



Commission for
Communications Regulation

Decision Notice

Directions to Enable Opening of Access to VoIP Services based on 076 Number Ranges

Decision No:	D5/05
Document No:	05/23
Date:	21, March 2005

Contents

1	Executive Summary	2
2	Introduction	4
3	Decision Notice Issues.....	5
3.1	REASONS FOR DIRECTIONS.....	5
3.1.1	<i>Respondents' positions</i>	5
3.1.2	<i>Commission's Position</i>	5
3.1.3	<i>Respondents' positions on Opening of 2 Ranges</i>	6
3.1.4	<i>Commission's position on Opening of 2 Ranges</i>	6
3.1.5	<i>Respondents' positions on directions to eircom</i>	6
3.1.6	<i>Commission's position on directions to eircom</i>	7
3.1.7	<i>Respondents' positions on Codes 076-3 & 076-6</i>	7
3.1.8	<i>Commission's position on Codes 076-3 & 076-6</i>	7
3.2	DIRECTIONS.....	8
3.2.1	<i>Respondents' positions on Draft Direction 1</i>	8
3.2.2	<i>Commission's position on Draft Direction 1</i>	9
3.2.3	<i>Respondents' positions on Draft Directions 2 & 3</i>	10
3.2.4	<i>Commission's position on Draft Directions 2 & 3</i>	10
3.2.5	<i>Respondents' positions on Draft Directions 4 & 5</i>	11
3.2.6	<i>Commission's position on Draft Directions 4 & 5</i>	12
3.2.7	<i>Respondents' positions on Draft Direction 6</i>	12
3.2.8	<i>Commission's position on Draft Direction 6</i>	12
3.2.9	<i>Respondents' positions on Draft Directions 7 & 8</i>	13
3.2.10	<i>Commission's position on Draft Directions 7 & 8</i>	13
3.2.11	<i>Respondents' positions on Draft Direction 9</i>	15
3.2.12	<i>Commission's position on Draft Direction 9</i>	15
	Appendix A – Legislation	16
	Appendix B – List of Directions and Decisions	18
	Appendix C – Amended RIO Service Schedules	19
	Appendix D – Project Plan.....	24

1 Executive Summary

ComReg issued a consultation document (05/12) on draft Directions on February 17th 2005. A total of five responses, from Chorus, *eircom*, Esat BT, MCI and Vodafone, were received.

In its response to consultation document ComReg 04/103, ComReg decided to designate a new non-geographic number range, based on the access code 076, for VoIP-based services. ComReg also decided in that document that the non-geographic settlement model (also known as the Number Translation Code model) should be used in respect of industry payments for calls to 076 numbers, with the retail tariff *ceiling* of this 076 range of numbers to be set at standard national rate. In ComReg 04/103, ComReg accepted the strong preference expressed in industry responses to be allowed to negotiate its own arrangements for opening access, though with the caveat that ComReg would intervene if this process was unduly prolonged.

As few signs of progress were noted in opening of 076 access, ComReg intervened in January by asking *eircom* to submit a proposal based on three separate price points (national, local, and sub-local (equivalent to the rate used for 1891 Internet access)). These rates were to be submitted by Thursday 27th January, in time for an industry-wide consultative meeting called by ComReg. *eircom* submitted its proposal on Friday 28th January, based on a single price point (sub-local or 1891).

On the 2nd of February 2005, a consultative meeting of members of the VoIP industry was held at ComReg's offices, following a widespread email invitation to all known interested parties. Of the 17 separate organisations that attended this meeting, both new and traditional voice service providers were represented. At this meeting ComReg presented its proposals for a choice of three initial price points. The meeting consensus was that a single retail price point for 076 calls was preferred as an initial starting point but no consensus could be reached on what that price point should be, with some attendees preferring local call rate and others preferring a sub-local rate (i.e. equivalent to *eircom*'s 1891 rate). A national rate was generally felt to be too high.

The meeting concluded on the basis that ComReg would then consider the outcome including how to handle the disparity of views on preferred price positions.

Any-to-any connectivity (i.e. the ability to call any telephone number from any other number) is the backbone of the telecommunications system in Ireland and this must be maintained within the new convergent communications world of Internet and PSTN. Ensuring that the 076 range of numbers for VoIP-type services works efficiently from end to end for callers is one step towards this objective. Consequently, it can not be open to undertakings to select which number ranges they wish to provide access to, nor acceptable for access providers to delay the opening of number ranges. Recognising these positions, it is also important in meeting them that the rights of all to work within a framework that recompenses them fairly for their services should not be prejudiced. ComReg issued draft Directions that were aimed at moving forward such a framework in a way that benefits all undertakings fairly while simultaneously bringing the benefits of VoIP to the consumer without further delay.

Directions to Enable Opening of Access to VoIP Services using 076 Number Ranges

Responses to the consultation were not convinced that consumers would differentiate between sub-local and local rates based on the different number sub-range (i.e. 076-3 for sub-local and 076-6 for local). Two respondents believed that two initial retail price points were required, but differed on the prices at which these points should be set. The remaining three respondents believed that one price point would be more suitable, at least in the short term. One price point would aid consumer comprehension and would have added an advantage by the simplification of the necessary network, billing and ancillary work that is required.

