



Commission for
Communications Regulation

Information Notice

Implementation of Flat Rate Internet Access Call Origination (FRIACO)

Document No:	02/122
Date:	24 December 2002

An Coimisiún um Rialáil Cumarsáide

Commission for Communications Regulation

Abbey Court Irish Life Centre Lower Abbey Street Dublin 1 Ireland

Telephone +353 1 804 9600 Fax +353 1 804 9680 Email info@comreg.ie Web www.comreg.ie

Contents

1	Introduction	2
2	Implementation of Flat Rate Call Internet Access Call Origination – (FRIACO)	4
3	Sequence of Events	6

1 Introduction

The growth of the Internet is having a major impact on the world's economy. Being able to order goods and services online, handle customer relations, communicate with each other by e-mail, carry out research and enjoy new and differing forms of entertainment have all impacted to radically change the environment in which we live. Ireland, as a modern post industrial economy in an increasingly competitive world needs to be able quickly capitalise on the benefits that such new technologies can bring.

In terms of Internet usage and penetration, despite a number of initiatives already underway, including off-peak flat rate services, Ireland remains somewhat behind other key competitors' locations. One of the key enablers of internet usage in many of these countries has been the provision of a FRIACO service which is a wholesale product provided to operators, allowing those operators in turn to offer at a retail level the provision of a flat rate internet product. This enables companies and residential customers to have a predictable, competitive and 'always on' service. In this context, the availability of a wholesale FRIACO product can be a catalyst for enhancement of the internet services available to consumers and therefore supports the objective of offering competitive pricing, choice and quality.

The provision of the wholesale product FRIACO, is under EU legislation mandatory where either an incumbent offers such a retail service or where there is a reasonable request from another licensed operator for such a wholesale product. To date, eircom have chosen not to offer such a retail service but in July 2002 two licensed operators have requested the provision of this service and ComReg have been working with the industry to ensure the early provision of their demands for service.

Consumers, Industry, Government, State Agencies and other representative bodies have all identified that absence of a flat rate service poses a serious challenge to Ireland's ability to meet its goal of being a major location for internet related activities and services. In recognition of the importance of the Internet to the economy, education and services, ComReg has for some time been working with the industry to ensure that any barriers to the provision of competitive services are addressed. Apart from the provision of FRIACO as set out in Part 2, this office has also taken other initiatives including;

On the 5th March 2001, the ODTR paved the way for Telecoms operators and ISPs to offer Internet users a greater choice of Internet access models. Two new access codes and number ranges for Internet access, 1892 Pay-As-You-Go and 1893 Partial or Full Flat Rate Access were introduced by the Director following a public consultation. In introducing these codes the ODTR was further developing the existing framework by opening new numbers that are dedicated to Internet traffic. Since then, interconnection arrangements have been developed for the use of 1890 for internet purposes, as well as 1891 and – on a phased basis, 1892. The FRIACO product would constitute the basis for implementing 1893.

Implementation of Flat Rate Call Internet Call Origination - FRIACO

The Report on Consultation paper (ODTR 01/12) “Allocation of additional access codes and number ranges for Internet Access” is available on the ComReg website (www.Comreg.ie).

2 Implementation of Flat Rate Call Internet Access Call Origination – (FRIACO)

ComReg believes the introduction of a wholesale flat rate internet product will be of considerable benefit for the future development of the internet market in Ireland in addition to being of significant benefit to users. ComReg is dedicated to opening the way for the development of new and innovative internet access models which will further stimulate the growth in Internet usage in Ireland.

ComReg considers the availability of a FRIACO product will help stimulate competition, encourage economic efficiency and provide benefit to end users. ComReg believes that the requesting OLOs are reliant on eircom to provide wholesale flat rate interconnection if they are to offer a similar product at retail level. Failure by eircom to provide such access could potentially have an adverse effect on Ireland standing as a centre for e-Commerce as well as for the future development of the use of the Internet in Ireland. The ODTR has issued codes for internet use and several other papers on internet development and usage.

In June 2002, two other licensed operators (OLOs) submitted Statements of Requirements (“SORs”) to eircom requesting a Flat Rate Internet Access Call Origination (“FRIACO”) service on the 1893 internet access code. From this time until the 28th November a range of private and commercial negotiations on FRIACO were undertaken. However as it became clear that discussions had reached a point where further progress was unlikely to be achieved in any reasonable timeframe, ComReg intervened to establish a forum between eircom and the two requesting OLOs with the aim of expediting the process and ultimately enabling the delivery of the product. The main purpose of the forum was to produce an agreed FRIACO product description.

In light of the increasing demand from users for a flat rate offering for internet access, the contribution this can make to overall economic development and in the interests of developing and sustaining competition in the telecommunications sector, ComReg believed it was more practical and expedient to assist in the introduction of a commercially and technically viable product offering for FRIACO.

Given the importance of delivering a FRIACO product to the marketplace in a timely fashion and to clarify the process going forward ComReg is intending to issue a decision notice at the beginning of January when the last details of the product description should be finalised, and mandating the introduction of a wholesale FRIACO product on a phased basis. Furthermore, ComReg envisions setting dates for the negotiation of terms and conditions and the submission of cost orientated pricing coupled with the processes required to enable a robust wholesale interconnection product.

The objectives of the Commission as specifically set out in S12 of the Communications Regulation Act, 2002, provide the Commission’s objectives in exercising its functions include the following: to promote competition, to contribute to the development of the internal market, to

Implementation of Flat Rate Call Internet Call Origination - FRIACO
promote the interests of users within the community. The actions being
taken on FRIACO are entirely in line with this.

3 Sequence of Events

Stage 1- July-Dec

Industry request/SOR	July
Bilateral discussions by industry	July-Nov
Regulator considers talks unlikely to adequately Progress matter – sets up forum to complete Product description	Nov
Information Notice on progress	Dec

Stage 2-Next steps-Completion of product process and pricing for the product-Jan -Feb. 2003

Freezing of product description.

Setting of terms and conditions for access to the product.

Setting pricing for the wholesale product

Stage 3- Development and roll-out of a retail offering

Development of retail product/pricing by operators

Ordering and delivery of capacity from eircom

Launch of retail product