			30%	44%	64%	30%	44%	64%

3. Argentina and China moved from Band 10 to Band 8:

Rate	Seconds Per Unit			Approx. Price per Min (ex. VAT)			Approx. Price per Min. (incl. VAT)		
	Daytime	Evening	Weekend	Daytime	Evening	Weekend	Daytime	Evening	Weekend
<b>OLD</b>	<b>3.96</b>	<b>3.96</b>	<b>3.96</b>	<b>144.00</b>	<b>144.00</b>	<b>144.00</b>	<b>174.00</b>	<b>174.00</b>	<b>174.00</b>
<b>NEW</b>	7.04	7.04	7.93	80.97	80.97	71.88	97.97	97.97	86.98
	<i>% Reduction</i>			43%	43%	50%	43%	43%	50%

New IDD Band 1a introduced, which includes calls to non-geographic numbers in the UK i.e., mobiles, pagers etc.

Daytime, Evening and Weekend rates now apply uniformly across all international routes. The details are as follows:

*Daytime:* 8am to 6pm Monday to Friday

*Evening:* 6pm to 8am Monday to Friday

*Weekend:* Midnight Friday to Midnight Sunday

4. Business Selections & Multi Site Discount rates reduced.

5. Peak Rate Internet Access Charge (1891) reduced

	<i>Second/Unit</i>	<i>Pence per min (VAT ex)</i>	<i>Pence per min (VAT incl)</i>
Old rate (peak)	180	3.17p	3.83p
<b>New rate (peak)</b>	<b>300</b>	<b>1.9p</b>	<b>2.3p</b>

6. New National Leased Line rates.

7. New Business Savers & TalkSaver Discount scheme introduced.

8. New National Frame Relay Connection Charges

9. New VPN Charges:

- A single On-Net/Off-Net rate per band (replacing the previous 11 options depending on volume of minutes).

- The introduction of a monthly access premium of £6 per standard PSTN line accessing the IVPN service (to apply to all new analogue lines from 1st September '98. There will be no access premium on ISDN lines).
- The introduction of a term and volume discount scheme.
- A reduced connection fee – standard fee of £2,000 regardless of number of sites.

10. New International Leased Line Rates

11. Extension and amendment of National Leased Line Discount Scheme to International Leased Lines, replacing existing term discounts for International Leased Lines.

12. New Freefone rates:

- Changes to connection charges and call charges.
- Regional and National Call Bands changed to Local and National.
- Per second billing introduced (minimum call fee applies)

13. Freefone Discount Scheme Amended

14. PSTN/ISDN direct dial calls reduced to:

Band	Rate	Seconds Per Unit			Approx. Price per Min (ex. VAT)			Approx. Price per Min. (incl. VAT)		
		Daytime	Evening	Weekend	Daytime	Evening	Weekend	Daytime	Evening	Weekend
A Trunk	OLD	66.70	100.00	600.00	8.55p	5.70p	0.95p	10.34p	6.90p	1.15p
B Trunk	OLD	46.00	69.00	600.00	12.39p	8.26p	0.95p	14.99p	9.99p	1.15p
National	NEW	69.01	103.64	600.00	8.26p	5.50p	0.95p	10.00p	6.66p	1.15p
% Reduction on B					33%	33%	0%	33%	33%	0%
Mobile	OLD	25.00	37.50	37.50	22.80p	15.20p	15.20p	27.59p	18.39p	18.39p
Mobile	NEW	30.00	45.00	45.00	19.00p	12.67p	12.67p	22.99p	15.32p	15.32p
% Reduction					16.67%	16.64%	16.64%	16.67%	16.64%	16.64%

Notes: **1** The National Rate replaces the A and B trunk call rates; **2** Mobile Calls are calls to 088, 087 and 086 numbers; **3** These rates apply only to direct dial calls from private fixed-line phones.

15. Amendment of VPN Charges, resulting from new National Charges:

- On-net and off-net National calls are the equivalent of old A rate.
- Remote Access call rate for national calls was equivalent to on-net/off-net B-rates as appropriate, now equivalent to on-net/off-net national charge.

16. Amendment of Business Saver and Talk Saver schemes, resulting from new National Charges:

- National Calls attract the percentage discount formerly applied to 'B' Trunk.

17. Amendment of MSDS and BSDS resulting from New National Charges:

- National Calls attract the percentage discount formerly applied to 'B' Trunk.

18. Amendment of BSDS and MSDS schemes by deepening the discounts on Local and 1891 calls by 9%, and charging them on a per second basis.



19. New Business Circles scheme introduced. Similar to Circle of Friends, but with 15% discount on each of five chosen numbers.

20. Amendment of Talk saver and Business Saver schemes.

Formerly, combined total of eligible calls, for those billed monthly, up to a call value of £35 did not attract a discount. Now that value is £25. Similarly, for bi-monthly bills the value reduces from £70 to £50.

Discount on Local, CallSave 1850, LoCall 1890, and Internet Access 1891 is deepened by 9%, to become 15%.

21. Calling Line Identification, a free service, is being introduced. Subscribers require a CLI enabled telephone set to use the service.

**1999**

1. 1891 Internet Access rate is reduced. Daytime unit increases by 50% from 5 minutes to 7½ minutes. There is no change to the Evening or Weekend rate, which remains at 15 minutes per unit. The change has ‘knock-on’ effects on the BSDS and MSDS rates for 1891 access.

2. Chargecard rates changes include:

- The removal of the surcharge for international direct dial chargecard calls (incoming & outgoing) and third country calls.
- Operator assisted incoming Ireland Direct calls continue to attract the £1 surcharge.
- Introduction of access to the 1550 premium rate service via chargecard.

3. A reduction in UK & North America International Call charges

<i>Reduction in Band 1 (UK)</i>	<i>Approx price per min(VAT inclusive)</i>
Daytime	from 19p to 16p
Evening	from 17.42p to 14.98p
Weekend	from 15.24p to 12.96p
<i>Reduction in Band 5 (USA/Canada)</i>	<i>Approx price per min (VAT inclusive)</i>
Daytime:	from 29p to 22.99p
Evening	from 22.99p to 19.99p
Weekend	from 19p to 16.99p

4. A reduction in the minimum billable amount on the Business

5. Selections and Multi Site discount Scheme (the floor of 6.4p was removed)

6. The introduction of a Eurcall (calls to Europe) discount rate in the Business Selections & MultiSite Discount Scheme which gives greater discount on certain levels for calls in Band 1 2 & 3.

7. An increase on % discount on MSDS Level 2, National Calls

8. VPN small site fee, analogue & ISDN.

9. Follow on changes from the above on the International Freefone, Virtual Private Network and Switchlink services.

10. The introduction of per second pricing (subject to a minimum fee of 9.5p ex VAT, 11.5p incl. VAT) on calls that are currently charged for by (9.5p, ex VAT) (11.5p incl

VAT) unit fees. Affects direct dial call charges from private telephones and calls made by use of the Chargecard or Ireland direct service.

11. An increase in the monthly telephone line rental of 2.4 %.

<i>Old Charge per month</i>		<i>New Charge per month</i>	
<b>Ex VAT</b>	<b>Incl VAT</b>	<b>Ex VAT</b>	<b>Incl VAT</b>
£10.00	£12.10	£10.24	£12.40

12. Amendment of discount allowed on calls to UK Non-Geographic numbers. These calls now attract the same discount as calls to Irish Mobile phones.

13. Introduction of Calls to the Iridium Global Satellite Telephone Network. Calls will be charged as per Inmarsat.

14. Introduction of two discount schemes:

- “eircom Optimiser” levels 1-4 primarily targeted at SME customers;
- “eircom Performance” levels 1-3 aimed at Corporate business customers. *Eircom Optimiser*

	<i>Local</i>	<i>Calls to National Mobile</i>	<i>National</i>	<i>UK (mobile)</i>	<i>Europe (includes UK &amp; Bands 2 &amp; 3)</i>	<i>USA</i>	<i>ROW</i>	<i>Minimum Fee per call</i>	<i>Monthly minimum spend</i>
<b>Level 1</b>	8%	3	8	3	14	14	14	5p	IR£140
<b>Level 2</b>	13	4	18	4	30	25	15	5p	IR£300
<b>Level 3</b>	14.5	5.5	24	5.5	31.5	26.6	18	3p	IR£900
<b>Level 4</b>	16	7	30	7	33	28.3	22	3p	IR£1500

*Eircom Performance*

	<i>Local</i>	<i>Calls to National Mobile</i>	<i>National</i>	<i>UK (mobile)</i>	<i>Europe (includes UK &amp; Bands 2 &amp; 3)</i>	<i>USA</i>	<i>ROW</i>	<i>Minimum Fee per call</i>	<i>Monthly minimum spend</i>
<b>Level 1</b>	17.5%	8	32	8.5	34.5	30	29	3p	IR£2500
<b>Level 2</b>	19	8	34	10	44	34	34	2.5p	IR£3500
<b>Level</b>	19	8	34	10	48	38	48	2.5p	IR£50