Because the overwhelming response, both from the consultation responses and those views expressed at the industry meeting held on February 2nd 2005, was in favour of one price point, ComReg is minded to amend the draft Directions to show this. This should not prevent the activation of other price points subject to commercial negotiation. ComReg is willing to ensure that number resources are made available to those operators who, on successful negotiation of commercial agreements, wish to open up further price points.

Following the consultation period ComReg is minded to reduce the number of Directions on industry parties. This is for a number of reasons, not least the fact that many replies indicated their willingness to proceed without explicit Directions from ComReg. For the avoidance of doubt, ComReg expects that Industry parties, especially *eircom*, will work within the timescales indicated in the initial consultation (05/12). Should this prove not to be the case, ComReg will intervene.

2 Introduction

ComReg has designated a new non-geographic number range, based on the access code 076, for VoIP-based services and decided (in document ComReg 04/103) that the non-geographic settlement model should be used in respect of industry payments for calls to 076 numbers. In ComReg 04/103, ComReg accepted industry's preference to be given time to negotiate its own arrangements for opening access, though with the caveat that ComReg would intervene if this process was unduly prolonged.

In January, after little sign of progress in opening of 076 access, ComReg intervened by asking *eircom* to submit a proposal based on three separate price points (national, local, and sub-local (equivalent to an 1891 rate)). These rates were to be submitted by Thursday 27th January, in time for an industry consultative meeting called by ComReg. *eircom* submitted its proposal on Friday 28th January, based on a single price point (sub-local or 1891).

At the consultative meeting on 2nd of February 2005, the VoIP industry consensus was that a single retail price point for 076 calls was preferred but no consensus could be reached on what that price point should be. Some attendees preferred local rate while others preferred a sub-local rate (equivalent to the current 1891 rate). ComReg was then to consider how to handle the disparity of views on preferred price value.

Following detailed internal discussions, ComReg had concluded that despite the meeting's preference for a single price point, it would be impossible to meet the needs of both groupings i.e. those preferring local and those preferring sub-local retail rates. Accordingly, ComReg had further concluded that offerings should be available for both of these values and – bearing the divergence in mind - in order for this to be implemented as quickly as possible it is necessary to direct those affected to undertake the necessary work. The outcome was intended to:

- Offer enhanced choice to the Service Provider (and via them to the consumer).
- Meet ComReg's stipulation in ComReg 04/103 that prices must not exceed national rate while also meeting industry's wish for local rate or less;
- Facilitate efficient billing of disparate rates (i.e. using separate 076 number ranges);
- Meet as closely as possible the wishes of industry to reduce the number of price points.

5 responses were received, from Chorus, *eircom*, Esat BT, MCI and Vodafone to this consultation by ComReg by the closing date of 3rd of March 2005.

3 Decision Notice Issues

3.1 Reasons for Directions

Any-to-any connectivity (i.e. the ability to call any telephone number from any other number) is the backbone of the telecommunications system in Ireland and this must be maintained within the new convergent communications world of Internet and PSTN. Ensuring that the 076 range of numbers for VoIP-type services works efficiently from end to end for callers is one step towards this objective. Consequently, it can not be open to undertakings to select which number ranges they wish to provide access to, nor acceptable for access providers to delay the opening of number ranges. Recognising these positions, it is also important in meeting them that the rights of all to work within a framework that recompenses them fairly for their services should not be prejudiced. ComReg's draft Directions were aimed at moving forward such a framework in a way that treats all undertakings fairly while simultaneously bringing the benefits of VoIP to the consumer without further delay.

3.1.1 Respondents' positions

Two operators considered that ComReg is rushing matters in issuing directions at this stage, while three accepted there is a need for this. One of the latter three did not accept that there is a corresponding need to direct OAOs. This respondent is in favour of early introduction of VoIP but considers, for various reasons, that it should not be based on a single price point based on the current retail rate for 1891 Internet access services. This retail rate is however favoured by one other respondent.

3.1.2 Commission's Position

ComReg notes industry's preference for a single rate, expressed both at the industry meeting and in the responses to this consultation, which would provide the easiest offering for consumers to understand. However, no agreement on what that rate should be was reached at the consultative meeting and ComReg had initially concluded that as views are too far apart and as there are doubts about the best way to proceed, it made sense to move to a fall-back position of two rates. It was ComReg's opinion that this would have allowed all undertakings to work with the rate that suits them best, while also allowing them to change rates subsequently, if necessary¹. It was on this basis that ComReg put forward the two rates suggested in this consultation document.

ComReg has already committed to a review of the operation of VoIP services by October 2005 and there will be an opportunity to make certain changes, which could include price points, at that time. ComReg also indicated at the consultative meeting that it would aim to do a (less comprehensive) review of the price point arrangements at an earlier stage in order to facilitate adjustments should this be necessary and desirable; this could occur within six months of opening of numbers.

The number ranges 076-3 and 076-6 were initially suggested by ComReg to indicate the suggested price ranges, sub-local and local respectively. These numbers allow

¹ The current difficulties are a consequence of apparent limitations in operators' billing systems concerning depth of number analysis. ComReg accepts that these limitations currently exist when dealing with operations of scale, despite operators' abilities to do full number analysis in other situations. This is anticipated to be a short/medium term limitation only.

