



Office of the Director of
**Telecommunications
Regulation**

CONSULTATION PAPER

Service Levels Provided to Other Licensed Operators by Operators with Significant Market Power

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Foreword

Leased lines and high capacity ISDN lines are of critical importance in an economy seeking to become an information based society. As a technology that enables internet access for SMEs and large corporate users it is important that they have confidence around both the service quality and delivery times.

OLOs, in seeking to provide quality services for their customers, are dependent on the quality of the carrier service they receive from eircom. Quality encompasses many attributes ranging from provisioning times to in-service performance and fault resolution where problems occur. The design and implementation of the Carrier Services SLA regime has sought to encourage the development of competition on service quality to the ultimate benefit of the consumer.

An effective SLA regime is one which moves in line with market needs. Much has been achieved over the last year with the eventual bedding down of delivery processes by eircom, although market needs are not yet being fully realised in terms of the timely delivery of carrier services to OLOs. In November 2000, eircom's average delivery times for leased line circuits to OLOs was between 70 and 90 days. Today, the ODTR is pleased to note that this figure has reduced to between 36 and 43 days. eircom must win the confidence of the industry by consistently demonstrating it's ability to deliver services according to the committed dates provided to customers at the time of order. While certainty around delivery is important the Director believes that it must also be balanced against speed of delivery.

This review will seek to build further on the work achieved over the last year to ensure these aims are met.

Etain Doyle

Director of Telecommunications Regulation

1 Introduction

The Director of Telecommunications Regulation (“the Director”) is responsible for the regulation of the Irish telecommunications sector in accordance with national and EU legislation.

The delivery of leased lines is a key service for a liberalised market. Service Level Agreements are of critical importance to the development of competition, particularly as operators can be constrained in their ability to offer a credible level of service to their customers if they do not have certainty over the quality and timely delivery of service provided to them by SMP operators.

In the Decision Notice on Service Level Agreements issued in November 2000 the Director indicated that she would review the SLA regime by November 2001 at the latest. This consultation paper constitutes this review and raises a number of issues regarding the delivery of Carrier Services and the SLA having regard to performance over the last year.

This consultation only covers Service Level Agreements for Carrier Services as defined in the paper under Section 3, namely, PSTN, ISDN and leased lines. A number of SLAs have been put in place for other wholesale services. SLAs for Interconnection circuits were established on foot of Decision Notice D7/00 while SLAs for Local Loop Unbundling (Co-location and Full Unbundling) were put in place in May 2001 and took effect in August 2001(See Information Notice 01/37). These will be further developed over the coming months.

Respondents are therefore requested to confine their responses to this consultation to the Service Level Agreement regime for ‘Carrier Services’. The ODTR will not comment in the Decision Notice that will follow this Consultation on issues raised in relation to SLA regimes for other services.

2 Background

In November, 2000 the Director issued Decision Notice D11/00 entitled “Service Levels Provided to Other Licensed Operators by Licensees with Significant Market Power”.

This Decision Notice which followed a public consultation (see ODTR Document Number 00/67) amended the SLA regime that had been in place since November 1999. The Decision Notice provided for a number of significant changes which included, inter alia, revised delivery timeframes, specific delivery process points, the payment of uncapped penalties in the event of failure to meet delivery or process point timescales, the inclusion of higher capacity leased lines within the SLA regime and the automatic payment of penalties by eircom.

While the coming into effect of the uncapped penalty regime was effective from 15th September 2000, eircom were given until 1st February 2001 to introduce the process elements prescribed under the SLA.

The sections that follow describe a number of developments since the revision of the SLA regime in November 2000.

2.1 Developments Since the Last Decision Notice

2.1.1 *Carrier Services Operations and Maintenance Forum*

Decision Notice D11/00 provided for the establishment of a Carrier Services Operations and Maintenance (O&M) Forum in order that eircom and the OLOs could define and have a full understanding of their respective roles and responsibilities under the SLA regime, including the development of any administrative processes to facilitate efficient end-to-end provision of Carrier Services. The Forum was established in December 2000 under the auspices of the ODTR. Thereafter the ODTR continued its attendance in an observer capacity to ensure speedy progress was made and that the outcomes would reflect a mutually agreed position having regard to the views of all the parties involved. The first O&M manual for Carrier Services was agreed by the industry at the end of January, 2001.

Since then the Forum has continued to meet to discuss operations and maintenance issues arising in the context of the SLA and, where agreed, the O&M manual has been amended

to reflect this. The current version of the O&M manual for Carrier Services is available under the Carrier Services section of eircom's website.

2.1.2 Implementation of SLA Processes

The SLA processes (both revised and new) as prescribed by the Decision Notice D11/00 and further refined by the O&M Forum were to be fully implemented by 1st February 2001. eircom were unable to bring all the SLA processes into operation within this timeframe owing to the requirement for the necessary supporting systems development work. Consequently, in some instances processes were either manually operated on an interim basis or not at all. For example, the Order Acknowledgement and Delivery Notification processes were introduced between February and March 2001 while Order Validation and Delivery Confirmation were introduced in the period up to July 2001. In summary, it is only since July 2001 that all delivery processes as envisaged in the SLA Decision Notice have been implemented and as a result the expected benefits in terms of improved customer communication and shorter delivery timeframes are only now being realised.

While recognising the efforts of eircom to date, the Director is disappointed that some two years since the introduction of the SLA regime, eircom is not yet consistently hitting SLA delivery timeframes. Having said that the Director does recognise the impact that a change in the SLA regime has had in terms of the internal changes required (systems and work practices) to support them. This has also been recognised by the industry.

The Director believes, in considering whether or not any amendments are necessary to the current SLA regime, there is a need to justify any desired benefits against the effort and timeframe within which practical changes can be implemented.

2.1.3 eircom's Service Delivery Transformation Programme

eircom has for some time been implementing a service delivery transformation programme designed to improve its delivery of Carrier Services to OLOs. Broadly speaking, the programme has focused on areas such as delivery processes, work practices and information systems and is designed to achieve both certainty and timeliness of service delivery.

The establishment in November 1999 and subsequent revision in November 2000 of the Service Level Agreement regime for Carrier Services by the ODTR has contributed to the improvements under this programme that appear only now to be manifesting themselves in terms of improved service delivery performance.

In order that it could be assured that sustainable improvements can be achieved within both the timeframe and in line with the goals set out in Decision Notice D11/00, the ODTR has met regularly with eircom throughout the year to ensure that progress was being made under its transformation programme.

Against this background, eircom proposed an overall year end target whereby 80 % of all leased line circuits ordered would be delivered according to their due date. Due date for standard circuits is the SLA timeframe, while for non-standard circuits (typically those circuits where network build is required) it would be the date provided by eircom at validation. Subsequently, the ODTR undertook further work to assess, amongst other things, eircom's ability to achieve this target. This is discussed below.

2.1.4 Audit of eircom's Leased Lines Provisioning

The ODTR wished to ensure that *eircom's* performance in implementing processes set out in the SLA concerning the provision and fault management of Leased Lines. In particular, the ODTR sought to satisfy itself as to *eircom's* ability to attain the proposed year-end targets for average delivery outlined above and to provide adequate level of fault management performance. During September and October 2001 Logica Consulting performed an audit of *eircom* on behalf of the ODTR to assess its ability to provision leased lines to OLOs.

The remit was to audit against all the Process Points as listed in the SLA. The team examined every stage of the Leased Lines process from order entry to final delivery, which also included fault management, and the payment of penalties. Logica has since produced a confidential report for the ODTR and have outlined a number of issues and recommendations.

In Logica's opinion, *eircom* has made considerable progress in transforming its leased line delivery processes and they believe that they may achieve approximately 80% of all orders by due delivery date by December 2001. However, there are factors that still may

have an impact, and areas that still require improvement to ensure that *eircom* reaches and sustains the required standards as set out by the ODTR. Where appropriate to the SLA regime, the issues raised and proposed remedies are dealt with in this consultation. Other issues identified will be pursued separately by the ODTR with *eircom*.

2.1.5 Publication of Information

In order that OLOs and other interested parties could track whether improvements were being made by *eircom* in service delivery the ODTR requested *eircom* to publish on its website average delivery time information on a monthly basis. Average delivery is defined by the typical delivery period, irrespective of when an order has been made, during which (i) 95% and (ii) 100% of leased lines have been put through to customers in a particular month. The published statistics are split between sub 2Mbit and 2Mbit leased line circuits (both standard and non-standard) for the wholesale and total market (wholesale, retail, internal *eircom*) and are available at <http://www.eircom.ie/bveircom/pdf/llstats.pdf>.

