



Office of the Director of  
**Telecommunications  
Regulation**

**INFORMATION MEMORANDUM**

**COMPETITION FOR AWARD OF LICENCES TO PROVIDE  
FIXED WIRELESS ACCESS**

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## **INFORMATION MEMORANDUM**

### **COMPETITION FOR AWARD OF LICENCES TO PROVIDE FIXED WIRELESS ACCESS**

#### **1. Introduction**

The Director of Telecommunications Regulation has launched a competition for the award of up to three licences to use Fixed Wireless Access (FWA) to provide telecommunications services in Ireland. This includes two additional broadband licences (E-licences) and the previously advertised narrowband licence (D-licence). The term of the licences will be ten years. It is expected that the ranking of applicants will be concluded by the 31<sup>st</sup> March 2001.

Fixed Wireless Access (FWA), which is sometimes referred to as ‘Wireless in the Local Loop’, offers a radio-based alternative to copper or optic fibre cable in the local loop, which at present connects the majority of residential and business customers to their local exchange. Fixed Wireless Access will accommodate services such as high speed Internet access, multi-media, bandwidth on demand, and fast file transfer.

This memorandum provides information to all interested parties about the licensing process. It sets out the objective, a description of the licensing process itself, the proposed licensing framework, fees and time-scales. Full details of the licensing process are contained in the tender documentation, which is available from the Office of the Director of Telecommunications Regulation (ODTR), on payment of a non-refundable fee of IR£5,000 (€6,349).

This memorandum is not a legal document, it is for information purposes only and does not form part of any formal tender process. It is without prejudice to the legal position of the Director or her rights and duties under relevant legislation.

## **2. Objective of the Competition**

**The overall objective of this competition is to facilitate increased competition and choice, so that the Irish consumer benefits from lower tariffs and the availability of high quality services.** The issuing of additional FWA licences will further contribute to these improvements, and offer increased choice of service provider and a wider range of advanced telecommunications services to the telecommunications end-user.

Ireland is one of the fastest growing economies in Europe, with growth this year expected to exceed that of last year. This phenomenal performance by the Irish economy has led to an increasing interest in the delivery of broadband interactive services for both business and residential subscribers. As a result, demand for high bandwidth is expected to increase markedly over the coming years and the awarding of spectrum for two additional broadband licences will go some way towards meeting those needs.

## **3. Licence Framework**

The Director undertook a public consultation on FWA earlier this year (ODTR 00/47 *Extending Choice.....Expanding the Market for Fixed Wireless Access (FWA)* – Consultation Paper). The response to this consultation was published in ODTR 00/81 (*Extending Choice.....Expanding the Market for Fixed Wireless Access (FWA)* – Response to the Consultation). Both documents are available from the ODTR website, [www.odtr.ie](http://www.odtr.ie).

The consultation process follows up the recent issuing of licences for narrowband and broadband Fixed Wireless Point to Multipoint Access (FWPMA) services. Since the original consultation on the introduction of FWPMA in 1998, there have been further international developments in Fixed Wireless Access (FWA) technology and the

nature of the services that are being proposed<sup>1</sup>.

The purpose of the consultation process was to review the emerging demand for FWA services in Ireland, to determine the extent to which the recently licensed services will satisfy future demand, and to ensure that there is sufficient radio spectrum to meet FWA requirements for the foreseeable future.

The Director has decided to award two additional broadband licences (to be designated “E” licences) in the 28GHz band and to re-advertise the narrowband D-licence in the 10.5GHz band.

Licensees will be granted the right to use Fixed Wireless Access (FWA) technology to offer telecommunications services to the public, in accordance with section 111 of the Postal and Telecommunications Services Act 1983, as amended, and in accordance with the Wireless Telegraphy Acts, 1926 to 1988 (see appendix 2 for a more detailed description). The term of both types of licences offered will be 10 years.