Directions to Enable Opening of Access to VoIP Services using 076 Number Ranges

for at least two alternative or additional services to be inserted at lower or higher retail tariffs than those currently foreseen, should the need arise later. It was also noted that as some number ranges have already been allocated to service providers (on the basis that industry negotiations would conclude successfully), it will now be necessary to recover these ranges and re-allocate numbers corresponding to the categories described above. However, as the former ranges appear not to be in operation yet, that should not be problematical.

The primary motive behind this consultation is to assist swift activation of the 076 number range, and thereby facilitate service providers who may wish to enter this market in the near future. ComReg therefore proposed directions on *eircom* regarding the specific timelines that should be used in amending the Reference Interconnect Offer (RIO) and Switched Transit and Routing Price List (STRPL). All other undertakings were reminded that their input and co-operation will be needed if this number range is to be activated in as short a time frame as possible.

Consultation Question:

Q. 1. Do you agree with ComReg's proposal that two number ranges in the format 076X should be opened? Please provide reasons.

3.1.3 Respondents' positions on Opening of 2 Ranges

Responses to ComReg's proposal to use two price points were evenly balanced with two agreeing, two rejecting that approach and one ready to accept a single price point now with the possible addition of one or more later.

3.1.4 Commission's position on Opening of 2 Ranges

In respect of number range, ComReg's proposal to use 076-X was accepted by those accepting multiple price points and 076 or 076-6² was accepted by those favouring a single price point. As indicated below, ComReg has concluded that only a single price point should be opened at this time, based on local rate. Therefore if numbers are allocated for the moment from the sub-range 076-6, this will meet the requirements of most respondents.

Consultation Question:

Q. 2. Do you agree that ComReg should issue directions to *eircom* relating to the process of introduction of these numbers for the purpose of ensuring their timely implementation? Please provide a reasoned answer and if you disagree, please provide an alternative.

3.1.5 Respondents' positions on directions to eircom

Two respondents disagreed with the need for directions, with both implying that longer timescales are appropriate. One of these felt that ComReg's failure to accept the project plan (which had been submitted to ComReg by *eircom* and circulated to industry members prior to the meeting held on 02 February 2005) based on sub-local

² One objected to differentiation at sub-076 level.

Directions to Enable Opening of Access to VoIP Services using 076 Number Ranges

rate has set back the timescale as a whole. The remaining three agreed with ComReg that directions are necessary in order to make reasonable progress.

3.1.6 Commission's position on directions to *eircom*

ComReg rejects the view that it should have accepted the aforementioned project plan for sub-local rate, as this has not received adequate industry support (see further below). Moreover, it is concerned by the implications that long timescales are still acceptable at this extended stage of "076" introduction. Accordingly it is intended to proceed with directions to *eircom*, as proposed by the majority of respondents. However, ComReg also notes that due to the support demonstrated in the responses a single price point is by and large accepted. In addition, several proposed directions are unnecessary as these are accepted as part of normal industry process. The extent of direction can be reduced accordingly.

Consultation Question:

Q. 3. Do you agree that use of the sub-range 076-3 to signify sub-local retail tariff and 076-6 to signify local rate tariff is acceptable? If not please give reasons and your alternatives.

3.1.7 Respondents' positions on Codes 076-3 & 076-6

ComReg stated in the consultation that the division of 076 into sub-ranges was for the purposes of billing and number analysis, but with some incidental benefits in terms of consumer transparency. However, responses concentrated more on the transparency issues.

3.1.8 Commission's position on Codes 076-3 & 076-6

A careful study of the responses leads ComReg to conclude that with a single price point based on local rate (see below), the use of a sub-range 076-6 will not conflict with the views of any respondent. The issue of other sub-ranges of 076 for other price points can therefore be deferred until such price points are needed. Therefore for the immediate future, all 076 number blocks will be issued from the 076-6 sub-range. In order to ensure that all numbers come from this block, existing allocations will be withdrawn and number blocks re-allocated from the 076-6 range.

3.2 Directions

Draft Direction to all undertakings on opening of price points for 076 number range

Draft Direction 1. All undertakings providing caller access to 076 numbers are directed to set 2 initial price points to facilitate the introduction of VoIP services³. One price point will be known as “VoIP Local” and have per minute rates of 4.07c, 1.04c and 1.04c for daytime, evening and weekend respectively⁴. The second price point will be known as “VoIP Sub-Local” and have per minute rates of 1.61c, 0.80c and 0.80c for daytime, evening and weekend respectively⁵. These rates are quoted excluding VAT⁶.

Consultation Question:

Q. 4. Do you a) believe that Draft Direction 1 above proposes appropriate rates for implementation? b) believe that it is clear, understandable and possible to implement? Please state the reasons for your opinions.

3.2.1 Respondents' positions on Draft Direction 1

One respondent unequivocally supports the ComReg proposal while a second does so apart from the sub-local rate, which it rejects. Two respondents do not agree that the direction should apply to all undertakings. One of the two latter cases disagrees on the basis that “all undertakings” should not mean mobile operators because of problems with outpayments, while the second considers that direction of *eircom* alone will clear the bottleneck and result in proper functioning of the market.

Two respondents also questioned the continued proposed use of the non-geographic interconnection settlement model. One believed that since numbers that normally use this model involve services that offer additional technical functionality, using this model would introduce unnecessary retail price regulation to VoIP services.