The ODTR views this as a first step towards bringing greater transparency to the market regarding *eircom*'s service delivery improvements. The use of performance indicators is critical to monitoring the achievement of the objectives defined in the SLA and for the industry's understanding of performance in the future. In this regard, the further development and publication of performance parameters is a requirement for securing OLO and consumer confidence around the delivery of quality Carrier Services. It is also important within an international context as it provides a clear signal to the market that Ireland is serious in tackling the historical difficulties around leased line service delivery. Such signals have the potential to impact positively upon domestic investment decisions, particularly in a difficult global competitive environment.

Proposals regarding the augmentation and further development of performance measures are discussed further in Section 6.

2.2 Legislation

Both EU and Irish Legislation recognise that, in the interests of developing and sustaining competition in the telecommunications sector, it is important to ensure that new entrants to the market can efficiently utilise the networks of operators with Significant Market Power.

The Leased Line market is a telecommunications services market considered to be of major importance at European level as per Annex I of the Interconnection Directive – 97/33/EC.

eircom is designated as having SMP in the Leased Lines market pursuant to Regulation 5(1) of the European Communities (Leased Lines) Regulations 1998.

The Director is obliged by Regulation 4(1) of the European Communities (Leased Lines) Regulations to ensure that at least one organisation is required to provide leased lines at every point in the territory of the State.

eircom is a notified organisation within the meaning of Regulation 4 of the European Communities (Leased Lines) Regulations 1998.

Condition 18.1 of the General Telecommunication Licence requires the Licensee to deliver to the Director, who may publish and consult on same, copies of all standard-form contracts from time to time issued by the Licensee in connection with the provision of any Licensed Service provided within the Relevant Market, and shall supply a true and complete copy of any particular contract within five days of any written request from the Director.

Condition 18.2 of the General Telecommunications Licence states that the Licensee shall also prepare and deliver to the Director a draft statement setting out the minimum service levels for customers (including Other Licensed Operators) in respect of each category of Licensed Service it offers within the Relevant Market, any exceptions to these and the compensation or refunds it will offer to customers or prospective customers in case service levels are not met. The Director may publish and initiate a consultative process on the draft statement and, after considering the responses received and consulting the Licensee, issue directions to the Licensee specifying any modifications or additions that she considers should be made to the draft statement. The Licensee shall then publish the statement in the agreed amended form, in accordance with any directions as to publication made by the Director and shall forthwith implement the same.

Condition 18.3 states that the Director may, on her own initiative or at the request of a body of the kind referred to in Condition 22, and acting in an objective and proportionate manner and in order to protect the rights of the Licensee's customers, direct that the

Licensee alter its standard form contracts and/or compensation or refund schemes offered to customers or prospective customers.

This consultation process herein is without prejudice to the right of the Director from time to time, without the need for consultation, to issue directions requiring modification or addition to the SLA and as to its re-publication and implementation as provided for in the last sentence of Condition 18.2 of *eircom*'s General Telecommunications Licence.

3 Benchmarking

In accordance with the requirements in Article 11.2 of Directive 92/44/EEC as amended by Directive 97/51/EC, national regulatory authorities are required to provide annual statistical reports to the European Commission concerning the performance of leased lines in relation to supply conditions. The European Commission then produce an annual report on the performance in the supply of leased lines by SMP operators.

In Decision Notice D11/00 the Director stressed her strong desire that eircom should be among the best providers of leased lines in Europe having regard to the needs of users for broadband services in Ireland. The Director considers that the information contained in the Commission's Leased Lines Report provides useful information through which the achievement of this aim can be measured.

The Commission's **DRAFT** Report for the year 2000 is currently available on its website at the following URL.

http://forum.europa.eu.int:80/Members/irc/infso/onp/library?l=/onp_doc_2001/onpcom_01_21rev1/_EN_1.0_&a=i

The Director notes that the Commission, in its report, cites some methodological problems that limit the scope of the analysis and of the comparison between countries. In summary, such issues surround

- differences as to the date from which delivery periods are calculated, considerations given to so called "customer delays" and the inclusion of orders requiring infrastructure build in the statistics on delivery periods.
- differences regarding the approaches as to the level of aggregation at which information is collected

The table that follows summarises the Report's position in respect of leased line delivery and repair times across the EU (some non-EU countries are included) during 2000.

Where the Director has more up-to-date information in respect of eircom's performance, this has been replaced in the tables as appropriate. The current SLA Standards are also set out at the end of the table.

The Director will have regard to the information in the table in considering whether or not any amendments are required to the delivery or repair time standards as currently set out in the SLA

Table 1: Typical Delivery and Repair Time Periods for the period 1st January to 31st December 2000*

DIGITAL STRUCTURED LEASED LINES	TYPICAL ¹ DELIVERY TIME (DAYS) NATIONAL	TYPICAL ¹ DELIVERY TIME (DAYS) NATIONAL.	TYPICAL ² REPAIR TIMES (HOURS) NATIONAL	TYPICAL ² REPAIR TIMES (HOURS) NATIONAL
LEASED LINE TYPE	64 Kbit/s	2 Mbit/s	64 Kbit/s	2 Mbit/s
BELGIUM	36 (a)	35 (e) (f)	3:45	4:45
DENMARK	62	N/a	3:00	N/a
GERMANY	38	61	18:05	13:05
GREECE	30	N/a	6:00	N/a
SPAIN	42	84	3:11	5:35
FRANCE	36 (b)	53 (e) (g)	3:00	3:59 (e)
IRELAND	36 (c)	43 (c)	5:19	13:59
ITALY	9.4	25.8	2:55	2:55
LUXEMBOURG Jan– Jun 2000	27	N/a	6:00	N/a
July – Dec 2000	35	N/a	3:00	N/a
NETHERLANDS	156	246	2:48	3:12
AUSTRIA	85	231 (e)	3:29 (h)	4:04 (e)
PORTUGAL	10	17	2:30	2:24
FINLAND	42	42	N/a	3:55
SWEDEN	49 (d)	N/a	8:02	N/a
UK BT (Kilostream)	9	15.5	1:19	0:48
NORWAY	48 (d)	82 (e)	5:00 (i)	N/a
ICELAND	15	N/a	1:18	N/a
LICHTENSTEIN	20	20	2:00	2:00
CURRENT SLA STANDARD	22	26	8:00	8:00

Notes:

1. In accordance with Article 4 of Directive 92/44/EEC as amended by Directive 97/51/EEC this refers to the period, counted from the day when the user has made a firm request for a **NATIONAL** leased line, in which 95% of all leased lines of the same type have been put through to the customers, during the monitoring period.
 2. The period (in hours), counted from the time when a failure message has been given to the responsible unit within the organisation providing the leased line up to the moment in which 80% of all leased lines of the same type have been re-established and in appropriate cases notified back in operation to the users, as referred to in Article 4 of Directive 92/44/EEC. Where operators have more than one fault management plan, the typical repair time quoted is for the standard plan.
- * Where the ODTR has more up-to-date information in respect of eircom's performance, this has been replaced in the tables as appropriate.
- (a) Delivery period for all (100%), rather than 95% lines. Furthermore, the figure refers to 64 and 128 Kbit/s lines.
 - (b) From mid-2001, France Telecom will propose a 14-day standard delivery period for 64 Kbit/s lines. The customers will be able to request delivery according to this standard.
 - (c) The figure for Ireland reflects measure of eircom's performance as monitored by the ODTR as at October 2001, and is based on a rolling average for the three months up to October. See Table 12 on page 39. The 64Kbit/s figure reflects delivery times for all Sub 2Mbit circuits.
 - (d) Delivery time is normally decided by the customer and does not necessarily coincide with the shortest possible delivery time.
 - (e) The figure refers to structured and unstructured leased lines.
 - (f) The delivery period is for all (100%) rather than 95% of lines.
 - (g) From mid-2001, France Telecom will propose a 28-day standard delivery period for 2 Kbit/s lines. The customers will be able to request delivery according to this standard.
 - (h) No distinction between types of voice bandwidth and between voice bandwidth and 64 Kbit/s.
 - (i) Figure refers to all types of digital leased lines.

4 Provisions of the Service Level Agreement Regime

The following sections discuss the services, processes, standards and penalties falling under the SLA regime.