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15. Local call charges changed as follows:

	<i>Excluding VAT</i>		<i>Including VAT</i>	
	<b>Old</b>	<b>New</b>	<b>Old</b>	<b>New</b>
Daytime	3.17p/min	3.31p/min	3.83p/min	4.00p/min
Evening	0.63p/min	0.83p/min	0.77p/min	1.00p/min
Weekend	0.63p/min	0.83p/min	0.77p/min	1.00p/min

16. National call charges changed as follows:

	<i>Excluding VAT</i>		<i>Including VAT</i>	
	<b>Old</b>	<b>New</b>	<b>Old</b>	<b>New</b>
Daytime	8.26p/min	8.26p/min	9.99p/min	9.99p/min
Evening	5.50p/min	5.50p/min	6.66p/min	6.66p/min
Weekend	0.95p/min	0.83p/min	1.15p/min	1.00p/min

17. Directory Enquiry rebates ceased.

## 2000

1. ISDN BRA connection fee reduced from IR£348 to IR£164.46 (ex VAT)
2. ISDN PRA rental reduced from IR£290 to IR£208 (ex VAT) per month
3. ISDN FRA rental reduced from IR£174 to IR£125 (ex VAT) per month
4. FRA extra channel price reduced from IR£10 to IR£6 (ex VAT) per month
5. Introduction of a monthly charge of 81 pence ex VAT (99 pence incl. VAT) for existing call answering service
6. International leased line price reductions
7. Changes to VPN fixed charges, call charges and discount schemes
8. National call charges reduced as follows

	<i>Excluding VAT</i>		<i>Including VAT</i>	
	<b>Old</b>	<b>New</b>	<b>Old</b>	<b>New</b>
Daytime	8.26p/min	6.10p/min	9.99p/min	7.38p/min
Evening	5.50p/min	4.00p/min	6.66p/min	4.84p/min
Weekend	0.83p/min	0.83p/min	1.00p/min	1.00p/min

9. Fixed to Mobile call charges reduced as follows:

	<i>Excluding VAT</i>		<i>Including VAT</i>	
	<b>Old</b>	<b>New</b>	<b>Old</b>	<b>New</b>

Daytime	19.00p/min	19.00p/min	22.99p/min	22.99p/min
Evening	12.67p/min	12.67p/min	15.33p/min	15.33p/min
Weekend	12.67p/min	9.92p/min	15.33p/min	12.00p/min

10. Calls to UK reduced as follows:

	<i>Excluding VAT</i>		<i>Including VAT</i>	
	<b>Old</b>	<b>New</b>	<b>Old</b>	<b>New</b>
Daytime	13.22p/min	10.00p/min	16.00p/min	12.10p/min
Evening	12.38p/min	9.40p/min	14.98p/min	11.37p/min
Weekend	10.71p/min	8.10p/min	12.96p/min	9.80p/min

11. PSTN Rental increased as follows:

	<i>Excluding VAT</i>		<i>Including VAT</i>	
	<b>Old</b>	<b>New</b>	<b>Old</b>	<b>New</b>
PSTN Rental	IR£10.24	IR£10.92	IR£12.39	IR£13.21

12. Introduction of *eircom* Options discount scheme with two levels (that target residential customers).

13. Addition of two new levels to the *eircom* Optimiser scheme.

**5. What, if any, criteria are there to withdraw from price regulation? Do these differ according to types of services?**

See answer to question 2 above and condition 13.5 of the Pro-forma General Telecommunications Licence in the answer to question 9 under section III on Market Entry.

**S.I. No. 71 of 1999 – European Communities (Voice Telephony and Universal Service) Regulations, 1999 [giving effect to Directive 98/10/EC]**

*Regulation 21 – Tariff Principles*

(6) This Regulation [21] shall not apply in an area of the State in relation to which the Director has determined that effective competition in the fixed public telephone services market exists.

An operator that no longer has SMP would clearly be another relevant consideration in the decision of whether to withdraw from price regulation.

**6. Are any obligations imposed on international telecommunication service providers (uniform accounting rates/proportionate return for traffic)?**

No

**7. Does the Department obtain data on international accounting rates? Are they published?**

Department of Public Enterprise to respond.

The ODTR does not receive data on international accounting rates.

## V. INTERCONNECTION

### **1. *Would you explain the interconnection framework? How has it changed over the last 10 years? In particular, which accounting methodologies have been used? In addition, please explain how facility-sharing has been ensured?***

The Interconnect regime in Ireland is governed by the European Communities (Interconnection in Telecommunications) Regulations 1998 (S.I. No. 15 of 1998). These regulations transpose into national law the EU Interconnect Directive (Directive 97/33/EC).

These regulations confer certain rights and obligations on licensed operators to enter into agreements for the provision of interconnection services. The SMP operator (*eircom*) has further obligations to offer such services on a cost-orientated, non-discriminatory basis and is obliged to provide such services for interconnection as may be required. Its costs must be justified to this Office. The incumbent is also required to publish a Reference Interconnect Offer (RIO), stating all of the terms and conditions, including charges, for the interconnect services it offers.

These regulations came into effect in July 1998 and since then there has been no substantive change to the regime.

Up to now, determinations on *eircom*'s Reference Interconnect Offer (RIO) charges have been based on their historic costs. Going forward, it is intended to use information from the bottom up LRIC model (currently being developed by the ODTR with an Industry Advisory Group) to assess *eircom*'s RIO charges until a top-down LRIC model is completed by *eircom*. At that time, these models will be reconciled, and together with the results from *eircom*'s Regulatory Accounts, rates will be finalised for 1/12/99 to 31/3/01. Interim rates currently apply (see answer to question 5 below).

On facility sharing, there are provisions in the Interconnect Regulations covering such matters. It is a matter for commercial negotiation between the parties concerned. *Eircom* is currently obliged to provide co-location<sup>23</sup>. Falling out of the LLU Decision, an Industry Forum is being established to address the many operational and economic issues associated with this form of facility sharing.

More common forms of facility sharing include the sharing of ducts and antennae and again these are subject to commercial negotiation.

### **2. *Please provide data on eircom's current interconnection charges and a time-series to show how these charges have evolved over the last 10 years.***

The Irish telecommunications market was liberalised on 1<sup>st</sup> December 1998. Prior to that date there was no requirement to offer interconnection. New entrants have to connect with *eircom*'s network to enable their customers to connect with the bulk of telephone users. The Interconnection Regulations oblige *eircom* to publish a Reference Interconnect Offer (RIO), which must be amended if it is deemed that prices do not follow the principles of cost orientation, non-discrimination and transparency.

To date *eircom* has signed 13 interconnection agreements with other fixed operators. A number of OLOs are currently negotiating interconnect agreements with the two mobile operators.

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<sup>23</sup> See Decision on Local Loop Unbundling and current RIO decision, Document No ODTR 00/30 and Document No ODTR 00/31 respectively.

Key conveyance rates, that is, call termination, origination and transit, represent the majority of costs to OLOs and the ODTR's most recent review of the RIO has focussed on these. Additional work is being carried out for charges in relation to interconnection links.

In July 1998, the Director initiated a consultation<sup>24</sup> to discuss the services that should be included in *eircom*'s RIO and the ODTR's position subsequently set out.<sup>25</sup> In August 1998, *eircom* published a revised RIO, which, in the opinion of the Director, complied with market requirements at that time.

In November 1998, the ODTR undertook to set out the context in which interconnection rates are set, indicated the current status and outstanding items, and set interim rates for the period 1/12/1998 onwards.<sup>26</sup> It initiated a broad ranging consultation on the issues unresolved by the decision notice and requested comments on the appropriate scope and scale for such a consultation. The ODTR launched a consultation on the development of the scope of the RIO in March 1999<sup>27</sup>. Topics for discussion included broadening the scope and ensuring that OLOs' service requests were being met in a timely fashion.

The Director recently reviewed and agreed the interim interconnection rates set in November 1998 (see table below) as final for the period 1<sup>st</sup> December 1998 to 1<sup>st</sup> December 1999 as set out in Decision Notice D2/00.<sup>28</sup> These finalised rates were within the applicable EU benchmarks for 1999. These benchmarks are based on "best current practice" and provide guidance to the National Regulatory Authorities (NRAs) when assessing the interconnection charges for call termination proposed by notified operators.

