



Office of the Director of
**Telecommunications
Regulation**

PRESS RELEASE

For **Immediate** Release
December 21st, 1999

REGULATOR DETERMINES SIGNIFICANT MARKET POWER (SMP) DESIGNATIONS

The Telecommunications Regulator, Etain Doyle, today announced her second determination of operators with Significant Market Power (SMP) in the Irish Telecommunications market. Decision Notice D15/99 designates *eircom* as having SMP in public fixed telephone networks and services, in leased lines and in the national market for interconnection. Eircell and Esat Digifone are designated as having SMP in the public mobile telephony market and Eircell in the national market for interconnection.

This announcement follows a consultation process initiated on 13th October 1999 which ran until the 9th November 1999, and the review of information on market shares requested from the companies. The Decision Notice also reports on the consultation carried out by the ODTR.

As compared with October 1998, when the first designation was made, the market share positions are as follows:

	1999*	1998
Public Fixed Networks	<i>eircom</i> 94%	<i>eircom</i> 96%
Public Fixed Services	<i>eircom</i> 95%	<i>eircom</i> 96%
Designation for Fixed Networks & Services	<u>eircom</u>	<u>eircom</u>

MORE

1999* **1998**

* There have been some slight changes in the basis for calculation

Leased Lines	<i>eircom</i> 95%	<i>eircom</i> 100%
Designation for leased lines	<u>eircom</u>	<u>eircom</u>
	1999*	1998
Public Mobile Networks & Services	<i>Eircell</i> 64 %	<i>Eircell</i> 76%
	<i>Esat Digifone</i> 36 %	<i>Esat Digifone</i> 24%
<u>Designation for Public Mobile Networks & Services</u>	<u>Eircell</u>	<u>Eircell</u>
	<u>Esat Digifone</u>	
	1999*	1998
Interconnect	<i>eircom</i> 36%	<i>eircom</i> 70%
	<i>Eircell</i> 39%	<i>Eircell</i> 23%
<u>Designation for National Interconnect Market</u>	<u>eircom</u>	<u>eircom</u>
	<u>Eircell</u>	

The differences in designations for 1999 as compared with 1998 reflect the strength of growth in the mobile market and the significant difference in termination (interconnect) rates for mobile as compared with fixed lines. The termination rates for mobile are up to 14.5p per minute as compared with 1.78 p per minute for the longest distance fixed termination at peak rates.

"The cost structure is likely to be different for mobile as compared to fixed termination" said the Regulator. "Irish mobile termination rates are low by international comparison, however, in absolute terms the rates are high and the SMP designation means that we will now review Eircell rates for cost orientation. If there is room for reductions it would be good news for the end user. The dynamic of the market here may see a reduction in termination rates generally" she added.

In October 1998 the ODTR made its first determination of operators with significant market power in its Decision Notice D4/98. In that document Telecom Éireann (now *eircom*) was designated as having SMP in the fixed, leased line, and interconnect markets. Eircell was designated as having SMP in the mobile market.

MORE

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The SMP designation is required by European directives that have been transposed into Irish law. An operator designated as having Significant Market Power in the fixed market must comply with certain legal obligations by adhering to the principles of non-discrimination, transparency and cost orientation in the following broad categories: interconnection, access, quality of service, accounting separation and cost oriented tariffs. For the mobile operators, similar conditions apply in relation to non-discrimination, accounting separation and, for Eircell (which has been designated as having SMP in the interconnection market), cost orientation.

The approach to determining operators with SMP in the Irish telecommunications market follows the European Communities (Interconnection in Telecommunications) Regulations, 1998. These regulations state that an organisation with a share of more than 25 per cent of a particular telecommunications market is to be designated as having SMP. Following this initial step, the Director may then carry out further analysis to evaluate an organisation's market power where its market share is close to (above or below) 25% to determine SMP having regard to a range of criteria.

ODTR 99/75 "**Significant Market Power in Telecommunications - Decision Notice D15/99**" can be viewed on the ODTR web-site (<http://www.odtr.ie>).

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