4.1 Scope of the SLA

In many instances, the SMP operator, which in Ireland's case is eircom, is the only realistic provider of some critical infrastructure based services, by virtue of the universality of its network. Therefore, a minimum set of retail services have been classed as Carrier Services, when they are purchased by OLOs from the SMP operator. In principle, the Director considers that carrier services should

- be used by OLOs as a constituent element of the OLO's retail service, or
- facilitate the addition of value by the OLO to transform the carrier service into a retail service.

The 'Carrier Services' that currently fall under the current SLA regime are comprised of the following wholesale services.

- PSTN
- ISDN BRA and PRA
- National Analogue Leased Lines (M1020 & M1040)
- National Digital Leased Lines (in the range 64 Kbits to 1948 Kbits)
- National Digital Leased Lines (2048 Kbits)
- National Digital Leased Lines (greater than 2048 Kbits such as 34Mbit and 155 Mbit)

As eircom introduces higher capacity leased line commercial offerings (generally above 2Mbits) for its downstream arms they also automatically fall under the scope of the SLA regime. Such higher capacity circuits are generally 'built to order' and as such are treated as non-standard circuits. They do, however, fall under the SLA regime, although a delivery timeframe, which triggers the incursion of a penalty, is not specified in the SLA. Instead, the delivery process requires that eircom must provide a due delivery date for these circuits and the point from which any penalty becomes payable for late delivery is pegged to this due date.

The principle area under the Carrier Services portfolio where the majority of delivery difficulties continue to be experienced is the leased lines portfolio. Service delivery improvements within eircom have, in the first instance, tended to focus on leased lines and subsequently are extended to other Carrier Services. Consequently, service delivery improvements for these products tend to take longer to materialise.

Having regard to the principles defining a 'Carrier Service', it is the Director's view that the PSTN, ISDN and leased line services identified above should continue to fall under the SLA regime. In addition, the Director is not sufficiently satisfied that eircom's delivery performance has yet improved enough or reached a stable level to warrant their removal from the Carrier Services SLA portfolio at this time. However, the Director would welcome views from respondents as to its composition.

Question 1.

Do you consider that the composition of the 'Carrier Services' portfolio above to be adequate ? Any proposed amendments should be made in light of the principles (see earlier bullet points) governing a Carrier Service and individually supported with an appropriate justification for doing so.

4.2 Processes Covered under an SLA

The following processes are covered under the SLA.

- **Service Provisioning:** the provision of a Carrier Service as a result of a request from an OLO
- **In-Service Performance:** the performance of the service whilst in operation.
- **Fault Management:** the SMP operator's performance in managing its maintenance process
- **Service Alteration:** where an OLO requests an amendment to the configuration of the service in accordance with the terms and conditions of the contract between the parties.

While the Director considers that some amendments may be required with respect to the attributes **within** the above processes (e.g. Delivery Confirmation within the Service Provisioning process) , she believes that the processes themselves are adequate and changes are not necessary at this time.

Question 2.

The Director does not propose including additional processes under the SLA. Do you agree with this ? If not please state what changes you would propose and the reasons for doing so.

4.3 Service Provisioning Process Attributes

The process points which eircom must follow during the delivery cycle of a ‘Carrier Service’ to an OLO along with their definitions as specified by Decision Notice D11/00 or as further defined by the Carrier Services Operations and Maintenance Forum and agreed by the ODTR are set out below. Further process points, although not mandated by previous SLA Decision Notices, have also been agreed and implemented by the industry and are set out in the Carrier Services O&M Manual which is available on the eircom website at <http://www.eircom.ie/bveircom/pdf/rvices.pdf>. This Section only focuses on those delivery processes mandated by the ODTR for inclusion in eircom’s SLA along with proposals for change, where appropriate.

The process points during the delivery of a Carrier Service as currently defined are set out below.

- **Order Submission:** is the forwarding of an order to eircom on a standard¹ eircom order form.
- **Order Acknowledgement:** is the acceptance of the agreed order form by eircom, and acknowledgement to the OLO, that the order has been received and is being processed. Eircom will check the form for completeness and field validity, assign an order reference number and acknowledge within the Carrier Services SLA parameters. If the order form is incomplete it will be returned to the Operator’s contact point. This stage will confirm completeness of the form and not the accuracy of the information submitted.
- **Order Validation:** is the confirmation, or otherwise, that an order is deliverable by eircom within the standards set down by the SLA. The criteria are, Standard or Non-

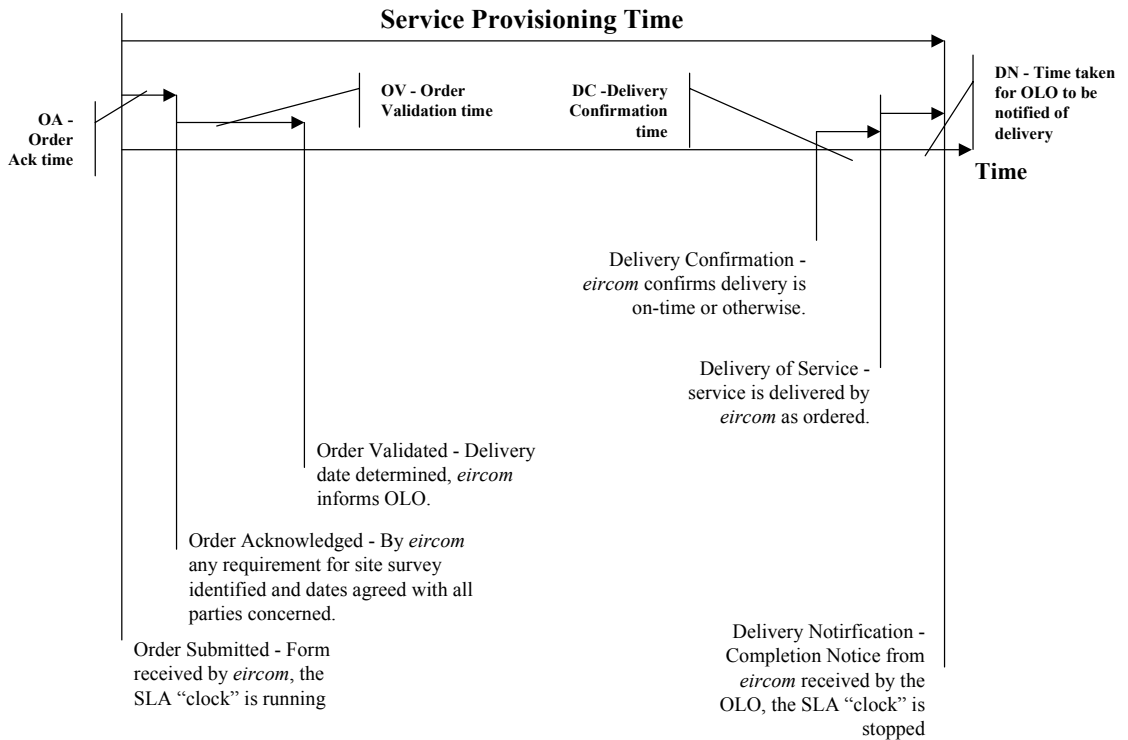
¹ The structure and content of the Order form has been agreed within the Carrier Services Operations and Maintenance Forum.

Standard. If Non-Standard a reason will be given and will instigate the provision of a due delivery date at the Order Forecasting stage.

- **Delivery Confirmation:** is notice of whether, or not, due delivery date will be met. It is designed to give advance notice of delivery thereby enabling the OLO to carry out service enablement work or to give advance notice of delivery delay together with information to allow end-customer management.
- **Delivery of Service:** service is delivered by eircom as ordered.
- **Delivery Notification:** is the provision of a completion notice by eircom to the OLO. This stops the Carrier Services SLA clock.

The above process points are set out for illustrative purposes in Figure 1 below.

Figure 1: Service Provisioning Process Attributes



At this time it is not considered that there is merit in a major revision to the SLA service provisioning process points as the benefits arising from the previous review in terms of improved delivery times and the provision of information are only beginning to be realised, mainly due to the slower than anticipated implementation of the process points by eircom (whether due to the complexity of the process change or otherwise).

Notwithstanding the improvements to date, it is considered too early to say whether or not they have stabilised to acceptable levels.

However, it is proposed to suggest some minor amendments arising from experiences of the operation of the SLA to date. These are discussed below.

4.3.1 Order Validation & Order Forecast

The Director considers it to be of utmost importance that a delivery date for a standard order is specifically provided at Order Validation (a Non-Standard Order, which is defined in the O&M manual, gets a delivery date at the Order Forecast Stage). The Director understands that for standard orders, eircom does not provide a delivery date, but relies on the SLA delivery times (either 22 or 26 days for a sub 2Mbit or 2Mbit circuit respectively). The Director considers that a delivery date should be provided in all instances, even if it equates to the SLA timeframes, as this is the date that is communicated by the OLOs to its customers.

