



Office of the Director of
**Telecommunications
Regulation**

Information Notice

Conditional Application by Eircell for Fixed Wireless Access (FWA) Broadband Licence

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1. Background

On the 2 November 2000 the Director of Telecommunications Regulation (“the Director”) issued a tender (ODTR Doc. 00/84) inviting applications for two Fixed Wireless Access (FWA) Broadband licences in the 28 GHz, as well as one FWA Narrowband licence in the 10.5 GHz band, to be awarded by way of a comparative selection procedure (“beauty contest”). These licences will be in addition to those awarded this year following an earlier competition. The current licensees are eircom, Esat Telecom Ltd., Formus and Princes Holdings (Broadband) and eircom and Princes Holdings (Narrowband).

The closing date for applications for the present competition is 15 December 2000. The tender for the Broadband competition provides that no operator will be issued with, or permitted to hold, more than one broadband or more than one narrowband licence. The Director has received a conditional expression of interest for one of the two Broadband licences from Eircell which is currently 100% owned by eircom. The latter company holds a Broadband FWA Licence. Eircell have informed the Director that eircom is in exclusive negotiations with Vodafone for the sale of 100% of Eircell. Eircell have stated that it is expected that this sale will be completed before the award of FWA Licences as part of the current licensing procedure.

Eircell have therefore proposed that they submit an application for a Broadband FWA licence which would be conditional upon the sale of Eircell by eircom being completed at the time of announcement of the highest ranked applicants.

2. The Director’s Decision

The Director has decided to permit a conditional application for a Broadband FWA licence from Eircell, on the condition that, if Eircell is successful in the competition, Eircell would only be offered a licence if on 31 March 2001 (the expected date of announcement of highest ranked applicants)

- (a) eircom no longer has any shareholding or ownership in Eircell or
- (b) eircom has undertaken to transfer all of its shareholding or ownership in Eircell to Vodafone, (or to a third party unconnected to eircom or to any other FWA licence holder) and the transaction can no longer be revoked by either party or blocked under Irish or EC merger control law.

The date of 31 March 2001 may be changed if necessary to complete the FWA evaluation process.

The Director believes that this is the most reasonable approach in the current circumstances relating to the ownership of Eircell.