



Office of the Director of
**Telecommunications
Regulation**

DECISION NOTICE

eircom's Reference Interconnect Offer

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Foreword

This report completes the third major review of the operational and technical aspects of *eircom*'s Reference Interconnect Offer (RIO) by the ODTR.

Consultation paper 02/27 set out both proposals received from industry and took into account operational issues which arose through developments in the market since the last review of *eircom*'s RIO. This Decision Notice seeks to address and summarise the views of respondents on a range of operational and technical issues and provide the rationale behind decisions which I have taken.

I would like to thank the eight companies who responded to this consultation. Their responses have contributed significantly to my determinations in this Decision Notice.

I believe that this Decision Notice will help improve the transparency of *eircom*'s RIO by the introduction of version control. I am also proposing to create two separate forums to develop in greater detail the new product of Partial Private Circuits and to address issues regarding the interconnection billing process. I also intend to revamp the industry's interconnect operations & maintenance (O&M) forum to address the important operational aspects of the interconnect regime.

Work continues separately on interconnect links and I am reviewing how best progress can be made on the transit regime.

Etain Doyle,

Director of Telecommunications Regulation.

1 INTRODUCTION

In March 2002 the Office of the Director of Telecommunications Regulation (ODTR), launched a consultation process in relation to *eircom*'s reference interconnect offer (Document 02/27)¹. The consultation paper addressed the technical and management aspects of *eircom*'s RIO. In particular, questions focussed on the following categories of issues:-

- Routing & Capacity issues
- Billing & Payments
- Management of the RIO
- New Services
- SLA for Interconnect Links
- Operations & Maintenance Manual

This Decision Notice is largely structured in the same manner as the earlier consultation document. Each section is divided into three parts: -

- A summary of the section in the consultation document, together with a listing of the relevant questions
- A summary of the responses to these questions
- The ODTR's analysis of the issues and the Director's decisions.

Eight organisations responded in writing to the consultation document, as listed below:

- Cinergi Telecom Limited
- Chorus
- *eircom*
- Esat Telecommunications Ltd & Ocean Communications Ltd. [Esat]
- nevadatele.com
- Swiftcall
- Vodafone
- WorldCom

With the exception of the elements of responses marked as confidential, their written comments are available for inspection at the ODTR's offices in Dublin.

¹ Please read this decision notice in conjunction with the preceding consultation paper "*eircom*'s Reference Interconnection Offer" ODTR document no. 02/27 available on the ODTR website www.odtr.ie

2 BACKGROUND

2.1 LEGISLATION

The relevant legislation is contained in Appendix 2.

2.2 PROCESS

Three of the eight respondents to the Consultation Paper offered the ODTR the opportunity of meetings to discuss the responses. The ODTR considered that meetings could be useful given the nature of this particular consultation and decided to meet all the respondents to allow for a discussion of the issues raised in the consultation in greater detail. All participants felt that the meetings were beneficial. As stated at each meeting, the additional opportunity to comment does not set a precedent for future ODTR consultations which will follow the standard ODTR process.

An issue arose in one of the meetings which the ODTR believed presented a reasonable opportunity to achieve further industry agreement on the definition of a Point of Presence [POP]. On Friday 7 June the ODTR circulated a revised definition of POPs and asked respondents to indicate by 14 June whether this definition was satisfactory to each respondent's understanding of interconnection at a POP. Six respondents responded. This issue is discussed in greater detail in Section 3.

2.3 RELATED CONSULTATIONS & WORK STREAMS

The recent Decision Notice D3/02² sets out the Director's position on some of the financial issues in *eircom*'s RIO. D3/02 also included a further issue for consultation - the NTC settlement regime and itemised billing. The Director issued her report on this additional consultation and her decisions therein on 25 June 2002.³

The ODTR is currently undertaking a review of all *eircom*'s RIO prices as part of a separate work programme. The Director will communicate the outcome of this review over the coming months.

There has been a recent determination regarding an inter-operator dispute in relation to In-Span Interconnection (Dispute Resolution Determination No. 02/02⁴). The outcome of this determination means that the actual physical connection method for ISI can be either an Optical Distribution Frame or a splice joint.

² Please see ODTR document no. 02/30 "*eircom*'s Reference Interconnection Offer Miscellaneous Issues Response to Consultation Paper Decision notice & Further Consultation" available on the ODTR website.

³ Please see ODTR document no. 02/54 'Inter-Operator Itemised Billing- Response to Consultation and Decision Notice' available on the ODTR website.

⁴ A summary of the Final Determination is available on the ODTR's website www.odtr.ie

3 Routing and Capacity

This section concerns the physical delivery and general composition of the physical links required for interconnection and considers possible alternative measures that may be employed to aid the logistical requirements involved in establishing interconnection.

3.1 POINTS OF PRESENCE V SWITCHES

3.1.1 *Summary of Consultation Issues*

The Director set out her view in consultation paper 02/27 “*eircom*’s Reference Interconnect Offer” that restricting points of interconnection to the connection to switches may be less efficient than if interconnection could be effected to Points of Presence as well.

The Director sought the views of the industry as to whether interconnection would be advantageous from a PoP (“Point of Presence”) i.e. the interconnect being available at a Pop in a transmission system, using a CCITT No.7 signalling interface, in addition to at a switch location.

Question 3.1 Is there demand for a PoP-based interconnection service? If so, what benefits /disadvantages would such an additional service bring and how would it be implemented.

3.1.2 *Views of Respondents*

The majority of OLOs believed there is demand for PoP-based interconnection. One OLO was unclear what was meant by PoP interconnect, but stated that any development that allowed OLOs to greater utilise their infrastructure would be a welcome development.

A number of OLOs agreed with the approach taken, with one OLO stating that such interconnection would allow a reduction in congestion on *eircom*’s network and would allow operators to benefit from their own infrastructure rollout.

Another OLO argued that there was not only demand for PoP-based interconnection but that this was a key requirement. Ideally they would prefer to see *eircom* offer a reasonable and appropriate ISI (In-Span Interconnect) product incorporating the following characteristics, fibre splices as a minimum, both way billing (i.e. operator billed and *eircom* billed traffic) and cost sharing.

However, one operator did not have demand for a PoP based interconnect service and believed that enhancements to the current offering should be through the introduction of Partial Private Circuits and modifications to the ISI offering to include In-building In-Span and “extended In-Span” product where the ISI demarcation point could be specified by the OLO.

eircom maintained that PoP interconnect at transmission level has always been available in Ireland and many operators have already implemented PoP interconnect here. PoP interconnect is also available at a switching level between all C7 OLO switches and *eircom* C7 switches but cannot be provided at any points other than at the C7 switches. Each interconnect is comprised of two separate interconnects where each operator buys either termination or origination from the other party. Furthermore *eircom* believed that a fundamental right of all telecommunications operators is the right to make the build versus buy decision for itself, and that *eircom* could not be expected to roll its network out to OLO PoPs.

3.1.3 *Director's Position*

Several Respondents to the ODTR's Consultation paper document no. 02/27 "*eircom's Reference Interconnect offer*", offered to meet with the ODTR to elaborate on their submissions. The ODTR offered all respondents the opportunity to meet to discuss their responses in further detail. During the course of these meetings an issue arose with regard to the definition of interconnection at PoPs.

On June 7, the ODTR circulated an additional definition and gave the respondents a week to respond. Six respondents commented with the majority of these agreeing with the proposed definition below:

Definition of Interconnect at a PoP

"Interconnection" means the physical and logical linking of telecommunications networks used by the same or a different organisation in order to allow the users of one organisation to communicate with users of the same or another organisation, or to access services provided by another organisation.

Interconnect can occur at; inter alia, a point of presence (PoP).

A point of presence ("PoP") is a location where a carrier has a network presence. A PoP typically consists of transmission equipment and, where applicable, switching equipment and other resources which permit the conveyance of signals between defined termination points by wire, by radio, by optical or other electronic means. This definition is not intended to exclude network to network interconnection (NNI) utilising CSS 7 signalling, but rather to include other varieties of interconnection not necessarily involving signalling, such as would be sufficient for delivery of leased lines across a POI (Point of Interconnect).

Therefore, the Director confirms her opinion that restricting points of interconnection to a switch location is less efficient and that interconnection at PoPs will aid both the reduction of congestion on *eircom's* network and will allow Operators to benefit from their own infrastructure rollout.

The Director maintains that *eircom* as a designated SMP operator can reasonably be expected to offer interconnection at OLO PoP's as they are adequately compensated by the interconnect path provisions in the RIO. The Director believes that this new form of interconnection will provide the OLOs with the opportunity to make commercial decisions on their own behalf.

Therefore *eircom* is directed to amend their RIO to reflect the above definition i.e. A PoP typically consists of transmission equipment and, where applicable, switching equipment and other resources which permit the conveyance of signals between defined termination points by wire, by radio, by optical or other electronic means. This definition is not intended to exclude network to network interconnection (NNI) utilising CSS 7 signalling, but rather to include other varieties of interconnection not necessarily involving signalling, such as would be sufficient for delivery of leased lines across a POI (Point of Interconnect).

Direction 3.1:

eircom is directed to amend their RIO to reflect the definition i.e.:

A PoP typically consists of transmission equipment and, where applicable, switching equipment and other resources which permit the conveyance of signals between defined termination points by wire, by radio, by optical or other electronic means.

This definition is not intended to exclude network to network interconnection (NNI) utilising CSS 7 signalling, but rather to include other varieties of interconnection not necessarily involving signalling, such as would be sufficient for delivery of leased lines across a POI (Point of Interconnect). This is to take effect a month from the date of this Decision Notice.

3.2 NEAR END HANDOVER

3.2.1 Summary of Consultation Issues

The Director sought views from the industry as to whether a Near End Handover solution for number translation codes ("NTCs") as an alternative choice for interconnecting operators would be beneficial.

The Director was keen to consider this type of interconnection as it enables interconnecting operators to benefit from points of interconnect at a primary level. With the exception of 1891 and 1892 Internet Codes all NTC calls are handed over at the tertiary level in the *eircom* network.

Q3.2 Do you consider that Near End Handover for NTCs as an alternative choice is beneficial? If so what are the commercial, technical benefits/disadvantages associated with the introduction of this service.

3.2.2 *Views of Respondents*

The OLOs were unanimous in their support for Near End Handover for NTCs as an alternative choice.

The majority of OLOs cited commercial benefits that would stem from the provision of Near End Handover namely, it represented the best use of infrastructure rollout as OLOs will no longer have to pay for network elements they do not require and it encouraged more efficient network based routing as this will enable OLOs to benefit from points of interconnect at primary level.

One OLO noted that the provision of Near End Handover may be beneficial to the industry, however, it believed that due regard had to be shown in terms of capacity, resilience and best practice network design.

eircom supported the provision of Near End Handover in principle. This principle allowed the service provider to collect the call as close as possible to the calling customer and thus incur the lowest possible origination charge. However, the current IN capability implemented in all *eircom* switches for 1891/2 does not support Near End Handover for all other NTCs. To provide Near End Handover for these services would require implementation of a double IN query at all switches. This implementation would require significant development and roll-out lead time. As IN costs are now recovered across all calls and proportionally impacts on all operators, the cost-benefit analysis, while not yet complete, would indicate no net benefits would result.

Therefore, *eircom's* view was that Near End Handover should be confined to the sub-set of switches that support it which represents approximately 60% of all interconnect switches.

3.2.3 *Director's Position*

The Director considers that Near End Handover for all NTCs is a legitimate requirement as operators should not be forced to incur additional conveyance charges, which are associated with hand-over at tertiary levels only. Furthermore, it is the Director's opinion that *eircom's* network is not sufficiently unbundled, so operators should not be required to pay for anything not strictly related to the services requested.

The Director welcomes *eircom's* support in principle for Near End Handover. The Director is aware of *eircom's* technical concerns regarding the 40% of switches which do not currently support Near End Handover for all NTCs.

It is the Director's belief that operators should not be forced to accept tertiary level interconnection indefinitely resulting solely from the legacy of a decision by *eircom* which was made on the basis of servicing the requirements of *eircom* retail. The Director considers that *eircom* must not penalise competing operators and believes therefore that there is a requirement for them to provide Near End

Handover across the totality of their network. In the absence of a technical solution at their E10 switches [which is 40% of switches not capable of supporting Near End Handover] *eircom* can rate their charges for “Near End” as if they were in fact Near End. In practice this will apply to 40% of their interconnect switches.

Therefore, *eircom* is to implement the capability for Near End Handover in all AXE switches no later than three months from the date of this determination. Where Near End Handover is not immediately technically possible *eircom* is required to rate all their charges for “Near End” Handover as if they were in fact Near End where operators have a point of interconnection. In addition, to avoid the requirement for an OLO to duplicate capacity at an E10 switch at which *eircom* do not physically hand over traffic and the AXE switch at which the traffic is handed over. When *eircom* receive a request for interconnection for NTC traffic at an E10 switch they shall advise the OLO of the location at which the interconnect needs to be physically provided.

Direction 3.2:

eircom is to implement the capability for Near End Handover in all AXE switches no later than three months from the date of this determination. Where Near End Handover is not immediately technically possible eircom is required to rate all their charges for “Near End” handover as if they were in fact Near End where operators have a point of interconnection. In addition, to avoid the requirement for an OLO to duplicate capacity at an E10 switch at which eircom does not physically hand over traffic and the AXE switch at which the traffic is handed over; when eircom receives a request for interconnection for NTC traffic at an E10 switch it shall advise the OLO of the location at which the interconnect needs to be physically provided.

3.3 PARTIAL PRIVATE CIRCUITS

3.3.1 *Summary of Consultation Issues*

Several operators requested a wholesale data tail product or Partial Private Circuit (i.e. partial leased line) in their responses to the consultation paper ODTR 01/47 entitled “*The Internet in Ireland Communications Transmission and Delivery issues*”.

Therefore the Director sought more specific comments from the industry regarding the introduction of a Partial Private Circuit offering and requested details of the type of services respondents believed would be beneficial.

Q. 3.3 Do Respondents agree that a Wholesale Partial Private Circuit product should be introduced? If so please provide details of the type of service you would like introduced. If you disagree please detail the reasons why.

3.3.2 *Views of Respondents*

Six OLOs commented on the position as described. Five of these thought some form of wholesale Partial Private Circuit (“PPC”) product should be made available on the basis of significant market demand for this type of Interconnect product.

One OLO stated that there was a need for a Partial Private Circuit product to meet the operational and business requirements of operators who have nodal sites into which *eircom* deliver large numbers of leased lines. This respondent believed that any *eircom* PPC offering should have as a minimum the following varieties:

- CSI – based on a channelised STM-1 with an option on electrical or optical interfaces;
- In-Span – *eircom* should offer a PPC In-Span product at the STM-1, STM-4 and STM-16 level.