It is proposed therefore to include this specific requirement in the definition of Order Validation. The proposed re-wording of Order Validation is as follows.

Order Validation: is the confirmation, or otherwise, that an order is deliverable by eircom within the standards set down by the SLA. It shall include the provision of a specific due delivery date. Criteria are, Standard or Non-Standard. If Non-Standard a reason will be given and will instigate the provision of a due delivery date at the Order Forecasting stage.

Should eircom fail to fulfil this element of the process the Director considers that they will be deemed to be non-compliant and would incur a process penalty.

Question 3.

Do you agree with the Director's proposal to amend the Order Validation definition ? Please state your reasons, proposing alternatives where appropriate.

Similarly, in the case of a non-standard order eircom is obliged to provide a due delivery date at the order forecast stage (forecast must be provided within 10 working days of validation). This is currently defined as part of the Order Validation process although is

only relevant in the context of a non-standard order. The Director proposes that this should be identified as a separate process and defined as follows.

Order Forecast: the provision of a due delivery date for a circuit deemed to be non-standard at validation. Order Forecast shall be provided no later than ‘X’ working days following Order Validation.

Proposals regarding the value of ‘X’ are discussed under Section 4.5.1.4.

Question 4.

Do you agree with the Director’s proposal to separately identify an Order Forecast process for Non-Standard Orders. If so, do you consider the proposed wording is adequate ? If not please present alternatives.

4.3.2 Delivery Confirmation

The Delivery Confirmation step is designed to allow OLOs to manage their customer expectations that a circuit as ordered is going to be delivered (or not as the case may be) on the date provided at validation. Equally important to the management of this relationship is the provision of a revised delivery date should the original date be missed. The Director considers that the provision of a revised delivery date should form an integral part of the Delivery Confirmation stage. It is proposed, therefore, to amend the definition of Delivery Confirmation, such that,

Delivery Confirmation: is notice of whether, or not, due delivery date will be met. If the original date cannot be met, a revised delivery date shall be provided at the confirmation stage. This revised date, or any subsequent revisions to it, shall be subject to the Delivery Confirmation process should it extend 5 working days beyond the original delivery date.

Where required, failure to provide a re-forecast at Delivery Confirmation will be deemed as a failure to fulfil this process point and will therefore attract a penalty. Similarly, where Delivery Confirmation confirms that an order will be delivered according to the date provided at Order Validation, and subsequently the delivery date is missed, then this shall be deemed as a failure to fulfil this process point.

Question 5.

Do you believe it is appropriate to modify the Delivery Confirmation step as outlined above ? Is the proposed definition adequate? Where amendments are suggested please support with an adequate reasoning for doing so.

The Director recognises that some systems or process development may be required to support these changes and considers that the revised Order Validation, Order Forecast and Delivery Confirmation steps, if adopted, should be implemented no later than two months following the publication of the Decision Notice which will follow this Consultation.

Question 6.

Do you agree with the timeframe for the implementation of the revised processes ? Please state your reasons.

4.4 Fault Management under the Service Level Agreement

Fault management can be broadly defined as the SMP operator's performance in managing its maintenance process. The current SLA prescribes maximum repair times in the event a fault is experienced on an ISDN or leased line service. For a PSTN line the SLA provides for a maximum response time.

The definitions of Maximum Repair Time and Maximum Response Time are set out below.

Maximum Repair Time: the maximum duration between the time a fault is reported to eircom in accordance with the fault reporting procedures and the time logged by eircom that the service is available to the end-customer.

Maximum Response Time: the maximum duration between the time a fault is reported to eircom in accordance with the fault reporting procedures and the time to visit a customer's premises or where this is not required the first indication to the OLO that activities are being undertaken to repair the fault.

A maximum repair time standard of 16 and 8 hours is currently quoted for ISDN and leased lines respectively. A maximum response time of 4 hours is quoted for PSTN lines.

Question 7.

The Director considers that Maximum Repair Time and Maximum Response time attributes (the specific timeframes are discussed later in the consultation) should continue to apply to the services as identified above. Do you agree with this? If not please propose alternatives outlining the reason for your answer.

4.4.1 Fault Severity and Statusing

The setting of a single standard for this attribute under the SLA does not imply that resolution is the only element of fault management. It is equally important for an OLO who is experiencing service difficulties to receive updates from eircom as to the progress being made during the repair process. It is only in this way that an OLO can manage its own customer relationship. One means by which this can be achieved is through the provisioning of 'status' updates during the fault management process. While such statusing could be facilitated through the creation of a front end web-based interface linked to eircom's fault management system, this is unlikely to prove viable for all operators in the short term.

Allied to the question of 'statusing' is the prioritisation of faults. A fault classification process is common place amongst the industry and is an efficient way of handling faults in that its segregates them according to their impact on the service, thereby leading to better jeopardy management.

The Director has set out below her proposals regarding prioritisation and statusing within the fault management process with respect to ISDN and leased lines.

The Director is proposing three levels of fault severity based on the impact to the customer.

Severity 1: Complete loss of service to the customer or impacted business function is halted

Severity 2: Significant loss of service to the customer but the impacted business function is not halted

Severity 3: Small impact on service to customer or business function

Planned outages are not covered by the SLA, however, a process for their notification is set out in the current Operations and Maintenance Manual.

The Director also considers that a single status update (other than notification that the fault has been resolved) should be provided to the OLO within the fault management process for severity 1 and 2 faults. The timing of these status updates will be set having regard to the fault repair time standard for each severity level. Standards for fault repair are discussed under section 4.5.2.

If a fault is notified as being resolved prior to the point at which a status should have been provided, then the Director would consider the statusing requirement to have been filled.

Question 8.

Do you agree with the Director's proposal to create three different fault severity levels ? Please state reasons for your answer.

Question 9.

Do you agree with the proposed definitions of the three severity levels. If not please propose alternatives ?

Question 10.

Do you agree with the Director's proposal for the provision of a single status update within the fault management process for severity 1 and 2 faults ? Please state the reasons for your answer.

The Director considers that the OLO would be responsible for setting the severity level of a fault. However, she would be concerned at a situation where a significant number or all faults could be reported in the Severity 1 category as it would only serve to undermine efficient management rationale underlying the creation of differing severity levels. With this in mind, the Director is proposing, for the purposes of any SLA penalty that may apply, that some quota system is put in place which limits the number of faults which can be designated as severity 1 in a given period. Such a quota could be based on a percentage of faults reported by an OLO in a particular month and used to set a figure for the following period. For example, based on a quota of 20% an OLO having reported 100

faults in the current month would be permitted to assign a severity 1 level to 20 faults in the following month.

It is important that an OLO could escalate beyond its quota. Therefore, if an OLO does so, any penalty that would apply would only be based on the SLA timeframes applying in the context of a Severity 2 or 3 fault, as appropriate.

Question 11.

Do you agree that a quota system is appropriate? If so, do you agree with the proposal above ? If not, please propose alternatives as to how should it be calculated.

4.4.2 *Maximum Repair Time Hours*

The maximum repair times are quoted in ‘working hours’. ‘Working hours’, being between the hours of 09:00 to 17:00, and from Monday to Friday. In order to meet customer expectation, it may be necessary to fix faults outside normal working hours.

Question 12.

Is it necessary to outline a twenty-four hour, seven day, repair schedule? What would be the implications of introducing such a schedule?

4.5 SLA Standards

The following section discussed the Standards that apply for each of the attributes associated with the Service Provisioning and Fault Management processes.

4.5.1 *Service Provisioning Standards*

The standards or timeframes that apply under the current SLA regime in respect of the service provisioning attributes are as follows.

Table 2: Current Service Provisioning Standards

Service	Service Provisioning for “Standard” Deliveries			
	OA	OV	DC	Service Delivery
ISDN BRA & PRA	2 days	8 days	1 day	22 days
64kbit/s – 1984 kbit/s leased lines ²	2 days	8 days	1 day	22 days
2 Mbit/s leased lines ³	2 days	11 days	1 day	26 days

Where OA = Order Acknowledgement, OV= Order Validation, DC = Delivery Confirmation

Leased lines greater than 2 Mbit/s have the same standards as 2 Mbit/s leased lines, although a delivery date standard is not specified. Instead eircom communicates a delivery date to the OLO following validation.