The other respondent objected to the use of the non-geographic model because (in their opinion) it runs counter to ComReg's intention of using light regulation. They also note slight differences in the figures used by ComReg from *eircom*'s local rate, suggesting that this raises questions about exactly which rate is intended. This respondent considers that the option of a single price point based on sub-local rate received the support of several operators during the industry meeting of February 2nd 2005 and argued for a single price point to be selected, notwithstanding a range of problems that it foresaw if this wasn't the sub-local rate. In effect it was stated that not only would *eircom*'s cost base be increased and its ability to offer attractive

³ These are required initial points. Operators are encouraged to include additional price points subject to billing capabilities and normal operator interconnection negotiation.

⁴ Individual operators have different definitions of daytime, evening and weekend periods. ComReg does not anticipate that these different definitions need be altered in this context.

⁵ Operators are free to include or exclude these numbers from their discount schemes.

⁶ Likewise, individual operators have varying minimum call charges. ComReg does not anticipate that these need to be altered in this context.

prices damaged, but also there would be knock-on effects for other operators. Furthermore, they considered that huge regulatory accounting implications arise from ComReg's proposals and an initial list of these was provided.

3.2.2 Commission's position on Draft Direction 1

ComReg has taken account of the responses received and concluded that direction of OAOs should be removed at this stage, while maintaining direction on *eircom*. It can be reconsidered during the proposed October 2005 review of the initial VoIP framework and again later if ongoing problems are found for VoIP development in respect of OAO implementation. In that respect it should be noted that ComReg agrees with the European Commission viewpoint that VoIP is a potentially key tool in ensuring competitiveness in the telecommunications marketplace.

ComReg also wishes to reassure mobile operators that ComReg 05/12 was not intended to mandate local or sub-local rate tariffs for calls from mobile networks and the minutes of the industry meeting of 02/02/05 reflect ComReg's intentions in respect of calls from mobile to 076 numbers viz:

”3.5 ACCESSING THE NUMBERS FROM MOBILE NETWORKS

It was suggested that in order to facilitate market entry, the tariff from mobile to 076 calls should initially be set at a standard mobile to fixed rate. There were no objections from the three mobile operators present (Meteor, O2 and Vodafone). These operators also agreed that the proposed timescales could also be met.”

ComReg accepts *eircom*'s preference for a single price point even when that is based on local rate, rather than multiple rates. ComReg is willing to work bilaterally with *eircom* through existing processes to ensure that the outlined regulatory accounting issues are quickly resolved.

With these detailed adaptations ComReg's Direction is presented below.

Direction to *eircom* on opening of price points for 076-6 number range

Direction No. 1. *eircom* is directed to set one initial price point to facilitate the introduction of VoIP services⁷. This price point will be known as “VoIP Local” and have per second rates of 0.0679c, 0.0174c and 0.0174c for daytime, evening and weekend respectively⁸. These rates are quoted excluding VAT⁹.

⁷ This is a required initial point. Operators are encouraged to include additional price points subject to billing capabilities and normal operator interconnection negotiation.

⁸ For the avoidance of doubt, it is *eircom*'s normal local rate tariffs, as agreed with ComReg, that are being referred to here, for which it is recognised that *eircom* charge a minimum fee of 5.2440c. In addition, there is no necessary future linkage between this rate and *eircom*'s local rate.

Note: Other operators have different definitions of daytime, evening and weekend periods. ComReg does not anticipate that these different definitions need be altered in this context.

⁹ Likewise, individual operators have varying minimum call charges. ComReg does not anticipate that these need to be altered in this context.

Draft Directions to *eircom* on submission and publication of retention rates

Draft Direction 2. *eircom* is directed to submit to ComReg retention rates in respect of the aforementioned price points, within 5 working days of the publication of this direction. *eircom* is to assume a call duration period of 3 minutes¹⁰ for both price points in the calculations included in this submission.

Draft Direction 3. *eircom* is directed to publish its interconnection rates on its website within 2 working days of ComReg's approval.

Consultation Question:

Q. 5. Do you believe that Directions 2 and 3 above are clear and understandable and that the timelines are achievable? Please provide reasons for your response.

3.2.3 Respondents' positions on Draft Directions 2 & 3

The responses to this question were somewhat mixed. *Eircom*, which is the object of both directions, considered they are both unnecessary; Direction 2 because *eircom* has demonstrated its interest in launching these services in addition to its history of positive engagement, and Direction 3 because the Direction is mandating what would be the normal timeframe for this activity. Two other respondents agreed with the directions, though one of these with the caveat it couldn't comment on whether *eircom* was capable of meeting the timeframes. A fourth respondent agreed with Direction 3 but requested a review of Direction 2 in the light of its earlier comments, which referred to a rejection of sub-local rates. Finally the last respondent warned against fast-tracking the normal industry processes, believing that the timescale for operators to open the number ranges would not be workable for a price other than national rate (Note: these concerns appear particularly oriented towards access from mobile networks). This respondent was also concerned that VoIP operator marketing plans would need to be reassessed and number allocations made after the final ComReg decisions are published.

One respondent also requested clarification of the bad debt statement included in Draft Direction 2.

3.2.4 Commission's position on Draft Directions 2 & 3

ComReg accepts the assertion that the former Draft Direction 3 is unnecessary as the timescales described would be followed in any case; therefore that direction is withdrawn¹¹.