A number of OLOs acknowledged the need for the introduction of a wholesale PPC product, however, they believed that any such product must be the result of a thorough consultation between *eircom* and the OLOs, preferably through an ODTR officiated forum.

eircom proposed that if any operator has a demand for a wholesale PPC product that commercial negotiations should be established and only in the event that such negotiations fail or are delayed to an unacceptable extent, was there a requirement for the ODTR to intervene. *eircom* stated that should the consultation or negotiations between themselves and a number of the operators establish that there is a number of conflicting requirements for a PPC offering in the wholesale market, the ODTR should facilitate an industry forum to agree a standard offering.

3.3.3 *Director’s Position*

Given the positive reactions from respondents to the possibility of the introduction of a wholesale PPC product, the Director believes that its introduction reflects a genuine market need. However, she shares the industry’s concern regarding the technical requirements for such an offering and believes that these should be agreed in an ODTR facilitated industry forum to assist the creation of a standard offering.

Therefore, *eircom* is directed to offer a wholesale PPC product. To achieve this the Director requires *eircom* to offer proposals for a wholesale PPC product where during an industry forum the product description will be negotiated and agreed and the technical and operational aspects necessary for implementation will be resolved.

Terms of Reference

- **ODTR to chair this forum;**

- *eircom* to offer proposals by end of August 2002;
- This forum will be convened in the ODTR on 9 September 2002. This forum will meet once a week with a target completion date of 20 December 2002;
- Industry to discuss *eircom*'s proposal for the introduction of a Wholesale PPC product;
- Industry to consider any alternative proposals that arise within the course of these discussions;
- Industry to agree the product description and the technical and operational aspects necessary for implementation;
- Industry to sign off on the product description. Product becomes effective from the date of the forum's approval.

Direction 3.3:

eircom is directed to offer a Wholesale PPC product. The details of the offering will be proposed by eircom where during an industry forum the product description will be negotiated and agreed and the technical and operational aspects necessary for implementation will be resolved. eircom are to provide this proposal by end of August 2002.

4 Billing and Payments

This section of the paper concerns Billing and Payment requirements. The Director considers it appropriate to review aspects of Annex B (Billing and Payment) of the Reference Interconnect Offer (RIO) and in this context proposes some new amendments.

4.1 INTEREST RATE FOR LATE PAYMENT

4.1.1 *Summary of Consultation Issues*

The current RIO includes an interest rate provision which defines the interest rate as “Two per cent per month of amount in default”. Clause 6.3 in Annex B of the current RIO provides that this interest rate applies to a situation where one party fails to pay on the Due Date the amount due under the interconnect agreement or shall overpay any amount, the payee, or, as the case may be the over-payer, shall pay or be paid interest at the Default Interest Rate as the Due Date or date of overpayment in respect of any such amount outstanding.

The Director sought views as to whether it was beneficial to have a set interest rate for amounts in default and secondly, whether it was more appropriate to follow the example set in the Prompt Payment of Accounts Act 1997 and use the figure of .0294% per day or some alternative financial model i.e. the Euribor + percentage rate.

Respondents were also informed that any decision which arose from the consultation regarding the Interest rate in the context of the RIO would also be applicable for incorporation into the Access Reference Offer (“ARO”).

Q4.1 (a) Do respondents agree that it is beneficial to have a set interest rate for amounts in default as indicated in the RIO? If you disagree please state in detail your reasons why?

4.1.2 *Views of Respondents*

OLOs were unanimous in their support for a set interest rate for amounts in default as indicated in the RIO.

Several OLOs believe that it was appropriate that there was a set interest rate or a specific method of calculating a percentage that could be used in this process, as it would be beneficial to all operators to have certainty on this matter.

One OLO agreed it was beneficial to have a proportionate and defined interest rate but not a set rate. This OLO did not agree with the current level in either the RIO or the ARO, which it believed was excessive and disproportionate.

Another OLO agreed that the current RIO penalty interest rate was too high and would favour the introduction of a more favourable rate.

eircom believed that the best and most simple option available is to retain a set interest rate for amounts in default. The interest rate currently set in the RIO is set to both compensate operators for the financial cost of delayed payment receipts and to act as a deterrent to poor payment practices by OLOs.

4.1.3 *Director's Position*

To ensure that payments are realised the Director is of the opinion that *eircom* should maintain a set rate for amounts in default as currently indicated in the RIO, However, she considers the present 2% per month to be an inappropriately high interest rate in the current environment.

Q4.1(b) Do respondents agree that it would be more appropriate to use the Prompt Payment of Accounts Act 1997 figure of .0294% a day or some other rate as opposed to the 2% per month currently used in the RIO, please specify your preferred rate? If you disagree please give reasons why.

4.1.4 *Views of Respondents*

OLOs were divided on the rate that should be incorporated into the RIO, with opposing viewpoints regarding the Prompt Payments of Accounts Act 1997 versus the Euribor + 2%.

Several OLOs favoured the Prompt Payment of Accounts figure of .0294% per day as it minimised confusion in that referring to the Euribor may lead to a fluctuating rate. One OLO stipulated that the figure should be levied on the original outstanding amount on a flat basis, rather than a compound basis.

Several OLOs opted for the Euribor + 2% as their preferred rate for amounts in default as operators were not penalised in times of low interest rates. One OLO believed that the Prompt Payment of Accounts Act did not envision a situation where there was a dominant supplier.

eircom did not believe it was appropriate to amend the current rate of interest in the RIO, especially to a lower rate. *eircom* believed the current rate of 2% per month provided a sufficient disincentive to operators to withhold payments beyond their due date as a cash management strategy. *eircom* stressed the importance of prompt payment of invoices to ensure the sustainability of the cascade accounting regime.

4.1.5 *Director's Position*

The Director has considered the arguments put forward on which rate should be included the RIO. She does not accept that *eircom's* rationale for leaving the rate at its current level is justified i.e. that Operators would use a lower rate as part of a cash management strategy. However, the Director will revisit the rate if it appears to give rise to inappropriate debt levels between operators.

The Director believes that the Euribor + 4% (3 month rate) is the most appropriate rate as interest rates are currently set at the lowest level in 35yrs, by opting for this approach it ensures inherent flexibility and automatically adjusts for an interest rate change. The Director is also of the opinion that any changes regarding the set interest rate for amounts in default should apply to both the RIO and ARO in this instance.

Therefore *eircom* is required to amend the RIO and ARO with a set rate for amounts in default to Euribor + 4% (3 month rate).

Direction 4.1:

eircom is directed to amend the RIO and ARO to a set rate for amounts in default to Euribor + 4% (3 month rate). This is to take effect a month from the date of this Decision Notice.

4.2 HANDLING OF BILLING DISPUTES

4.2.1 Summary of Consultation Issues

Currently Annex B of the RIO incorporates a dispute procedure for billing issues. The Director deems it appropriate to review this part of the annex and extend the process to include the following options:

1. One OLO raised a requirement that Call Data Record (“CDR”) swaps should be available at the request of either party;
2. Where a decision has been issued the billing process should be amended as quickly as possible to reflect ODTR decisions with effect from the date of direction. Settlement of any outstanding amounts due based on such direction should be made in full no later than 30 days following either the effective date of the direction or the date of issue of the determination.

The Director sought the views of operators regarding the above optional additions and also whether they were satisfied with the billing process as provided in the current RIO.

Q 4.2 (a) Is the Billing Dispute Process working to your satisfaction? Do you have any suggestions of how it could be improved? Please give detailed responses.

4.2.2 *Views of Respondents*

All of the OLOs who responded to the question were dissatisfied with the current billing process and two respondents gave detailed examples of how the process could be improved these are attached in the Annex of this Decision Notice.

One OLO believed that the billing dispute process lacked detail regarding the process flow for the swapping of information required for dispute resolution. In particular it did not specify timeframes and levels of detail that should be swapped as a dispute proceeds. It also maintained that the majority of disputes could be avoided if more rigorous billing tests were undertaken at the opening of new interconnects. These tests should include the production of invoices based on the test data which could then be reconciled by the billed party.

Two respondents did not believe that the billing dispute process is working satisfactorily, with one stating that the problems were more a reflection on implementation rather than the process itself.

Another OLO stated that the Billing Dispute procedure as detailed in Annex B of the RIO had to date been an unsatisfactory means of resolving billing disputes. The main reasons why it failed to be of benefit were: the process is cumbersome and difficult to follow; there is no defined process for raising queries regarding billing issues, and the process is not referenced in the O&M manual.

eircom provided a suggested resolution procedure in its response. *eircom* also believed there were a number of procedures that could assist in improving the efficiency of the Dispute Resolution process. An agreed practical dispute resolution process would minimise the need to invoke the current dispute escalation process. Essentially, the current dispute escalation process should only be used to “police” the implementation of practical dispute procedures.

4.2.3 *Director’s Position*

The Director was surprised at the level of dissatisfaction with the current billing process. The Director welcomes *eircom*’s suggested dispute resolution procedure and is of the opinion that both the *eircom* process and the alternative suggested by Vodafone both of which are included in the Annex to this Decision Notice must be discussed and agreed at an industry forum facilitated by the ODTR to ensure that the process and the implementation of the process are agreed prior to publication in the RIO.

The Terms of Reference of the Billing forum are as follows:

- **ODTR to chair this forum;**
- **Industry to discuss the *eircom* proposal (contained in Annex A of this direction) to manage RIO billing issues;**

- **Industry to consider the alternative proposal suggested from Vodafone in response to this consultation (contained in Annex B of this direction);**
- **The forum will be convened in the ODTR on the 15 July. The Forum will meet as required with a target completion date of end of October 2002;**
- **Industry to agree on the process to be adhered to in managing billing issues going forward;**
- **Billing forum to sign off the process. Process becomes effective from the date of the forum's approval.**

It is imperative that a process of this magnitude is an agreed one, as it will impact on all operators in the industry. Please note that once this forum has fulfilled its terms of reference any subsequent billing issues will be discussed by the O & M forum. Please see Section 8 of this Decision Notice for further clarity.

Direction 4.2 (a)

The billing process is to be reviewed and agreed at an industry forum facilitated by the ODTR. This Forum will be convened on 15 July in the ODTR office.

Q 4.2(b) Do respondents agree with the proposed additions to the Billing Dispute Process option 1 and 2 above? If you disagree please state in detail the reasons for your answers.

4.2.4 *Views of Respondents*

Six respondents commented on the positions as described. Five of them agreed with the additions to the billing process.

With regard to Option 1 above, all of the OLOs thought that some form of CDR swaps should be available with one OLO stating that the requirement should only be placed on *eircom* as a designated SMP operator.

Another OLO stated while they agreed that CDR swaps should be available they felt CDR swaps should always be the last resort in a billing dispute.

Regarding Option 2 above, five OLOs were in agreement with this option, with one OLO stating that the party who has been directed to issue an amended invoice should be required to communicate the values involved to the relevant operator within 10 working days of the ODTR's decision. This would enable the other party to make queries within a further 10 days and if not already agreed the parties should agree the amounts within a further 5 day period.

eircom did not consider that it was always beneficial or necessary to immediately turn to the exchange of CDRs as a method for resolving disputes. *eircom*'s experience indicated that it was often more worthwhile to explore some other high level options such as: checking that both parties were recording traffic on the same routes; checking that all traffic types were being recorded, and finally; agreeing a sample data exchange with time frame, route and traffic type.

eircom was uncertain what directions the ODTR was referring to in Option 2 above and believed that this option was at odds with the time frames implemented in respect of the Decision Notice issued on 16th April 2002.

4.2.5 *Director's Position*

The Director sought the views from the industry regarding two possible additions to the billing process, with regard to Option 1 i.e. CDR swaps being available at the request of either party. The Director is encouraged that the majority of respondents are positive to the introduction of CDR swaps.

The Director does not believe that CDR swaps should be the first item to be examined in a billing dispute and may very well be the last resort but she is minded that these should be made available. The Director does not believe that *eircom* should be the only operator to provide the CDR swaps as in many cases it may be necessary for them to request the CDRs of operators in order to agree a satisfactory outcome to a billing dispute.

With regard to Option 2, settlement of amounts due based on an ODTR decision i.e. that such decisions should be made no later than 30 days following the effective date, the Director's position on this is to follow the ODTR Decision Notice D5/02 entitled "Interconnection Rates in the Irish Telecommunications Sector" and incorporate that such decisions should be made no later than 45 days following the effective date.

Therefore *eircom* is directed to provide CDR swaps at the request of any party, and to settle any outstanding amounts following an ODTR determination within 45 days.

Direction 4.2(b):

With regard to Option 1 eircom is directed to provide CDR swaps at the request of any party. However, where this obligation sits in the billing process, this provision of CDR swaps will be decided in the billing forum. With regard to Option 2 eircom is to settle any outstanding amounts following an ODTR determination within 45 days.

5 Management of the RIO

This section deals with some management aspects of *eircom*'s RIO. In particular, it contains a proposal to manage textual changes to the RIO and a process to monitor the evolution of the RIO document.

5.1 AMENDMENTS TO RIO

5.1.1 *Summary of Consultation Issues*

In the past, although both textual changes and price changes to *eircom*'s RIO were legally required to be notified to the Director, the concentration has been on the notification of price changes. The Director is cognisant that text changes can significantly affect the service(s) offered by *eircom* and she therefore sought the industry's opinion on her intention to implement a process whereby textual changes must be notified to her by *eircom* and approved by her prior to implementation.

To this end, the Director proposed that *eircom* should publish any proposed textual changes to the RIO on its website for the purpose of notifying all interested parties of such changes. Comments on the proposed changes by OLOs should be submitted to the ODTR within 21 calendar days and the Director would approve or amend the proposed changes within a further 3 weeks. *eircom* would amend and re-publish its RIO in accordance with the Director's decisions.

Q.5.1 (a) *Do respondents agree with the process outlined by the Director? Please give your reasons for supporting or opposing this proposal.*

5.1.2 *Views of Respondents*

The majority of respondents are in broad agreement with the Director's suggested process. *eircom* said the Director's proposal was unduly complex and when added to the proposed process for transit notifications of interconnection services⁵ would have the knock on effect of creating the situation whereby it would take *eircom* three months to introduce an interconnect service for transit. In addition, this respondent queried whether as a result of ODTR approval of textual changes by this process, such textual changes would automatically form part of *eircom*'s interconnection agreements.

Another respondent suggested that when the Director approves textual changes to the RIO under this process the Director should also provide a summary of responses from OLOs in this information notice. This respondent queried whether *eircom* would be afforded the opportunity to comment on the proposed change. One respondent proposed that the ODTR should indicate high level approval/rejection of the proposed change in advance of *eircom*'s notification and added

⁵ As developed by the Notifications for Transit Industry Working group established by D3/01 and currently under examination by the ODTR.

that OLOs should be informed by *eircom* when any proposed amendments are posted on *their* web site. Another respondent stated that the notification timescale should be 21 working days and not calendar days in order to provide OLOs with sufficient time to assess the implication of any proposed change.