Decision D3/00<sup>29</sup> set out the interim rates for the period from 1 December 1999 to 1 April 2000. The Director accepted *eircom*'s proposed interim rates, which were based on revised traffic patterns and providing for an estimated net reduction of 6% on the earlier rates were proposed by *eircom* for the same period (see table below). OLOs will benefit from these revised interim rates, which indicate the downward trend in interconnection charges over time. The ODTR is continuing its review of rates and traffic patterns for the period from 1<sup>st</sup> December 1999 onwards. It is expected that *eircom* will shortly be in a position to present and justify rates for call origination, termination, transit, interconnection links and Intelligent Network for the period from 1 April 2000 onwards.

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<sup>24</sup> See Document No ODTR 98/19.

<sup>25</sup> See Document No ODTR 98/26.

<sup>26</sup> See Document No ODTR 98/52 and Document ODTR 98/60.

<sup>27</sup> See Document No ODTR 99/16.

<sup>28</sup> See Document No ODTR 00/14.

<sup>29</sup> See Document No ODTR 00/15.

<b>Call Termination</b>	<b>August-98 Rate per Minute (Pence)</b>	<b>01/12/1998-1/12/99 Final Rates Rate per Minute (Pence)</b>	<b>1/12/99-31/3/00 Interim Rates Rate per Minute (Pence)</b>
Primary Peak	1.02	0.82	0.805
Primary Off/Peak	0.68	0.41	0.425
Primary Weekend		0.33	0.36
Tandem Peak	1.54	1.27	1.16
Tandem Off/Peak	1.03	0.63	0.605
Tandem Weekend		0.52	0.52
Tertiary Peak	2.31		
Double Tandem <50km Peak		1.56	1.38
Double Tandem >50km Peak		1.78	1.58
Tertiary Off/Peak	1.54		
Double Tandem <50km Off/Peak		0.78	0.72
Double Tandem >50km Off/Oeak		0.88	0.82
Double Tandem <50km Weekend		0.64	0.615
Double Tandem >50km Weekend		0.73	0.71

### ***3. Is the mobile network included in the interconnection regime?***

Yes. The regulations apply to all licensed operators. More especially, any operator designated as having Significant Market Power in the National Market for Interconnection is subject to the more detailed provisions of the Interconnection Regulations.

### ***4. To what extent is “unbundling” ensured in the legislative framework?***

#### **LOCAL LOOP UNBUNDLING**

Special network access (SNA) is provided for in both Irish and EU legislation. The relevant provisions are set out in Regulation 20 of the European Communities (Voice Telephony and Universal Service) Regulations, 1999 (S.I. No. 71 of 1999), transposing the Voice Telephony and Universal Service Directive (98/10/EC).<sup>30</sup> Regulation 4 of the European Communities (Interconnection in Telecommunications) Regulations (S.I. No. 15 of 1998) and Article 4(2) of the Interconnection Directive (97/33/EC) are also relevant. Key requirements include the following:

- Operators with Significant Market Power must deal with requests for access to their networks at network termination points other than those commonly provided (Special Network Access).
- The provision of such access must be at cost oriented rates and comply with the principle of non-discrimination.
- The conclusion of agreements is a matter for negotiation between the parties in the first instance.
- The National Regulatory Authority may intervene and shall do so if requested by either party, to set terms and conditions for access and to ensure that agreements are implemented in the interests of users.

<sup>30</sup> See, in particular, Article 16.



The regulations renew the provisions on special network access originally included in previous legislation. In particular, Regulation 20(8) empowers the Director to intervene in the market to ensure effective competition or interoperability or both.

In Decision D6/00<sup>31</sup>, the Director has specified that bitstream access (one of the three possible LLU services) is to be provided by *eircom*. The EU legal framework does not support copper unbundling, while the Commission has highlighted a third form of access known as “line sharing,” but this option is relatively new to European markets. The Commission has recommended that member states introduce legislative and regulatory measures to ensure that LLU is available by the end of 2000.<sup>32</sup>

Rather than delay the start of preliminary work needed by all parties if unbundling is to be introduced, ODTR Decision D6/00 outlines a staged approach, which engages all parties to do the groundwork common to all types of unbundling. Additional forms may be developed more rapidly as required/enabled at a later date.

### **UNBUNDLING OF INTERCONNECTION TARIFFS**

Both the Interconnection Regulations and the Voice Telephony and Universal Service Regulations contain specific references.

#### **S.I. No. 15 of 1998 – European Communities (Interconnection in Telecommunications) Regulations, 1998 [giving effect to Directive 97/33/EC]**

##### *Regulation 8 – Principles for interconnection charges and cost accounting systems*

“(12) An organisation providing interconnection shall ensure that –

- (a) charged for that interconnection shall be sufficiently unbundled so that an applicant is not required to pay for anything not strictly related to the service requested and...”

#### **S.I. No. 71 of 1999 – European Communities (Voice Telephony and Universal Service) Regulations, 1999 [giving effect to Directive 98/10/EC]**

##### *Regulation 21 – Tariff Principles*

(2) An organisation providing voice telephony services which has been designated under Regulation 4 [as having Significant Market Power]...

(4) An organisation referred to in paragraph (2) shall ensure that tariffs for facilities additional to the provision of connection to its fixed public telephone network and fixed public telephone services, shall be sufficiently unbundled, so that the user is not required to pay for facilities which are not necessary for the services requested.

### ***5. Are methodologies, such as long run average incremental cost (LRAIC), planned as a means of determining interconnection?***

See answer to question 1 above.

### **DETERMINATIONS TO DATE ON REFERENCE INTERCONNECT SERVICES**

To date the ODTR has made three determinations on conveyance rates as follows:-

- 1/12/98 to 30/11/99 – interim rates were set, which have recently been finalised.

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<sup>31</sup> Document No ODTR 00/30.

<sup>32</sup> See footnote 5.

- 1/12/99 to 31/3/00 – interim rates have been set.

These determinations were made based on ‘appropriate costs’ from *eircom*’s existing historical costs.

### **GOING FORWARD**

The ODTR will shortly complete the construction of a bottom up LRIC model for the Core Network conveyance services, and an industry advisory group is assisting in this regard.

It is intended to use information from the bottom up LRIC model to assess *eircom*’s Reference Interconnect Offer for the period 1/4/00 to 31/3/01. The rates set on this basis will be interim rates, and will be published in early June 2000.

The *eircom* top-down LRAIC model will be completed later in 2000 and reconciled with the ODTR’s bottom-up LRAIC model. The results of this reconciliation will be combined with *eircom*’s regulatory accounts to finalise the rates for 1/12/99 to 31/3/01.

It has also been decided that LRIC will form the core of the pricing formula for local access, that is, unbundled local loops, because the same cost standard should be applied to the access network as to the core network.<sup>33</sup>

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<sup>33</sup> Document No ODTR 00/30.

## VI. RIGHTS OF WAY

1. *Please explain “rights of way” regulations in Ireland. Which institutions are responsible for the regulations?*

Department of Public Enterprise

2. *Is the dominant carrier required to meet requests for co-location and sharing of ducts? Is there any dispute resolution procedure in place?*

Eircom is currently obliged to provide co-location (see current RIO decision, Document No. ODTR 00/31, Decision Notice D7/00).

See Condition 9.2 of the General Telecommunications Licence on Trench Sharing.

See regulation 12 of S.I. No. 15 of 1998, European Communities (Interconnection in Telecommunications) Regulations, 1998 on ODTR’s responsibilities as regards facility sharing. The ODTR does have dispute resolution procedures in place, which would be applied to disputes over duct sharing if such a need arose.<sup>34</sup>

Department of Public Enterprise also to respond on duct sharing.

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<sup>34</sup> See Document No. ODTR 99/53.

## VII. UNIVERSAL SERVICE

### ***1. Which services are designated as being included within the concept of “universal service obligations”? Have regulations in regard to universal service changed over the last 10 years?***

The Revised Voice Telephony Directive 98/10/EC was implemented in Ireland by the European Communities (Voice Telephony and Universal Service) Regulations, 1999 (S.I. No. 71 of 1999), which amended the provisions in S.I. No. 15 of 1998, which, in turn, transposed the provisions of Directive No. 97/33/EC (the Interconnection Directive) dealing with funding of universal service. These Regulations came into effect on 15<sup>th</sup> April 1999 and within 30 days of the Regulations coming into operation, the Director of Telecommunications Regulation was obliged to designate:

1. The universal service provider(s)
2. The geographic area to which universal service would apply
3. The services to be included in the universal service obligation.

Telecom Éireann (incumbent now called “eircom”) did have universal service obligations under section 14 of the Postal and Telecommunications Services Act, 1983 but that section was repealed on 14 May 1999 and new obligations were imposed by the Regulations.

On 14 May 1999, the Director designated eircom as having the obligation to provide:

#### *Access to the fixed public telephone network and services*

This obligation ensures that any request, in so far as the fixed operator considers it reasonable, by a person for connection to the fixed public telephone network at a fixed location, is met and that access to fixed public telephone service is provided.