¹⁰ Traffic over 076 numbers is expected to be voice rather than data. It is therefore appropriate that a standard voice call holding duration is used to calculate retention rates. This assumption will remain in place until these price points are reviewed in 6 months time when a more appropriate call duration may be defined.

¹¹ For the avoidance of doubt, ComReg draws *eircom*'s attention to the specific words "within X working days **of this Direction**", in the original draft Directions of ComReg 05/12 and it is only on the specific understanding that *eircom*'s response takes account of those words that the relevant Directions should be considered withdrawn.

ComReg believes that dropping of plans at this time for a sub-local rate will satisfy the concerns of two respondents, while assurances made earlier (see Section 3.2.2 above) will assuage the main concerns of a third, concerning mobile access. ComReg accepted in ComReg 05/12 that the timescales proposed in its directions were tight but considered them realistic. In response to concerns expressed by some respondents ComReg has revisited the proposed project plan and satisfied itself that it is realistic [with some (minor) alterations], as indicated in the final version of Direction 2, below. This project plan is included in this document, for the purposes of clarity, as Appendix D.

The references to bad debt have been clarified in Direction 2 below.

Direction to *eircom* on submission and publication of retention rates

Direction No. 2. *eircom* is directed to submit to ComReg retention rates in respect of the aforementioned price point, within 5 working days of the publication of this direction.
eircom is to assume a call duration period of 3 minutes¹² for this price point and the retention rate calculation should include *eircom*'s retail costs per call using a bad debt recovery rate which will be equal to the current percentage applied to the 1890 call type, as used in the latest NTC submission to ComReg for the 2005/06 interim rates. *Note: This assumed duration and debt recovery rate will be reviewed during the overall VoIP progress review in October 2005.*

Draft Directions to *eircom* regarding the publication of amended service schedules in RIO

Draft Direction 4. *eircom* is directed to publish proposed textual amendments to the RIO within 5 working days of the publication of this direction. The text proposed in Annexes A and B should be used as a basis for these amendments.
Draft Direction 5. *eircom* is directed to publish the amended text within 2 days of its approval by ComReg, incorporating the amendments, if any, arising from the comments from OAOs.

Consultation Question:

Q. 6. Do you believe that Directions 4 and 5 above are clear and understandable and that the timelines are achievable? Please provide reasons for your response.

3.2.5 Respondents' positions on Draft Directions 4 & 5

One respondent considered both directions to be unnecessary, while others supported them (albeit with concerns about possible fast-tracking in one case). The former respondent was also concerned about the inclusion by ComReg of proposed service

¹² Traffic over 076 numbers is expected to be voice rather than data. It is therefore appropriate that a standard voice call holding duration of 3 minutes is used to calculate retention rates. This assumption will remain in place until these price points are reviewed in 6 months time when a more appropriate call duration may be defined.

schedules and provided amended texts. It noted that the introduction of a new *eircom* service schedule does not require industry comment, merely its submission as a draft to ComReg for approval.

3.2.6 Commission's position on Draft Directions 4 & 5

ComReg accepts the views put forward concerning the process involved in service schedules in respect of Draft Direction 4. The inclusion of drafts was intended to be helpful in progressing development¹³ of the formal documents while also allowing OAOs the opportunity to comment. *Eircom's* amended service schedules are welcomed as a positive contribution to the overall process, going forward and their submission at this point means that the need for the former Draft Direction 4 is removed.

ComReg accepts the assertion that the former Draft Direction 5 is unnecessary as the process and timescale described would be followed in any case; therefore that direction is withdrawn¹⁴.

Draft Direction to *eircom* regarding amended contracts

Draft Direction 6. *eircom* is hereby directed to issue suitably amended contracts to OAOs within 5 working days of the publication of this direction.

Consultation Question:

Q. 7. Do you believe that Direction 6 above is clear and understandable and that the timelines are achievable? Please provide reasons for your response.

3.2.7 Respondents' positions on Draft Direction 6

One respondent stated that in order to avoid confusion and make the process more efficient only the final approved and published service schedule should be issued to OAOs for signature.

Other respondents supported the proposal (albeit with concerns about possible fast-tracking in one case).

3.2.8 Commission's position on Draft Direction 6

ComReg wishes to ensure that no unnecessary delays occur in opening of numbers. ComReg had always intended that NO delays would occur on its own side in respect of this process and therefore in principle the matter of sending only approved documents to OAOs was assured if *eircom* meets the specified timescales. As mentioned previously, *eircom* has already provided draft service schedules (see

¹³ The inclusion of the "EXAMPLE" watermark on the draft schedules was intended to clearly emphasise their lack of formal status.

¹⁴ For the avoidance of doubt, ComReg draws *eircom's* attention to the specific words "within X working days **of this Direction**", in the original draft Directions of ComReg 05/12 and it is only on the specific understanding that *eircom's* response takes account of those words that the relevant Directions should be considered withdrawn.

Appendix 1), and ComReg hereby approves these, ensuring the Direction No. 3 below (i.e. former Draft Direction 6) is not a serious burden for *eircom*.

Direction to *eircom* regarding amended contracts

Direction No. 3. *eircom* is hereby directed to issue suitably amended contracts to OAOs within 5 working days of the publication of this direction.

