



Winter 2004

ComReg Newsletter

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About ComReg: Organisation Structure

The Commission for Communications Regulation (ComReg) is chaired by John Doherty and is divided into five main divisions, supported by the Senior Legal Advisor and a Public Affairs Unit. The structure is based on cross-functional teams operating in a multi-disciplinary environment.

Commissioner John Doherty Commissioner Isolde Goggin

Market Development - Director: Gary Healy

Market Development is responsible for developing and maintaining an understanding of the status and potential development of the communications sector in Ireland. Identifying and gathering relevant information to enable ComReg to forecast any new developments and future trends is a core activity of this Division. Market Development is also responsible for issuing Market Information Updates and liaises regularly with international telecommunication bodies such as the OECD on market data.

Market Framework - Director: David Gunning

Market Framework is responsible for managing the general authorisation regime for the electronic communications sector in Ireland and monitors compliance with general authorisation conditions. Market Framework also manages radio spectrum and approximately 15,000 Wireless Telegraphy licences to various operators. In addition, Market Framework also administers Ireland's National Numbering Plan.

Market Operations - Director: Mike Byrne

Market Operations handles day-to-day issues concerning the regulation of the market including such issues as interconnection and dispute resolution. Supervision of pricing and ensuring a universal service for all consumers in respect of eircom is a principal activity of Market Operations. This Division also administers the Consumer Affairs section.

Finance & Regulatory Accounts - Director: Donal Leavy

This section manages the financial control of ComReg and Regulatory Accounting issues. It is responsible for the financial aspects of regulation.

Human Resources - Director: Shay O Malley

This Division develops and implements human resources strategies designed to enhance organisational performance and effectiveness. Our Human Resources Division is responsible for the human resources, information systems, freedom of information and general facilities management functions.

Legal Advisor: Sebastian Farr

The Senior Legal Advisor advises on all major legal matters and on the legal implications of communications policies in Ireland and the EU.

Public Affairs Unit - Manager: Tom Butler

Our Public Affairs Unit issues press releases and communicates messages and statements on behalf of ComReg to the media and general public. This Unit also manages our website, organises conferences and seminars and publishes our Annual Reports and other publications.

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Regtel – Regulator for Premium Telephone numbers

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Single Billing – Strong uptake of Single Billing product by Consumers

The introduction of Wholesale Line Rental (WLR) has proved to be a success in the development of competition in fixed line phone services. WLR has made it possible for alternative fixed line operators (OAOs) to offer consumers a single bill for all their fixed line telecommunications services. WLR enables operators and service providers to develop a complete relationship with consumers for both calls and line rental. Previously consumers who used an alternative operator for their calls received two bills, one from their calls provider and a separate bill from eircom for line rental. With Single Billing, competing operators order WLR from eircom in conjunction with Carrier Pre Selection (CPS) so as to provide both the calls and the line as a single service to their customers.

Currently there are five Authorised operators: Access Telecom, EsatBT, Gaelic Telecom, Smart Telecom and UTV processing orders for the new product. Since its launch over 46,000 standard PSTN lines have been WLR enabled with an additional 1,200 ISDN connections. These volumes are expected to grow as more operators and service providers launch Single Billing products in the coming months.

WLR has proved its potential to make a significant impact on the competitive landscape and the figures to date represent 3% of the market for PSTN lines. This is approximately

the same number of lines provided by other operators by all other means. The introduction of WLR has also provided an opportunity for operators to offer consumers a wider range of services. Operators, who were previously providing a calls only service to consumers, can now offer more competitive bundled services, including data services. For operators, the development of this total customer relationship is an essential feature in the progression towards Local Loop Unbundling (LLU) and therefore represents an important step in terms of infrastructural investment.

ComReg is continuing to work with industry to ensure that the appropriate technical and operational features of WLR are in place so that customer transfer can be seamless and trouble free. ComReg has also published a consumer guide to inform consumers on how they can avail of this new service and what they can expect when changing to a single bill with an alternative provider. The guide also offers advice to consumers on what questions they should ask before changing to any alternative operator to ensure that the offer best suits their individual telecommunication needs. The consumer guide is available at www.askcomreg.ie

ComReg Launches Consumer Query Website AskComReg.ie

A new site for consumers called www.askcomreg.ie has been created by ComReg to provide information about telecommunications and the postal sector.

