



Office of the Director of
**Telecommunications
Regulation**

CONSULTATION PAPER

Carrier Pre-Selection in Ireland

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1 Introduction

In early 1999, the Director of Telecommunications Regulation consulted on a framework for the introduction of Carrier Pre-Selection (CPS) in Ireland. Following the consultation, the Director published Decision Notice D2/99¹, which set out decisions on obligations to provide CPS facilities, eligibility to provide CPS services, the CPS scheme itself and the allocation of CPS set-up and operational costs. The document also outlined switching and routing requirements and provided broad guidelines for the development of inter-operator processes to support CPS. Finally, the Decision Notice required a Code of Practice for CPS to be developed and established a CPS Committee to oversee the development of this Code and to agree detailed network design decisions and inter-operator processes for CPS.

Since launch, the CPS Committee has continued to meet regularly, mainly to discuss and remedy technical problems and inter-operator process issues as they arise. In late 2001, the ODTR consulted on a framework for CPS Resellers and new processes are currently being developed to facilitate the Reseller market further. In addition, Third Party Verification of customers' orders for CPS is currently being piloted, with a view to allowing potential CPS customers to sign up for the service over the phone.

Decision Notice D2/99 had set out a challenging timetable for the introduction of CPS services in Ireland by 1st January 2000, as was required by legislation. Following its on-time introduction, CPS became the preferred way for Other Licensed Operators (OLOs) to provide telephone service to a significant proportion of Irish telephone users.

Given that the service has now been available for over 2 years, the Director believes that it is timely to undertake a comprehensive review of the service. One element of this review, relating to independent investigations of CPS call quality, has just been completed and the results have been published as ODTR Document No. 02/41². Other investigations are progressing and the results of these will be made public in due course.

As part of this review, the ODTR has been examining the situation in other European countries where CPS has significantly higher penetrations than in Ireland. To date, the Office has identified no areas where the Irish CPS regulatory, commercial or operational frameworks are significantly inferior or different to those of the countries surveyed and consequently this paper does not go back to first principles on these frameworks. Instead, it makes proposals and poses specific questions that relate to issues that have been raised with the ODTR by industry, or are new initiatives which the ODTR believes will further improve the CPS product for the customer.

The specific issues being addressed in this paper are:-

¹ Introducing Carrier Pre-Selection in Ireland, Decision Notice D2/99, Document No. ODTR 99/29

² The investigation, conducted by Mason Communications on behalf of the ODTR, demonstrated that the quality of calls made using the CPS service is to a high standard and comparable to any direct access service in Ireland today.

- The possibility of providing a single bill for CPS customers, amalgamating both *eircom* and CPS Operator (CPSO) elements. This could be provided to the customer by either the CPSO or *eircom*.
- The inclusion (for some or all CPSOs) of certain call categories that are currently excluded from the ‘All Calls’ CPS option.
- Provision of Call Barring and other ancillary services to CPS customers.
- CPS Code of Practice issues, focussing on complaint and enquiry handling, customer contact and ‘win-back’.

These issues and proposals are not meant to be exhaustive and the Director welcomes input on any aspect of CPS which can help improve the quality of service to the end user.

2 Single bill

One problem identified by users of the CPS service is that they receive two bills - one from the CPSO for calls and one from *eircom* for line rental, ancillary/value-added services and for call types excluded from the CPS service - whereas they previously received just one bill. This is an inconvenience for the user and can contribute to bad debt problems for the CPSO.

A single bill can be produced either by the CPSO or by the CPS Access Provider (*eircom*) and we examine each option in turn: -

2.1 CPSO billing

In this case, *eircom* would provide the CPSO with details of connection, rental and excluded calls charges and the CPSO would be responsible for bill creation and dispatch, credit control and reimbursing *eircom* for its charges. This allows the CPSO to offer the customer a 'one-stop-shop' option.

This facility could be provided in combination with a Wholesale Line Rental product which the ODTR proposed as part of a recent consultation³, where the OLO 'rents' the customer access line from *eircom* at a wholesale price, sets its own retail price for the line rental and gets charging information from *eircom* for all other aspects of service purchased by the customer, then presents the customer with a single bill for the entirety of the telecommunications services purchased.

Alternatively, this product could also exist without the Wholesale Line Rental product, whereby *eircom* communicates the retail line rental charge and other charges described above to the OLO, which then presents a single bill to the customer and passes on to *eircom* the line rental charges.

The difference between the two options is that in the former the OLO rents the line from *eircom* and resells it to the customer but in the latter, the OLO is simply the billing agent on behalf of *eircom*.

³ Eircom's Reference Interconnection Offer - Consultation Paper, Document No. ODTR 02/27. Responses to this consultation have been received by the ODTR, but have yet to be fully analysed.

2.2 CPS Access Provider billing

In this case the CPSO would provide details of calls charges to *eircom*, which in turn would be responsible for bill creation and dispatch, credit control and reimbursing the OLO for its charges.