Draft Direction to *eircom* regarding the Switched Transit and Routing Price List

Draft Direction 7. *eircom* is directed to submit amendments to the STRPL so as to incorporate transit to VOIP calls to ComReg, publish the proposed amendments on their website, and notify OAOs of these changes, within 5 working days of the publication of this direction¹⁵.

Draft Direction 8. *eircom* is directed to publish the STRPL, incorporating the amendments arising from the comments of OAOs, within 2 working days of approval by ComReg.

Consultation Question:

Q. 8. Do you believe that Directions 7 and 8 above are clear and understandable and that the timelines are achievable? Please provide reasons for your response.

3.2.9 Respondents' positions on Draft Directions 7 & 8

Concerning Draft Direction 7, one respondent was concerned that ComReg appeared to propose that *eircom* should publish OAO's VoIP termination rates ahead of the contractual arrangements being in place with *eircom*. They added this should be a serial activity following signature of contracts and only OAOs who have signed contracts in advance can have their rates published in the STRPL. This respondent was also of the opinion that it was an alteration of agreed industry process to require publication of draft versions of the STRPL.

This respondent also considered Draft Direction 8 to be unnecessary, while others supported both draft directions No. 7 and 8 (albeit with concerns about possible fast-tracking in one case).

3.2.10 Commission's position on Draft Directions 7 & 8

Concerning Draft Direction 7, ComReg does not agree there is any deviation from industry process as described by one respondent (i.e. concerning "draft versions") as the project plan (initially submitted by *eircom* prior to the industry meeting held on February 2nd 2005) clearly identifies a sequence of publication, OAO comment and

¹⁵ If any undertaking wishes to comment on the proposed changes to the STRPL, they are directed to respond to ComReg within 5 working days of the publication of said amendments.

Directions to Enable Opening of Access to VoIP Services using 076 Number Ranges

then ComReg approval. Although ComReg did not use that term, it is only after approval that the amended STRPL can no longer be considered to be in draft status. ComReg agrees with the view that *eircom* should only publish OAO's VoIP termination rates in the STRPL once contractual arrangements are in place. However, ComReg anticipates that at least one (or more) VoIP operator(s) will be in such a position within the timescales envisaged in the Direction. The previous Draft Direction 7 is therefore continued below, with the word "proposed" removed, as Direction No. 4.

It should be noted by OAO's who wish to launch these services using the "076" number range by May 1st 2005 should ensure that their signed contracts are returned to *eircom* by April 1st 2005. This is in line with the timelines set out in the project plan as shown in Appendix D.

ComReg accepts the assertion of one respondent that the former Draft Direction 8 is unnecessary as the timescale described would be followed in any case; therefore that direction is withdrawn¹⁶.

Direction to *eircom* regarding the Switched Transit and Routing Price List

Direction No. 4. *eircom* is directed to submit amendments to the STRPL so as to incorporate transit to VOIP calls to ComReg, publish the amended document on their website, and notify OAOs of these changes, within 12 working days of the publication of this direction¹⁷.

Draft Direction to All Undertakings Providing Access to Telephone Users

Draft Direction 9. All undertakings are directed to open access to all operational 076 numbers by the timescale indicated on *eircom*'s Project Plan, which will be published on ComReg's web site during March.

Consultation Question:

Q. 9. Do you believe that Direction 9 above is clear and understandable and that the timelines are achievable? Please provide reasons for your response.

¹⁶ For the avoidance of doubt, ComReg draws *eircom*'s attention to the specific words "within X working days **of this Direction**", in the original draft Directions of ComReg 05/12 and it is only on the specific understanding that *eircom*'s response takes account of those words that the relevant Directions should be considered withdrawn.

¹⁷ If any undertaking wishes to comment on the proposed changes to the STRPL, they should, for the purposes of expediency, respond to ComReg within 5 working days of the publication of said amendments.

3.2.11 Respondents' positions on Draft Direction 9

The majority of respondents supported the proposed Direction, though some concerns were expressed. The question of access rates from mobile networks was one concern and the fact that Draft Direction 9 was targeted at all undertakings drew the same criticism as that directed at Draft Direction 1.

One respondent felt it is infeasible for industry to open number ranges within the timescales foreseen in the Draft Direction 9 as that would mean OAOs must insert draft rates in their billing systems that might be subject to change.

3.2.12 Commission's position on Draft Direction 9

ComReg does not agree with the comments concerning direction of OAOs or with the opinion that the proposed timescale is impracticable. It is quite feasible for proactive OAOs to anticipate certain results concerning billing requirements and have numbers ready to open within the timescales foreseen by ComReg in Draft Direction 9.

However, as it is in OAOs own interests to open access to numbers as quickly as possible and as *eircom* is already expected to open access in accordance within a timescale corresponding to the final publication of its STRPL, Draft Direction 9 is now considered to be unnecessary and is therefore withdrawn. In that respect both *eircom* and OAOs are reminded of their existing obligations in respect of opening numbers, pursuant to legislation and the numbering conventions, as described in ComReg 05/12. ComReg anticipates no undue delays in the provision of access to 076 numbers to any subscribers and is prepared to intervene if necessary to ensure this is achieved.