[askcomreg.ie](http://www.askcomreg.ie) was launched in October by the Minister for Communications, Marine and Natural Resources, Noel Dempsey TD at ComReg's Annual Conference in the Royal Hospital Kilmainham.

The site was developed as part of ComReg's on-going commitment to consumers. The main objective of the site is to provide user-friendly and accessible information on all of the sectors regulated by ComReg. *(Continues over)*



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(from page 1) This includes information on mobile phones, fixed-line phones, the internet and the postal sector.

For example, the mobile phone section gives information on choosing a mobile phone packages, explains issues such as mobile number portability and gives tips on keeping your phone bill down.

The internet section gives information on broadband, the internet service provider market and it also advises

computer users to beware of such problems as modem hijacking.

All of ComReg's Consumer Guides can be downloaded from the site e.g. Information leaflet on Exercising your Telephone Choice, Information on Roaming Charges and our latest Consumer Guide on Single Billing.

See www.comreg.ie

ComReg Offers Advice as Green Light is Given to Voice Over Internet Protocol (VoIP) Services

With the worldwide development of Voice over Internet Protocol (VoIP) services, ComReg is set to begin offering geographic numbers and a new number range with the 076 code to service providers intending to offer VoIP services within the Republic of Ireland.

ComReg believes it is crucial that consumers should have sufficient information to enable them to confidently select the type of service they need. This may be a traditional fixed line service, a new VoIP one up to at least the same standard, or it could be one which offers a more limited service but which is cheaper. The important point is that the consumer's choice is informed. It is intended that the new 076 access code for VoIP will act as an indicator of VoIP services that may be useful for consumers, though it will also be possible for VoIP services to be provided on 'traditional' number ranges.

Consumer Education

Proper consumer awareness is a very important facet of introducing new services to the Irish public. ComReg believes that differences between the new VoIP and traditional services should therefore be clearly and honestly highlighted to the purchaser in a very forthright way, both at the time of signing-up, and subsequently (e.g. via alert or voice announcements) when features unique to VoIP are being operated. ComReg also believes it is vital to note that in the case of critical services such as emergency calling

there may be new users of these services that are unaware of the limitations of the new service unless they are clearly informed.

VoIP

Voice over Internet Protocol (sometimes also known as Voice over Broadband) allows users to make and receive calls over an Internet Protocol (IP) transmission network (including the Internet) rather than the public switched telephone network. It works using a personal computer or an adaptor on your telephone, allowing you to contact someone using a standard phone (or another VoIP apparatus), using your high-speed broadband connection over the Internet and/or a managed IP network. Although narrow-band connections can be also be used, broadband provides for a higher quality of service.

One of the key benefits is that VoIP can result in lower call costs. Sometimes, on-net calls may even be free. In addition, new services such as enhanced conference calling, video calling, and the ability to send one's voicemail forward to e-mail will also soon be possible. Nomadic operation (i.e. unplugging the telephone handset, travelling to a new location (potentially anywhere in the world), re-plugging it and carrying on exactly as if at home) is a capability of VoIP that will be a new experience for traditional phone users.

With the advent of the new VoIP service, ComReg believes that there

are certain things of which the consumer should be aware. These include:

- **Always-on**
If the VoIP network connection is not working, then consumers will not be able to make or receive calls, although some service providers may offer a back-up service.
- **Access to Emergency Services**
Guaranteed connection to the emergency services may not be available if the network connection is not working. If the number used is a new "VoIP" number or another number in nomadic mode, the emergency service agencies may not be able to locate the consumer's position as they may be able to when a conventional fixed phone is used. This is because VoIP numbers can be used in a "nomadic" way, as described below.
- **Directory entry / Directory inquiry services**
ComReg would expect VoIP service providers to offer their customers the same level of directory support as that provided by traditional telephone companies.
- **Nomadcity**
VoIP services, in some cases, can be nomadic, i.e. they can be used away from the home location, with the effect that when the consumer is registered, their home profile (e.g. voicemail, commonly used numbers etc.)

(VOIP from page 2)

automatically becomes available in the new location. This is because the consumer has the ability to log-on at any Internet access point, as if at home. Nomadcity will allow you to take your phone number with you when you travel away from home.

- **Number Portability**

Some customers migrating from traditional telephone companies to VoIP operators will wish to take their phone numbers with them, while others may be content to receive new numbers. This depends on the classification of the VoIP operator services offered. If they offer the same level of services as traditional fixed line services then it is likely that number portability will be offered. Consumers should check with their service provider if they will be able to use their existing number for any new VoIP service.