Q.2.1 *Is there a demand for single billing of CPS customers? If so, what benefits/disadvantages would such an additional service bring and how should it be implemented?*

Q.2.2 *If single billing of CPS customers is to be implemented, is single billing by OLOs a desirable option?*

Q.2.3 *Is single billing of CPS customers by OLOs in conjunction with a wholesale line rental offering a desirable option?*

Q.2.4 *Is single billing of CPS customers by OLOs in conjunction with line rental rebilling a desirable option?*

Q.2.5 *Is single billing of CPS customers by eircom a desirable option?*

3 Excluded calls

Certain types of calls are carried by *eircom* under all circumstances, even if the customer has signed up for an ‘All Calls’ CPS package. Individual OLOs have expressed interest in including some or all of these excluded call types within their CPS product offerings.

To date, all included CPS call types have simply been routed to the CPSO for switching and excluded call types have been switched by *eircom*. Two options may be available to allow CPSOs to manage the provision of currently excluded calls: -

- *eircom* could provide billing information to the OLO to allow it (the OLO) to bill for the call. This commercial solution avoids the resolution of potentially complex network routing problems.
- Alternatively, the list of excluded calls could be amended for all operators and/or network routing could take different paths for different operators, with some CPSOs switching currently excluded call types and others leaving switching to be performed by *eircom*, as at present.

3.1 Commercial inclusion of excluded call types

Single billing by the OLO, if adopted, would already provide a flow of information from *eircom* to the OLO. To cater for commercial inclusion of excluded call types, any or all excluded call types could be purchased by the OLO at wholesale rates from *eircom*, in the same way that wholesale line rental might be purchased. The CPSO would set retail rates for those call types and subsequently bill the customer directly, using the call data supplied by *eircom*.

3.2 Network inclusion of excluded call types

Network inclusion of excluded call types would require a reduction in the current excluded calls list. This might be on an ‘all operators’ basis, by the introduction of a new ‘All Calls +’ service, or it could be operator specific, with different operators specifying their own list of exclusions. To achieve the latter, a further level of analysis would be required in *eircom*’s exchanges prior to routing calls.

Q.3.1 Does demand exist for a reduction in the number of calls excluded from the CPS ‘All Calls’ service? If so, what benefits/disadvantages would such an additional service bring and how would it be implemented?

***Q.3.2** If a reduction in the number of calls excluded from the CPS 'All Calls' service is desirable should all operators provide services from a restricted range, as at present, or should CPS operators be free to set their own list of exclusions? Please give reasons for your preference.*

4 Call barring and other ancillary services

At present, when an *eircom* customer with Call Barring in place opts for CPS the barring facility is removed from the line. Previous debate on this issue has drawn attention to the possibility of CPS Operators providing the barring from their own switches, but this may not be practical in all circumstances.

Other ancillary services that are available to *eircom* customers are similarly unavailable to CPS customers. A case in point is *eircom*'s recently launched 'Call Tracking' service. A wholesale version of this and similar services might be beneficial to consumers.

Q.4.1 Does demand exist for the introduction of wholesale versions of *eircom*'s ancillary services (such as Call Barring)? If so, what benefits/disadvantages would such additional services bring and how would they be implemented?

Q.4.2 If demand exists for wholesale versions of *eircom*'s ancillary services, for which of these services should wholesale products be developed, and which of these would be the highest priority? Please give reasons for your views.

5 Code of practice issues

The CPS Code of Practice (CoP) was developed and agreed by the Irish telecoms operators and it provides a framework within which, to date, the industry has agreed to operate the CPS service in Ireland.

The CoP was developed at the time of introducing the CPS service onto the Irish market, and was therefore based on a theoretical understanding of the product and lessons learnt in other countries.

More than two years have passed since the introduction of CPS and the ODTR has received a number of representations relating to issues governed by the CoP. The Director considers that it is now time to instigate a comprehensive review of this document, together with the other aspects of CPS (and related services and activities) covered in this consultation document.

The Director recognising the important role CPS can play in a competitive telecommunications marketplace, and being cognisant of the developments in the marketplace both here and internationally believes that some revisions in the current codes of practice may be necessary. This whilst not intended to be exhaustive might include:

- Complaint handling and enquiries;
- Contact with customer;
- Customer Authorisation Form (CAF) rules.

5.1 Complaint handling and enquiries

Due to the dual billing relationship currently necessary to support the CPS service in Ireland, the customer may occasionally be confused as to what operator to contact in relation to a particular issue. Dealing with these instances of customer complaints/enquiries is covered in the CoP and the section was written to ensure that such incidents are dealt with in such a manner as to:

1. not cause further confusion for the customer;
2. avoid responses to misdirected complaints or enquiries that denigrate the other service provider or otherwise cause the customer to question the other service provider's range or quality of services;
3. Not use such calls as sales opportunities to attempt to entice the customer to cancel his or her contract with the other service provider.