5.1.3 *Director's Position*

The Director welcomes the industry's broad support for a defined process for textual changes to *eircom's* RIO.

There are a variety of ways that the text of *eircom's* RIO changes:

- Introduction of a new interconnection service by *eircom*
- Introduction of a new retail service by an OLO that requires *eircom* to introduce a new interconnection service
- ODTR direction
- *Eircom* amends existing RIO text [including the RIO price list + the *eircom* Switched Routing Transit Price List (SRTPL) text] and replaces it with new wording or introduces new clauses or paragraphs.

The method proposed by the Director covers the last of these scenarios i.e. it is designed to cover situations where *eircom* replaces existing RIO text with new text or where they introduce new paragraphs or clauses to the existing RIO.

Therefore, the Director does not accept *eircom's* argument that it would take *eircom* 3 months to introduce a new interconnection service if this process was added to the proposed transit process. Where *eircom* introduces a new interconnection service this will follow the process provided in Clause 7 of the main body of the RIO. As with all new services, the ODTR will have approved the new service in advance of its launch and incorporation in the RIO. For information, Clause 7.9 of *eircom's* RIO specifically states "if the Requested Party[applies to *eircom* only] is obliged to publish a Reference Interconnect Offer and the request is for a new interconnect service, the agreed technical and commercial terms shall be incorporated into a revision of this Reference Interconnect Offer and submitted to the National Regulator for approval".

As most new interconnection services are accompanied by a complementary retail service, the process in Clause 7 of *eircom's* RIO does and will continue to apply. Please see the Director's decision in Section 6.2 of this Decision Notice.

Where OLOs rely on *eircom* to introduce a new or additional interconnection service to offer retail products, both the process in Clause 7 of *eircom's* RIO and the proposed transit process, currently under review by the ODTR applies. This is discussed further in Section 6.2.3 of this Decision Notice. The process in Clause 7 of *eircom's* RIO does not apply to OLOs launching a retail product where the OLO supplies the whole service itself to its customers. In this case OLOs are free to introduce new retail products to their customers in any manner they choose.

The Director is of the opinion that when RIO textual changes are approved by her, such changes will become part of *eircom's* RIO. The Director intends to set the effective date for all future textual changes. RIO textual changes will

automatically become part of each individual interconnection agreement on the effective date of the Director's decision.

The Director agrees with the suggestion that when she would approve/ amend or reject textual changes in the relevant Decision Notice she will provide a synopsis of responses made by OLOs. The Director envisages that *eircom* would have ample opportunity to advance its case and explain its rationale for the proposed textual change when it initiates the industry notification process.

The Director does not agree with the suggestion that she should give her high level opinion in advance of *eircom*'s notification as this would make the process relatively useless/ or pre-judge the industry's responses. In addition she believes that 21 calendar days is a sufficient time period for OLOs to comment.

The Director intends to review this process in eighteen months time to consider its effectiveness.

The Director has set up the following email address for all proposed textual changes by *eircom* and OLO comments to be sent to-
rio.changes@odtr.ie

The Director intends to have a once off project undertaken by her Office following this Decision Notice. She intends to review the current RIO text on *eircom*'s website in its entirety. Upon completion of the review she will communicate her decisions publicly and *eircom* will amend its RIO. This review will allay any concerns among the industry that parts or words of the RIO have been inserted by *eircom* up to now without first being reviewed by the ODTR. As stated, the Director intends for this review to only occur once as all future text changes to the existing text are to follow the new process being implemented in this Decision Notice and any new RIO interconnection service is to be approved by the ODTR in advance [as outlined in Clause 7.9 of the RIO]. Please note the Director will be reviewing all RIO prices under a current and separate work programme.

Direction 5.1(i):

eircom is hereby directed to publish any proposed textual changes to the RIO text on its website for the purpose of notifying all interested parties of such changes. Comments on the proposed changes by OLOs should be submitted to the ODTR within 21 calendar days of any such notice and the Director will approve or amend the proposed changes within a further three weeks. eircom will amend and re-publish its RIO in accordance with the Director's decisions.

This process applies immediately from the date of this Decision Notice. This process applies to all future textual changes to the existing RIO. It does not apply to the introduction of new retail and interconnect services.

Direction 5.1(ii):

In the aftermath of this Decision Notice, the Director will undertake a once off review of all of the text in the current eircom RIO.

5.2 VERSION CONTROL OF THE RIO**5.2.1 Summary of Consultation Issues**

Prior to this consultation, a number of OLOs raised with the ODTR the difficulty they had in keeping track of the RIO and when and where changes had been made to the document. The Director believed that it was of paramount importance that the industry was kept fully abreast of all changes to *eircom*'s RIO in order to monitor its development over time. Having considered the various models that exist across the EU, the Director proposed that *eircom* would highlight all changes to the RIO document and sought the industry's opinion on whether they agreed that this principle should be introduced.

Q.5.2 (a) *Do respondents agree with the Director that as a principle eircom should extend version control of its RIO?*

Please give your reasons for supporting or opposing this proposal.

5.2.2 Views of Respondents

Six out of the seven respondents to this question agreed that *eircom* should be required to extend version control to its RIO as this would improve its transparency and manageability. *eircom* stressed that this proposal varied from the ARO and recommended that there should be consistency between the management of both offers and that *eircom* had already applied the ARO management process to the RIO. *eircom* stated that with each publication of the RIO, *eircom* now provides OLOs with notice containing a summary of the

material changes contained in the document. Also, *eircom* stated that when OLOs had all signed consolidated contracts with *eircom* in the future, tracking changes would become easier for the industry, that the change matrix notification would be sufficient and that it firmly believed that conclusion of consolidated contract negotiations would address OLO concerns.

5.2.3 *Director's Position*

The Director welcomes the broad support from industry. The Director notes *eircom's* concerns but believes the process outlined by her is more appropriate and transparent than *eircom's* change matrix notification.

The Director is of the opinion that the introduction of version control to *eircom's* RIO will be in the best interests of the industry as it will provide clarity and transparency regarding *eircom's* RIO. The Director believes that subject to its adaption to the RIO, version control could be applied to *eircom's* ARO at a future date.

Direction 5.2(i):

The Director directs that version control should be applied to eircom's RIO in the manner and timeframe identified in section 5.2 of this document.

Q.5.2 (b) Do respondents agree with the Director's suggested method to manage the different versions of eircom's RIO?

Please give your reasons for supporting or opposing this proposal.

Q.5.2 (c) Do respondents have an alternative method to manage the different versions of eircom's RIO? Please describe your suggestion in detail.

5.2.4 *Summary of Consultation Issues*

The Director was of the opinion that *eircom* should make both the current version of its RIO and previous RIO versions available on its website. This model would have the benefit of allowing the industry to monitor and compare changes made to the RIO from version to version.

Given the recent structural change implemented by *eircom* of the RIO document, this proposal should apply to the *eircom* Reference Interconnect Offer and the *eircom* Reference Interconnect Offer Pricelist including the *eircom* Switched Routing and Transit Price List as a separate section.

Initial consideration suggested that the current RIO version should read as a clean document i.e. that changes would not be highlighted. The Director was of the opinion that when *eircom* inserts a new version on its website it should also insert

an accompanying Statement of RIO changes on its website. This Statement should be an exhaustive list of all the changes *eircom* has included in the new version of the RIO and should alert readers to the location of these changes. The previous RIO version should in parallel highlight and identify all the changes mentioned in the Statement of RIO changes throughout the document. This process should allow the industry to compare the current RIO with the previous RIO and be aware of all the changes between the two documents. The Director believed that this obligation should also apply to all legally binding Service Level Agreements.

5.2.5 *Views of Respondents*

Six of the seven respondents who answered this question, agreed with the method proposed by the Director for managing version control of *eircom*'s RIO. The majority believed that this method would be easy to implement and follow. However one of those respondents in favour stated that there was no need to require *eircom* to post the accompanying notice, by noting that the two versions, one clean and one highlighted, would be sufficient to allow OLOs to monitor RIO changes.

eircom disagreed with the Director's suggestion and stated that it did not see what benefit would be achieved from having multiple versions on *eircom*'s website. *eircom* noted that the RIO document published on *eircom*'s website was its reference offer and was not a legally binding document and that the document was intended to provide new entrants with a view of *eircom*'s offering for interconnect. *eircom* further stated that it could not agree to a regime which required *eircom* to provide an exhaustive list of changes which was an unreasonable requirement. To support this *eircom* stated that some responsibility for monitoring developments should lie with OLOs and that notification of changes should not be seen as giving OLOs legal advice.

Only one respondent suggested an alternative to the method suggested by the Director. *eircom* considered that providing change matrix notification with an overview of material changes to contracted operators was sufficient to facilitate OLOs' monitoring of RIO developments.

5.2.6 *Director's Position*

The Director welcomes the overall support for her proposed method of managing version control of *eircom*'s RIO. This method is in line with standard practice in other EU countries and the Director believes that it will increase transparency and manageability of *eircom*'s RIO among all operators. The Director believes that this method is superior to the change matrix notification system as suggested by *eircom* in that it requires an exhaustive list of all changes, no matter how small, to be highlighted both in the accompanying notice and in the previous RIO version. In addition it facilitates an easy and comprehensive comparison of previous and

current offerings. This method combined with the new process for approving textual changes and the existing process for price changes will ensure clarity of *eircom*'s offering for interconnection.

The Director further notes that *eircom* currently e-mails the OLOs with whom it has interconnect agreements, notifying them when a new version of the RIO is posted on its website. The Director believes that *eircom* should continue to provide OLOs with this e-mail notification in conjunction with the process outlined above.

The Director believes that the RIO Pricelist should, list prices charged in all earlier periods and the periods to which they applied, distinguishing between indicative, interim, second interim, and final prices which applied to the same period.

Direction 5.2 (ii):

The Director directs eircom to provide version control in the method outlined in this direction:

eircom is to make both the current version of its RIO and previous RIO versions available on its website. This direction is to apply to the eircom Reference Interconnect Offer, the eircom Reference Interconnect Offer Pricelist including the eircom Switched Routing and Transit Price List as a separate section. To illustrate, the RIO section on the website should look as follows and should provide capability of downloading each document:

***Current eircom Reference Interconnect Offer [e.g. Version 2],
Current eircom Reference Interconnect Offer Pricelist (including current eircom Switched Routing and Transit Price List)
Current Statement of RIO Changes***

***Previous versions of eircom Reference Interconnect Offer [e.g. Version 1.9],
Previous versions of eircom Reference Interconnect Offer Pricelist (including previous versions of the eircom Switched Routing and Transit Price List)
Previous Statements of RIO Changes***

The current RIO version should read as a clean document i.e. that changes are not highlighted. The Director directs that when eircom inserts a new version on its website it should also insert an accompanying Statement of RIO changes on its website. This Statement should be an exhaustive list of all the changes eircom has included in the new version of the RIO and should alert readers to the location of these changes. The previous RIO version should in parallel highlight and identify all the changes mentioned in the Statement of RIO changes throughout the document. This process should allow the industry to compare the current RIO with the previous RIO and be aware of all the

changes between the two documents. The Director believes that this obligation should also apply to all legally binding Service Level Agreements.
eircom is hereby directed to comply with this direction by July 31st 2002

***Q.5.2 (d) Do respondents agree that eircom should be obliged to provide each version of the RIO document going forward on a rolling 12 month basis on its website to allow the industry to monitor its development?
Please give your reasons for supporting or opposing this proposal.***

5.2.7 *Views of Respondents*

The majority of respondents agreed with the Director's suggestion that *eircom* should list previous versions and associated changes going back 12 months from any current RIO. This obligation would apply for all new RIO versions introduced by *eircom* following the Decision Notice at the end of this consultation. Some of these respondents appear to have misunderstood the question when they said that *eircom* should provide, on request, highlighted versions of the RIO retrospectively to the date that each OLO signed its first interconnection agreement with *eircom*. One suggested that previous RIOs should be maintained on a 2 year basis starting from January 2001. Another respondent stated that the Director's proposal would allow OLOs with small resources to efficiently monitor the development of the RIO. *eircom* disagreed with the Director's suggestion stating that it was unnecessary, burdensome and unjustified. *eircom* believed that this requirement would have adverse implications for the content management and user friendliness of its web site and would confuse new entrants.

5.2.8 *Director's Position*

The Director considers that *eircom* should list previous versions and associated changes going back 12 months from any current RIO. This obligation would apply for all new RIO versions introduced by *eircom* following this Decision Notice. The Director believes that it would be very onerous to require *eircom* to apply this retrospectively to historical RIOs as suggested by some OLOs. The Director understands, that during the course of its current consolidated contract negotiations, *eircom* has agreed to provide a change matrix to at least one OLO listing changes to the reference interconnect offer since the date of their individual interconnection agreements. The Director believes that in the specific context of the current negotiations on consolidated contracts only, it would be beneficial to reaching a speedier outcome to these negotiations if *eircom* was to offer this change matrix to all the OLOs.

Direction 5.2(iii):

The Director directs eircom to list previous versions and associated changes going back 12 months from the current RIO. This obligation applies to all new RIO versions introduced by eircom following this Decision Notice. It does not impose on eircom an obligation to provide previous RIO versions preceding this Decision Notice.

5.3 FORMAT OF THE RIO

5.3.1 *Summary of Consultation Issues*

eircom has recently re-structured the format of its Reference Interconnect Offer to separate pricing for their services from the text of the RIO. A number of OLOs suggested that the format of the RIO should be further amended. Some OLOs suggested that the RIO should be divided into individual sections consisting of:

- a. Main Body
- b. Service Schedules excluding prices
- c. *Eircom* price list (including *Eircom* SRTPL)
- d. SLAs
- e. O&M
- f. Network Plan
- g. Technical Plan

The Director noted that the separation of sections a to d had already being implemented by *eircom*. However, the Director sought the industry's views to ascertain whether the majority of operators were happy with the current format or whether a real need existed for further restructuring by *eircom*.

Q.5.3 Are respondents satisfied with the current format and presentation of eircom's RIO document? If not what changes would you recommend and why?

<i>Please give your reasons.</i>

5.3.2 *Views of Respondents*

Five of the six respondents to this question broadly stated that the RIO format should be restructured further to divide the static RIO sections from the living sections. However respondents differed on how this should be done. Three respondents believed that the RIO should contain the seven sections in the format outlined in the Consultation paper. Another respondent focussed on the need for highlighting whether each RIO section had contractual or non-contractual status.