Appendix A – Legislation

Definitions

Access Regulations:	The European Communities (Electronic Communications Networks and Services) (Access) Regulations 2003. S.I. No. 305 of 2003
Authorisation Regulations:	The European Communities (Electronic Communications Networks and Services) (Authorisation) Regulations 2003. S.I. No. 306 of 2003
Act of 2002:	Communications Regulation Act, 2002
National Numbering Conventions:	Currently ComReg 04/35

Elaboration:

The National Numbering Conventions (currently ComReg 04/35) mandates the opening of all number ranges by all undertakings, thereby ensuring the successful operation of end-to-end communications. This long-standing and consumer-oriented requirement applies equally to 076-based numbers as to other ranges and ComReg believes the principle is widely supported by all.

This requirement is also backed up by objectives set out for ComReg in Section 12 of the Act of 2002 and by Regulation 13 of the Access Regulations. ComReg believes the latter also empowers the Regulator to impose those obligations on an operator that are implied by the draft Directions included herein.

Any-to-any connectivity is the backbone of the telecommunications system in Ireland and this must be maintained in respect of 076-based numbers (i.e. it is not optional for service providers to choose which number ranges they wish to open). This feature, captured in the National Numbering Conventions (Conventions 3.2.2-5 and 3.2.2-6¹⁸), needs to be carried forward as current networks evolve and converge with next generation networks. Section 12 of the Act of 2002 sets this as an Objective to be achieved by ComReg in the context of contributing to the development of the internal market by encouraging end-to-end connectivity. The European Commission expects a similar result, as is made clear by Recital 38 of the Universal Service Directive (USD), viz “Access by end-users to all numbering resources in the Community is a vital pre-condition for a single market.”

ComReg has also been set two further and pertinent objectives by the Act of 2002, as follows:

¹⁸ “...open access from their networks to all relevant numbers allocated by the NPM...”

Directions to Enable Opening of Access to VoIP Services using 076 Number Ranges

- To promote competition, by ensuring users ... derive maximum benefit in terms of choice and price; and
- To promote the interests of users, who must have access to a universal service with promotion of clear information, in particular regarding tariff transparency and conditions of use

Regulation 6(1) of the Access Regulations reinforces the above objectives of Act of 2002 by requiring ComReg to not only promote these objectives but, where necessary, to ensure their implementation. Regulation 6(2) authorises the Regulator to impose obligations on undertakings controlling access to end-users, to the extent that is necessary to ensure end-to-end connectivity.

Regulation 6(3) in conjunction with Regulation 13 authorises the Regulator to lay down technical or operational conditions on operators to be met by the provider, beneficiaries, or both the provider and beneficiaries of such access in accordance with European Community law¹⁹, where necessary to ensure end-to-end connectivity and/or (in case of SMP) normal operation of the network. Furthermore, for operators with SMP,

Regulation 6(5) empowers the Regulator to take such steps either at the request of parties involved or at its own initiative.

The obligations imposed in accordance with Regulation 13 would ensure the meeting of reasonable requests for access to and use of specific network elements and associated facilities where the Regulator considers that the denial of such access or imposition of unreasonable terms and conditions would:

- a. hinder the emergence of a sustainable competitive retail VoIP market;
- b. not be in the interests of end-users, or
- c. hinder the achievement of the objectives set out in Section 12 of the Act of 2002.

In addition, Regulation 8 of the Access Regulations preserves obligations imposed under the old EU regime until such time as any new obligations have been imposed under the Framework Regulations.

¹⁹ Obligations imposed shall be objective, transparent, proportionate and non-discriminatory

Appendix B – List of Directions and Decisions

List of Decisions

Direction No. 1. <i>eircom</i> is directed to set one initial price point to facilitate the introduction of VoIP services. This price point will be known as “VoIP Local” and have per second rates of 0.0679c, 0.0174c and 0.0174c for daytime, evening and weekend respectively. These rates are quoted excluding VAT.	9
Direction No. 2. <i>eircom</i> is directed to submit to ComReg retention rates in respect of the aforementioned price point, within 5 working days of the publication of this direction. <i>eircom</i> is to assume a call duration period of 3 minutes for this price point and the retention rate calculation should include <i>eircom</i> ’s retail costs per call using a bad debt recovery rate which will be equal to the current percentage applied to the 1890 call type, as used in the latest NTC submission to ComReg for the 2005/06 interim rates. <i>Note: This assumed duration and debt recovery rate will be reviewed during the overall VoIP progress review in October 2005.</i>	11
Direction No. 3. <i>eircom</i> is hereby directed to issue suitably amended contracts to OAOs within 5 working days of the publication of this direction.	13
Direction No. 4. <i>eircom</i> is directed to submit amendments to the STRPL so as to incorporate transit to VOIP calls to ComReg, publish the amended document on their website, and notify OAOs of these changes, within 12 working days of the publication of this direction.	14

Appendix C – Amended RIO Service Schedules

ANNEX C

SERVICE SCHEDULE 124

Access to *eircom* VoIP Service

This Service Schedule is effective from the date of signature of this Interconnect Agreement and shall remain in effect until amended following agreement of the Parties to such amendment or following determination by the National Regulator.

1. Definitions

- 1.1. In this Schedule, a reference to a clause or Appendix unless stated otherwise, is to a clause or Appendix of this Schedule. Words and expressions have the meaning given in Annex A.

