



Office of the Director of  
**Telecommunications  
Regulation**

Competition for licences to Provide  
Digital cellular System(s) at 1800 MHz (DCS-1800)  
In Ireland

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Consultation Paper

**Document No. ODTR 97/01**

**Oifig an Stiúirthóra Rialála Teileachumarsáide**  
**Office of the Director of Telecommunications Regulation**  
Abbey Court Irish Life Centre Lower Abbey Street, Dublin  
**Telephone +353-1-804 9600 Fax +353-1-804 9680**  
**Web [www.odtr.ie](http://www.odtr.ie)**

## 1. Introduction

The Director of Telecommunications Regulation will shortly launch a competition for a licence(s) to provide and operate a public digital cellular land-based mobile communications system at 1800 MHz (DCS 1800) within Ireland. The licence(s) will be issued under Section 111 (2) of the Postal and Telecommunications Services Act, 1983, as amended. In order to assist in formulating the parameters for the competition the Director is now inviting submissions from interested parties in regard to the provision of a DCS1800 service within Ireland. The issues on which comments are sought are set out in the appendix to this document. In order to assist interested parties in their comments some background information on the telecommunications industry in Ireland and on the DCS1800 competition is set out below.

## 2. Telecommunications Policy and Regulation in Ireland

Ireland is committed to pursuing a telecommunications policy which will facilitate the availability to Irish business and consumers of the widest possible range of quality telecommunications services. **Page 2** The telecommunications regulatory regime will underpin this policy. The main elements of telecommunications policy and regulation in Ireland are noteworthy:

- 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 structurally separate from and independent of the Department of Public Enterprise which has a shareholder function in relation of Telecom Eireann. 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.
- It is intended to recoup from the telecommunications sector the full costs of administering and regulating the sector. The Telecommunications (Miscellaneous Provisions) Act, 1996 provides for imposition of a levy on telecommunications service providers. It is not possible at this stage to give details but any such levy would be unlikely to represent a significant cost to mobile operators. Annual licence fees will also be charged for the use of the radio frequency spectrum.
- The timetable for the implementation of full liberalisation of the sector has been agreed with the European commission and is set out in Commission Decision of 27 November, 1996 concerning the additional implementation periods requested by Ireland for the implementation of Commission Directives 90/338 and 96/2/EC as regards full competition in the telecommunications markets. Accordingly, the establishment of telecommunications infrastructure was liberalised on 1 July, 1997, international interconnection of mobile networks will be allowed from 1 July, 1999 and finally, restrictions in relation to the provision of voice telephony services and public telecommunications networks will be lifted from 1 January 2000.

### **3. Population/existing telecommunications market.**

Ireland has a population of 3.62 million people, a fixed telephone line penetration rate of 36 per 100 population and a mobile telephone penetration rate of about 9.5 %. There are both analogue (TACS) and GSM mobile telephone services currently in operation in Ireland. These are provided by Eircell Limited – which has approximately 295,000 customers for its mobile services, of whom approximately 163,000 are GSM customers; and Esat Digifone, which launched its GSM service in March, 1997, and has achieved a customer base of 45,000 as at June 1997. In addition, some 40 service providers have been licensed to provide liberalised telecommunications services.

### **4. Competition in the mobile telephone market**

Both Esat Digifone and Eircell Ltd have been licensed to provide GSM900 public mobile telephony services. Eircell Ltd also provides a public mobile telephony service according to the TACS analogue standard. A commitment has been given to both operators that they would be licensed to use DCS1800 technology in accordance with EU legislation.

### **5. Radio Frequency Spectrum**

The use of radio frequency spectrum will be in accordance with a licence to be 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.

### **6. The Licensing Process**

The competition will be administered by the Director of Telecommunications Regulation. Following this consultative process the Director will formulate an information memorandum and tender documentation which will be made available during October 1997. That documentation will set out the terms and conditions for the competition and the evaluation criteria which will be used. **Page 4** charged for these documents.

Applicants will then have the opportunity to pose questions on the documentation to the Director. The Director will respond to these questions by way of general memorandum and will, at that point, formally invite tenders. It is anticipated that the successful applicants will be informed at the latest by end April 1998.

### **7. Conditions of the Consultative Process.**

- All comments received will be treated as confidential.
- The consultative process does not form part of the formal tender process and any views expressed during this process will not be taken into account in assessing tenders during the evaluation process.

- The Director will not respond to any submissions received in the consultative process.
- The Director is not obliged to accept or include any views, opinions or submissions in the final tender documentation.
- This is not a legal document. The Director reserves the right to change any of the information contained in this document.
- Submissions should not exceed twenty A4 pages including appendices.

All submissions should be sent to The Office of the Director of Telecommunications Regulation, Abbey Court, Abbey Street, and Dublin 1 and marked for the attention of Stephen Banable.

The closing date for receipt of submissions is Friday 15<sup>th</sup> August, 1997 at 4pm.

**Office of the Director of Telecommunications Regulation**  
**11th July, 1997**

## Appendix

### PUBLIC CONSULTATION ON THE PROVISION OF DIGITAL CELLULAR SYSTEMS at 1800 MHz (DCS-1800) IN IRELAND

#### Issues on which comments are sought

- The likely demand for DCS 1800 licences in Ireland
- Whether there is a demand for regional and/or national licences and the regions which might be commercially attractive to operators.
- Market opportunities for DCS 1800 services in Ireland.
- The measures necessary to ensure effective competition in the mobile market as required by Article 2(4) of Commission Directive 96/2.
- National roaming.
- International roaming.
- Radio frequency spectrum requirements.
- Possible coverage obligations.
- Infrastructure requirements.
- The possible deployment of DCS-1800 as a wireless local loop technology or for other uses – (Note: voice telephony restrictions will continue to 1 January, 2000).
- Co-location/mast sharing – compulsory or otherwise?
- Interconnection.
- Quality of Service
- Potential for the provision of ancillary services.
- Comments on any other relevant issues.



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#### **PUBLIC CONSULTATION ON THE PROVISION OF DIGITAL MOBILE CELLULAR COMMUNICATIONS (DCS-1800) IN IRELAND**

The Director of Telecommunications Regulation invites submissions from parties interested in the provision and operation of DCS 1800 mobile telephony systems and services within Ireland. This public consultation is