Serving the e-Consumer

ComReg's Annual Conference entitled "Serving the e-consumer" took place on the 13th October in the Royal Hospital Kilmainham.

This year's conference was opened by the Minister for Communications, Marine and Natural Resources, Noel Dempsey TD and it was the Minister's first official engagement in his new portfolio.

Minister Dempsey launched ComReg's new consumer website – www.askcomreg.ie – at the conference.

The main emphasis of the conference was on current and future demands of the consumer within the telecommunications market against the backdrop of competition and regulation.

Terry Calvani, Member of the Competition Authority gave a presentation on "How competition benefits the Consumer" followed by an insightful Case Study from Aer Arann CEO – Pdraig O'Ceidigh who presented "The Aer Arann experience in Serving the e-Consumer".



Pictured at the ComReg conference: Mr. Noel Dempsey, Minister for Communications Marine and Natural Resources, John Doherty Chairman ComReg, and Isolde Goggin Commissioner ComReg

Caroline Attwood-Reusser, Associate Director of Mason Catalyst invited conference delegates to look towards the future and gave a presentation entitled "What are the future demands of the e-Consumer".

The final presentation of the conference entitled – 'The role of the Regulator in serving the e-consumer' – was given by the Head of the Danish Communications Regulatory Authority, Jorgen Andersen.

All presentations from this conference are available on the ComReg main website – www.comreg.ie or on CD.

Legitimate Use of Mobile Telephone Interceptors To Be Permitted

ComReg has announced its decision to permit the use of mobile phone interceptor base stations by licensed mobile network operators (MNO) if they wish to install them as part of their network, in response to legitimate demands by specific organisations.

Interceptors allow the creation of "quiet zones", where mobile phones will not ring, but where calls can still be made to the emergency services or to lists of approved numbers. They are different from so-called "jammers", which prevent all calls, including emergency calls, by interfering with mobile phone networks. Jammers are illegal under the Wireless Telegraphy Act 1926 and European legislation.

The use of interceptors by licensed MNOs as part of their network must remain entirely voluntary and should be based on a commercial arrangement between the parties involved. For a mobile phone

interceptor to be effective it should intercept calls to and from all networks in the affected area. This implies that from a practical perspective it would be necessary for all MNOs to agree on the installation and operation of a mobile phone interceptor base station. ComReg encourages licensed MNOs to cooperate in reaching agreements on such installations.

In deploying Mobile Phone Interceptors the following conditions will apply:

- In order to ensure that the use of such equipment does not fall foul of national or EU obligations or standards, only interceptors that are able as a minimum to recognise emergency numbers or lists of approved numbers can be installed;
- The interceptor can only intercept calls made by the MNO's own customers in their licensed spectrum unless an

agreement is in place with other mobile network operators;

- Where no such agreement is in place between MNOs, the interceptors cannot cause any degradation of services to another network;
- MNOs must notify all installations to ComReg as per their licence conditions;
- All interceptors must be compliant with the R&TTE Directive and all other pertinent EU and national legislation.

All radio and telecommunications terminal equipment placed on the market in Ireland is now required to comply with the Radio and Telecommunications Terminal Equipment (R&TTE) Directive 1999/5/EC as transposed into Irish law by Statutory Instrument 240 of 2001. Further information is available in ComReg Document 00/61 at www.comreg.ie.

ComReg's Expert Advisory Group holds Second Meeting

ComReg's Expert Advisory Group held its second quarterly meeting on the 8th of November. The Group was set up earlier this year to advise ComReg on its approach to developments, innovation and regulation within the Electronic Communications sector.

The Group's advice to ComReg will focus on international and national

strategic issues that have implications for ICT sector.

The members of the Expert Group are:

- **Dr. David Cleevely**, founder and former Chairman of Analysys Ltd.
- **Mr. Dan Flinter**, former Chief Executive of Enterprise Ireland.
- **Dr. William Melody**, economist

and telecoms reform expert

- **Mr. Eli Noam**, Professor of Economics and Finance at Columbia University Business School, New York
- **Dr. Jim Norton**, Policy Advisor on telecommunications and electronic communications.