The Director can overrule a refusal by the USO provider to provide access and may lay down requirements regarding the determination of reasonableness.

#### *Directory services*

This includes the provision of directory services (compilation of and access to directory information) and the provision of comprehensive public directories in printed or electronic form.

#### *Public pay telephones*

This obligation is to provide public pay telephones in sufficient numbers, taking into account the population density in the geographic area to satisfy all reasonable needs for such services throughout the area.

The universal service obligation applies to the entire geographical area of Ireland and to each social group. The ODTR may re-examine eircom’s designation as universal service provider for one or all of the identified services. However, with respect to fixed public telephone network and services and the provision of public pay telephones, eircom’s designation will continue for a period of one year at least. There must continue to be at least one USO provider of access to the fixed public telephone network.

### ***2. Who bears the financial responsibility for universal service? Has the cost of universal service been estimated?***

Reimbursement for meeting universal service obligations may occur where the ODTR determines that *eircom* experiences:

1. A “net cost” in the provision of such services;
2. An unfair burden in meeting such net costs.

In relation to net cost, the Irish Regulations specifically state that

“In this Regulation “net cost” means the cost, if any, having regard to the direct and indirect costs and revenues associated with the provision of universal service including, in particular, any market benefits accruing to a person arising from its obligation to provide universal service”.

For the year 1999/2000, the ODTR has received *eircom*’s request for funding under the universal service obligation in respect of the period from the liberalisation of the Irish telecommunications market (1 December 1998) to 14 May 1999 and from 14 May 1999 to 13 May 2000.

This request for funding is currently being reviewed by the ODTR and a determination is expected. In the case where 1. A net cost is established and 2. Such a cost is determined to be a net burden, two mechanisms are possible for sharing the net cost:

1. A fund administered by the ODTR to which all licensed operators shall contribute and from which the designated organisation shall be reimbursed in respect of the net cost associated with meeting its obligation to provide universal service; or
2. A supplementary charge added to the charge for interconnection to the public telecommunications network.

In respect of the fund, the Regulator is obliged to take into account the principles of transparency, non-discrimination and proportionality as imposed by the European Directive on universal service (No. 97/33/EC).

## **VIII. SPECTRUM ALLOCATION**

### ***1. Who is responsible for spectrum planning?***

The ODTR has been granted specific powers under the Telecommunications (Miscellaneous Provisions) Act, 1996. In particular, the Director is required to provide a radio frequency plan and is responsible for the licensing of spectrum. The Minister retains the right to issue directions requiring the Director to comply with decisions concerning the allocation and use of spectrum.

#### **SECTION 3(5)**

“The Director shall, as soon as practicable after the coming into operation of this section, publish a plan to be known as a “Radio Frequency Plan” comprised of a set of tables indicating frequency allocations in the radio spectrum by the Director at the date of the publication of the plan.”

#### **SECTION 3(6)**

Obliges the Director to revise and re-publish that plan from time to time.

#### **SECTION 3(7)**

Permits the Minister to issue directions requiring the Director to comply with decisions concerning the allocation and use of radio frequency spectrum and also to discharge, on behalf of the State, obligations derived from international organisation membership or international agreements.

#### **SECTION 3(8)**

Adds that the Director, in compiling the Radio Frequency Plan must comply with any direction given by the Minister (under section 3(7) above).

#### **SECTION 3(9)**

States that the Minister shall have regard to principles of good frequency management in giving directions under this section.

Additionally, there are ancillary obligations flowing from spectrum management in terms of licensing functions. Under the Wireless Telegraphy Act, 1926, the Director has powers to licence the use of apparatus.

Section 6 of this Act governs the licensing powers of the Director and relevant regulations made by the Director are subject to the consent of the Minister.

The Licensing Regulations of 1998 reinforce the need for efficient and good management of spectrum so as to achieve optimal use of the spectrum for the delivery of telecommunication services.

Apart from the ODTR, a number of agencies have specific interests in spectrum including the Department of Public Enterprise, the Irish Aviation Authority, the Department of the Marine and Natural Resources and the Department of Arts, Heritage, Gaeltacht and the Islands. The ODTR is responsible for managing and licensing the use of radio frequency spectrum within a framework which takes account of national policies, regional strategies (such as in CEPT), European Union legislation and other international obligations and developments (e.g., ITU Radio Regulations).

**2. *Would you explain how spectrum is allocated? Have there been any changes in this methodology over the last 10 years? In particular, please provide information on previous mobile licensing procedures (for example, number of applicants, obligation of licensees, spectrum allocation method, and restrictions on application). How do you manage spectrum resources?***

Spectrum resources are allocated and managed by the Office of the Director of Telecommunications Regulation as follows:

**FREQUENCY PLANNING**

The different parts of the spectrum are allocated for particular services, taking account of user demands, and in compliance with international obligations and agreements. The allocations are made in an optimum manner with regard to the efficient use of spectrum and to minimising radio interference.

The Office has published a detailed Table of Frequency Allocations for Ireland (Document ODTR 98/03) covering the frequency range 9 kilohertz (kHz) to 400 Gigahertz (GHz).

The Office is currently undertaking a review of the radio spectrum, including the commercial and economic aspects, completion of which is expected early in 2001.

**ASSIGNMENT AND LICENSING**

Assignments are made to individual users within each allocation in accordance with best practice and are co-ordinated with neighbouring countries as required. Under existing national legislation (the Wireless Telegraphy Acts), every person who keeps, or has in his possession any radio equipment (apparatus for wireless telegraphy), must be authorised to do so by way of a Wireless Telegraphy Licence, unless an Exemption Order has been made for the class of radio equipment in question. Furthermore, radio equipment must be worked or used in compliance with the Licence or Exemption Order conditions. The Director of Telecommunications Regulation issues all Wireless Telegraphy Licences and Exemption Orders in Ireland. Exemption Orders have been made for, inter alia, specified classes of radio broadcasting receivers, mobile phones, cordless phones, satellite terminals and low power devices.

**INTERFERENCE INVESTIGATION**

The ODTR takes great care in all aspects of planning and assigning frequencies to minimise potential interference. The ODTR investigates reports of interference and takes action where appropriate.

**IRISH LICENSING REGIME FOR MOBILE TELECOMMUNICATIONS SERVICES**

Before competition was introduced in the telecommunications sector in Ireland, radio spectrum in the 900 MHz band was assigned to Telecom Eireann for the provision of an analogue public mobile telephony service using the TACS standard. The service (Eircell) was launched in December 1985. Further spectrum in the 900 MHz band was made available to Telecom Eireann for the provision of a digital mobile telephony service using the GSM standard. This service was launched in July 1993.

In March 1995, the Department of Transport, Energy and Communications launched a competition for the award of a licence for a second mobile telephony operator using the GSM 900 standard. Six applications were received and the "beauty contest" approach was used to rank the applications. The licence was awarded to Esat Digifone in May 1996 and the service was launched in March 1997.

In December 1997, a competition was launched by the Office of the Director of Telecommunications Regulation for the award of a third mobile telephony licence using the dual band GSM900/1800 standard. Two applications were received and the “beauty contest” approach was used to rank the applications. The ranking was announced in June 1998. Orange Communications Ltd. delayed the award of the licence with a legal challenge to the proposal by the Director to award the licence to Meteor Mobile Communications Ltd. This matter has recently been resolved and the Director is making arrangements to issue the third licence to Meteor.

In April 1999, the existing operators, Eircell and Esat Digifone, were invited to apply for additional spectrum in the 1800 MHz band. Both applicants were subsequently awarded spectrum in late 1999 to facilitate the provision of a dual band GSM 900/1800 service.

The proposed timetable for the introduction of 3G Mobile Communications in Ireland has been outlined as follows:

Initial Workshop	18 <sup>th</sup> April 2000
Consultation	July 2000
Analysis of Responses from Consultation	September 2000
Publish Competition Details	October 2000
Run the Competition	Nov 2000 to February 2001
Award licences	February 2001
Network Rollouts	2001 – 2002
3G Services	2002 –

**3. *Please explain the plans for allocating UMTS (IMT-2000) licences including the number, schedule, methodology of the allocation, whether the licence is regional or national, and any limitations on the licensees.***

The ODTR is currently in the process of developing a licence competition format and associated regulations for the issue of 3<sup>rd</sup> generation (IMT-2000) mobile licences. It is planned to hold a consultation on the proposals followed by a competition during the second half of 2000 with a view to awarding licences in February 2001.

A public workshop was held on 18 April 2000 to explain to the telecommunications industry the background to 3<sup>rd</sup> generation mobile services and to initiate the process, which will lead to licensing of the services.

