

19th June 1998

Regulator Etain Doyle Announces Result of Mobile Telephony Licence Competition.

The Director of Telecommunications Regulation, Ms Etain Doyle, today announced the result of the detailed evaluation of the applications for a third mobile telephony licence in Ireland - Meteor Mobile Communications Limited has been ranked first, and Orange Communications Limited second.

Commenting on the result, the Regulator, Ms Doyle said "I am very pleased to make today's announcement and wish to thank both applicants for submitting bids of a high standard. I congratulate Meteor the higher ranked applicant - but it is the Irish consumers who will be the real winners." She added "The licensing of a third mobile telephone operator will increase competition and choice, and the Irish consumers will benefit through lower tariffs and the availability of high quality services."

The licence will be the first combined DCS/GSM service licence to be awarded in Ireland. This means that frequencies in both the 900 MHz GSM band and 1800 MHz DCS band will be used. It is expected that the majority of subscribers to the new service will use dual-band mobile phones which will take advantage of good GSM coverage in rural areas and good call handling capacity in urban areas. In addition, dual band phones will facilitate a greater choice of operators while "roaming" abroad.

The new operator will be required to provide coverage of at least 1/3 of the Irish population, using DCS 1800 spectrum, within two years of issue of the licence, and coverage of at least 80% of the population within four years. A population coverage of 80% corresponds to a geographic coverage of between 50% and 60% approximately. All operators are encouraged to share existing facilities, including sites and masts, within the framework of existing and proposed national and EU legislation.

Substantial additional capital investment in telecommunications infrastructure in Ireland and the creation of additional jobs in the sector are expected to follow, after the licence is issued. In their proposal, Meteor have committed to launch the service 9 months after the issue of the licence i.e. second quarter 1999, and have further committed to financial penalties in the event that specified deadlines are not met.

The arrival of a third mobile phone operator in Ireland is expected to further stimulate the use of mobile phones and reductions in tariffs. It will also increase the potential for migration from fixed to mobile telephone use.

The competition was organised by way of open tender and used the "best application" method to rank the applicants. The application which received the higher overall score in the evaluation was ranked first. The evaluation was carried out in strict accordance with the evaluation criteria explicitly outlined and weighted in the tender document (see Appendix I). The ODTR was assisted throughout the process by Andersen Management International A/S, of Copenhagen, who are specialists in the field of mobile phone competitions including evaluation of applications.

Both applicants bid the maximum amount of IR £10 million in respect of the spectrum access charge in the licence. The licensee will also pay an administrative fee of IR £1.5 million to cover the costs of running the competition.

The Regulator will shortly initiate discussions with Meteor with a view to formal award of the licence in the near future.

ENDS.

Appendix I

The Evaluation Criteria

The following evaluation criteria were used, as stipulated in the tender document:

Group A (Weighting 38%)

The proposed tariffs.

The proposed marketing strategy.

The proposed services to the end users, including scope, timing of introduction, quality and customer care.

Group B (Weighting 27%)

The technical quality of the planned network.

The approach to acquisition of sites and permissions and to environmental issues.

The approach to achieving demographic coverage and the speed of roll out.

Group C (Weighting 20%)

The financial aspects of the business plan in particular in relation to solidity and sensitivities.

The applicant's experience and expertise.

Group D (Weighting 10%)

The spectrum access charge bid by the applicant.

Group E (Weighting 5%)

Performance guarantees.

Within each of the above groups, the criteria are set out in descending order of priority.

Appendix II

Key Milestones in the Competition

11 Jul. 1997

The ODTR published a consultative document on the future licensing of mobile phone services in Ireland.

Sep. 1997

Following a competitive tender process, Andersen Management International of Copenhagen were awarded the contract to assist the ODTR in the running of the competition.

2 Dec. 1997

The Director announced the launch of the competition for a combined DCS 1800 and GSM 900 licence and made the tender document available to potential applicants.

6 Apr. 1998

Two applications were received from:

Orange Communications Limited whose ultimate parent company is Orange plc.

Meteor Mobile Communications Ltd, a consortium consisting of:-

Western Wireless International Ireland,

RF Communications Ltd,

TWG Ireland, LLC.

12 May 1998

A presentation was made by each of the applicants to the ODTR evaluation team

19 June 1998

The Director announces the higher ranked bidder.