The fifth respondent felt that the RIO should contain all the commercial aspects, i.e. the main body, service schedules, price list [including SRTPL] and SLAs [sections a to d]. However, the O&M, network plan and technical plan were strictly bilateral matters, were non-contractual and living documents. An additional point was made by the majority of respondents who believed that sections a-d were contractual while the O &M, technical plan and network plan were non-contractual.

eircom stated that the current format is appropriate until all operators have signed consolidated agreements to bring contract documents into alignment with service offerings. Until this happens this question was inappropriate. Further *eircom* stated that its recent improvements indicated its willingness to engage with the industry to improve the overall offering and address administrative and substantial issues.

5.3.3 *Director's Position*

The Director believes that the recent restructuring by *eircom* provides greater clarity and facilitates ease of price amendments. As noted by the Director the separation of sections 'a' to 'd' has already being implemented.

The Director believes *eircom* will continue to re-structure its RIO in the future possibly along the lines suggested by some OLOs. The Director encourages *eircom* to regularly consult with the industry regarding the presentation and format of the RIO and related documents, as this would be in the industry's best interest as a whole. However, the Director does not believe it is timely for her to direct *eircom* to implement this at this point, but rather will leave it to *eircom* to develop this pragmatically over time.

5.4 Commercially Sensitive Information in Interconnection Agreements

5.4.1 *Summary of Consultation Issues*

In the consultation paper the Director sought the industry's opinion, in particular that of new entrants, on what information within their interconnection agreements they deemed to be commercially sensitive going forward.

Q.5.4 *What sections if any of the interconnection agreements do respondents deem to be commercially sensitive and therefore should not be made available by the Director on request from other operators? Please give reasons supporting your answer.*

5.4.2 *Views of Respondents*

There were six responses to this question. Four respondents stated that non- SMP operators' service schedules should be made available and supported this by noting that this information is currently disclosed in the *eircom* SRTPL.

One respondent felt the current arrangements should remain in place while another felt non- SMP operators' service schedules should not be disclosed by the Director upon request. Two respondents believed that Clause 1(d) (g) of the interconnection agreements agreed between *eircom* and the OLOs which listed the unresolved issues between the parties as of 1 December 1998 should remain confidential.

All six respondents agreed that the network plan contained in Annex E of the interconnection agreements should not be disclosed as this gives details of operators' network rollout and coverage that necessarily involved business secrets concerning investment.

5.4.3 *Director's Position*

The Director accepts the majority view that non-SMP OLOs' service schedules should be disclosed as this information is already in the public domain via *eircom*'s SRTPL.

The Director accepts that Clause 1(d) (g) of some of *eircom*'s interconnection agreements with OLOs continue to contain unresolved issues. Therefore she does not intend to make this Clause available as it includes information dealing with operators' commercial strategy.

The Director agrees with the unanimous response from the industry and will continue to treat all network plans in interconnection agreements as commercially sensitive.

Direction 5.4:

The Director currently considers that all operators' network plans and Clause 1 (d) (g) of eircom's interconnection agreements deal with commercial strategy and will not publish or make same available.

6 New Services

In this section the Director examines whether *eircom* has complied with her directions in Decision Notice D7/00⁶ regarding the introduction of new interconnection and retail services. The Director also considers the merits of the availability of a wholesale line rental product.

6.1 Service Level Agreements for New Interconnection Services

6.1.1 *Summary of Consultation Issues*

In D7/00 the Director stated that where there is a request for the development of an SLA for specific interconnection services as set out in Annex C of the RIO, the Director required *eircom* to develop these and to include them in the RIO having sought the views of the industry and taken due regard of any such views received.

Clause 7.9 of *eircom*'s RIO currently states that "if the Requested Party is obliged to publish a Reference Interconnection Offer and the request is for a new interconnect service, the agreed technical and commercial terms will be incorporated into a revision to this Reference Interconnect Offer and submitted to the National Regulator for approval. *eircom* will automatically develop, in conjunction with Third Party Operators, Service Level Agreement for the new Interconnect Service where appropriate".

The Director sought the industry's views on whether the industry believed that SLAs were being developed by *eircom* for new interconnection services where necessary and whether they were satisfied with this process.

Q.6.1 (a) *Are respondents satisfied that SLAs are being developed by eircom for new interconnection services where necessary?*

Please give examples and reasons supporting your answer.

Q 6.1 (b) *Where SLAs have or are being developed by eircom, are respondents satisfied with these SLAs?*

Please give examples and reasons supporting your answer.

6.1.2 *Views of Respondents*

Most respondents gave the same answer to both Question 6.1 (a) and (b).

Four respondents said that they were not satisfied and had no evidence of *eircom* having developed any SLA for an interconnection service in the aftermath of ODTR Decision Notice D7/00. One respondent stated that it was satisfied that the current process had worked effectively. Another maintained that SLAs were

⁶ Please see ODTR 00/31 - *eircom*'s Reference Interconnect Offer- Decision Notice D7/00 & Report on Consultation Paper 00/16

important to ensure there was sufficient transparency in the market for interconnection services and that the timescales for setting-up interconnection supporting new services were not too long. *eircom* pointed out that a standard SLA for the introduction of new services was unrealistic as each product would have different requirements and stressed that OLOs have a role to play in developing these bilaterally or through industry forums. *eircom* suggested that the high level process outlined in Clause 7 of the RIO was a good process which identified the main milestones in the development of a service. *eircom* considered that where SLAs had been introduced for interconnect services, such SLAs were appropriate. *eircom* did not consider that SLAs were appropriate for the vast majority of Annex C services which were mainly telephony that operated across an interconnect circuit- e.g. call origination, termination and transit.

6.1.3 *Director's Position*

The Director is concerned that no respondent could cite an example of where *eircom* had developed an SLA for a new interconnection service post D7/00. This indicates to the Director that none have been developed since and is concerned that the new interconnection products that have been introduced since D7/00 were not thought to have warranted an accompanying SLA. The Director is of the opinion that most if not all interconnection products require an SLA to ensure that service delivery and quality is maintained.

The Director notes *eircom's* points and would like to reiterate that she envisages that SLAs would be developed by *eircom* in co-operation with the OLOs on a case by case basis. The Director would like to clarify one point raised by *eircom*. This consultation on SLAs is in the context of where a new interconnection service has been developed and included in *eircom's* RIO that the opportunity exists for a SLA to be developed to govern the management of that service in operation. It does not require SLAs for the development and agreement of a new interconnection service.

The Director notes that the current RIO at Clause 7.9 states that “*eircom* will automatically develop, in conjunction with Third Party Operators, Service Level Agreement for the new Interconnect Service where appropriate”. The Director thought that this would have provided a sufficient safeguard to ensure that SLAs would be developed for all new products that require one. To facilitate development of SLAs going forward, the Director has decided to impose an additional requirement on *eircom*.

Section 7.9 also states “if the Requested Party is obliged to publish a Reference Interconnect Offer and the request is for a new interconnect service, the agreed technical and commercial terms shall be incorporated into a revision of this Reference Interconnect Offer and submitted to the National Regulator for approval”. She has therefore decided that in the future when *eircom* submits the new service for her approval, the ODTR would also examine and determine whether the service in question requires an accompanying SLA. Where the ODTR determines that a SLA is required, the Director would direct *eircom* in conjunction with the other operator and/ or the industry as a whole, to develop and agree an accompanying SLA within a defined timeframe. It should be noted

that the Director's position is that except in exceptional cases all new RIO interconnection services should have an accompanying SLA.

Similarly, if the Director receives requests from OLOs or *eircom* that a SLA is genuinely required for existing RIO services, the Director requires the relevant operator to submit the details of the service and the rationale for a SLA. Upon examination the ODTR may direct *eircom* to develop this SLA in conjunction with the operator and/ or industry.

Direction 6.1 (i):

Regarding all new RIO services/ products agreed between eircom and an OLO or eircom retail submitted to the ODTR for approval, the ODTR will assess and determine whether eircom should develop an accompanying SLA with the relevant OLO and/ or the industry within a specified timeframe.

Direction 6.1 (ii):

Regarding all existing RIO services, upon request supported by a sound rationale, the ODTR will assess and determine whether eircom should develop an SLA for the relevant service with the relevant OLO and/ or the industry within a specified timeframe.

6.2 Introduction of New Retail Products

6.2.1 Summary of Consultation Issues

In D7/00 the Director directed that “*eircom* shall offer new interconnection services and elements to other OLOs with such notice that the OLOs can order and have the new service delivered by *eircom* at the time that the associated retail service is launched by either *eircom* or the OLO that initiated the development of the new service”.

The Director noted that *eircom* had included this direction in Clause 7.10 of the RIO. However the Director had concerns about whether this direction had been complied with in practice and that when *eircom* or an OLO introduced a retail product, the associated interconnection service was offered by *eircom* to other operators in advance of *eircom* retail or an OLO launching this new service. The Director therefore sought the industry's views on whether it was satisfied with the implementation of this process or whether this process needed to be revised.

In addition, the Director believed that when *eircom* included the new interconnection service in the RIO, *eircom* had to include in the RIO all necessary information, documentation and processes. This would allow an OLO to order the new interconnection service(s) and be in a position to bring into service at the same time as *eircom* or the OLO that initiated the development of the new service launches the new retail services which is based on the new interconnection service. Again, she sought the industry's view on her proposal.

Q.6.2 (a) *Are respondents currently satisfied with the process for the introduction of new interconnection services to support new retail services? Do you consider that it operates well in practice?
Please give reasons supporting your answer.*

6.2.2 *Views of Respondents*

There were five responses to this question.

Three respondents said the current process did not appear to be working. One respondent cited the ambiguous timeframe as the root of the problem and recommended that OLOs should be notified of the introduction of the new *eircom* interconnection service six months in advance of the launch of the corresponding new retail service. This respondent gave the introduction of the “*eircom* I stream” product as an example of how the process does not work in practice. Another maintained that it had no knowledge of *eircom* ever having made the necessary information available. This respondent went on to state that it had disagreed with the approach the ODTR took on this process in the last consultation on this issue, advising that the provision of element information by *eircom* was meaningless and would not give a practical outcome that has been borne out over time. One respondent stated that it was satisfied with the current process and arrangements.

eircom stated that where a retail product is supported by existing wholesale components with extra wholesale costs, there should be no need for extra intervention. In the event that *eircom* retail developed a new retail service that used new network elements from *eircom* wholesale, *eircom* wholesale should only be obliged to indicate to the wholesale market the new network components used and related prices in sufficient time for competing operators to develop similar or related products. *eircom* wholesale should not be obliged to reveal any details of the retail product specification.

6.2.3 *Director’s Position*

Firstly, the Director would like to reiterate her view that for scenarios where new retail products are introduced by either *eircom* retail or an OLO that use existing RIO products in whole or in a meshed form [i.e. using a no. of existing RIO products], this process does not apply. This process applies to retail products that require *eircom* to provide a completely new RIO product or a new addition/element to an existing RIO product. Only details of the interconnection services should be made available to OLOs; details of the retail service should remain confidential until notification of its launch.

The Director notes the OLOs’ concerns that the current wording in Clause 7.10 of the RIO is ambiguous and difficult to comprehend. She believes that a simpler and pragmatic approach should be used to improve the current process which will provide further clarity to the industry in monitoring this process in the future. Therefore the Director now directs *eircom* to replace the current wording of Clause 7.10 of the RIO with the following text:

'eircom shall offer new interconnection services and elements to other OLOs with such notice that the OLOs can order and have the new service delivered by eircom at the time that the associated retail service is launched by either eircom or the OLO that initiated the development of the new service. In all cases this will be no less than two weeks and at least equal to the provisioning time of the new interconnection service, to be approved or determined on a service by service basis by the ODTR. The timescales could be extended by the ODTR in exceptional circumstances'.

To clarify further, where *eircom* retail develops a product that requires a new *eircom* interconnect product, this process clearly applies. Where an OLO develops a retail product that requires a new interconnection service this process also applies. However, in the later scenario the “proposed” transit process also would commence at this stage. It should be noted that the proposed transit process is currently under consideration by the ODTR. The ODTR believes that once work on the proposed transit process is finalised, the process in Clause 7.10 would be subsumed [for all situations where an OLO introduces a retail product that requires *eircom* to introduce a new interconnection service] into this transit process. This would ensure that there would be no overlap between the two processes for OLO retail products and that OLO services would be introduced as efficiently as possible. The process in Clause 7.10 will continue to apply for all *eircom* retail products that require a new interconnection service as this will be unaffected by the proposed transit process.

Direction 6.2 (i):

eircom is hereby directed to include the following text in Clause 7.10 of its current RIO:

“eircom shall offer new interconnection services and elements to other OLOs with such notice that the OLOs can order and have the new service delivered by eircom at the time that the associated retail service is launched by either eircom or the OLO that initiated the development of the new service. In all cases this will be no less than two weeks and at least equal to the provisioning time of the new interconnection service, to be approved or determined on a service by service basis by the ODTR. The timescales could be extended by the ODTR in exceptional circumstances’.

***Q.6.2 (b) Do respondents agree that eircom should be required to include in the new RIO service schedule all necessary information, documentation and processes to allow an OLO to order this new service?
Please give your reasons for supporting or opposing this proposal.***

6.2.4 *Views of Respondents*

Six responses were received, four of which agreed with the Director that *eircom* should be required to include all necessary information, documentation and processes to allow an OLO to order a new interconnection service. These respondents believed this would promote greater efficiency, clarity and certainty for third party operators which would enable them to reach agreement with *eircom* within a quicker timeframe and allow them to develop their new retail product quickly. One respondent felt that this should apply to existing services also. *eircom* expressed concern that the inclusion of all information, documentation and processes would make the RIO unwieldy from a document navigation use and control perspective. *eircom* also noted that such information should not be included in a contractual document.

6.2.5 *Director's Position*

The Director welcomes the majority of respondents' support for the inclusion of all relevant documentation to be included in the new RIO interconnection service schedule. The Director agrees with the suggestion by one respondent that such documentation should also be included for all existing interconnection service schedules in the RIO where currently absent. However, the Director notes *eircom's* concern that inclusion of such documentation may make the RIO less user friendly. She has therefore decided that *eircom* should develop an appendix to the relevant manuals to make provision for all necessary documentation, order forms and processes for all service schedules. This appendix should be referenced in the main body of all the relevant interconnect service schedules in Annex C of the RIO. The overall effect will be to promote efficiency and clarity among operators of the processes and requirements involved in the requesting of an *eircom* interconnection product.