Issues including the number of licences, method of allocating licences, whether the licence is regional or national, and any limitations on the licensees will be decided during the course of the coming year.

The frequency bands 1900-1980 MHz, 2010-2025 MHz and 2110-2170 MHz will be available for IMT-2000 by 2001. Accordingly Ireland will implement the CEPT ERC Decisions ERC/DEC/(97)07<sup>35</sup>, ERC/DEC(99)25<sup>36</sup> and ERC/DEC(00)01<sup>37</sup>.

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<sup>35</sup> CEPT/ERC/DEC(97)07 ERC Decision of 30 June 1997 on the frequency bands for the introduction of the Universal Mobile Telecommunications System (UMTS).



**4. Please provide data on charges levied for spectrum resources, if any. What methodology is used to calculate these charges? Who determines the fee? Is it reviewed periodically?**

The charges levied for spectrum resources are outlined in Appendix II. Spectrum fees and charges can be broken down as follows:

- Administrative fees for the costs incurred in the licensing of spectrum;
- Spectrum Access fees for the right to spectrum;
- Wireless Telegraphy fees for the right to use the spectrum.

Administrative fees and Spectrum access fees (for the use of spectrum for the delivery of telecommunications services) are permissible under section 111 of the 1983 Act, as amended by the Licensing Regulations<sup>38</sup>. These fees are determined by the ODTR with the approval of the Minister of Finance.

Wireless Telegraphy Fees are determined and charged by the Director under the Wireless Telegraphy Act 1926, as amended.

In each case the Licensing Directive applies and permits the charging of administrative fees and also permits the imposition of charges for the efficient and effective use of spectrum.

The methodology to calculate the charges would have regard to, inter alia, the costs of administration of the spectrum, the availability and demand for spectrum and international practice in relation to the charges for such spectrum.

The telecommunications and broadcasting markets, which account for the bulk of spectrum use in Ireland, are changing rapidly and fundamentally, with the migration from analogue to digital technology and an increasing emphasis on mobility. The boundaries between services are being eroded. The Office is currently carrying out a scoping exercise for a review of the commercial and economic aspects of spectrum use in Ireland.

The review to be carried out will encompass a comprehensive review of the use of radio spectrum and spectrum pricing, taking into account changing markets and technologies. It is expected that the review will be completed in early 2001.

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<sup>36</sup> CEPT/ERC/DEC(99)25 ERC Decision of 29 November 1999 on the harmonised utilisation of spectrum for terrestrial Universal Mobile Telecommunications System (UMTS) operating within the bands 1900 - 1980 MHz, 2010 - 2025 MHz and 2110 - 2170 MHz.

<sup>37</sup> CEPT/ERC/DEC(00)01 extending ERC/DEC/(97)07 on the frequency bands for the introduction of terrestrial Universal Mobile Telecommunications System (UMTS).

<sup>38</sup> European Communities (Telecommunications Licensing) Regulations 1998 (SI 96 of 1998)

## **IX. NUMBERING**

### ***1. Who is responsible for managing numbering resources?***

In accordance with the terms of Regulation 13 of Statutory Instrument No.15 of 1998 (European Communities (Interconnection in Telecommunications) Regulations, 1998), the Director of Telecommunications Regulation is vested with responsibility for administering the national telecommunications numbering resource. In particular, the Director has a statutory obligation to put in place procedures to ensure that the allocation of numbers is carried out in an objective, transparent, non-discriminatory and timely manner.

### ***2. How do you manage numbering resources?***

The Director makes allocations and reservations of numbering capacity from the Irish Numbering Scheme to licensed operators who sub-allocate individual numbers to service providers and end users. Sub-allocated capacity remains part of the national resource managed by the Director. The Director delegates the day to day administration work to the Numbering Plan Management (NPM) section within her Office.

Management of the Plan mainly consists of:

- assignment of numbers from designated number ranges;
- surveillance of usage of reserved and allocated numbers;
- withdrawal of assigned numbers.

Current numbering assignments may be checked on the ODTR web site.

Management of the numbering resource by the NPM is carried out in accordance with a set of published National Numbering Conventions, which is adequate to deal with most eventualities. These Conventions<sup>39</sup> were first published in February 2000, following a public consultation. They currently exclude mobile numbering but will be extended to include it during this year.

The National Numbering Conventions are intended to provide a long-term framework within which the national telephone numbering scheme may continue to be developed, by agreement, for the benefit of all Irish public telecommunications users.

### ***3. Has call-by-call carrier selection been introduced?***

Call-by-call carrier selection services and call-by-call Carrier Access services (which are similar but involve a 2-stage call set-up process) were introduced in Ireland in December 1998. Decision Notice D1/98<sup>40</sup> provides the basis for this and includes short descriptive annexes of the services. All operators use five digit access codes in the form 13XXX for Carrier Access/Carrier Selection.

### ***4. Has carrier pre-selection been introduced?***

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<sup>39</sup> See Document No ODTR 00/10.

<sup>40</sup> See Document No ODTR 98/18.

Ireland was committed to the introduction of CPS by 1<sup>st</sup> January 2000, in line with the European Commission Directive 98/61/EC<sup>41</sup> (transposed into Irish legislation as Statutory Instrument No. 249 of 1999) and the decision by the Minister for Public Enterprise that this should occur. In order to ensure the implementation of an effective CPS scheme, the Director published a consultation document on CPS in March 1999<sup>42</sup>, followed by Decision Notice D2/99.<sup>43</sup>

In practice, operators in Ireland encountered implementation difficulties and CPS was introduced on a phased basis in January 2000, with the incumbent processing orders manually until a fully automated system was introduced in April 2000. CPS is now established in Ireland.

The following options are available:

*Option 1 - International Calls only*

This option enables customers to pre-select a carrier other than the incumbent (eircom) for all international calls only.

and/or

*Option 2 - National calls only*

This option enables customers to pre-select a carrier other than the incumbent for all national calls only.

or

*Option 3 - All calls:*

This option enables customers to pre-select an operator other than the incumbent to carry all their calls.

*Notes*

1. Options 1 and 2 may be combined so that the customer has pre-selections for both national and international calls. The pre-selected operator may be the same or different for each call type.
2. Selecting Option 3 precludes the additional selection of Options 1 or 2 and replaces previously selected options.
3. Calls for which the customer does not pre-select an operator continue to be routed by the incumbent.
4. Customers are able to 'override' their pre-selections for individual calls on a call-by call-basis by dialling a carrier selection/carrier access code, having made arrangements to do so with alternative operators (including the incumbent).
5. ***What are Ireland's plans to introduce number portability? Will the number portability plan include geographical portability? What are the plans for mobile service number portability?***

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<sup>41</sup> Directive 98/61/EC of the European Parliament and of the Council, of 24 September 1998, amending Directive 97/33/EC with regard to operator number portability and carrier pre-selection.

<sup>42</sup> See Document No ODTR 99/08.

<sup>43</sup> See Document No ODTR 99/29.

Non-geographic Number Portability (NGNP) was introduced on 1 January 2000, in line with the European Commission directive 98/61/EC<sup>44</sup> (transposed into Irish legislation as Statutory Instrument No. 249 of 1999). A public consultation in January 1999<sup>45</sup> was followed by a Decision Notice<sup>46</sup>, which sets out the broad framework for the introduction of Number Portability in Ireland. NGNP allows for porting between operators of fixed network numbers other than those containing geographic information, e.g. Freephone numbers, Premium Rate Numbers etc.

Geographic Number Portability is being introduced on a phased basis between July and November 2000, as described below.

Mobile service number portability is already partially available. The introduction of full mobile portability is an issue currently in hand.

The plans for introduction of Geographic Number portability are:

1. To require the incumbent to provide the capability to export geographic numbers to any other operator who requests portability and who is willing to offer portability in return, by 1<sup>st</sup> July 2000;
2. To require all operators to offer customer initiated geographic NP from 30<sup>th</sup> November 2000;
3. To allow new operators who do not want to import geographic numbers to decline to export geographic numbers to other operators up until 30<sup>th</sup> November 2000.

The implementation schedule in Decision Notice D1/99<sup>47</sup> allows for the initial introduction of operator-initiated NP for geographic numbers, followed by customer-initiated NP at a later stage.

With operator-initiated NP, the incumbent operator must be capable of exporting numbers to another operator, if that operator requests it. The requesting operator must offer to export numbers to the incumbent in return (reciprocity). However, a new operator can refuse NP to another requesting new operator if it is not already required to offer NP to the incumbent on a reciprocal basis. This allows new operators to judge when the additional costs of implementing NP make it worthwhile.

With customer-initiated NP, any operator must be in a position to provide the facility when the customer requests NP. The main advantage of customer-initiated NP is that the customer can avail of NP regardless of which operator he wishes to move to. Therefore, all operators must make their networks capable of dealing with both the import and export of numbers.