The Director is proposing a number of minor changes to the SLA Standards which are discussed below. The effect of these changes is summarised in the table at the end.

4.5.1.1 Service Delivery Standards

The Service provisioning Standards for ISDN and sub 2Mbit leased lines is 22 days while it is 26 days for a 2Mbit circuits. Having regard to the benchmarking information in Section 3 and the needs of users, the Director considers that these timeframes represent what would be deemed among best European practice.

Whether or not eircom is delivering to these timeframes is a separate issue and the SLA regime itself is designed to achieve this aim. Having regard to eircom’s performance in reducing delivery timeframes over the preceding months the Director considers that the standards are attainable. Indeed, it has been indicated to the ODTR by some OLOs that in some cases, eircom betters these delivery standards. The Director believes that were eircom to consistently meet the 22 and 26 day targets that current market needs would be served as the requirement for certainty around delivery would be fulfilled. Therefore, for the purpose of the SLA, she does not propose to change the Service Provisioning Standards.

Question 13.

Do you agree with the Director’s view that that the service provisioning timescales above approximate a best practice European Standard ? Please justify your reasons outlining any alternative proposals.

² Includes Ordinary and Special Quality Bandwidth

³ Includes Structured and Unstructured

4.5.1.2 *Pegging of Standards to Order Receipt*

Currently, the standards for all process points (OA, OV, DC) are expressed in terms of the number of days following the preceding process point, i.e. in the case of a sub 2Mbit/s circuit, OA is 2 days after receipt of order submission, OV is 8 days after OA and DC is 1 day prior to the SLA delivery standard of 22 days. The Director is concerned that a situation could arise where an order may not be acknowledged at all with the result that the OV standard (and those which follow) is pegged against a process which has not been fulfilled and therefore cannot be triggered. In addition, if OA is sent out late OV will not be required until an even later date. To remove any potential ambiguity, all delivery process point standards will in future be pegged to the 'receipt of order' (see Table 3 and Table 4 overleaf).

Question 14.

Do you agree with the Director's proposal to peg the delivery process point standards to 'receipt of order submission' ? Please explain the reasons for your answer.

4.5.1.3 *Order Acknowledgement, Validation and Delivery Confirmation Standards*

In light of the Director's proposal not to amend the Service Delivery standards she does not intend altering the standards for the Order Acknowledgement, Order Validation and Delivery Confirmation service provisioning process points.

Question 15.

If you consider that the Service Delivery Standard requires amendment, please propose timeframes for OA, OV and DC, justifying the reasons for your answer.

4.5.1.4 *Order Forecast Standard*

In light of the proposals set out under Section 4.3.1 to separately identify the Order Forecast process from Order Validation, a standard will have to be introduced. Order Forecast only applies to non-standard orders. In the case of non-standard circuits, the Director is proposing a standard (pegged to Order Receipt) of 18 days for ISDN BRA, ISDN PRA and Sub 2 Mbit/s leased lines, and 20 days for 2Mbit (and above) leased line circuits respectively.

Question 16.

**Do you agree with the Director's proposals for the standards for Order Forecast ?
Please explain the reasons for your answer.**

4.5.1.5 Summary of Standards

The following table summarises the Standards having regard to the proposals in sections 4.5.1 to 4.5.4 above. The standards that would apply have been split for Standard and Non-Standard Orders as defined in the Operations and Maintenance manual.

Table 3: Service Provisioning Standards for Standard Deliveries

Service Type	OR	OA	OV	DC	SD
ISDN BRA & PRA	T	T+2 days	T+10 days	SD-1 day	22 Days
Sub 2Mbit leased lines	T	T+2 days	T+10 days	SD-1 day	22 Days
2 Mbit/s Leased Lines	T	T+2 days	T+13 days	SD-1 day	26 Days

Table 4: Service Provisioning Standards for Non-Standard Deliveries

Service Type	OR	OA	OV	OF	DC	SD
ISDN BRA	T	T+2 days	T+10 days	T+ 18 days	SD-1 day	*
ISDN PRA	T	T+2 days	T+10 days	T+ 18 days	SD-1 day	*
Sub 2Mbit leased lines	T	T+2 days	T+10 days	T+18 days	SD-1 day	*
2 Mbit/s Leased Lines	T	T+2 days	T+13 days	T+20 days	SD-1 day	*

Day = full working day

* There are no service delivery standards for non-standard circuits. Instead a due delivery date is provided at the Order Forecast stage.

OR = Order Receipt, T= day 0

OF = Order Forecast

OA = Order Acknowledgement

DC = Delivery Confirmation

OV = Order Validation

SD = Service Delivery

4.5.2 Fault Management Standards

The fault management process provides for a Maximum Response Time for PSTN services and a Maximum Repair Time for ISDN and leased line services. The current standards for the maximum repair time attributes are set out in the table below.

Table 5: Current Maximum Repair Time Standards

Service	Standard
ISDN exchange lines	16 working hours
Leased Lines of all Bandwidths	8 working hours

It is the Director's view that eircom should seek to meet European best practice levels for fault repair. The market has developed such that telecommunications services are increasingly used for business critical applications, with the result that any 'downtime' can be extremely costly in terms of lost revenue or indeed damage to reputation. In addition, businesses heavily differentiate their services on their quality.

Section 4.4 of the consultation proposed that eircom should provide a single status update within the fault management process for ISDN and leased line services. To improve the efficiency of fault management it was also proposed that faults could be reported according to three different severity levels.

Having regard to the above, the Director is proposing the following revised standards for the Maximum Repair Time attribute, including a statusing standard.

Table 6: Proposed Maximum Repair Time Standards for ISDN Lines

ISDN Lines		
Fault Priority	Fault Status	Fault Repair Time
Severity 1	T+5 working hours	T+10 working hours
Severity 2	T+8 working hours	T+14 working hours
Severity 3	No Status Update	T+18 working hours

T= time fault is logged by eircom following receipt of fault report from OLO

Table 7: Proposed Maximum Repair Time Standards for Leased Lines

Leased Lines		
Fault Priority	Fault Status	Fault Repair Time
Severity 1	T+3 working hours	T+5 working hours
Severity 2	T+5 working hours	T+8 working hours
Severity 3	No Status Update	T+12 working hours

T= time fault is logged by eircom following receipt of fault report from OLO

Question 17.

Do you agree with the Director's proposal for the statusing and repair time standards above ? If not, please propose alternatives stating reasons for your answer.

5 Penalties

As evidenced by eircom's performance during the year, it is the Director's view that the greatest level of implementation and operation of the SLA processes and standards has been where there has been a penalty for non-compliance. It must be recognised that this is partly driven by eircom's desire to minimise any potential exposure to penalties. The Director considers that the setting of penalties under the SLA regime has been effective in most , if not all areas. In setting a penalty it should

- incentivise the SMP operator to adhere to the standards set out in the SLA
- provide confidence to OLOs that the SLA timeframes will be met
- compensate the OLO, to some degree, for any shortfall in the service provided
- be proportionate to the service provided

It is equally important to recognise that where the SMP operator significantly improves its performance to a consistent level, that this should be reflected in the penalty regime. This is already the case to a large degree in that the ultimate size of a penalty is firmly within the control of the SMP operator. In other words, if it performs to the SLA standard its penalty liability is zero.

The following Sections discuss penalties for non-compliance with the standards for the service provisioning and fault management attributes.

5.1 Service Provisioning Process Point Penalties

Currently penalties are payable by eircom for non-compliance with the standards for the service provisioning process points as well as the SLA delivery standard. The table below set out the position.

Table 8: Service Provisioning Process Penalties

Service Provisioning Process Point	Penalty Payable
Order Acknowledgement	£500
Order Validation	£500
Delivery Confirmation	£500
Delivery Notification	£500

A penalty of £500 is payable per failure to hit the standard in respect of the particular process point, subject to a maximum of £1,000 per order.

In Section 4.3.1 the Director proposed that the Order Forecast (OF) process, which only comes into play for a non-standard circuit, should be separated from the Order Validation (OV) process. The question of a penalty for this process point therefore arises. The Director considers that an additional penalty would not be justified as it would be tantamount to ‘double counting’. This arises because OV attracts a penalty for non-compliance, however, in the case of a non-standard circuit OV would just state that it is ‘Non-Standard’ with the due delivery date to be provided at the OF stage. A penalty payment at both OV and OF would seem disproportionate. However, at the same time an incentive must be provided to ensure compliance with the OF process point. Therefore the Director is proposing that failure to provide an Order Forecast will result in eircom being non-compliant with respect to OV, and therefore attract a penalty.