Direction 6.2 (ii):

eircom is hereby directed to develop an appendix to the relevant manuals to make provision for all necessary documentation, order forms, processes for all new and existing service schedules. This appendix should be referenced in the main body of all the relevant interconnect service schedules in Annex C of the RIO. For existing RIO services eircom is directed to comply with this decision within 6 weeks from the date of this Decision Notice. For all new RIO services, this documentation must be included in the appendix to the relevant manuals immediately upon incorporation of the new service in the RIO.

6.3 Availability of a Wholesale Line Rental Product

6.3.1 Summary of Consultation Issues

The ODTR consulted the industry as to its interest in a wholesale line rental product, whereby *eircom* would bill the retail line rental to an alternative operator rather than to the end customer. In other words, service providers and operators could use *eircom*'s network to offer a 'one bill' service to the end customer⁷. For example, a potential application would be for CPS customers to receive one bill from their CPS provider which would include line rental charges, rather than the current situation where they receive two bills. However, the Consultation Paper stated that there may be still be a requirement for *eircom* to maintain a billing relationship for calls which are handled by *eircom*, e.g. NTCs.⁸

At the time of consultation, the Director stated that she considered that a Wholesale Line Rental product appeared to have merit in encouraging further market entry, but she wished to gauge reaction from the industry before progressing with this work stream.

Q.6.3 (a) *Do respondents believe that this product has merit in the Irish market? Please give reasons supporting your answer.*

6.3.2 Views of Respondents

Six respondents stated that there is significant interest in such a product as it would offer a significant boost to competition in the market place and would be a welcome addition to the existing CPS service.

Seven respondents state that a wholesale line rental product would support new entrants in developing exclusive billing relationships with customers. Six of these respondents who are currently CPS providers outlined their difficulties with the current regime whereby consumers receive two bills, one from *eircom* and one from their CPS provider. These respondents stated that the existence of two bills is the single biggest reason for the loss of customers. Three respondents stated that the current regime allows *eircom* to maintain a relationship with the consumer, which may assist winback. Another respondent stated that the existence of two bills deterred switching. Furthermore, respondents point to issues which arise currently, such as confusion as to who to contact if there is a fault, or concerns over line quality which would be lessened with a WLR product. One respondent also stated that a WLR product would reduce the level of bad debt which new entrants face.

Only one respondent sees no requirement for this product as it believes that this service would further reduce the incentive to build infrastructure.

⁷ Alternatively, the single bill option could also exist without the Wholesale Line Rental product, whereby *eircom* communicates the retail line rental charge and other charges described above to the OLO, which then presents a single bill to the customer and passes on to *eircom* the line rental charges. This scenario is explored in ODTR consultation paper 02/47 'Carrier Pre-Selection in Ireland' which invites comments until June 7th 2002.

⁸ This topic is also covered in more detail in ODTR 02/47

A number of respondents stated that this product will only be completely effective when sold with an ‘all billable calls’ version of CPS (currently some calls are not available for CPS such as Directory Enquiries and 189X calls). This will allow the new entrant to bill the customer for both calls and access. One respondent also wishes to bill the value added services such as call waiting and call answering.⁹

Q.6.3 (b) *If yes to Q. 6.3 (a) how do respondents consider that the product should be developed?
Please give reasons supporting your answer.*

6.3.3 *Views of Respondents*

The method of product development varied quite widely amongst the six respondents who answered this question. A number of respondents pointed to the ‘Calls and Access’ product available in the UK and suggested this as a model. The majority of the respondents recognised the complexities in developing this product.

Three respondents made specific reference to the way in which this product should be developed. Two of these stated that the best way to develop this service would be through a forum under the auspices of the ODTR. *eircom* stated that any wholesale line rental product should be developed by commercial negotiation between the OLO and *eircom*. *eircom* did not agree that the ODTR should add a work-stream unless commercial negotiations had clearly determined that there is a real demand for the complete service at a cost oriented price.

Two respondents referred to pricing considerations. One respondent believed that the ODTR should set the price for this product based on *eircom*’s retail/wholesale costs. Another respondent stated that a negotiated wholesale price would take place in the context of published cost oriented prices for the main components that make up the service namely ULMP and CPS.

6.3.4 *Director’s Position*

Since the consultation period has closed, the Director notes that several other countries have either introduced or are in the process of introducing a Wholesale Line Rental product and that the availability of this product seems to have encouraged further development of local competition. The Director therefore decided to consult more widely on Carrier Pre-Select and the consultation period for Document 02/47 closed on 7th June.

The Director is encouraged that reaction from the respondents is almost entirely positive towards this product. Therefore she believes that there is sufficient interest in this product in order to progress with its introduction in Ireland.

⁹ This topic is also covered in more detail in ODTR 02/47

However the Director notes that the principal application of Wholesale Line Rental from the respondents in this consultation was as a complement to Carrier Pre Select. Therefore the Director considers that it would be more appropriate to set out her views on the possible development of this product regarding CPS in the report on Consultation 02/47 'Carrier Pre Selection in Ireland' which deals with a number of the issues in greater detail. The Director notes that other Wholesale Line Rental products could be required in the future and these would be developed on a product by product basis. Therefore, the Director makes no direction regarding a Wholesale Line Rental product in this Decision Notice.

7 Service Level Agreements for Interconnect Links

This section concerns Service Level Agreements for setting up points of Interconnection and Interconnection links.

The Director considered it appropriate to review the effectiveness of the current Service Level process for Interconnect links and provided an updated table of the current practices across Europe for information purposes.

Description of Service	Eircom RIO	EU Average Timeframe*	EU shortest timeframe
New Interconnect on existing interconnection links using an existing POI (capacity augmentation)	6weeks	10 weeks	4.4 weeks ¹⁰
New Interconnect links using an existing POI	10 weeks	16.4 weeks	8 weeks ¹¹
New POI using Customer Sited Interconnect (CSI)	14 weeks	18 weeks	8 weeks ¹²
New POI using In-Span Interconnect (ISI)	17 weeks	20 weeks	7 weeks ¹³

Q.7.1 *Are respondents currently satisfied with the timing and effectiveness of the SLA process for Interconnect links?
Please give reasons supporting your answer.*

7.1.1 Views of Respondents

Six OLOs commented on this section. All six were dissatisfied with the current SLA process for Interconnect links. One OLO stated that it found the existing process overly complex and argued that the SLA for Interconnect links should be continually updated to take account of developments in other EU states.

One respondent stated that it was dissatisfied with the current process and maintained that it was aware of a disturbing trend in relation to SLAs for Interconnect links namely, where an operator is attempting to migrate legacy services to new ones, such as moving current CSI products to Channelised STM 1s, there is in effect two levels of service available depending on what charges are

* Figures based on best available information in the ODTR at this time.

¹⁰ Portugal 2001 RIO,

¹¹ Finland 2002.

¹² Finland 2002.

¹³ Portugal 2001 RIO.

paid. This respondent believed it was discriminatory that an interconnect product could be delivered faster if an OLO chose (and be in a position) to pay more.

Another OLO was dissatisfied with the current timescales but recognised the progress *eircom* has made in terms of service delivery.

One OLO believed that the current process and definitions needed to be tightened up in line with the process utilised for Leased Lines. Specifically this OLO believed that the process should include timeframes for confirmation, order acknowledgement right through to delivery, testing and billing arrangements.

One respondent believed that a number of anomalies existed within the existing delivery processes and associated SLA. For example, currently if an OLO delays the putting to service of an interconnect path at any point in the delivery process, that path is excluded from the SLA. Furthermore, in order to put an interconnect path into service, *eircom* must provide information to an OLO regarding the termination point of the transmission and switch parameters. If this information is not given in time to the OLO to connect to the *eircom* demarcation point and have its switch data prepared in order to meet the standard timelines. These anomalies may cause many of interconnect paths to be excluded from the SLA and so undermine the incentive for timely delivery by *eircom*.

eircom did not consider that the existing SLA was appropriate in its current form. The penalties imposed are disproportionate. *eircom* considered that experience in a competitive market place has demonstrated that if a penalty regime is deemed to be required, the regime introduced in the Leased line SLA was most appropriate and more effectively achieved the objectives of OLOs.

7.1.2 *Director's Position*

Given the level of dissatisfaction with the current SLA for Interconnect links, the Director believes there is merit in reviewing the SLA process at this time.

The Director is of the opinion that the existing SLA for Interconnect links should be amended to reflect the revised Leased Line SLA (i.e. the process and the penalties) which was published on June 17 2002.

Therefore *eircom* is required to propose a new SLA for Interconnect links in accordance with the revised Leased Line SLA to the ODTR by the end of August 2002, and OLOs will be given an opportunity to comment on the proposal in the O&M forum prior to its adoption.

Decision 7.1:

eircom is required to propose a new SLA for Interconnect links in accordance with the revised Leased Line SLA to the ODTR by the end of August 2002, and OLOs will be given an opportunity to comment on the proposal in the O&M forum prior to its adoption.

8 Operations and Maintenance Manual

8.1 Operations and Maintenance Manual

8.1.1 *Summary of Consultation Issues*

The Operations & Maintenance (O&M) Manual contains a list of procedures between *eircom* and OLOs, for the purposes of provision and ongoing operation of interconnect links. The O&M manual supports the RIO and the individual interconnection agreements agreed between *eircom* and OLOs by detailing the processes to be used to manage the ongoing operational activity associated with the interconnect links between *eircom* and the OLO.

The O&M Forum was established in 2000 comprising of *eircom* and OLOs. The Forum's purpose is to monitor the O&M process and refine and review process where necessary.

The Director sought to ascertain the industry's views on the purpose and value of the O&M Manual going forward. The Director asked this in light of the fact that the industry appeared reluctant to enter round-table discussions on the Manual in the first instance which raised the question of whether the Manual was pertinent to the smooth operation of the interconnection system or was irrelevant.

The Director sought industry's views on what the key issues in relation to the O&M manual were and whether the current provisions contained in the manual for these issues were adequate. In addition, she sought suggestions on how the industry proposed to manage the O&M Manual process going forward. She expressed concern that the Forum had yet to make any significant progress and wondered what the reasons for this were. She also asked the industry's opinion regarding the contractual status of the O& M Manual.

Q.8.1 (a) *What are respondent's views on the purpose and value of the O&M Manual?
Please give reasons supporting your answer.*

8.1.2 *Views of Respondents*

Only 4 respondents answered Section 8. Responses varied from:

- “The manual is intended to serve the purpose of bringing the work practices of operators closer together, however, the manual is only of use if all operators involved work within its guidelines and that the O&M is backed up by a practical Service Level Agreement. O&M is fundamental to smooth running of interconnection arrangements.”
- “Represents a statement of the minimum base processes directed towards *eircom* that are required by any interconnecting OLO. Therefore the manual provides a framework for the effective operation of the interconnect”.

- “As a process document, issues relating to policy or commercial terms are inappropriate. Only operational issues should be dealt with in the manual”.
- “Since the document is not a legal document its credibility is limited”
- “The O&M forum should only deal with operational issues and not commercial. The forum has proved to be worthwhile when the focus is kept within the remit of being operational”.

eircom stated that it was worth noting that since this draft manual was presented, most OLOs had been operating in accordance with its processes for notice of planned outages, notice of bursty traffic, exchange of contact details, reporting, acknowledgement and resolution processes and timescales for faults, ordering, and opening of number ranges.

8.1.3 *Director’s Position*

The Director notes the low level of responses to this section on the O &M manual and forum, which conveys a worrying signal and strengthens her earlier belief that the industry appears uninterested in engaging in round table discussions of the manual and its development. Notwithstanding this, the four responses received were of a detailed and positive nature and generally supported the potential usefulness of the forum.

Q. 8.1 (b) *What do respondents believe are the key issues contained in the O&M Manual?
Please give reasons supporting your answer.*

8.1.4 *Views of Respondents*

A synopsis of responses to this question suggests that the key issues to be included in the manual are: forecasting regime towards *eircom*, service delivery process and SLA, all repair and fault maintenance practices, all relevant work forms, all contact names for escalation and work queries, PEW applications. The manual should allow the user to obtain any information regarding the operation of the network. The manual should clearly define procedures for the ordering of interconnect circuits and billing.

8.1.5 *Director’s Position*

The Director believes that the key issues identified by respondents to be included in the manual are operational issues. As discussed in Section 4 of this Decision Notice, billing issues will be first discussed and agreed at the billing forum. Once agreement is reached the billing forum will wind up and any subsequent billing issues will be addressed at the O&M forum. The Director is of the opinion that commercial issues will be dealt with adequately through general negotiation/ bi-lateral discussions and management of RIO amendments going forward and should not form part of the discussion at the O&M forum.

Direction 8.1:

The Director directs that the key issues to be included in the O&M manual are operational issues. Commercial issues should not be included in the manual or discussed at the forum.

Q.8.1(c) Do respondents consider the O&M Forum is effective in managing the O & M manual?

Please give reasons supporting your answer.

8.1.6 *Views of Respondents*

Two respondents suggested that chairing of the forum should not rest with the industry; rather the ODTR should chair the forum. One suggested that the forum should contain sub groups of mobile and fixed to address issues pertinent to each group. Another suggested that the absence of clear terms of reference for the forum had inhibited its effectiveness. Generally, this respondent believed that the forum represented an opportunity for the industry to review the effectiveness of the various process and that where a clear statement of requirements arose from a significant number of OLOs for changes to the operational processes the forum should be used to codify these and where reasonable should be adopted by *eircom*.

eircom stated that an industry forum is the most appropriate method to address O&M issues provided that all participants are willing to engage in order to improve appropriate process issues. Participants must recognise the scope of the process issues and concentrate solely on these. *eircom* also suggested that there should be standardised industry rather than individual requirements to derive the benefits that could be gained through efficiency and reduced cost. Another respondent stated that the manual is only effective if all operators in the industry sign up to it and if *eircom* did not seek to abuse its large bargaining power. This respondent stated that so far the forum has been ineffective and suggested that a review should be performed within a specified timeframe before progress going forward could begin. This respondent suggested that the Forum should meet bi-annually with a review period on an annual basis.