The plans also allow for geographic portability, in that geographic numbers may be location ported within a Minimum Numbering Area (MNA). This is a geographically defined area, which is usually closely related to the area covered by a switch or Remote Subscriber Unit. It is normally a sub-area, within a geographic area, having its own distinctive access code. There are currently 128 MNAs in Ireland.

Ireland has provided partial mobile number portability since the introduction of a competing GSM service to that of the incumbent in 1997. This allows customers to change operator and retain the subscriber part of their number, changing only their access codes.

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<sup>45</sup> See Document No ODTR 99/01.

<sup>46</sup> See Document No ODTR 99/24.

<sup>47</sup> See Document No ODTR 99/24.

This approach does have the disadvantage of being inefficient in its use of numbering resources.

The introduction of full mobile number portability is becoming more pressing with the imminent start-up of a third operator. It will be handled in line with European Commission plans, which have been developed as an outcome of the Commission's '99 Framework Review. It is expected that new Directives will be issued as a result of those plans, including requirements for (full) mobile portability.

The Director may seek to introduce mobile number portability earlier than specified in the relevant Directive.

## **X. CABLE TELEVISION**

### ***1. Would you provide an overview of the cable television market?***

There are currently around 500,000 homes receiving cable television services in Ireland out of a total estimated television home population of 1.2 million.

Operators hold licences under either the Wireless Telegraphy (Programme Services Distribution) Regulations, 1999 which allow them to carry analogue and digital licensed programme services or the Wireless Telegraphy (Wired Broadcast Relay Licence) Regulations, 1974 which authorises analogue only distribution.

The services that may be distributed are:

- (a) Television broadcasts (within the meaning of the Wireless Telegraphy Television Programme Retransmission and Relay) Regulations, 1991, (S.I. No. 252 of 1991) that originate in another Member State of the European Communities and that fall within the fields co-ordinated by Council Directive 89/552/EEC of 3<sup>rd</sup> October 1989 as amended by Council Directive 97/36/EEC of 30<sup>th</sup> June 1997.
- (b) A television programme service (within the meaning of the Regulations referred to in paragraph (a) that originates in a state (other than a Member State of the European Communities) being a party to the European Convention on Transfrontier Television at Strasbourg on the 5<sup>th</sup> day of May, 1989 and that complies with the terms of the Convention;
- (c) A programme service, other than a programme service to which paragraphs (a), (b) or (d) relate, approved of, for the time being, by the Director;
- (d) A programme service that originates in the State, other than a programme service to which (a), (b) or relate, authorised, for the time being, by law;

Under the 1999 Regulations, each licensee has been granted in-platform exclusivity, which will expire in April 2004 in order to facilitate development of digital services. Each licence also includes specific phased roll-out requirements to be met during the period of exclusivity.

A number of small (generally less than 1,000 subscribers) operators hold analogue only cable licences under the Wireless Telegraphy (Wired Broadcast Relay Licence) Regulations, 1974.

A further element of the television distribution sector in Ireland is that about 120,000 subscribers in rural and non-cabled urban areas receive services by means of wireless MMDS. These licences, which permit both analogue and digital services, are held by two operators under the Wireless Telegraphy (Programme Services Distribution) Regulations, 1999. The licence provisions are similar to those that apply to cable licences under the same regulation.

### ***2. Please explain changes in CATV regulation for the last 10 years? In particular, please explain line-of-business restrictions in the CATV market, if there is any.***

The single most important change in the regulation of cable television (and MMDS) in the last 10 years was the introduction of a new licensing regime under the Wireless Telegraphy (Programme Services Distribution) Regulations, 1999.

The introduction of licensing under these Regulations in April 1999 enabled operators to surrender the licences previously held under the 1974 Regulations. These new licences allow for the provision of digital services, set down roll-out requirements (both for expansion of the networks and provision of digital services) and require a customer focus. They enable operators to plan long term because of the 15 year duration of the licence and a 5 year period of in-platform exclusivity.

## **XI. QUALITY OF SERVICE**

### **1. Please explain changes in service quality regulation for the last 10 years?**

Under the Telecommunications Miscellaneous Provisions Act, 1996, regulatory functions, including service quality regulation, were transferred from the Minister for Communications to the Director of Telecommunications Regulation (the 'Director'). Prior to that responsibility for service quality was a matter for Telecom Eireann (now eircom) and the Minister.

In accordance with relevant EU legislation, the Basic and General Licences issued in Ireland contain conditions relating to service quality regulation which place obligations on providers of the relevant telecommunications services. These Conditions include obligations in relation to use of terminal equipment and a requirement to include a Code of Practice for resolution of consumer disputes. In addition, the Director may issue directions in relation to quality of service indicators and measurement methods for telephony services and/or digital leased lines. Operators designated with Significant Market Power have an obligation to be non-discriminatory in relation to the quality of service provided to other licensed operators. On the basis of these obligations, the Director has put a number of key service quality decisions and programmes in place.

As well as licence-based obligations, there are statutory obligations that operators have to fulfil. See Regulation 16 of the European Communities (Voice Telephony and Universal Service) Regulations, 1999 (S.I. No. 71 of 1999).

#### **SERVICE LEVEL AGREEMENTS – INTERCONNECT**

In accordance with the recent ODTR Decision Notice on eircom's Reference Interconnect Offer ('RIO') eircom must develop SLAs for interconnect links which will become effective on the 27<sup>th</sup> June 2000. These SLAs will cover, *inter alia*, delivery times and fault maintenance and restoration.

#### **SERVICE LEVEL AGREEMENTS – CARRIER SERVICES**

In April 1999, the ODTR proposed a minimum set of SLAs and introduced other issues such as delivery timeframes, quality levels and maintenance terms for services provided by eircom to OLOs.<sup>48</sup> In August 1999, the ODTR issued its report on the consultation and concluded<sup>49</sup> that the definition of carrier services and the provision of associated SLAs is the would be optimal in ensuring that OLOs receive the same level of services from the SMP operators' wholesale arm as its own retail arm. Basic exchange lines, analogue leased lines and digital leased lines form the carrier service portfolio, while acknowledgement of order, notification of order completion date, ready for testing date, order completion date and maximum response time form the attributes that are quoted for each of these carrier services. For non-compliance by the SMP operator to the standards for the final three attributes set out in the SLAs, penalties can be attracted in accordance with set calculations. These SLAs came into effect on the 1<sup>st</sup> of November 1999 with plans to review the service levels in the future.

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<sup>48</sup> See Document No ODTR 99/27.

<sup>49</sup> See Document No ODTR 99/48.



## **MEASURING LICENSED OPERATOR PERFORMANCE**

Following public consultation<sup>50</sup>, the ODTR issued its report in January 2000 and an Industry Forum has been established to agree detailed definitions of the performance parameters. The parameters to be measured include service delivery, fault maintenance and response as well as complaints. The scheduled date for publication of performance parameters in this programme is mid 2001.

### ***2. Please explain how conflicts are resolved between consumers and carriers?***

At present, the ODTR handles consumer complaints on an ad hoc basis. We have direct contacts in each of the telecommunications and broadcasting companies to whom we refer complaints.

The ODTR receives a significant number of telephone calls, emails, written complaints and representations from the public concerning levels of service provided by licensees. We receive on average 60 complaints per week. The volume of calls to broadcasting is about twice that for telecoms. For broadcasting, the overwhelming query is to establish who is the local cable/MMDS provider. The main complaint for telecoms is billing, both for calls alleged not to have been made, usually premium rate or international, and for rental being incorrectly charged for equipment. The introduction of itemised billing has increased customers' awareness of charges and has led to more complaints.

At present, the ODTR does not independently investigate most complaints but requests the service provider for a report on the dispute. Regulation 28(4) of the Voice Telephony and Universal Service Regulations (S.I. No. 71 of 1999) allows the Director to intervene or appoint an independent person to resolve disputes that remain unresolved after completion of all the procedures of that operator's code of practice for handling complaints.<sup>51</sup> Consumers may bring their complaints to the Small Claims Court, which provides a low cost judicial means of settling disputes where claims do not exceed £600. Investigation of telecoms-related complaints appears to be outside the remit of the Director of Consumer Affairs.

The ODTR is currently examining its role in relation to the handling of consumer complaints.

### ***3. How are complaints by the industry handled? How are complaints by consumers handled?***

Responsibility for handling a range of disputes in the telecommunications sector was transferred to the ODTR on its establishment. Since then, the ODTR has handled such disputes on a case-by-case basis while developing a range of new regulatory frameworks to clarify the parameters with which disputes can be handled, e.g. new licence conditions and service level agreements. In line with both national and EU legislation which mandate the establishment of procedures to deal with such disputes, the Director introduced in September 1999 a set of dispute resolution procedures<sup>52</sup> which are designed to comply with the legislation, while at the same time providing a simple, timely and inexpensive process for affected parties.

