



Office of the Director of  
**Telecommunications  
Regulation**

**MEDIA RELEASE**

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## **ODTR Consults on Future Development of the Internet in Ireland**

Etain Doyle, Telecoms Regulator today (4<sup>th</sup> July 2001) issued a wide ranging consultation paper on communications and delivery issues connected with the Internet. Recognising that the Internet is entering a more mature stage of its development the ODTR is seeking views from interested parties on how the market will and should develop.

The ODTR regulates the communications networks that underpin the Internet. This includes licensing operators, allocating radio spectrum, numbering, leased line regulation, PSTN pricing via the price cap and overseeing interconnection. Capacity considerations are becoming increasingly important as major businesses need greater bandwidth and even small businesses need to upgrade as they expand their dependence on Internet technology. It also regulates the universal postal service operated by An Post and so covers the delivery of many of the goods purchased over the internet.

There is an ever increasing range of alternatives for accessing the internet, and it is important that any regulatory issues are dealt with as quickly and effectively as possible. This consultation will provide a key building block in the development of future ODTR programmes in relation to the Internet, both in the context of the

current regulatory framework and preparing the ground for the new EU framework being developed at present.

According to the Regulator “ There are several different markets that need to be reviewed when considering transmission issues concerning the Internet. These include major bandwidth users among the large companies, who make full use of the internet and also other businesses who are generally aware of the Internet and its value, but a smaller proportion of whom are engaged in e-business and micro-businesses. The needs of each category are different in terms of bandwidth and regulatory structures. This paper seeks to identify more clearly what the issues are so as to devise the appropriate responses, in so far as these relate to regulatory matters. As postal regulator, I am also interested in getting views on the delivery of goods purchased over the internet and whether it poses any particular problems, which should be addressed in the regulatory framework.”

Given the size of the Irish population, the most important markets from an economic perspective are the Business to Business ones. Also the Business to Consumer market is vital for all those providers of goods and services who are facing or can expect to face competition in their local markets from internet based suppliers.

Consumers need to have Internet access to gain the benefits of the Information Society. While significant progress has been made in the past few years to encourage Internet adoption and there has been an annual doubling in residential Internet penetration in the last two years, Ireland still lags behind the most developed countries.

According to the Regulator “In a recent consumer survey carried out by IMS on behalf of the ODTR the results show a high correlation between age, income and work status of those connected to the internet at home. The early adopters of the Internet are under 25 years of age, those with a third level education and those with disposable income. Of those who are not online the majority of them see little relevance in being online.”

While recognising that the technical and commercial models that support the delivery of Internet services are still evolving the role of the ODTR is to facilitate the competitive provision of services by addressing actual or potential market failures.

The consultation paper ODTR 01/47 “The Internet in Ireland – Communications Transmission and Delivery Issues - Consultation Paper” is available on the ODTR website [www.odtr.ie](http://www.odtr.ie). The consultation period will run from 4<sup>th</sup> July 2001 to 27<sup>th</sup> August 2001. While the ODTR has issued papers and developed measures and programmes on individual regulatory measures such as leased lines pricing and delivery, Fixed Wireless Access, Local Loop Unbundling, satellite and interactive TV all of which may impact on the internet, this consultation document seeks to review developments more broadly. It will assist the ODTR develop new responses to potential developments.

**ENDS**

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