8.1.7 *Director's Position*

The Director takes account of the suggestion that a review should first occur before proceeding with the forum. However, the Director believes that this consultation has been an effective review as such and suggests that the forum can look forward rather than backwards following this Decision Notice. She further notes the comment made by one respondent that the largest inhibiting factor has been the lack of a terms of reference for the forum. Therefore, she has decided to establish terms of reference for the forum going forward. She further believes that the terms of reference for the forum should allow flexibility to provide for sub

forums on as needed basis. For instance, if the issues are mobile specific than a mobile sub forum should be created for the duration of resolving the issues. Similarly, for fixed. **The terms of reference for the O&M forum are as follows:**

- **Only RIO operational issues should be discussed at the forum and provided for in the O&M manual;**
- **At a minimum the O&M manual should make provision for forecasting, ordering and service delivery of interconnect circuits, repair and maintenance procedures, billing, escalation procedures, contact names for queries and disputes;**
- **Forum should have sufficient flexibility to provide for sub forums on as needed basis.**
- **Forum to meet at a minimum once per quarter and a review of the manual should occur annually. First meeting to be convened by the ODTR in the beginning of October 2002;**
- **In order to commence discussion of the draft O&M manual, the ODTR will appoint a chairperson for the first meeting of the forum following this Decision Notice. For every meeting thereafter, this chairperson will chair all meetings of the forum until further notice.**
- **Forum to submit an annual report to the ODTR providing a general account of its actions in the preceding year;**
- **The Director reserves her right to amend the terms of reference where justified and reasonable.**

The Director believes that the O&M manual is essential to ensure the smooth operation of interconnection in Ireland and she now encourages operators to devote sufficient resources and attention to the current draft O&M manual and attend the O&M forum in an active and productive manner, so that a finalised manual can be agreed and adhered to by all the industry.

Direction 8.2:

The Director has decided to establish terms of reference for the O&M forum going forward. This Forum will be convened by the ODTR at the beginning of October 2002.

***Q.8.1 (d) What status do respondents attach to the O&M Manual?
Please give reasons supporting your answer.***

8.1.8 *Views of Respondents*

There were three respondents to this question. *eircom* believed that this was a process document intended to support the interconnect agreements and was a non-contractual document. Another stated that as the manual was currently in draft form it had no contractual basis. A third respondent maintained that provided the processes in the O&M manual for transactions towards *eircom* [e.g. forecasting] were not arbitrary or excessive, and in the absence of other mutually agreed process, it believed that they should be adopted by operators interconnecting with *eircom*.

8.1.9 *Director's Position*

The Director considers the O&M manual to be a non- contractual and dynamic document.

Direction 8.3:

The Director considers that the O&M manual is a non-contractual document

APPENDIX 1 – List of Directions

For ease of reference, the following sets out a list of Directions set out in this Decision Notice

Direction 3.1:

eircom is directed to amend their RIO to reflect the definition i.e.:

A PoP typically consists of transmission equipment and, where applicable, switching equipment and other resources which permit the conveyance of signals between defined termination points by wire, by radio, by optical or other electronic means.

This definition is not intended to exclude network to network interconnection (NNI) utilising CSS 7 signalling, but rather to include other varieties of interconnection not necessarily involving signalling, such as would be sufficient for delivery of leased lines across a POI (Point of Interconnect). This is to take effect a month from the date of this Decision Notice

Direction 3.2:

eircom is to implement the capability for Near End Handover in all AXE switches no later than three months from the date of this determination. Where Near End Handover is not immediately technically possible *eircom* is required to rate all their charges for “Near End” handover as if they were in fact Near End where operators have a point of interconnection. In addition, to avoid the requirement for an OLO to duplicate capacity at an E10 switch at which *eircom* does not physically hand over traffic and the AXE switch at which the traffic is handed over. When *eircom* receives a request for interconnection for NTC traffic at an E10 switch it shall advise the OLO of the location at which the interconnect needs to be physically provided.

Direction 3.3:

eircom is directed to offer a Wholesale PPC product. The details of the offering will be proposed by *eircom* where during an industry forum the product description will be negotiated and agreed and the technical and operational aspects necessary for implementation will be resolved. *eircom* is to provide this proposal by end of August 2002.

Direction 4.1:

eircom is directed to amend the RIO and ARO to a set rate for amounts in default to Euribor + 4% (3 month rate). This is to take effect a month from the date of this Decision Notice.

Direction 4.2 (a):

The billing process is to be reviewed and agreed at an industry forum facilitated by the ODTR. This Forum will be convened on 15 July in the ODTR office.

Direction 4.2(b):

With regard to Option 1 *eircom* is directed to provide CDR swaps at the request of any party. However, where this obligation sits in the billing process, this provision of CDR swaps will be decided in the billing forum. With regard to Option 2 *eircom* is to settle any outstanding amounts following an ODTR determination within 45 days.

Direction 5.1 (i):

eircom is hereby directed to publish any proposed textual changes to the RIO text on its website for the purpose of notifying all interested parties of such changes. Comments on the proposed changes by OLOs should be submitted to the ODTR within 21 calendar days of any such notice and the Director will approve or amend the proposed changes within a further three weeks. *eircom* will amend and re-publish its RIO in accordance with the Director's decisions.

This process applies immediately from the date of this Decision Notice. This process applies to all future textual changes to the existing RIO. It does not apply to the introduction of new retail and interconnect services.

Direction 5.1(ii):

In the aftermath of this Decision Notice, the Director will undertake a once off review of all of the text in the current *eircom* RIO.

Direction 5.2(i):

The Director directs that version control should be applied to *eircom*'s RIO in the manner and timeframe identified in section 5.2 of this document.

Direction 5.2(ii):

The Director directs *eircom* to provide version control in the method outlined in this direction:

eircom is to make both the current version of its RIO and previous RIO versions available on its website. This direction is to apply to the *eircom* Reference Interconnect Offer, the *eircom* Reference Interconnect Offer Pricelist including the *eircom* Switched Routing and Transit Price List as a separate section. To illustrate, the RIO section on the website should look as follows and should provide capability of downloading each document:

Current *eircom* Reference Interconnect Offer [e.g. Version 2],
Current *eircom* Reference Interconnect Offer Pricelist (including **current** *eircom* Switched Routing and Transit Price List)
Current Statement of RIO Changes

Previous versions of *eircom* Reference Interconnect Offer [e.g. Version 1.9],
 Previous versions of *eircom* Reference Interconnect Offer Pricelist (including previous versions of the *eircom* Switched Routing and Transit Price List)
 Previous Statements of RIO Changes

The current RIO version should read as a clean document i.e. that changes are not highlighted. The Director directs that when *eircom* inserts a new version on its website it should also insert an accompanying Statement of RIO changes on its website. This Statement should be an exhaustive list of all the changes *eircom* has included in the new version of the RIO and should alert readers to the location of these changes. The previous RIO version should in parallel highlight and identify all the changes mentioned in the Statement of RIO changes throughout the document. This process should allow the industry to compare the current RIO with the previous RIO and be aware of all the changes between the two documents. The Director believes that this obligation should also apply to all legally binding Service Level Agreements.

eircom is hereby directed to comply with this direction by July 31st 2002

Direction 5.2(iii):

The Director directs *eircom* to list previous versions and associated changes going back 12 months from the current RIO. This obligation applies to all new RIO versions introduced by *eircom* following this Decision Notice. It does not impose on *eircom* an obligation to provide previous RIO versions preceding this Decision Notice.

Direction 5.4:

The Director currently considers that all operators' network plans and Clause 1 (d) (g) of *eircom*'s interconnection agreements deal with commercial strategy and will not publish or make the same available.

Direction 6.1 (i):

Regarding all new RIO services/ products agreed between *eircom* and an OLO or *eircom* retail submitted to the ODTR for approval, the ODTR will assess and determine whether *eircom* should develop an accompanying SLA with the relevant OLO and/ or the industry within a specified timeframe.

Direction 6.1 (ii):

Regarding all existing RIO services, upon request supported by a sound rationale, the ODTR will assess and determine whether *eircom* should develop an SLA for the relevant service with the relevant OLO and/ or the industry within a specified timeframe.

Direction 6.2(i):

eircom is hereby directed to include the following text in Clause 7.10 of its current RIO:

“*eircom* shall offer new interconnection services and elements to other OLOs with such notice that the OLOs can order and have the new service delivered by *eircom* at the time that the associated retail service is launched by either *eircom* or the OLO that initiated the development of the new service In all cases this will be

no less than two weeks and at least equal to the provisioning time of the new interconnection service, to be approved or determined on a service by service basis by the ODTR. The timescales could be extended by the ODTR in exceptional circumstances’.

Direction 6.2(ii):

eircom is hereby directed to develop an appendix to the relevant manuals to make provision for all necessary documentation, order forms, processes for all new and existing service schedules. This appendix should be referenced in the main body of all the relevant interconnect service schedules in Annex C of the RIO For existing RIO services *eircom* are directed to comply with this decision within 6 weeks from the date of this Decision Notice .For all new RIO services, this documentation must be included in the appendix to the relevant manuals immediately upon incorporation of the new service in the RIO.

Direction 7.1:

eircom is required to propose a new SLA for Interconnect links in accordance with the revised Leased Line SLA to the ODTR by the end of August 2002, and OLOs will be given an opportunity to comment on the proposal in the O&M forum prior to its adoption..

Direction 8.1:

The Director directs that the key issues to be included in the O&M manual are operational issues. Commercial issues should not be included in the manual or discussed at the forum.

Direction 8.2:

The Director has decided to establish terms of reference for the O&M forum going forward. This Forum will be convened by the ODTR at the beginning of October 2002.

Direction 8.3:

The Director considers that the O&M manual is a non-contractual document

APPENDIX 2 - Legislative Background

Both EU and Irish legislation recognise that, in the interests of developing and sustaining competition in the telecommunications sector, the ability of new entrants to the market to interconnect with the network of an incumbent operator is essential.

The most relevant legislative provisions in relation to interconnection are:

- *Council Directive 97/33/EC on interconnection in telecommunications with regard to ensuring universal service and interoperability through application of the principles of the Open Network Provision (ONP (“the Directive”)), and*
- *The European Communities (Interconnection in Telecommunication) Regulations, 1998, SI No. 15 of 1998, transposing the above Directive. (“the Regulations”)*

Under the legislation, a telecommunications industry operator providing fixed public telephone networks and designated as having Significant Market Power (SMP) in that market is required to publish a Reference Interconnect Offer (RIO) which is based on market needs and to which the Director may direct changes.

eircom as an SMP operator in the public fixed telephony services and networks market is obliged to publish a RIO under Regulation 8 of the Regulations and the Director has the power to direct *eircom* to justify its RIO and where appropriate, direct the RIO to be adjusted to ensure transparency and cost-orientation. The Director also has the power under Regulation 10 to intervene on her own initiative to “specify issues which shall be included in an interconnection agreement or to lay down specific conditions to be observed by one or more parties to such an agreement”

In exercising her functions under the Regulations, Regulation 10 requires the Director to take into account a number of factors including the need to stimulate a competitive market in telecommunications services and the need to ensure satisfactory communications for users in a manner that promotes economic efficiency.

With regard to the provision and publication of information, SMP operators authorised to provide the services listed in 4(2) (a) of the Interconnection Regulations are obliged to provide copies of interconnection agreements to the Director. These agreements, with the exception of parts dealing with commercial strategy shall be made available to interested parties on request.

In summary, the Directive and Regulations place special obligations on an operator who is designated by the Director as having SMP in the market for fixed telephony networks and services. These obligations include:

- interconnection charges should follow the principles of transparency, non-discrimination and cost-orientation;

- the Director may direct an organisation to justify its charges and to adjust these charges where they are not in compliance with these principles;
- the burden of proof lies on the organisation providing interconnection;
- a RIO based on market needs shall be published and the Director may direct changes to this offer;
- charges for interconnection shall be sufficiently unbundled, so that applicants are not required to pay for anything not strictly related to the service requested;
- *eircom* is obliged to notify the Director of the manner in which the RIO is published and of adjustments in relation to tariffs.
- *eircom* must meet all reasonable requests for access to the network including access at points other than termination points

eircom is the only operator to have been designated as having SMP in the relevant market to date.

ANNEX 1: Vodafone's Proposal - Annex B, Billing Dispute Process

Disputes

- 6.1 If either Party (“the Disputing Party”) disputes the accuracy or content of an invoice delivered pursuant to this Agreement (herein “Annex B Disputes”) the Disputing Party shall:-
- (a) notify the Billing Party no later than 5 Working Days prior to the Due Date of the disputed invoice that it intends to raise a dispute. This notification shall be in the form set out in Annex B, Appendix 1; and
 - (b) within 5 Working Days of having the notice referred to in clause 6.1 (a) above, complete and forward to the Billing Party all relevant details of the dispute using the form set out in Annex B, Appendix 2.
- 6.2 The Billing Party shall:
- (a) within 3 Working Days of receipt of the notice referred to in clause 6.1.(a) confirm the receipt of such notice; and
 - (b) carry out an appropriate investigation of the disputed matters within 10 Working Days of the receipt of the information referred to in clause 6.1. (b) above (a “Level 1 Investigation”).
- 6.3 If as a result of a Level 1 Investigation the Annex B Dispute is not resolved to both Parties satisfaction within the period referred to in clause 6.2 (b), the parties shall, within a further 5 Working Days, exchange the following information covering the six month period preceding the date of the disputed invoice (a “Level 2 Investigation”):
- (a) total daily minutes in each charging period during each day, distilled by the relevant Interconnect Node and the relevant Interconnect Route; and
 - (b) total daily Calls in each charging period during each day, distilled by the relevant Interconnect Node and the relevant Interconnect Route.
- 6.5 If the Annex B dispute is not resolved to both Parties satisfaction within 15 Working Days of the exchange of information referred to in clause 6.3 above, the parties shall exchange call detail records (CDRs) for the disputed the relevant Interconnect Service in the format agreed for the initial Interconnect billing tests (a “Level 3 investigation”). The CDR exchange shall cover the period of the disputed invoice and shall be done on a sample basis with each sample

subject to a maximum of 5 Working Days investigation before the next sample must be exchanged. The CDR exchange shall take place on the following basis:

- Sample 1: All CDRs for 1 hour on one Interconnect Node Pair;
- Sample 2: All CDRs for 1 hour on all Interconnect Node Pairs;
- Sample 3: All CDRs for 1 day on all Interconnect Node Pairs;

Level 3 investigations shall be completed by the parties no later than 15 Working Days after the exchange of Sample 1 CDRs. All CDR information exchanged should contain the following details:

Calling Party Number	Called Party Number	Date For Start of Charge	Time For Start Of Charge	Chargeable Duration	Record Sequence Number	Interconnect Route	Interconnect Node

- 6.6 Each Party shall use the above dispute resolution procedure for any Annex B Dispute to the fullest extent to try to resolve such disputes and the Parties may agree in writing to extend the above time-scales. If a Party fails to comply with any of the provisions and time-scales relating to Level 1 investigation (the “Defaulting Party”) without the prior written consent of the other Party (the “Compliant Party”), such consent not unreasonably withheld, the dispute shall be deemed to have moved to Level 2 investigation.
- 6.7 If a Party fails to comply with any of the provisions and time-scales relating to Level 2 investigation (the “Defaulting Party”) without the prior written consent of the other Party (the “Compliant Party”), such consent not unreasonably withheld, the dispute shall be deemed to have moved to Level 3 investigation. In such instance, the Compliant Party shall notify the Defaulting Party of the failure to comply with Level 2 investigation. At the conclusion of Level 3 time-scales or within 2 weeks of the issue of a failure to comply notice (whichever is later), if the Defaulting Party has failed to comply with any of the provisions and time-scales relating to Level 3 investigation or as otherwise agreed in writing by the Parties, the Annex B Dispute shall be deemed resolved in favour of the Compliant Party and that the Compliant Party shall be fully entitled to payment of the full amount of the disputed invoice or Credit together with interest payments at the Default Rate on such an amount, calculated from the Due Date.
- 6.8 If following a Level 3 Investigation the Annex B Dispute is not resolved to the satisfaction of both Parties then either Party may (by written notice to the other to such effect) refer the dispute for investigation and resolution by such chartered accountant as the Parties may agree, or in default of agreement, as may be nominated by the President of the Institute of Chartered Accountants, for the time being. Such chartered accountants shall act as an expert and not as arbitrator and whose decision, in the absence of evidence of manifest error, shall be final and binding. The Parties shall co-operate in such investigation and, if any sums are found to be due or overpaid in respect of the disputed invoice such sum shall be paid or refunded (with interest payable or paid pursuant to clause 5.3 above), as the case may be, within 10 Working Days from the date of resolution or earlier settlement between the Parties.