Question 18.

Do you agree with the Director’s proposal above. If not, please explain why ?

The Director would also like to explore means that would encourage the delivery of services earlier than their SLA dates but without the need to resort to additional penalties. The Director believes that the OLO community would be receptive to this aim.

The Director is proposing that where eircom delivers a **standard circuit prior** to the SLA delivery standard, and they have already incurred a process point penalty, that a maximum of one process point penalty could be ‘voided’. e.g. In delivering a sub 2 Mbit/s leased line eircom had failed to issue the Order Acknowledgement within the 2 day standard. However, eircom delivered the circuit within 18 days (the SLA delivery standard is 22 days). The Order Acknowledgement penalty would be foregone.

Question 19.

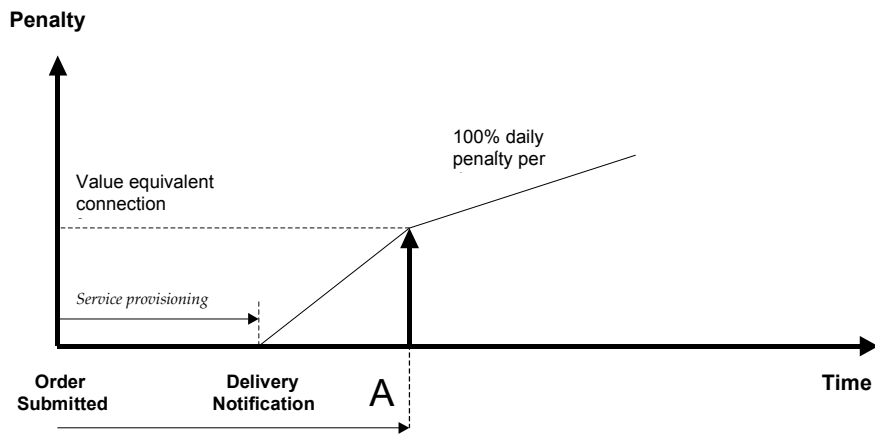
Do you agree with the Director’s suggestion to encourage delivery of services prior to their SLA standard ? If you have alternative suggestions please provide them supported by adequate reasoning.

5.2 Service Provisioning Delivery Penalty

The penalties payable for failure to hit the SLA delivery standard have the following characteristics:

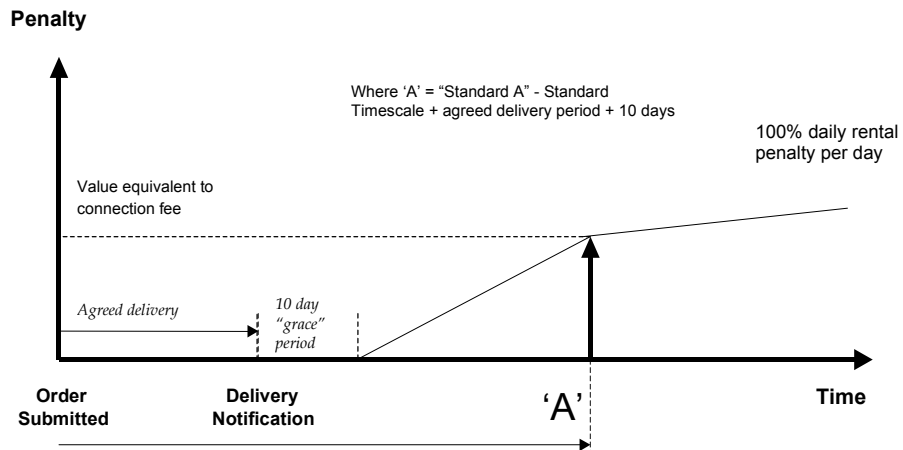
- A linear repayment of the connection fee which takes place between the SLA “standard” period and a date which was equivalent to the current average delivery time for the product (up to point A below).
- A further linear payment related to the rental per day period determined for each product (after point B below)
- The penalty is uncapped.

Figure 2 : Service Provisioning Penalty Mechanism for a “standard” Delivery



For “non-standard” deliveries the same regime applies, with the exception that an additional “grace” period of 10 days is inserted after the agreed delivery and the point from when penalties are calculated. An example is shown below.

Figure 3 : Service Provisioning Penalty Mechanism for a “non-standard” Delivery



- After the connection fee has been repaid, a penalty equivalent to 100% of the payable rental per day is charged.

The following values for A had been determined for each carrier service type.

Table 9: Current Service Provisioning Penalty Algorithm

Service	Standard Provisioning Timescale	“A” days after “standard” or “non-standard” delivery date
ISDN exchange lines	22 days	46 days
Sub 2Mbit Leased lines	22 days	46 days
2 Mbit/s leased line	26 days	51 days

The ‘A’ value was set back in November 2000 and was based on the then average delivery time with respect to the particular circuit. The penalty regime was structured this way having regard to eircom’s then position in transforming its service delivery functions and was designed to ensure that they were not unduly penalised during this transitional phase.

While the Director does not intend altering the general structure of the service delivery penalty regime, she considers that it should reflect the current position with respect to delivery. As the ‘A’ was set based on the then average delivery time, there is grounds in altering it to be more reflective the current position. The value of ‘A’ should continue to encourage eircom to reduce its “typical” delivery period figure closer to the SLA delivery “Standards”. The Director is therefore proposing the following:

Table 10: Proposed Service Provisioning Penalty Algorithm

Service	Standard Provisioning Timescale	“A” days after “standard” or “non-standard” delivery date
ISDN exchange lines	22 days	41 days
Sub 2Mbit Leased lines	22 days	41 days
2 Mbit/s leased line	26 days	46 days

Question 20.

Do you agree with the above proposal to amend the Service Provisioning Penalty Algorithm ? Please support your answer.

5.3 Maximum Repair Time Penalties

The penalties that apply for failure to achieve “maximum repair time” are £500 per instance plus a refund of the rental (rounded up to the nearest day) for the affected service over the out-of-service period above the SLA level.

The Director is proposing some minor amendments in light of the proposals discussed in Sections 4.4.1 and 4.5.2 which deal with statusing and prioritisation within the fault management process. However, the overall financial impact of the penalty remains the same.

It is proposed that the penalties that apply for failure to achieve “maximum repair time” would be £400 per instance plus a refund of the rental (rounded up to the nearest day) for the affected service over the out-of-service period above the SLA level. In addition, failure to provide a ‘status’ according to the standard proposed in Section 4.5.2 will result in a £100 penalty.

Question 21.

Do you agree with the Director’s proposal to modify the penalty regime for the Maximum Repair Time attribute ? Please explain your reasons.

5.4 Payment of Penalties

The SLA provides that eircom is responsible for the generating the statement of penalties owing to an OLO. To date, eircom’s performance in this regard has been extremely poor. Notwithstanding the fact that resources may have been concentrated on improving service delivery, or difficulties surrounding the transition from manual to automatic processes, the integrity of an SLA regime is undermined unless penalties incurred are paid in a timely fashion. Penalty payment delays are a cause of particular concern where an OLO is offering a ‘back-to-back’ SLA to its own customers.

Following intervention by the ODTR, remedial action plans were put in place by eircom to eliminate the backlog of penalty payments. Delays have been experienced during this plan and the Director fully understands OLO frustrations on the issue. The Director is monitoring this situation closely.

The Director considers that a contributory factor to the delays is that eircom's three month billing cycle limits its ability to pay penalties on all orders in a timely fashion. The Director believes that there is merit in prescribing a mechanism for the payment of penalties that allows sufficient time for reconciliation of penalty statements while simultaneously ensuring the prompt payment of penalties. She does not believe that payment should necessarily be tied to billing cycles.

The Director therefore proposes that eircom should provide individual OLOs with penalty statements one month in arrears, i.e. the circuit is delivered in say Month 1, then the penalty Statement for all of month 1 is provided by the end of Month 2 at the latest. The statement should be reconciled between the parties during Month 3 with payment made in the next billing cycle.

Month 1	Circuit delivered
End Month 2	Penalty statement for preceding month
Month 3	Reconciliation between parties

While the current process of linking penalty payments to the leased lines billing cycle has led to latency difficulties, the Director believes that the provision of monthly penalty statements should eliminate many of the problems encountered. In addition, failure to make the payment in the next billing cycle following reconciliation would result in interest being paid on the penalty amount from the date that payment was due, where the daily interest rate is calculated as 1/365 of the European Central Bank Key Rate prevailing on the day of reconciliation.