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<sup>50</sup> See Document No ODTR 99/41.

<sup>51</sup> Operators are obliged, under regulation 28(1) of the same Regulations (S.I. No. 71 of 1999) to implement this code of practice for handling complaints.

<sup>52</sup> See Document No ODTR 99/53.

The Director, in adopting these procedures, stated that disputes could be a hindrance to the development of competition and/or delay the provision of innovative services. Hence, the belief in the need for a well structured, simple, timely and inexpensive process for the effective resolution of disputes.

The Dispute team receives complaints covering a broad variety of issues ranging from interconnection, carrier access and selection, numbering, cross-subsidisation, customer service behaviour, Internet, pricing and access.

To date, of the 48 formal disputes received: 3 have been rejected; 1 withdrawn; 15 issues addressed; 3 referred back to the operators; 2 draft determinations; 7 final determinations; and 16 ongoing disputes.

The assignment of disputes to particular “case officers” who are the sole contact point for the duration of the dispute process is central to the procedures. Where a dispute has the potential to affect other parties or the market generally, the Director may publish a summary of the dispute on the ODTR website and invite comments from interested parties. The ODTR acknowledges the role that less formal procedures may play in resolving disputes. In particular the ODTR is prepared to help mediate between parties where it is felt that such a course of action would be more appropriate in reaching a more speedy resolution of a dispute.

#### ***4. What powers does the ODTR have in terms of obtaining information from eircom and other telecommunications operators?***

Condition 3 of the General Telecommunications Licence obliges licensees to provide all documents, records accounts etc. to the Director for the purpose of verifying compliance with licence conditions, for statistical purposes or to assist the Director in the performance of her functions under EU or national law.

The Director also has statutory powers in relation to the provision of information, see paragraph 12(3) of the Telecommunications (Miscellaneous Provisions) Act, 1996.

## **XII. CONVERGENCE**

### ***How are the regulatory functions in telecommunications, broadcasting, and press publishing sectors co-ordinated in the light of convergence?***

The regulatory functions of the Office of the Director of Telecommunications Regulation (“ODTR”) are not separated by the categories of telecommunications, broadcasting and spectrum. Rather, the functional divisions are Market Operations, Market Development and Market Framework.

Within each division, both telecommunications and broadcasting issues may be examined, considered or processed. The licensing criteria consider the infrastructure used in determining appropriate licence provisions, if applicable. There is no specific convergence of licensing between these services at this time. However, depending upon the development of national and European legislative provisions, this may be reviewed.

The Office is responsive to the developments in convergence and addresses issues as they arise. Additionally the Office is alert to new developments in technology and considers developments in terms of whether or not regulation is required or appropriate and whether or not such new services would require licences.

Traditional press publishing sectors do not fall within the ambit of the ODTR.

The Office is not concerned with the content of press publishing sectors or with broadcasting content as these considerations do not fall within the powers of the Regulator and fall within the powers of other statutory bodies.

## **APPENDIX I – LIST OF TELECOMMUNICATIONS LEGISLATION**

### **TELECOMMUNICATIONS PRIMARY LEGISLATION 1863 - 1999**

1. Telegraph Act, 1863 (as amended)  
[Extant Sections: 1-8, 10-15, 17-24, 26-30, 32-42, 45, 47, 48, 52 and Schedule]
2. Telegraph (Amendment) Act, 1866
3. Telegraph Act, 1868 (as amended)  
[Extant Sections: 1-3, 9, 13, 17, 21 and Schedule]
4. Telegraph Act, 1869 (as amended)  
[Extant Sections: 1-4, 6, 23, 24 and Schedule]
5. Telegraph Act, 1870  
[n/a - Included in Statute Law Reform Bill, 1978]
6. Telegraph (Money) Act, 1871  
[n/a - Included in Statute Law Reform Bill, 1978]
7. Telegraph Act, 1873  
[n/a - Included in Statute Law Reform Bill, 1978]
8. Telegraph (Money) Act, 1876  
[n/a - Included in Statute Law Reform Bill, 1978]
9. Telegraph (Money) Act, 1877  
[n/a - Included in Statute Law Reform Bill, 1978]
10. Telegraph Act, 1878 (as amended)  
[Extant Sections: 1-13 and Schedule]
11. Post Office (Protection) Act, 1884
12. Telegraph Act, 1885 [revoked]
13. Submarine Telegraphy Act, 1885 (as amended)  
[Extant Sections: 1-3, 5-12 and Schedule]
14. Lloyd's Signal Stations Act, 1888
15. Telegraph (Isle of Man) Act, 1889 [revoked]
16. Telegraph Act, 1892 (as amended)  
[Extant Sections: 3,4,6-9,11 and 13]
17. Telegraph (Money) Act, 1896 [revoked]
18. Post Office and Telegraph Act, 1897
19. Police (Property) Act, 1897
20. Telegraph (Money) Act, 1898 [revoked]
21. Telegraph Act, 1899 (as amended)

- [Extant Sections: 2 and 4]
22. Telegraph (Money) Act, 1904
23. Telegraph (Money) Act, 1907
24. Telegraph (Construction) Act, 1908 (as amended)  
[Extant Sections: 2,3,5,6,8 and 9]
25. Post Office Act, 1908
26. Telegraph (Arbitration Act) Act, 1909 (as amended)  
[Extant Sections: The Whole Act]
27. Telephone Transfer Act, 1911
28. Telegraph (Construction) Act, 1911 (as amended)  
[Extant Sections: 1-3 and 6-8]
29. Post Office and Telegraph Act, 1915
30. Telegraph (Construction) Act, 1916 (as amended)  
[Extant Sections: The Whole Act]
31. Post Office and Telegraph Act, 1920
32. Telegraph (Money) Act, 1920
33. Post Office and Telegraph Act, 1920
34. Telegraph (Money) Act, 1921
35. Telegraph (Money) Act, 1922
36. Telephone Capital Act, 1924 No.33 of 1924
37. Wireless Telegraphy Act, 1926 No. 45 of 1926
38. Telephone Capital Act, 1927 No. 8 of 1927
39. Telegraph Act, 1928  
[Amended by Telegraph Act, 1953] No.10 of 1928
40. Telephone Capital Act, 1931 No. 12 of 1931
41. Telephone Capital Act, 1936 No. 19 of 1936
42. Telephone Capital Act, 1938 No. 27 of 1938
43. Post Office (A) Act, 1951  
[Amendments to sections 27-32, 34 & 51 of Act of 1908] No 17 of 1951
44. Telephone Capital Act, 1951 No. 19 of 1951
45. Telegraph Act, 1953 No. 27 of 1953  
[S. 1(1) of Telegraphy Act, 1928 repealed]
46. Wireless Telegraphy Act, 1956 No. 4 of 1956
47. Telephone Capital Act, 1956 No. 23 of 1956
48. Broadcasting Authority Act, 1960 No. 10 of 1960

49. Telephone Capital Act, 1960	No. 21 of 1960
50. Telephone Capital Act, 1963	No. 31 of 1963
51. Telephone Capital Act, 1969	No. 2 of 1969
52. Post Office Act, 1969 (UK)	
53. Wireless Telegraphy Act, 1972	No. 5 of 1972
54. Telephone Capital Act, 1973	No. 32 of 1973
55. Broadcasting Authority (A) Act, 1976	No. 37 of 1976
56. Telephone Capital Act, 1977	No. 22 of 1977
57. Telecommunications Capital Act, 1981	No. 15 of 1981
58. Irish Telecommunications Investment Limited (Amendment) Act, 1983	No. 8 of 1983
59. Postal and Telecommunications Services Act, 1983	No. 24 of 1983
Consolidated Section 110 (August 1996) and Section 111 (August 1997) of the 1983 Act, and SI 96 of	
60. 1998 “Licensing Regulations”	
61. Postal and Telecommunications Services (A) Act, 1984	No. 10 of 1984
62. Broadcasting and Wireless Telegraphy Act, 1988	No. 19 of 1988
63. Interception of Postal Packets and Telecommunications	
64. Messages (Regulation) Act, 1993	
[Amendment to s. 98(2) of PTS Act of 1983]	No. 10 of 1993
65. Telecommunications (Miscellaneous Provisions) Act, 1996	
[Including Commencement Orders 1996]	No. 34 of 1996
66. Postal and Telecommunications Services (A) Act, 1999	No. 5 of 1999
67. Telecommunications (Infrastructure) Bill, 1999	No. 12 of 1999
<b>TELECOMMUNICATION SECONDARY LEGISLATION 1973 - 1999</b>	
1. Wireless Telegraphy Act, 1972 (Period for the Purpose of Section 4) Order, 1973	No. 34 of 1973
2. Wireless Telegraphy Act, 1972 (Form of Notice for the Purpose of Section 2) Regulations, 1973	No. 36 of 1973
3. Postal and Telecommunications Services Act, 1983 (Wireless Telegraphy) (No. 1) Order, 1983	No. 419 of 1983
4. Postal and Telecommunications Services Act, 1983 (Wireless Telegraphy) (No. 2) Order, 1983	No. 420 of 1983
5. Postal and Telecommunications Services Act, 1983(Wireless Telegraphy) (No.3) Order, 1983	No. 421 of 1983
6. Wireless Telegraphy (Television Programme Retransmission) Regulations, 1989	