- 6.9 The costs of the chartered accountants agreed or nominated pursuant to clause 6.7 above shall be paid by the Disputing Party unless the relevant invoice is established to have been incorrect by more than the lesser of (a) 5 per cent of the total amount of the charges (excluding VAT) specified in the invoice and (b) €6,348 (excluding VAT), when the Billing Party shall pay such costs.
- 6.10 The above procedures are without prejudice to any other rights and remedies that may be available under this Agreement or in law in respect of any breach of any provision of this Agreement.
- 6.11 Subject to the above all disputed invoices shall be payable on resolution of the relevant dispute (together with applicable interest at the Default Interest Rate on any amount withheld by the Disputing Party in the event that the Billing Party is found not to be in fault.)
- 6.12 Though it is the good faith intention of the Parties to use the above dispute resolution procedures to the fullest extent to try to resolve an Annex B Dispute, nothing in this Annex shall prevent either Party seeking, obtaining or implementing interlocutory or other immediate relief in respect of any Annex B Dispute or referring, in accordance with any right it may have under the its Licence, any matter relating to this Annex or any dispute arising in relation to this Annex, to the Director requesting her to make a determination or take other appropriate steps for its resolution.

Credit

- 7.1 Both Parties agree that a credit is issued in order to cancel either the total charge of an invoice or a part charge on an invoice (a "Credit").
- 7.2 Both Parties, prior to issue of the Credit, should confirm that the value is correct. Confirmation will suffice by email or fax.
- 7.3 The Billing Party shall issue a Credit in the following circumstances:
- a) The Resolution of a Dispute under clause 6 confirms that a Credit is due to the Payee;
 - b) Any mutual agreement by the parties that a Credit is due;
- 7.4 Both Parties confirm that they shall use their best endeavours to agree the value of Credit due and resolve any disputes as soon as possible or within the timeframe agreed in clause 6.
- 7.5 Both Parties agree that the Credit will be issued within 35 calendar days of agreement and that the original invoice number and/or dispute reference number shall be detailed with the Credit.

Supplementary Invoices

- 8.1 A Supplementary Invoice can be issued in accordance with the terms of this agreement, in order to recover charges arising from the under-billing of services or as a result of agreement between the parties.
- 8.2 Both Parties, prior to issue of the Supplementary Invoice, should confirm that the value is correct. Confirmation will suffice by email or fax.
- 8.3 The Billing Party, in the following circumstances, shall issue a Supplementary Invoice:

- a) The Resolution of the Dispute under clause 6 confirms that a Supplementary Invoice is applicable.
- b) Any mutual agreement by the parties that a Supplementary Invoice is applicable

8.4 Both Parties confirm that they shall use their best endeavours to agree the value of any Supplementary Invoice issued and resolve any disputes as soon as possible or within the timeframe agreed in the Dispute Resolution, clause 6. However, the time frames specified in clause 6 may be extended by mutual agreement if such action is deemed necessary by both parties in order to resolve a dispute relating to Supplementary Invoices.

8.5 On agreement by Both Parties that the value is correct, the Billing Party should immediately issue the Supplementary Invoice and the Billed Party shall pay the amount within 30 days.

8.6 The original invoice number and/or dispute reference number shall be detailed with the Supplementary Invoice.

Appendix I

Pro forma Template

Billing Dispute Notification Form

Company Name	Invoice being disputed	<input style="width: 90%;" type="text"/>
Company Address	Invoice Amount	<input style="width: 90%;" type="text"/>
	Invoice Date	<input style="width: 90%;" type="text"/>
Contact Name.	Amount being Disputed	<input style="width: 90%;" type="text"/>
Contact Number	Dispute Reference	<input style="width: 90%;" type="text"/>

This is to inform Vodafone that Company X intends to apply the billing dispute procedures as per Clause 6 Annex B, Billing and Payment, of the signed Interconnect Agreement between the two parties on the (dd.mm.yy)

Signed _____ Date _____

Appendix II

Pro forma Template

Billing Dispute Details

Company Name Invoice being disputed

Company Address Invoice Date

Contact Telephone No. Dispute Reference

Contact Person

Nature of Dispute – Fill as appropriate (example)

Service Schedule Affected	Nature of Discrepancy			Comments	
		Calls	Duration		Charge
	Invoice Total				
	Own Total				
	Invoice Total				
	Own Total				
	Invoice Total				

ANNEX 2: *eircom*'s Proposal - Billing and Query Dispute Process

Agreement List.

Organisation	Name	Signature	Date
<i>eircom</i>			
<i>Operator</i>			

Record of changes

Revision	Description	Designed By	Issue Date
Version 1			

Document Name	Billing and Query Process
Document Location	

Index

- Section A Contact Points
- Section B Areas of responsibility – questions that can be addressed
- Section C Outline of Query and Billing Dispute, including RIO extract
- Section D Dispute/Query Forms

3 Section A

The following table outlines who fulfills the roles in *Eircom* and *Operator* for dealing with Interconnect billing queries. The per RIO is dealt with at a later stage in the document.

<i>eircom</i>	<i>Operator</i>
1. Generation of invoices for payment Name1 Name2	Generation of invoices for payment Name1 Name2
2. Verification of invoices received Name1 Name2	<i>Verification of invoices received</i> Name1 Name2
3. Credit Control Name1 Name2	<i>Credit Control</i> Name1 Name2
<i>Billing Address</i> Name x Carrier Services.	<i>Billing Address</i> <i>Operator</i> Address1

Section B

The following section consists of questions which the contact people are asked or questions they can answer in relation to Interconnect billing queries. This section aims to distinguish exactly what constitutes a query as opposed to a dispute.

It is important to note that a customer can contact either party by phone to clarify matters relating to information only. However anything relating to the accuracy of the bill must be in writing as per Annex B, Section 7.1 of the RIO which states that “If either party disputes the accuracy of an invoice under the Interconnect Agreement, the disputing party shall as soon as is practicable, notify in writing the other Party’s billing liaison contact of the nature and extent of the problem.

1. Interconnect Query Examples which the Billing team can answer (Ronan, Gerry (Eircom) and Martina&Aidan (Operator))

- a. If a customer sees 1.2m minutes on the bill they may ask is this the correct volume for a particular month?
- b. What rates were used for National termination, Geographic Termination or Premium Rate Service in a particular month?

- c. What is the total volume for National Termination, Geographic Termination or Premium Rate Service?
- d. Which month does a particular invoice number belong to?
- e. Why certain items did not appear on the bill?

2. Verification of invoices received -Examples of questions the Billing team can ask

a. Rates: Each invoice received is checked to ensure that the rates applied are the appropriate set.

If a query arises with the Carriers involved there may be a reissue of the invoice or a credit note may also be issued.

b. Traffic Volume: Where the invoiced traffic volumes are greater than those recorded at either of the exchanges a comparison between *Eircom/Operators* traffic and that invoiced is prepared and forwarded to either party.

We can follow up the discrepancies in a number of ways i.e.

- Check that both parties are recording traffic on the same routes
- Check that all traffic types are being recorded
- After all of the above options have been explored either party may request a sample of CDR's (individual call records) and match them against their own records. A process for dealing with the exchange of CDR's needs to be defined.

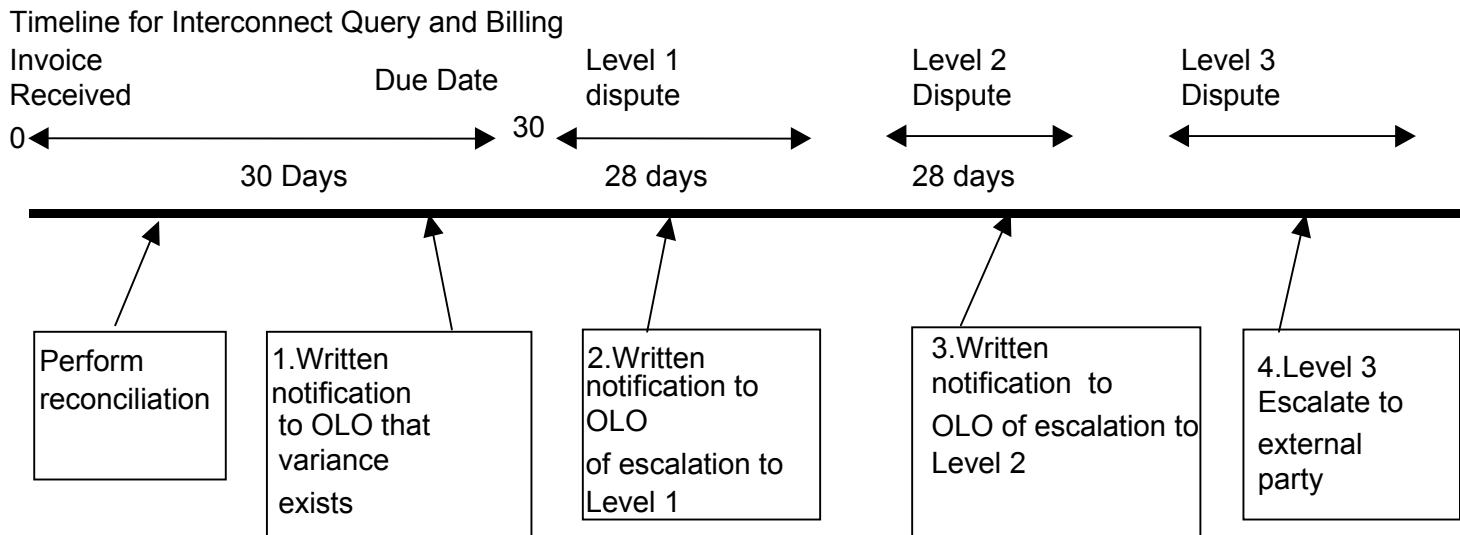
3. Examples of Interconnect Queries which the Credit Control team can answer

1. When is the bill due for payment?
2. What balance is outstanding on a customers account?
3. What are the eft (electronic funds transfer) payments previously made?
4. What are the credits associated with the accounts?
5. What penalties associated with late payment have been applied?
6. Can a customer have a copy of the section in the Interconnect contract where the penalty interest resides?

Section C: Outline of Query and Billing Dispute as per RIO

Section 7(Annex B) of the RIO details the Interconnect Billing Dispute Process

Section 17(Annex A) of the RIO document outlines the general dispute process. If a problem remains unresolved on the last but one working day before the date when the relevant invoice is due for payment, the query may become a dispute and the Disputing party must invoke the formal dispute procedures.



Outline of Billing Dispute

Figure 1: Interconnect invoice timelines

The timelines specified in the RIO are shown in figure 1 above

The following section goes through the different stages of the disputing process:

1. (See section 7.1 of Annex B)-If a party disputes the accuracy of an invoice, they notify in writing the other party of the nature and extent of the problem.
-If the problem remains unresolved on the last but one Working Day before the date when the relevant invoice is due for payment, the disputing party may invoke formal billing procedures (as per clause 17 of the contract) by informing the other party within one week after invoice due date has elapsed.

2. Section 6.2 of the RIO outlines how if either Party shall have notified the other of a dispute relating to such invoice and such dispute shall not have been resolved before the Due Date, and if the amount in dispute represents:

less than 3 percent of the total amount (excluding VAT) of the relevant invoice and less than £5,000, (EUR 6,250) the total amount invoiced; or

3 per cent. or more of the total amount (excluding VAT) of the relevant invoice or greater than £5,000, (EUR 6,250) the amount in dispute may be withheld until the dispute is resolved and the balance;

shall be due and payable on the Due Date. The amounts quoted in clauses 6.2.1 and 6.2.2 shall be cumulative over any 12 month period in relation to any particular area of dispute.

3. Clause 17, Annex A from standard contract covers formal dispute procedure Level 1-Each party endeavours to resolve the dispute through negotiations using the normal contracts

4. Level 2-if dispute is not resolved through negotiation after a 4 week period then either party can formally state (serve notice) in writing the nature and extent of the dispute to the other party

5. Level 3-if dispute not resolved in not less than 2 months (for a dispute pursuant to clause 7.2) or in not less than 3 months (for a dispute pursuant to clause 7.5) in each case from the Due Date of the relevant disputed invoice either party can refer the dispute for investigation and resolution by such chartered accountants as the parties may agree. Such chartered accountants shall act as an expert and not arbitrator and whose decision in the evidence of manifest error shall be final and binding. The Parties must co-operate in such investigations and any sum found to be overpaid, shall be refunded within 2 weeks from the date of resolution or earlier settlement between the Parties.

Interconnect Dispute Level contact points

Eircom	Operator
1a.Eircom issue bills to Operator Name1	1a.Operator Issue bills to eircom Name1
1b.Operator issue bill to eircom Name2	1b.Eircom issue bill to Operator Name2
2.Level 1 Dispute Name3	2.Level 1 Dispute Name3
3.Level 2 Dispute Name4	3.Level 2 Dispute Name4

RIO (Billing and Payment extracts)

The following includes of Annex B, Section 7 of the RIO which details the Interconnect dispute process and Annex A, Section 17 which deals with the general dispute process and are included here for reference.

RIO, Annex B

INDEX

- 1 Definitions
- 2 Recording of Traffic Billing Information
- 3 Exchange of Traffic Billing Information
- 4 Interconnect Path Billing
- 5 Invoices
- 6 Payment
- 7 Disputes

This Annex B 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.

1. Definitions

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

2. Recording of Billing Information

2.1 Subject to paragraph 2.2, each Party shall, for each individual Call for which it is the Billing Party collect, record (whether in bulk or on an itemised Call basis) and process in accordance with paragraph 2.2, the Billing Information.

