



Office of the Director of
**Telecommunications
Regulation**

PRESS RELEASE

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REGULATOR ENCOURAGES LOW COST INTERNET ACCESS

The Regulator has announced a new interconnect framework for calls to the internet that is designed to enable variety and choice in the provision of services to consumers and ensure a level playing field for Internet Service Providers and other operators in the telecoms market in Ireland. The new principles recognise the key role played by the Telecom Éireann network in the Irish market and are designed to ensure that TE and the other operators will compete fairly and vigorously in the best interests of Internet users. Experience has shown that it is this type of competition that ultimately drives prices to consumers down.

“Low cost Internet access for end users is naturally a major concern for me”, said the Regulator, “so in this paper we have concentrated on giving the industry the tools to deliver that to customers”.

The new arrangements will allow at least three models of “dial-up” Internet access to be developed by operators in the market, including:

- 1.** “Pay-As-You-Go” or “Freeserve” access – the customer pays for the telephone calls to access the internet but does not pay any subscription fees.
- 2.** “Flat Rate” – the customer pays no call charges but pays a regular subscription of flat rate that allows them to access the internet for a set number of hours, or even for unlimited time.
- 3.** Combinations of subscription fees and call charges – the customer chooses a mix of subscription charges and call charges that gives them the best deal, depending on their pattern of use of the internet.

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“I believe that these new arrangements provide the flexibility for operators to provide a range of access pricing ranging from zero rated call charges to zero rated subscription charges.”

The Regulator said. “With this range of choice, the customer is empowered and can opt for the package that best suits them. We have developed interconnection arrangements to underpin these choices within the framework of the current legislation, the needs of consumers and the promotion of a competitive market”.

“The consultation process that led to this Decision was the most extensive we have ever undertaken. We greatly appreciate all of the clarifications offered and suggestions made, which have contributed to our final position.”

While the new arrangements are designed to facilitate the development of innovative and enhanced services it is recognised that the delivery of such services is, ultimately, a matter for the industry itself. With this in mind the Regulator plans to set up an Industry Forum to examine various operational and technical aspects in greater detail.

Some of the Director’s key conclusions are:-

- A new numbering regime will be introduced to facilitate the introduction of the various new Internet charging models – these will be non-geographic numbers, similar to the current “1891” access number or “15xx” numbers – known as Number Translation Codes (“NTC”);
- The operator terminating calls to the internet should be able to set the consumer price for this type of service (both internet access and other services provided over NTCs) because the terminating operator provides the majority of the value to the end user;
- Operators with Significant Market Power (currently only Telecom Eireann) who are providing the call origination element of access to the internet are not providing the “value added” element and should only retain revenue to cover the actual cost of the network elements used in the call origination;
- All NTC services (including 1891) should be passed over national interconnect links rather than local ones – enabling competing operators to offer 1891 internet access to customers;

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- Given the changing nature of telecommunications and the explosive growth of internet and data services compared to traditional voice telephony, the Regulator intends to consider the development of a new interconnection framework for the future, including data network interconnection. Interested parties are invited to comment on the issues which should be considered. In this context, the Regulator also welcomed the introduction by Telecom Éireann of a new wholesale Frame Relay service which can be used by players in the market for internet and other data traffic.

The Decision Notice D9/99 is the result of a two-stage consultation process that began in January 1999 and involved ISPs, Telecom Éireann and other operators. The Regulator has also published today a report on the publication of prices for Telecom Eireann ATM services. The Decision Notice – **ODTR 99/46 – “Interconnect for calls destined for Interconnect services and number translation codes”** and **ODTR 99/47 “Publication of prices for Telecom Eireann ATM services”** – may be viewed on the ODTR website at <http://www.odtr.ie>.

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