The Director also considers that disputes about penalties due for individual circuits should not hold up the payment of any penalties that are agreed as due.

Question 22.

Do you agree with the Director's proposal regarding a schedule for the payment of penalties? If not please state your reasons. Please propose alternatives?

The Director is also aware that in some cases OLO customers have cancelled orders due to the length of delay in its provisioning. Under the current regime, the OLO would not have received any penalties due as potential payments are only computed upon order completion. At the same time the OLO would have incurred a financial loss arising from

the loss of a customer. The Director considers that some level of compensation is appropriate in such circumstances and is proposing that where an OLO loses a customer as a result of excessive delay that any penalties incurred up to the point of customer loss be paid by eircom.

Excessive delay would be defined as follows: where the circuit remains outstanding for a period equal to or greater than 50% of the delivery lead time for the particular circuit.

Question 23.

Do you agree with the Director’s proposal that OLOs should be compensated in situations where their customers have cancelled circuits due to excessive delays. Do you agree with the definition of “excessive delay”. If you do not agree, please provide alternative proposals.

5.4.1 Transparency of Penalty Statements

At present OLOs receive a monthly summary sheet and a quarterly bill with a lumped credit. This can lead to some ambiguity as to what has been received and what volume discount has been applied on the invoice. The Director believes that the itemisation of credits on the penalty statement would remove any confusion and therefore enable OLOs to reconcile the statements with the summary sheet which would serve to speed up the penalty reconciliation process.

The Director believes that an appropriate level of itemisation to include:

DSO Number:	Delivery Service Order Number
DPL Number:	Direct Provide Line Number
Circuit Type:	the capacity of the circuit
Order Date:	date upon which eircom has received the Order
Due Delivery Date:	Only applies to a non-standard circuit, and is the delivery date provided by eircom to the OLO at the Order forecast stage (date from which delivery penalty is calculated)
Completion Date:	Date on which Delivery notification is forwarded to OLO.
Await Customer Days:	Number of days falling into ‘await customer’ definition per O&M manual

Process Penalty Due:	Amount of penalties accrued in respect of failure to comply with SLA process points
Gross Delivery Penalty Due:	Amount of penalty accrued in respect of failure to comply with SLA delivery timeframes.
Net Delivery Penalty Due:	As above but net of any discounts which may apply
Total Penalty:	Sum of Process penalty and net delivery penalties due
Payment Date:	Date when credit is due to be applied.

Question 24.

Do you believe there is merit in the Director's proposal for the itemisation of credits on the penalty Statement? Is the level of itemisation identified above adequate ? Where amendments are suggested please support with an adequate reasoning for doing so.

When and OLO receives its bill for the service, any penalty credits arising from the SLA should be clearly identifiable.

6 Performance Targets and Publication of Information

6.1 Performance Targets

During the third quarter of this year eircom committed to the ODTR to achieve a position by the end of 2001 whereby they would deliver 80% of all circuits according to their due delivery date. For standard circuits the due delivery date is the SLA date, while for non standard circuits it is the date communicated to the OLO at Order Forecast. The ODTR is monitoring eircom's achievement of this target.

The Director considers the current 80% figure to be a basic starting point for a performance target given the history of poor service delivery by eircom. However, she does not consider it to be adequate in the medium to long term. The Director believes that in order to send the right signals to the market and to demonstrate the impact of service delivery improvements that eircom should commit to improved performance targets for the coming year. She will be seeking proposals from eircom in this regard over the coming weeks with a view to their publication as part of the response to this consultation.

The Director will be seeking Quarterly targets to the year end which would set out:

- Percentage of Orders to be treated as Standard Orders
- Percentage of Orders to be treated as Non-Standard Orders

- Percentage of Standard Orders to be delivered according to SLA timeframes
- Percentage of Non-Standard Orders to be delivered according to Due Delivery Date

The Director considers that such targets should be published by eircom, following the agreement of the ODTR. Similarly, eircom's performance against the target should also be published.

Question 25.

Do you consider there is merit in the proposal above to both establish and publish the above targets. Do you believe the measures above are adequate ? Please support your answer.

The Director must retain her discretion to intervene in accordance with EU and Irish legislation in relation to leased line delivery issues. However, subject to eircom's performance in delivering leased lines, as monitored by through their achievement of the above targets and others identified elsewhere in this paper, the Director will examine whether further amendments to the principal elements of the SLA regime, if indeed any at all, are justified.

6.2 Publication of Performance Measures

As discussed under section 2.1.5, the Director considers that the publication of information regarding leased line delivery and performance under the SLA in general, to be of paramount performance. It provides the medium through which improvements in performance can be tracked and provides signals to the market that Ireland is actively addressing leased line delivery issues.

Since June of this year eircom has published delivery statistics for leased lines on its website and these can be viewed at <http://www.eircom.ie/bveircom/pdf/llstats.pdf>. A summary of the statistics is set out below.

Table 11: Leased Line Average Delivery Times

Wholesale Market	May			June			July		
	95% of orders			95% of orders			95% of orders		
	Standard	Non Standard	Total	Standard	Non Standard	Total	Standard	Non Standard	Total
Total OLO orders	21	37	29	25	35	30	38	43	40
Sub 2 Mbit/s OLO orders	20	37	29	27	35	31	37	42	40
2 Mbit/s OLO orders	24	36	29	18	32	22	40	51	43
Wholesale Market	August			September			October		
	95% of orders			95% of orders			95% of orders		
	Standard	Non Standard	Total	Standard	Non Standard	Total	Standard	Non Standard	Total
Total OLO orders	30	43	35	21	36	27	35	48	41
Sub 2 Mbit/s OLO orders	31	42	37	20	31	25	21	45	34
2 Mbit/s OLO orders	27	53	29	23	83	32	59	61	60

- 1) Delivery lead time is shown both for 95% of orders delivered in the period. i.e. first 95% of orders delivered in a period
- 2) Sub 2mb deliveries include digital circuits with transmission speeds of less than 2mb
- 3) The statistics provided relate to orders from other licensed operators only.
- 4) Orders for interconnect circuits are not included in the statistics.
- 5) The increase in average delivery days in October is due to the increased emphasis on delivery of the older backlog circuits which in many cases predate the existing SLA.

As particular issues such as the delivery of a particularly aged order can distort the average delivery figure for that month, it is perhaps better to examine performance over a three month rolling period. A simple rolling average is presented below.

Table 12: Rolling Three Month Average Delivery Time for Leased Line Circuits Ordered by OLOs

	Aug	Sept	Oct
All Leased Lines	37	37	38
Of Which:			
- Sub 2Mbit Lines	38	37	36
- 2Mbit Lines	33	37	43

- 1) Delivery lead time is shown both for 95% of orders delivered in the period. i.e. first 95% of orders delivered in a period
- 2) Sub 2mb deliveries include digital circuits with transmission speeds of less than 2mb
- 3) The statistics provided relate to orders from other licensed operators only.
- 4) Orders for interconnect circuits are not included in the statistics.

The ODTR considers the publication of average delivery time information to be a first step towards providing operators and consumers with a greater level of transparency regarding improvements in leased line delivery. To that end the Director considers that it is necessary to augment the level of information in the public domain.

Currently, both the ODTR and operators (through the O&M forum) are provided with information regarding eircom's performance in hitting the SLA timeframes for the service delivery processes (Order Acknowledgement etc...). This latest information is set out below.

Table 13: eircom's performance in meeting SLA Service Provisioning Process Standards

	May	June	July	Aug	Sept
% of Orders Acknowledged	100%	100%	96%	100%	100%
% of Orders Classified as Standard	45%	47%	40%	52%	59%
% of Orders Classified as Non-Standard	41%	44%	46%	33%	40%
% of Orders Not Classified	14%	9%	14%	14%	1%
% of Standard Orders validated	45%	47%	40%	52%	59%
% of Non-Standard Orders Forecast	8%	48%	70%	96%	82%
% of Orders Confirmed	26%	45%	68%	77%	100%
% of Deliveries Notified	100%	100%	100%	100%	100%

The Director considers that this information should be made more readily available and published by eircom on its website.

In addition, the Director considers that the average delivery time performance measure should be supplemented by an aged analysis setting out the proportion of outstanding circuits by reference to particular time periods, e.g. % of circuits X days beyond SLA Date, where multiple values can be set for 'X'.

Question 26.

Do you agree with the Director's proposal to supplement existing performance measures. Do you have any suggestions as to the types of information which may be usefully published in order to demonstrate improvements in service delivery?