2. Description of Service

- 2.1. Subject to the provisions of this Service Schedule, *eircom* shall convey *eircom* VoIP Service Calls handed over from the Operator Network to VoIP Services provided by *eircom*. This shall comprise all calls with the leading digits “076X” which have been allocated to *eircom* by the National Regulator or ported into the *eircom* network.

3. Terms and Conditions

- 3.1. The Parties shall agree in advance all necessary technical requirements, including Call set-up and clear-down sequences, for the conveyance of Calls pursuant to this Schedule. This specification is identified in the Network Plan.
- 3.2. *eircom* shall convey *eircom* VoIP Service Calls during those periods of time and at the same standard and quality of service as *eircom* conveys similar Calls originated within the *eircom* Network.
- 3.3. Each Party shall correct faults which occur in its Network which affect the conveyance of *eircom* VoIP Service Calls in accordance with such Party’s

Directions to Enable Opening of Access to VoIP Services using 076 Number Ranges

normal engineering practices. For the avoidance of doubt, neither Party warrants that its Network is, or will be, free from faults.

- 3.4. Calling Line Identity for network and presentation purposes shall, where available, be made available for all *eircom* VoIP Service Calls presented for delivery in the *eircom* Network.

4. Routing

- 4.1. The conveyance of *eircom* VoIP Service Calls shall be in accordance with the routing principles specified in the Network Plan. All Calls covered by this Service Schedule will be carried on *eircom* billed Interconnect Paths.

5. Charging

- 5.1. For the delivery of *eircom* VoIP Service calls from the Operator Network, the Operator shall pay *eircom* a charge per call and/or per minute calculated in accordance with the rates as specified in the *eircom* RIO Price List, Service Schedule 124 *eircom* VoIP Service as published from time to time. Per minute traffic charging at each charge shall be based on chargeable cumulative seconds for each Billing Period rounded to the nearest minute.

ANNEX C

SERVICE SCHEDULE 224

Operator VoIP Service

This Service Schedule is effective from the date of signature of this Interconnect Agreement and shall remain in effect until amended following agreement of the Parties to such amendment or following determination by the National Regulator.

1. Definitions

- 1.1. In this Schedule, a reference to a clause or Appendix unless stated otherwise, is to a clause or Appendix of this Schedule. Words and expressions have the meaning given in Annex A.

Retention Rate: is defined as the appropriate amount of revenue collected for the call that can be retained by *eircom* as the originating Operator.

Settlement Rate: is defined as the amount that is passed from *eircom* to the Operator for access to the service, for the origination and conveyance of a call. It is normally the difference between the revenue (usually gross retail revenue) collected minus the Retention Rate.

2. Description of Service

- 2.1. Subject to the provisions of this Service Schedule, The Operator shall convey Operator VoIP Service Calls originated in and handed over from the *eircom* Network for delivery to VoIP Services provided by the Operator. This shall comprise all traffic with the digits “076X” which have been allocated to the Operator by the National Regulator.

3. Terms and Conditions

- 3.1. The Parties shall agree in advance all necessary technical requirements, including Call set-up and clear-down sequences, for the conveyance of Calls pursuant to this Schedule. This specification is identified in the Network Plan.

Directions to Enable Opening of Access to VoIP Services using 076 Number Ranges

- 3.2. The Operator shall convey Operator VoIP Service Calls during those periods of time and at the same standard and quality of service as Operator conveys similar Calls originated within the Operator Network.
- 3.3. Each Party shall correct faults which occur in its Network which affect the conveyance of Operator VoIP Service Calls in accordance with such Party's normal engineering practices. For the avoidance of doubt, neither Party warrants that its Network is, or will be, free from faults.
- 3.4. Calling Line Identity for network and presentation purposes shall, where available, be made available for all Operator VoIP Service Calls presented for delivery in the Operator Network.
- 3.5. Requests to open services under this Service Schedule should be made using the "OAO Short Code, Geographic and Non-Geographic number range Activation Request Template" as available in appendix 12 of the Interconnect O&M manual

4. Routing

- 4.1. The conveyance of Operator VoIP Service Calls shall be in accordance with the routing principles specified in the Network Plan. All calls covered by this Service Schedule will be carried on Operator billed Interconnect Paths.

5. Charging

- 5.1. For the delivery of VoIP Service Access traffic originated in the *eircom* Network, *eircom* shall retain an average retention charge per minute and per call calculated in accordance with the rates as specified in the *eircom* RIO Price List, Service Schedule 224 Operator VoIP Service as published from time to time.
- 5.2. Where the operator has decided to avail of Near End Hand Over, the Operator VoIP Service traffic settlement rate as provided in the Operator Price List will be recalculated on a quarterly basis. This recalculation will amend the settlement rates to reflect the actual hand off achieved in the network by the Operator for this service and the actual call holding times

Directions to Enable Opening of Access to VoIP Services using 076 Number Ranges

which will amend gross revenue and regulated retention by *eircom* for this service.

- 5.3. The recalculation will be based on the actual Operator traffic for month 1 and the resulting settlement rate will be applied to months 4-6, provided the processes and approvals set out in the Operator Price List and the Switched Transit and Routing Price List are obtained in the timeframes set out therein. In the event that either the National Regulator or Operator fail to comply with the timeframes, the period to introduce the rate change shall be deferred until the 1st of the month after all approvals have been obtained.

Appendix D – Project Plan

Directions to Enable Opening of Access to VoIP Services using 076 Number Ranges