ComReg Senior Management holds second meeting with Expert Advisory Group: (Pictured from left to right) Mr. Donal Leavy, Mr. David Gunning, Dr. Jim Norton, Mr. Shay O'Malley, Mr. John Doherty, Chairman of ComReg, Professor Eli Noam, Professor William Melody, Ms. Isolde Goggin, Dr. David Cleevely, Mr. Gary Healy, Mr. Dan Flinter, Mr. Sebastian Farr and (not present for the photo) Mr. Mike Byrne, Director of Market Operations.

ComReg Proposes New Opportunities for the Provision of Broadband Over Wireless

ComReg has sought views on its proposals to license wideband digital mobile data services in the 420 MHz and 900 MHz bands of the radio spectrum. The proposed new wideband digital mobile data services will facilitate high-speed wireless internet access and other data communications.

ComReg is committed to extending the availability of broadband data services to the public to the greatest extent possible, successfully launching several initiatives to promote this goal

such as permitting licence-exempt services (for example wireless LANs or WiFi) as well as licensed fixed wireless access services. As these services roll-out, ComReg is keen to facilitate further innovation in wireless broadband.

Now, ComReg is proposing to make spectrum available in both the 420 MHz and 900 MHz frequency bands for up to two national licences in each band to provide services with typical data rates in the order of 384 to 500 kilobits per second. It may

also make spectrum available in the same bands for local area licences.

David Gunning, ComReg's Director of Market Framework, said: "This consultation by ComReg is designed to stimulate further innovation in the provision of broadband services by wireless. Ireland is in the fortunate position of having spectrum available to support innovative wireless applications. ComReg expects existing operators and new operators to respond positively to this consultation to the benefit of Irish consumers."

Competition in the Communications Market – The Challenges Ahead



Isolde Goggin,
Commissioner
Commission for Communications Regulation

ComReg has an important role in introducing competition to the telecommunications sector.

However, its responsibilities don't stop there: it is also responsible for internal market issues (including the market for telecommunications terminal equipment), consumer protection, spectrum management, numbering and the regulation of the postal sector. Recently there have been calls for the amalgamation of sectoral regulators on efficiency/synergy grounds (as, for instance, in the recent report of the Enterprise Strategy Group). However, these tend to ignore the fact that while most sectoral regulators, at least in network industries, have a mandate to promote competition, ComReg also has a very wide range of other statutory functions, including functions under 13 Wireless Telegraphy and Broadcasting Acts and 26 Statutory Instruments under these Acts, and the synergies involved from amalgamating these are not obvious. Also, telecommunications differs from many other utilities in that the sector is highly diverse, and while some segments (such as the "local loop") are generally considered at present

to be a natural monopoly, others are actually, or could potentially become, competitive.

Regulation has delivered a good deal for consumers. The table below shows that, while Irish prices overall grew by 30 index points since January 1997, prices for communications services in Ireland decreased by 19 points in the same period.

Irish telecommunications prices also compare well when benchmarked against those in other EU countries.

The "new" European regulatory framework (in place since July '03) requires any company-specific regulation (such as an obligation on eircom to provide other companies with access to its network) to be justified. In order to justify regulation, the regulator must show, to the satisfaction of the European Commission, that there is "market power" on a specific market. The Commission identified eighteen markets to be reviewed by National Regulatory Authorities (NRAs) – fourteen fixed, three mobile and one broadcasting. ComReg, like its fellow NRAs in other European countries, is carrying out these reviews, and Ireland is among the leading group of countries in working its way through

the process.

Meanwhile, we must not lose sight of other developments which do not necessarily fit neatly within the market review process, but which offer the opportunity to provide services better and more cheaply to consumers. These include Voice over Internet Protocol, migration to Next Generation Networks, developments in user access and content delivery; spectrum allocation and assignment; and the future evolution of the concept of universal service.

In dealing with these issues, ComReg's position has consistently been to promote innovation and to attempt to minimise barriers to entry, thus allowing companies to bring new technologies and new consumer products to market quickly.

Overall, telecommunications regulation in Ireland has resulted in a good deal for consumers and the promotion of competition.

Isolde Goggin,
Commissioner
Commission for Communications Regulation
Dublin Economic Workshop, Kenmare,
16 October 2004

Index of Communication Price Basket compared with All Prices



Source: Central Statistics Office, Ireland, September 2004

ComReg announces plans to develop pricing website for Consumers

ComReg has started work to develop a telecoms pricing website that will allow consumers to compare the cost of different fixed, mobile and internet services on offer in the market. The site, which will be interactive, will allow consumers to enter details of their current usage of specified telecoms services and receive a price based comparison which ranks operators' packages in order of cost.