### **3.1. Spectrum Allocation**

The licences are divided into two groups each corresponding to a separate frequency band. The available licences are shown in the table below:

**Table 1: Overview of Licences:**

Name of Licence	Licence group	Band	Bandwidth of the Licence <sup>2</sup>
FWA E (1)	“Broadband”	27.5 - 29.5GHz	2 x 56 MHz
FWA E (2)	“Broadband”	27.5 -29.5GHz	2 x 56 MHz
FWA D	“Narrowband”	10.1 -10.7 GHz	2 x 30 MHz

In accordance with her responsibilities regarding the efficient and effective use of the radio frequency spectrum, the Director may conduct a review from time to time of the

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<sup>1</sup> During the original tender process, the specific term Fixed Wireless Point to Multipoint Access (FWPMA) was used as the Irish name for the, at that time, not fully standardised technology. In this paper, however, the generic – and now widely used – term Fixed Wireless Access (FWA) will be used. Notwithstanding this, all reference to “existing FWA licence holders” or just “existing licence holders” in this paper shall refer to those companies which received licences under the first FWPMA competition.

<sup>2</sup> This allocation includes any guard spectrum that may be required to facilitate co-existence between operators using adjacent frequency channels.

operating environment of FWA services, having regard to such matters as international developments, new technologies and market requirements. Such a review may include an examination of the allocation of spectrum, the terms and conditions of the licence awarded and the possibility of further licences being awarded. The licence may be supplemented, amended or revoked as a result of such a review. It is expected that the first such review will not take place before 2003.

### **3.2. Licence Conditions**

The licences will incorporate specific provisions relating to the FWA service, which will be additional to the standard provisions of the Telecommunications Licence, and the Wireless Telegraphy Licence. The additional specific provisions will comprise general FWA provisions applicable to all FWA licensees, and also individual conditions based on offerings which will be inserted as binding requirements in the licences.

### **3.3. Licence Fees**

In addition to the annual telecommunications levy, equivalent to 0.2% of the turnover of the licensee, the following fees will be incurred by the licensee.

#### **3.3.1. Administration Fee**

The successful applicant will be liable to pay an administrative fee to cover the cost of the ODTR in running the competition. A deposit of £750,000 (€952,305) is required from each applicant on submission of their application. This will be refunded to all unsuccessful applicants.

#### **3.3.2. Annual licence fees**

- For each 1MHz in the 28MHz band, a fee of IR£1,500 (€1905) will be imposed;
- For each 1MHz in the 10.5MHz band, a fee of IR£1,500 (€1905) will be imposed;

In order to facilitate the development of FWA, a discount scheme will apply providing a 60% discount in the first year, 30% in the second year on the annual fee outlined above.

The fees are due on the issue of the Wireless Telegraphy Licence and annually thereafter.

After a period of not less than two years these annual fees will be subject to review and adjustment where appropriate.

#### **4. The Licensing Process**

The competition will be administered by the Director, who has established a Steering Group, which is responsible for the evaluation of applications and management of the selection process. Andersen Management International of Copenhagen has been appointed to assist in the competition.

An Applicant<sup>3</sup> may either apply for one of the Licences on offer or for two Licences, one in each frequency band, i.e. for one E-licence and the D-licence. The Applicant must submit a separate application for each frequency band applied for.

The Director has decided to exclude existing broadband licence holders from any competition for further broadband licences, i.e. the E-licences. Similarly, the Director has decided to exclude existing narrowband licensees from applying for the “D” licence. In any event, no operator will be issued with, or permitted to hold, more than one broadband or more than one narrowband FWA/FWPMA licence. In taking this approach, the Director is acting in accordance with her responsibility to promote and protect competition in the market for telecommunications in Ireland.

Organisations may not participate in more than one application. “Participation” is defined as having a financial interest of 10% or greater in the Applicant’s organisation or consortium, directly or indirectly, e.g. through connected undertakings.

The selection between applicants competing for the licence will be carried out by way

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<sup>3</sup> The term “Applicant” is defined as: the person, natural or legal, applying for a Licence and to whom a Licence may be granted.

of open tender using a two-stage evaluation process. In the first stage the applications will be assessed to determine whether they are in compliance with the formal and binding requirements of the tender document. The second stage is a comparative selection process incorporating evaluation criteria, which are outlined and weighted in the tender document.