***Q5.1** Is this part of the CoP working satisfactorily – if not then please provide an explanation and examples of why this is the case, together with proposals for how the CoP could be changed to achieve an improvement in the situation.*

5.2 Contact with the Customer and ‘Win-back’ Activities

This section of the CoP controls how the ‘Losing Operator’ may contact the customer to try to dissuade the customer from leaving, giving the Losing Operator 5 days from notification from the Access Operator to do so.

A number of issues have arisen in relation to this section of the CoP, suggesting to the Director that it may need either clarification or changes. Issues raised with the ODTR include:

- Should ‘wholesale’ information relating to customers changing operators (i.e. customer ‘loss notification’) be communicated between operators for the purpose of initiating ‘win-back’ activities at all? In its absence, all ‘win-back’ activities would be based on individual operators monitoring their customers’ behaviour and targeting campaigns at these customers based only on such information?
- The ODTR’s review of best European practice indicates that an extended period of up to 20 days exists in certain markets during which a Losing Operator could not contact the customer (i.e. no win-back activity for a defined period). This would allow the customer to experience the services offered by the Gaining Operator before any ‘win-back’ activity would be allowed.

The ease with which customers can move from one operator to another under CPS has raised the issue of controlling levels of bad debts. This appears to be a source of concern to some operators. Whilst bad debt is a commercial issue, the question has been raised with the ODTR as to whether procedures can be agreed which would be of general benefit to all operators. Any such mechanism must, of course, comply with Data Protection Law.

***Q 5.2** Please state your view as to whether the ‘loss notification’, currently allowed for the purpose of win-back under the CoP, should be ceased? Please give reasons for your response.*

***Q 5.3** Do you believe that the CoP should be amended to provide for an extended period before any win-back activity can take place? Please give reasons.*

***Q 5.4** If you agree with the concept, how long should any extended period be? Please give reasons.*

***Q 5.5** Are there any other changes that you believe are required to this section of the CoP? Please give reasons.*

***Q 5.6** Please state, giving reasons, whether procedures could be established at an industry level to deal with issues relating to bad debt. If you believe procedures could be established, please outline what they might be?*

5.3 Customer Authorisation Form (CAF) Rules

This section of the CoP aims to ensure a transparent process for providing access to the CAFs when a customer or an operator has a bona fide query in relation to that CAF.

The ODTR has received representations that occasionally CAFs are requested where no bona fide reason has been forthcoming, and would like to understand whether this is a significant issue for the industry and if so, whether and how the CoP could in any way be modified to alleviate this issue.

***Q 5.7** Is this section of the CoP clear and does it need any amendments? Please provide examples and explanations to support the position stated.*

5.4 General Issues

As mentioned in the introduction to this consultation, the issues and proposals raised in this paper are not meant to be exhaustive and the Director welcomes input on any aspect of CPS which can help improve the quality of service to the end user.

***Q 5.8** Are there any other aspects of the CPS product which you feel need to be examined in order to help improve the quality of the product. Please provide examples and explanations to support the responses given.*

6 Submitting Comments

All comments are welcome, but it would make the task of analysing responses easier if comments were referenced to the relevant question numbers from this document.

The consultation period will run from Tuesday 14th May to Friday 7th June 2002, during which the Director welcomes written comments on any of the issues raised in this paper. Having analysed and considered the comments received, the ODTR will publish a report in June 2002 on the consultation which will, *inter alia* summarise the responses to the consultation. In order to promote further openness and transparency the ODTR will publish the names of all respondents and make responses to the consultation available for inspection at her Office.

The Director appreciates that many of the issues raised in this paper may require respondents to provide confidential information if their comments are to be meaningful. Respondents are requested to clearly identify confidential material and if possible to include it in a separate annex to the response. Such information will be treated as strictly confidential.

“All responses to this consultation should be clearly marked “Reference: Submission re ODTR 02/47” and sent by post, facsimile or e-mail to:

FREEPOST

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to arrive on or before 5pm, Friday 7th June 2002.

Office of the Director of Telecommunications Regulation

14th May 2002

Annex 1 Legislative background

Interconnection Legislation:

- *Directive 97/33/EC of the European Parliament and the Council of 30 June 1997 on interconnection in Telecommunications with regard to ensuring universal service and interoperability through application of the principles of Open Network Provision (ONP).*
- *The European Communities (Interconnection In Telecommunication) Regulations, 1998. SI No. 15 of 1998, transposing the above directive.*
- *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.*
- *The European Communities (Interconnection In Telecommunication) (Amendment) Regulations, 1999. SI No. 249 of 1999, transposing the above directive.*

Voice Telephony Legislation

- *Council Directive 98/10/EC on the application of open network provision (ONP) to voice telephony and on universal service for telecommunications in a competitive environment, and*
- *European Communities (Voice Telephony and Universal Service) Regulations, 1999, SI No. 71 of 1999, transposing the above directive and Directive No. 97/33/EC*