



Office of the Director of  
**Telecommunications  
Regulation**

## **PRESS RELEASE**

*For Immediate Release*  
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### **REGULATOR AGREES NEW INTERCONNECT RATES FOR IRISH MARKET**

The Telecoms Regulator Etain Doyle, has published a status report on the rates charged by *eircom* for interconnect services. The report updates the market on a number of key work streams and describes reductions in the rates that *eircom* proposes to charge to its competitors.

The Regulator said, “The provision of interconnection on fair and efficient terms is widely recognised as an essential requirement for the creation of a competitive telecommunications market. Interconnection charges can account for a substantial proportion of operators’ costs and their importance cannot be overstated.”

The key positions and actions that are now being adopted include:

- The finalisation of interconnection rates for the period from 1 December 1998 to 1 December 1999 (previously set on an interim basis prior to liberalisation); and
- The introduction of new interim rates that will apply from 1 December 1999 to 31 March 2000;

The Regulator also announced the opening of a new consultation on issues related to interconnection (see separate release).

**MORE**

The interim rates set in 1998 have been reviewed and agreed as final rates for the period August 1998 to December 1999. These rates brought Irish interconnect rates down sharply to within the EU benchmarks and remained within them for 1999. Interim rates based on revised traffic patterns and providing for an estimated net reduction of some 6% on the earlier rates have been put forward by *eircom* for the period 1 December 1999 to 31 March 2000 - the end of their accounting year. The ODTR is continuing its work on reviewing rates including traffic patterns for the period from 1 December 1999 onwards and expects to make further commitments to the market as this is completed

The Regulator added that she “recognises the work that all parties have put into the consideration of interconnection issues, including the responses and comments of all players to consultations to date” and thanked all parties for their commitment and effort. “This is an important step in keeping the interconnection market in Ireland moving in the right direction in line with best European practice”, she said. “I believe these developments will benefit the market and ultimately telecommunications users.”

In addition to the status report, three other relevant documents are being published by the ODTR. These are:

- Document **ODTR 00/14** which sets out the Regulator’s position on the interim interconnection rates that applied to 1 December 1999 and the finalisation of rates for that period.
- Document **ODTR 00/15** which sets out the interim rates which will apply from 1 December 1999 to 1 April 2000.
- Document **ODTR 00/16** which is a consultation document that seeks further views and representations on the issues raised in decision notice D12/99.

**ODTR 00/13 - “Interconnection Rates in the Irish Telecommunications Sector - Status Report”** can be viewed on the ODTR web-site (<http://www.odtr.ie>).

**ENDS**

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### **Note to Editors**

Interconnection is the term describing the connection of one network with another. New entrants have to connect with *eircom*'s network as it takes a number of years for them to build a nationwide network of their own. The RIO sets out *eircom*'s stall of interconnection services for these operators and the charges for those services. Individual operators can then choose the elements they require to build their services and negotiate a specific agreement with *eircom* on those issues. The existence of the RIO gives new entrants and operators a starting point from which to negotiate. In a market where *eircom* is by far the strongest player, this is an essential tool for new players.

Under Irish telecommunications law an operator who is designated as having significant market power ("SMP") is required to permit other licensed operators ("OLOs") to interconnect with its network. To facilitate this process, the SMP operator must publish a reference interconnect offer ("RIO") that sets out the terms and conditions for interconnection and the prices to be charged. The contents and production of the RIO are subject to statutory requirements, compliance with which is overseen by the Director of Telecommunications Regulation ("the Director") and her Office ("the ODTR"). In particular, an SMP operator must justify to the Regulator's satisfaction that the prices set are in accordance with legal requirements that notably include the need for these prices to be cost-oriented, non-discriminatory and transparent. If the Regulator is not satisfied that price are properly justified, she may direct changes to be made. *eircom* is an operator designated as having SMP in the relevant market and is therefore governed by the Interconnection Regulations.