2.2 The following shall be recorded for each Call type for which there is an entry in the Service Schedules:

2.2.1 Interconnect Node identifier; and

2.2.2 the dialled digits and/or such other information as may be agreed; and

2.2.3 CLI (if available); and

2.2.4 the date and the time when the Answer Signal is received by the Party providing the Billing Information.

2.2.5 Chargeable Call Duration (whether measured or derived).

2.2.6 The service type involved to the level of detail specified in the relevant Service Schedule

2.3 The Billing Party shall provide with the invoice appropriate support Billing Information, as outlined in clause 3, to enable the non-billing Party to validate the invoice.

3. Exchange of Billing Information

3.1 The Billing Party shall process the information specified in paragraph 2.2 so as to produce the matrix outlined below in Table 1, which shall be referred to as the Interconnect Usage Report.

Table 1

Call Type			
Service Type	Total Number of Calls	Total Duration	Total Revenue
	N	M	R
TOTAL	ΣN	ΣM	ΣR

or such other form of Interconnect Usage Report as the Parties may from time to time reasonably agree.

Where: N = the total number of Calls

Where M = the total Chargeable Call Duration

Where R = the total Revenue Charge which will comprise of:

M x Rate per minute; or
 N x Rate per call; or
 M x Rate per minute plus N x Rate per call

3.2 The Interconnect Usage Report shall be provided by the Billing Party to the other Party together with the resulting invoice not earlier than 2 weeks and not later than 5 weeks after the end of each Billing Period.

3.3 The Billing Period for Interconnect Traffic shall be monthly commencing from 00.00 hours on the 1st day of each calendar month.

3.4 The Billing Party shall, for a period of 36 months after each Billing Period, store the Billing Information in such summary format and in such amounts as shall be sufficient to recalculate the amounts due from one Party to the other to take account of changes in the relevant prices.

3.5 If the Network or the Billing System of either Party malfunctions and fails to provide all of the Billing Information necessary for the Billing Party to prepare an invoice, the other Party shall at the request and reasonable expense of the Billing Party use its reasonable endeavours to supply the missing Billing Information to the Billing Party. There shall be no legal liability on the Billing Party for the preparation of an incorrect invoice resulting from inaccuracies in such Billing Information provided by the other Party to the Billing Party. The Parties acknowledge that Billing Information supplied by the other Party pursuant to this paragraph shall have been supplied via a verification system (rather than a Billing System) and such other Party cannot warrant that the information is free of error.

3.6 If the Parties' monitoring of their respective Billing Information indicates a persistent inconsistency in reconciling Billing Information provided by the Parties' respective Billing Systems, the Parties shall use their reasonable endeavours to ascertain the cause of such inconsistency, including, subject to the Parties agreement, the reference of the matter for investigation and resolution by such appropriate independent consultant as the Parties may agree, or in default of agreement, as may be nominated by Institute of Chartered Accountants. Such independent consultant shall act as an expert and not as arbitrator and whose decision, in the absence of manifest error, shall be final and binding. The Parties shall co-operate in such investigation. The independent consultant's costs for such investigation shall be paid by the Parties in such proportions as the independent consultant shall decide.

3.7 In the event of undetected errors in the Billing Information which result in either under or over invoicing and payment, either Party may request a review of the Billing Information for any Billing Period within 24 months of the date of the end of that Billing Period.

3.8 In the event of the Billing Information not being available to either Party in time to produce the monthly invoice, the Parties agree that an invoice may be produced based on estimated Billing Information. This estimate shall be derived using the following formula for the required detail of each separate traffic stream in the Services Schedules;

$$\text{Traffic Month N} = \text{Traffic Month (N-1)}$$

This method of estimating invoices shall not be used for consecutive months.

3.9 The Billing Party must advise the Billed Party of the fact that any invoice is estimated together with the reasons for using estimates.

3.10 Final clearing of estimated Invoices must take place within 3 months of the date of issue of the estimated invoice.

4. Interconnect Path Billing

4.1 Interconnect Path billing shall be carried out in accordance with the charging structure as outlined in Service Schedule 101 to this Interconnect Agreement and shall conform to the terms and conditions provided in clause 6 hereof.

4.2 The commencement of charging for Interconnect Paths will be in accordance with clause 3 of Service Schedule 101 to this Interconnect Agreement. The Billing Period for Interconnect Paths shall be quarterly with each quarter commencing on the 1st January, 1st April, 1st July and 1st October.

4.3 Interconnect Path billing shall involve an initial invoice for Installation Costs and Rental Costs from the Commencement Date of Charging to the start of the next Billing Period for Interconnect Paths. Thereafter invoicing will be quarterly in advance.

4.4 The Billing Information for Interconnect Paths shall be based on the information provided for in Table 1 below.

Table 1

CIRCUIT NUMBER	A-END ADDRESS	B-END ADDRESS	CIRCUIT TYPE	CONNECTION FEE	RENTAL

5. Invoices

5.1 At the end of each Billing Period the Billing Party shall submit to the other Party, invoices for charges for Calls as outlined in clause 3, Interconnect Paths as outlined in clause 4 and other services provided as part of this Interconnect Agreement for which the Billing Party is entitled to charge the other Party during such Billing Period.

5.2 All charges payable under this Interconnect Agreement shall be calculated in accordance with this Interconnect Agreement and at the rates specified from time to time in the Service Schedules. Invoices raised under this Interconnect Agreement shall be paid in accordance with paragraph 9 of the main body of this Interconnect Agreement.

5.3 For the avoidance of doubt, an invoice (including an invoice based on estimated information) shall be dated as of the date of despatch of that invoice.

5.4 For services (other than Call traffic and Interconnect Paths) the Billing Party shall provide with the invoice appropriate Billing Information to enable the non-billing Party to accurately process the invoice for such services.

6. Payment

6.1 Subject as stated below, all charges due by one Party to the other under this Interconnect Agreement shall be payable by the Due Date.

6.2 If, pursuant to paragraph 7.1, either Party shall have notified the other of a dispute relating to such invoice and such dispute shall not have been resolved before the Due Date, and if the amount in dispute represents:

6.2.1 less than 3 percent of the total amount (excluding VAT) of the relevant invoice and less than £5,000, (EUR 6,250) the total amount invoiced; or

6.2.2 3 per cent. or more of the total amount (excluding VAT) of the relevant invoice or greater than £5,000, (EUR 6,250) the amount in dispute may be withheld until the dispute is resolved and the balance;

shall be due and payable on the Due Date. The amounts quoted in clauses 6.2.1 and 6.2.2 shall be cumulative over any 12 month period in relation to any particular area of dispute.

6.3 Notwithstanding notification of a dispute pursuant to clause 7.1 or 7.5, if a Party fails to pay on the Due Date any amount due under this Interconnect Agreement or shall overpay any amount, the payee or, as the case may be (subject to clause 6.5) the over-payer, shall pay or be paid interest at the Default Interest Rate as at the Due Date or date of the overpayment in respect of any such amount outstanding.

6.4 Interest at the Default Interest Rate shall be payable (for late payment) from and including the day after the Due Date or (in the case of a refund) the later of the date of payment of the original amount to be refunded and the Due Date, in each case ending on the date of payment or, as the case may be, refund in full. Such interest at the Default Interest Rate shall accrue day by day and shall not be compounded.

6.5 If such overpayment results from information provided by the overpayer (which is not attributable to information provided by the payee Party), the payee Party shall be under no obligation to pay any interest at the Default Interest Rate on the amount overpaid.

6.6 VAT shall be added to all or any part of the charges under this Interconnect Agreement and shall be paid by the Party responsible for making such payment.

7. Disputes

7.1 Each Party shall use its reasonable endeavours to resolve disputes with the other. If either Party ("the disputing Party") disputes the accuracy of an invoice delivered under this Interconnect Agreement the disputing Party shall, as soon as practicable, notify in writing the other Party's billing liaison contact of the nature and extent of the problem. If the problem remains unresolved on the last but one Working Day before the date when the relevant invoice is due for payment, the disputing Party may invoke the formal billing dispute procedures set out in clause 7.2 by written notification to the other, such notification to be given not later than one week after the Due Date of the relevant invoice. The disputing Party

shall include with such notice all details reasonably necessary to substantiate its claim, which details shall be reasonably capable of being verified by the other Party.

7.2 Following a notification made under clause 7.1 that either Party wishes to invoke the formal billing dispute procedures, the Parties shall consult as outlined in clause 17 of the main Agreement, and endeavour to resolve the dispute at level 1. If agreement cannot be reached within 4 weeks, the Parties shall escalate the disagreement to level 2. Subject to paragraph 7.7, each Party shall use the above dispute resolution procedure for any dispute under this Annex to the fullest extent to try to resolve such dispute. The Parties may agree in writing to extend the above timescales.

7.3 Notwithstanding the provisions of clause 7.2, if the Parties fail to resolve any dispute either, in not less than two months (for a dispute notified pursuant to clause 7.2), or, in not less than three months (for a dispute notified pursuant to clause 7.5) in each case from the Due Date of the relevant disputed invoice (or such extended period as the Parties may agree) either Party may (by written notice to the other to such effect) refer the dispute for investigation and resolution by such chartered accountants as the Parties may agree, or in default of agreement, as may be nominated by the Institute of Chartered Accountants. Such chartered accountants shall act as an expert and not as arbitrator and whose decision, in the absence of evidence of manifest error, shall be final and binding. The Parties shall co-operate in such investigation and, if any sums are found to be due or overpaid in respect of the disputed invoice such sum shall be paid or refunded (with interest payable or paid pursuant to clause 6.3), as the case may be, within 2 weeks from the date of resolution or earlier settlement between the Parties.

7.4 The costs of the Chartered Accountant agreed or nominated pursuant to clause 7.3 shall be paid by the disputing Party unless the relevant invoice is established to have been incorrect by more than the lesser of (a) 3 per cent. of the total amount of the charges (excluding VAT) specified in the invoice and (b) £5,000 (EUR 6,250) (excluding VAT), when the Billing Party shall pay such costs.

7.5 Notwithstanding the provisions of clause 7.1 a Party may by written notice raise a dispute regarding any invoice delivered under this Interconnect Agreement at any time following five Working Days after the Due Date, save that no such notice shall be given more than 12 months after the date of the relevant invoice. If notice under this clause 7.5 is given after the latest date for giving notice specified in clause 7.1, the preceding provisions of this clause 7 shall apply mutatis, save that in clause 7.2 in relation to the number of weeks "4" shall be substituted by "6".

7.6 The above procedures are without prejudice to any other rights and remedies that may be available in respect of any breach of any provision of this Interconnect Agreement.

7.7 Though it is the good faith intention of the Parties to use the above dispute resolution procedures to the fullest extent to try to resolve such a dispute, nothing in this Annex shall prevent either Party seeking, obtaining or implementing interlocutory or other immediate relief in respect of any dispute or referring, in accordance with any right it may have under the other Party's Licence or its Licence, any matter relating to this Annex or any dispute arising in relation to this Annex, to the National Regulator requesting the National Regulator to make a determination or take other appropriate steps for its resolution.

RIO, Annex A, Section 17**17. Resolution of Disputes**

17.1 Each Party shall use its best endeavours to resolve any Disputes between them concerning the implementation, application or interpretation of this Interconnect Agreement, excluding those covered by Annex B, in the first instance through negotiation between the parties through the normal contacts, hereinafter referred to as Level 1.

17.2 In the event of the Parties failing to resolve the dispute at Level 1 Negotiation within 2 weeks either Party shall have a right to invoke the dispute procedures specified herein on the service of notice to that effect upon the other Party. The Party serving the notice (the Disputing Party) shall include with such notice all relevant details including the nature and extent of the Dispute

17.3 Upon service of such notice the Dispute shall be escalated to Level 2. The parties shall consult at Level 2 in good faith to endeavour to resolve the Dispute.

17.4 If the endeavours of the parties to resolve the Dispute at Level 2 are not successful within 2 weeks of escalation of the Dispute to Level 2, either party may upon service of notice to the other to escalate the Dispute for determination by the National Regulator, hereinafter referred to as Level 3. All relevant details with regard to the nature and extent of the Dispute shall be furnished to the National Regulator together with a record of matters which have been agreed or not agreed at Levels 1 and 2.

17.5 The name of each party's liaison contact and representative at each level of consultation shall be as specified in the clause 25. No change to a liaison contact or representative shall be effective until it has been notified to the other party.

17.6 The time limits specified at paragraphs 17.2 and 17.4 above may be extended by mutual agreement between the parties.

17.7 The above procedures are without prejudice to any rights and remedies that may be available to the Parties in respect of any breach of any provision of this Interconnect Agreement.

17.8 Nothing herein contained shall prevent a Party from:

- (a) seeking (including obtaining or implementing) interlocutory or other immediate or equivalent relief; or
- (b) automatically referring the dispute to the National Regulator without recourse to Level 1 or Level 2 Negotiation in accordance with any right(if any) either Party may have to request a determination or other appropriate steps for its resolution. Without prejudice to the foregoing each Party undertakes to avail of the Level 1 and Level 2 procedures set out herein, prior to referring the dispute to the National Regulator save in exceptional circumstances.

Section D

Suggested form for use with Interconnect Billing & Query Dispute Process

INTERCONNECT BILLING

Details

*All these amts are exclusive of VAT

This form relates to:

Query on invoice *Raised By* _____ *Authorised By* _____

Date _____ **Amt of Query* _____

Formal Notification of unresolved qy *Raised By* _____ *Authorised By* _____

Date _____ **Amt of Unresolved Query* _____

Level 1 Dispute *Raised By* _____ *Authorised By* _____

Date _____ **Amt of Level 1 Dispute* _____

Level 2 Dispute *Raised By* _____ *Authorised By* _____ *Date* _____

**Amt of Level 2 Dispute* _____

Level 3 Dispute *Raised By* _____ *Authorised By* _____ *Date* _____

**Amt of Level 3 Dispute* _____

Resolution *Raised By* _____ *Authorised By* _____

Date _____ **Amt of Resolution* _____

Last Notification Date: _____

Company Details

Company Name _____

Invoice Number _____

Invoice Value _____

Query Reference Number _____

Amount of the Query (before VAT) _____

¹⁴Query _____

¹⁴ This box includes a summary of what the Query is exactly about and also sources for the relevant documents.

¹⁵*Response Received*

Reference Number _____

Resolution of Disputes

- Query
- Level 1 Dispute
- Level 2 Dispute
- Level 3 Dispute
- Resolution of Dispute

¹⁶Dispute raised

¹⁷Resolution

¹⁵ This box outlines a summary of the response received to the query

¹⁶ This box includes a Summary of the Dispute raised

¹⁷ This box includes a Summary of the Resolution received