The total tender documentation comprises a separate tender document for the E-licences at 28GHz and the D-licence at 10.5 GHz. Each tender document is divided into four sections:

1. Description of the process;
2. Requirements regarding the form and content of the applications;
3. Regulatory, commercial and calculatory assumptions to be used;
4. Draft Part V General Telecommunications Licence (GTL)<sup>4</sup>.

Supporting documentation is included in the appendices.

The draft Part V GTL is to be filled in by the Applicant where the Director invites the applicants to give binding commitments on issues such as tariffs offered, services rendered, coverage and the speed of roll-out, quality of service, and performance guarantees.

Purchasers of the tender document may pose written questions relating to the tender process. The latest time for receipt of questions is 14.00hrs (local time) on 1<sup>st</sup> December 2000. Answers to any such questions will be circulated to all other purchasers of the tender document.

The closing date for receipt of applications will be December 15<sup>th</sup> 2000 at 12.00 hrs (local time).

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<sup>4</sup> The text of the ODTR Pro Forma General Telecommunications Licence (GTL) is available on the ODTR website, [www.odtr.ie](http://www.odtr.ie), document number 98/50R.

The timetable below sets out the key events:

Event	Date
Launch of Competition	November 2 <sup>nd</sup> 2000
Question and Answer Phase	November 2 <sup>nd</sup> – December 1 <sup>st</sup> 2000
Deadline for submission of tenders	December 15 <sup>th</sup> 2000
Analysis of tenders	December 15 <sup>th</sup> 2000 – March 2001
Announcement of results	March 31 <sup>st</sup> 2001

The Director reserves the right to alter the above dates.

## **5. Request for Tender Document**

Requests for the tender document should be accompanied by a non-refundable bank draft for IR£5,000 (€6,349) made payable to the Office of the Director of Telecommunications Regulation.

All requests should be addressed to:

**Ms. Tara Kavanagh:**

Office of the Director of Telecommunications Regulation  
The Reception (2<sup>nd</sup> floor)  
Abbey Court  
Irish Life Centre  
Lower Abbey Street  
Dublin 1  
IRELAND

**2<sup>nd</sup> November 2000**



## **Appendix 1**

### **The Irish Telecommunications Sector - Regulatory and Legal Framework**

#### The Director of Telecommunications Regulation

The regulation of the telecommunications sector is carried out by the Director of Telecommunications Regulation appointed pursuant to the Telecommunications (Miscellaneous Provisions) Act, 1996. The Office of the Director of Telecommunications Regulation is independently funded and independent in the exercise of its functions. The Director has responsibility for the exercise of powers accorded to national regulatory authorities pursuant to EU and national legislation. Further powers will be conferred on the Director as the developing EU regulatory framework for telecommunications is formally adopted.

#### Radio Frequency Spectrum

The use of radio frequency spectrum in Ireland is governed by licences issued pursuant to the Wireless Telegraphy Acts, 1926 to 1988. The appropriate authority for assigning spectrum in Ireland is the Director of Telecommunications Regulation. Operators will be expected to use the spectrum in an efficient manner.

#### The Minister for Public Enterprise

Responsibility for national telecommunications policy is exercised by the Minister for Public Enterprise and her Department.

## **Appendix 2**

### **Legislative Background to this Competition.**

The licences will be awarded by the Director under the Postal and Telecommunications Services Act, 1983, as amended and the Wireless Telegraphy Acts, 1926 – 1988.

The Licensee will be granted the right to use Fixed Wireless Access Technology (FWA) to offer telecommunications services to the public, for a period of 10 years.

Successful applicants will require two types of licence:

- A Telecommunications Licence issued in accordance with section 111 of the Postal and Telecommunications Services Act, 1983, as amended, and  
A Wireless Telegraphy Licence issued in accordance with regulations under the Wireless Telegraphy Acts, 1926 to 1988 .

The combined Licences will entitle the holder(s) to provide FWA services to the public subject to certain conditions and obligations.

As required under section 111 of the Postal and Telecommunications Services Act, 1983, the Director has also sought and obtained the consent of the Minister for Finance for the licence fee.

The European Commission has also been advised of the Director's proposals.