



Office of the Director of
**Telecommunications
Regulation**

DISPUTE RESOLUTION
DETERMINATION NUMBERS 01/99 and 02/99

Summary

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Summary

In March and August 1999, the ODTR received complaints from Esat Telecom Limited and Ocean Communications Limited respectively about the terms offered by eircom for links to exchanges in connection with the provision of frame relay services to end users. The OLOs claimed that by requiring them to lease two circuits to reach a customer site (one circuit from the customer site to the eircom local exchange and one circuit from the local exchange to the nearest Point Of Presence of the OLO's frame relay network), and not imposing the same requirement on its own downstream retail arm, eircom was discriminating against OLOs, in contravention of its licence.

During the consideration of the complaints and the representations made by the parties, eircom offered to impose a charge on its retail division in respect of the traffic passing between local exchanges and the eircom frame relay network in order to eliminate this discrimination.

Having considered all relevant material, the Director concluded that, in the absence of a co-location offering, the practice complained of constitutes a breach of licence conditions 8, 12.1 and 23.1 of eircom's General Telecommunications Licence. She has accepted that the proposal by eircom – now being implemented -to charge its own retail arm an appropriate rate eliminates this discrimination if correctly applied. The acceptance of this proposal is on the basis that eircom provides a channelised E1 access service on a non-discriminatory basis which OLOs can avail of immediately.

She has therefore required eircom, within 21 days of this decision, to provide the following information to the ODTR:

- (i) details of the charging basis to be applied to eliminate the discrimination described above, and
- (ii) evidence that eircom's retail prices for frame relay services, adjusted as necessary to take account of the new internal charges, are not unfairly cross-subsidised.
- (iii) evidence that the charge imposed on eircom's retail division is non-discriminatory, having regard to the charge imposed on OLOs.

This determination has been communicated to the parties who have a right of appeal against the determination.