Through its own research and from direct consumer feedback, ComReg has identified that consumers find it difficult to distinguish between the

range of price offers in the market place. The site will aim to increase the level of pricing transparency for consumers by allowing them to compare the costs of a range of telecoms products and thereby help inform their purchasing decisions.

Mr Mike Byrne, Director of Market Operations in ComReg said: "The provision of pricing information via this website will further ComReg's aims of promoting consumer interests and developing competition. We have examined best practice in other countries and have recently issued

a tender for development of the ComReg site".

"Our target for the introduction of the comparative pricing website is mid 2005. The chairperson of ComReg, John Doherty has written to telecoms companies requesting their support for this project which will benefit both consumers and operators.

The response we received from the industry has been encouraging and we expect to receive their ongoing co-operation."

ComReg launches FWALA Operators' Forum

ComReg Chairman John Doherty has hosted the inaugural meeting of the Fixed Wireless Access Local Area (FWALA) Operators' Forum, which took place at the ComReg offices in Abbey Court Irish Life Centre, Lower Abbey Street, Dublin 1 on November 24th.

The FWALA Operators' Forum is a ComReg initiative to facilitate an open forum for licensed FWALA operators to discuss issues of common interest with a view to facilitating smooth roll-out of services for the operators and, more importantly, the consumer.

To date, ComReg has issued 77 FWALA licences to 9 operators, 74 of the licences for spectrum in the 3.5GHz band and 3 for spectrum in the 10.5GHz band.

Membership of the FWALA Forum is open to all FWALA licensees.

For further information, FWALA operators are invited to contact ComReg on (01) 804 9600

ComReg Sets Price for Local Loop Unbundling (LLU) Charge

ComReg has set eircom's charge for full Local Loop Unbundling (LLU) at €14.65 per month, a reduction of 13%. This means the new price is fixed in real terms until 1 December 2007.

Local loops are the copper wires connecting homes and businesses to their nearest telephone exchange. Local Loop Unbundling is the process whereby operators other than eircom take control of these loops by renting them from eircom in order to provide broadband and voice services to their customers.

The Chairperson of ComReg, John Doherty, said: "Achieving the unbundling of the local loop is an important element to facilitating and enhancing competition particularly in Broadband. The resolution of this long-standing issue at a price below the one which eircom challenged last year is important.

This reduction in the rental costs coupled with our active and determined approach to ensuring that all associated pricing and processes are competitive and user-friendly will, we believe, provide the basis to re-energise this area of the market. We look forward to working with eircom and the rest of the industry to ensure the success of these initiatives for the benefit of Irish consumers."

In addition, ComReg has also proposed reductions in the pricing of Local Loop Unbundling (LLU) line share. If ComReg decides to implement its proposal without amendment, it will mean a drop in the price of line share from €9.00 to €0.39c.

LLU line share is an important product that allows telecoms operators to provide broadband services to customers who currently have telephone lines and want to have broadband also. The line share cost is the amount operators are charged by eircom for the use of the customer's line for the broadband service. The use of LLU line share has underpinned the roll-out of broadband in some other EU countries.

The full consultation paper in relation to LLU line share pricing – ComReg 04/111 – is available on the ComReg website www.comreg.ie.

Consumer Guides

ComReg regularly produces Consumer Information Guides to ensure that consumers are kept informed on various areas of interest.

Recent guides have been issued on the following topics in Acrobat PDF format and are available for downloading from our new consumer website www.askcomreg.ie.

1. Consumer Guide on Single Billing
2. Your Rights when making a complaint about your telecommunications services
3. Consumer Guide to Directory Enquiry Services

4. Controlling your costs when using your mobile phone abroad
5. Consumer Internet Guide – Get Connected
6. Consumer Fixed Telephony Guide – Exercise your Choice
7. Consumer Guide on Pre-paid Phonocards
8. Consumer Guide – Modem Hijacking using dialler programs

Hard copies of these guides are also available and can be posted out if requested on our LoCall number 1890 229 668 or by email to our consumer team at consumerline@comreg.ie

ComReg at the Ideal Homes Exhibition



This year for the first time, ComReg took a stand at the Ideal Homes Exhibition, which took place at the RDS on the October Bank Holiday weekend. Pictured above are Paul Brennan and Mary Quinn and (right) Paul Brennan, Mary Quinn and Stephen Breen.