7. European Communities (Postal and Telecommunications Services Act, 1983) Regulations, 1991
8. European Communities (Telecommunications Services) Regulations, 1992  
No. 45 of 1992
9. European Communities (Branch Disclosures) Regulation, 1993 No. 395 of 1993
10. European Communities (Application of Open Network Provision to Leased Lines) Regulations, 1994  
No. 328 of 1994
11. European Communities (Telecommunications Services)(Appeals) Regulations, 1994  
No. 398 of 1994
12. European Communities (Mobile and Personal Communications) Regulations, 1996  
No. 123 of 1996
13. Telecommunications (Miscellaneous Provisions) Act, 1996 Commencement Orders  
No. 385 of 1996 [13/12/96, 18/12/96, 7/2/97, 7/3/97]  
No. 402 of 1996  
No. 72 of 1997  
No. 109 of 1997  
No. 110 of 1997
14. Telecommunications Tariff Regulation Order, 1996  
No. 393 of 1996
15. European Communities (Telecommunications Terminal Equipment) Regulations, 1997  
No. 73 of 1997
16. European Communities (Telecommunications Services Monitoring) Regulations, 1997  
No. 284 of 1997
17. European Communities (Telecommunications Infrastructure) Regulations, 1997  
No. 338 of 1997
18. European Communities (Satellite Telecommunications Services) Regulations, 1997  
No. 372 of 1997
19. Wireless Telegraphy (Mobile Telephones) Exemption Order, 1997  
No. 409 of 1997
20. Wireless Telegraphy (Cordless Telephones) Exemption Order, 1997  
No. 410 of 1997
21. European Communities (Application of Open Network Provision to Voice Telephony) Regulations, 1997  
No. 445 of 1997
22. Wireless Telegraphy (GSM & TACS Mobile Telephony Licence) Regulations, 1997  
No. 468 of 1997
23. European Communities (Interconnection in Telecommunications) Regulation, 1998  
No. 15 of 1998
24. European Communities (Electromagnetic Compatibility) Regulation, 1998  
No. 22 of 1998

25. Telecommunications (Miscellaneous Provisions Act, 1996) (Section 6) Levy Order, 1998  
No. 43 of 1998
  
26. European Communities (Telecommunications Licences) Regulations, 1998  
No. 96 of 1998
  
27. European Communities (Full Competition in Telecommunications) Regulations, 1998  
No. 180 of 1998  
  
[Revoked EC (Mobile and Personal Communications) Regulations, 1996 - SI No. 123 of 1996]
  
28. European Communities (Leased Lines) Regulations, 1998  
No. 109 of 1998
  
29. European Communities (Satellite Earth Station Equipment) Regulations, 1998  
No. 179 of 1998
  
30. Wireless Telegraphy Act, 1926 (Section 3) (Exemption of Satellite Earth Stations for Satellite Personal Communications Services (S-PCS)) Order, 1998  
No. 214 of 1998
  
31. Telecommunications (Miscellaneous Provisions) Act, 1996 (Section 6) Levy Amendment Order, 1998  
No. 229 of 1998
  
32. European Communities (Use of Standards for the Transmission of Television Signals) Regulations, 1998  
No. 262 of 1998
  
33. European Communities (Telecommunications) (Amendment) Regulations, 1998  
No. 286 of 1998
  
34. European Communities (Telecommunications Infrastructure) (Amendment) Regulations, 1999  
No. 70 of 1999
  
35. European Communities (Voice Telephony and Universal Service) Regulations, 1999  
No. 71 of 1999  
  
[Revoked EC (Application of Open Network Provision to Voice Telephone) Regulations, 1997 - SI No. 445 of 1997]
  
36. Wireless Telegraphy (Programme Services Distribution) Regulations, 1999  
No. 73 of 1999
  
37. Postal and Telecommunications Services (Amendment) Act, 1999 (Commencement) Order, 1999  
No. 87 of 1999
  
38. Wireless Telegraphy Act, 1926 (Section 3) (Exemption of Inmarsat – D Terminals for Land Mobile Applications) Order, 1999  
No. 100 of 1999
  
39. Wireless Telegraphy Act, 1926 (Section 3) (Exemption of Inmarsat – C Terminals for Land Mobile Applications) Order, 1999  
No. 101 of 1999
  
40. Wireless Telegraphy Act, 1926 (Section 3) (Exemption of Inmarsat – M Terminals for Land Mobile Applications) Order, 1999  
No. 102 of 1999
  
41. Wireless Telegraphy Act, 1926 (Section 3) (Exemption of Omnitrac Terminals for the Euteltracs System) Order, 1999  
No. 103 of 1999



42. Wireless Telegraphy Act, 1926 (Section 3) (Exemption of (I) ARCANET Suitcase Terminals) Order, 1999 No. 104 of 1999
43. Wireless Telegraphy Act, 1926 (Section 3) (Exemption of EMS – PRODAT Terminals for Land Mobile Applications) Order, 1999 No. 105 of 1999
44. Wireless Telegraphy Act, 1926 (Section 3)(Exemption of EMS – MSSAT Terminals for Land Mobile Applications) Order, 1999 No. 106 of 1999
45. Wireless Telegraphy Act, 1999 (Section 3) (Exemption of DCS 1800 Mobile Terminals) Order, 1999 No. 107 of 1999
46. Wireless Telegraphy Act, 1999 (Section 3)(Exemption of ERMES Paging Receivers) Order, 1999 No. 108 of 1999
47. Wireless Telegraphy Act, 1926 (Section 3) (Exemption of Inmarsat Mini-M Terminals for Land Mobile Applications) Order, 1999 No. 109 of 1999
48. Wireless Telegraphy Act, 1926 (Section 3)(Exemption of (ii) ARCANET Suitcase Terminals) Order, 1999 No. 110 of 1999
49. Postal and Telecommunications Services (Amendment) Act, 1999 (Commencement) (No. 2) Order, 1999 No. 220 of 1999
50. European Communities (Interconnection in Telecommunications) (Amendment) Regulations, 1999 No. 249 of 1999
51. Wireless Telegraphy (Fixed Wireless Point to Multi-point Access Licence) Regulations, 1999 No. 287 of 1999
52. Wireless Telegraphy (Carrigaline UHF Television Programme Retransmission) Regulations, 1999 No. 347 of 1999
53. Wireless Telegraphy (UHF Television Programme Retransmission) Regulations, 1999 No. 348 of 1999
54. European Communities (Interconnection in Telecommunications) (Amendment) Regulations, 2000 No. 69 of 2000
55. European Communities (Telecommunications Licences) (Amendment) Regulations, 2000 No. 70 of 2000

## APPENDIX II – SPECTRUM FEES

The main categories and levels of fees currently charged are as follows.

### MOBILE & GSM

- £20,000 for each 200KHz duplex channel in the 900 MHz band;
- £10,000 per channel for the first block of 24 channels in the 1800MHz band;
- £15,000 per channel for the second block of 24 Channels;
- £20,000 per channel for the third block of 24 Channels;

### TACS

- £2,000 for each 25 KHz duplex channel on the granting of licence and £2,500 on each renewal.

### BUSINESS RADIO

The business radio licence consists of a fixed charge plus a fee for each station in the system. Current fees are as follows:

- Fixed Charge IR£18.00
- Base Station IR£18.00
- Mobile Station IR£18.00
- Handportable Station IR£18.00

### COMMUNITY REPEATERS

An initial annual fee of £500 and an annual renewal fee of £800.

	<i>Point to Point</i>	<i>Point to Multipoint</i>
Radio Links	£	£
Narrow Band (up to 50KHz)	450	900
Medium Band (>50KHz to 3.5MHz)	600	1,200
Wide Band (over 3.5MHz)	750	1,500

### AIRCRAFT RADIO

A one off fee of £3 currently applies.

### SHIPS RADIO

Currently a fee of £3, but regulations are under review which will involve fee changes.

### EXPERIMENTERS

£10 for the first year and £8 annual renewal fee (regulations currently under review).