6.3 Statement of Compliance

Apart from the ongoing monitoring and publication of statistics in relation to eircom's performance under SLA, the Director is proposing a move towards a more structured means by which this can be achieved. One method would be for eircom to produce for the ODTR a bi-annual report on its performance under the SLA. Such a report would set out eircom's performance in achieving the standards set out under the SLA regime and would cover both Service Provisioning and Fault Management. The non-confidential elements of the performance report could then be made publicly available.

The Director is not seeking to duplicate existing reporting requirements. The Report would act as a 'one-stop-report' of performance for the period drawing on existing indicators where already provided (whether through MLOP, publicly available or otherwise), as well as including new measures which would be agreed between eircom and the ODTR. The Report could be used as a basis for deciding whether further regulatory intervention regarding the SLA regime was warranted or not.

Question 27.

Do you consider that moving to a bi-annual performance report as outlined above would be a useful basis for deciding whether or not further regulatory intervention regarding the SLA regime was warranted ? Please state your reasons.

Question 28.

Do you have any suggestions as to the measures that might be included in such a report ? Please explain the measures in detail and the reasons for their appropriateness.

7 Other SLA related Issues

7.1 Terms and Conditions for Carrier Services

The regulatory SLA regime as established by the ODTR applies to Carrier Services which are only available to licensed operators. As the SLA regime changes, it is necessary to ensure that the terms and conditions under which the services within the Carrier Services portfolio are offered to OLOs are consistent with the SLA itself.

eircom's terms and conditions for PSTN, ISDN and Leased Line products apply to both retail and wholesale customers. Wholesale and retail are separate markets and the Director considers that terms and conditions for products offered within them should reflect this. In particular, the terms and conditions for the wholesale market should be reflective of the terms of the Service Level Agreement regime.

The Director wishes to be made aware as to whether any issues arise from the creation of separate terms and conditions for the services offered within the Carrier Services portfolio. The SLA itself should also form part of the relevant terms and conditions.

Question 29.

Do you consider there is merit in creating separate terms and conditions for the services offered within the Carrier Services portfolio in order that they are more reflective of the wholesale nature of the services as offered to OLOs ?

Question 30.

Do you agree that the SLA should form part of the terms and Conditions ? Please justify your answer.

7.2 Back to Back Retail SLAs

One of the benefits of the Carrier Services SLA is that it permits operators to offer a back-to-back SLA to their own customers. The Director considers that that the principle beneficiaries of the SLA should be the OLOs retail consumer. Penalties received by OLOs as a result of the SLA should not be treated as a 'revenue' source. Instead, they should be passed on to customers through the creation of a back-to-back SLA.

It is equally important that consumers are aware of the existence of the wholesale SLA in order that they can exert their own ‘buyer power’ and call for OLOs to provide similar guarantees as provided to them under the Carrier Services SLA.

The Director is aware that some operators have negotiated back to back SLAs with some customers on the basis of the Carrier Services SLA. The Director is keen to ascertain the extent to which OLOs’ customers are made aware of the existence of the Carrier Services SLA and its terms and whether retail customers are offered similar terms under a back-to-back SLA. While the Director’s role does not extend to the operation of back to back SLAs she wishes to understand further the benefits of the regime for consumers.

Question 31.

As an operator do you offer your customers a Service Level Agreement either based on or as a variant of the Carrier Services SLA? Please provide details regarding the terms, conditions and availability for such SLAs ?

7.3 Future Work of the Carrier Services Operations and Maintenance Forum

In Section 2.1.1 the Director discussed the work achieved within the Carrier Services Operations and Maintenance Forum following Decision Notice D11/00. The Director welcomes the proactive approach adopted to date by all participants in the Forum and considers, due to its effectiveness in addressing issues, that it should continue to meet on a quarterly basis at a minimum. Insofar as any changes to the SLA regime or supporting processes (which may follow this consultative process) require definition or amendment, the Director considers that the O&M forum should meet within two weeks following the date of issue of any Decision Notice to agree a programme for their implementation.

Question 32.

Do you believe that the O&M forum is an effective medium for addressing and resolving operational issues involving the delivery of Carrier Services ? Please explain your reasons.

8 Submitting Comments

All comments are welcome, but it would make the task of analysing responses easier if comments were referenced to the relevant question numbers from this document.

The consultation period will run from 30th November, 2001 to 16th January, 2002 during which the Director welcomes written comments on any of the issues raised in this paper. Having analysed and considered the comments received, the ODTR will review the position regarding the SLA regime and publish a Decision Notice in February which will, *inter alia* summarise the responses to the consultation and set out changes to the regime where appropriate. Eircom will be required to transpose any changes to the regime into its SLA. In order to promote further openness and transparency the ODTR will publish the names of all respondents and make available for inspection responses to the consultation at her Offices.

The Director appreciates that many of the issues raised in this paper may require respondents to provide confidential information if their comments are to be meaningful. Respondents are requested to clearly identify confidential material and if possible to include it in a separate annex to the response. Such information will be treated as strictly confidential.

“All responses to this consultation should be clearly marked “**Reference: Submission re ODTR Consultation on Service Levels Provided to Other Licensed Operators by Operators with Significant Market Power, 01/92**” and sent by post, facsimile or e-mail to:

Ms. Susan O’Shea
Market Operations
Office of the Director of Telecommunications Regulation
Irish Life Centre
Abbey Street
Dublin 1
Ireland

Ph: +353-1-8049600 Fax: +353-1-804 9680 Email: osheas@odtr.ie
to arrive on or before 5.30pm on Wednesday 16th January, 2002.

Office of the Director of Telecommunications Regulation
30th November, 2001

9 Appendix 1 – Summary of Consultation Questions

The following is a summary of the questions contained in the consultation paper. Respondents should refer to the particular questions as set out in the relevant sections.

Question 1

Do you consider that the composition of the ‘Carrier Services’ portfolio above to be adequate ? Any proposed amendments should be made in light of the principles (see earlier bullet points) governing a Carrier Service and individually supported with an appropriate justification for doing so.

Question 2

The Director does not propose including additional processes under the SLA. Do you agree with this ? If not please state what changes you would propose and the reasons for doing so.

Question 3

Do you agree with the Director’s proposal to amend the Order Validation definition ? Please state your reasons, proposing alternatives where appropriate.

Question 4

Do you agree with the Director’s proposal to separately identify an Order Forecast process for Non-Standard Orders. If so, do you consider the proposed wording is adequate ? If not please present alternatives.

Question 5

Do you believe it is appropriate to modify the Delivery Confirmation step as outlined above ? Is the proposed definition adequate? Where amendments are suggested please support with an adequate reasoning for doing so.

Question 6

Do you agree with the timeframe for the implementation of the revised processes ? Please state your reasons.

Question 7

The Director considers that Maximum Repair Time and Maximum Response time attributes (the specific timeframes are discussed later in the consultation) should continue to apply to the services as identified above. Do you agree with this? If not please propose alternatives outlining the reason for your answer.

Question 8

Do you agree with the Director's proposal to create three different fault severity levels ? Please state reasons for your answer.

Question 9

Do you agree with the proposed definitions of the three severity levels. If not please propose alternatives ?

Question 10

Do you agree with the Director's proposal for the provision of a single status update within the fault management process for severity 1 and 2 faults ? Please state the reasons for your answer.

Question 11

Do you agree that a quota system is appropriate? If so, do you agree with the proposal above ? If not, please propose alternatives as to how should it be calculated.

Question 12

Is it necessary to outline a twenty-four hour, seven day, repair schedule? What would be the implications of introducing such a schedule?

Question 13

Do you agree with the Director's view that that the service provisioning timescales above approximate a best practice European Standard ? Please justify your reasons outlining any alternative proposals.

Question 14

Do you agree with the Director's proposal to peg the delivery process point standards to 'receipt of order submission' ? Please explain the reasons for your answer.

Question 15

If you consider that the Service Delivery Standard requires amendment, please propose timeframes for OA, OV and DC, justifying the reasons for your answer.

Question 16

Do you agree with the Director's proposals for the standards for Order Forecast ? Please explain the reasons for your answer.

Question 17

Do you agree with the Director's proposal for the statusing and repair time standards above ? If not, please propose alternatives stating reasons for your answer.

Question 18

Do you agree with the Director's proposal above. If not, please explain why ?

Question 19

Do you agree with the Director's suggestion to encourage delivery of services prior to their SLA standard ? If you have alternative suggestions please provide them supported by adequate reasoning.

Question 20

Do you agree with the above proposal to amend the Service Provisioning Penalty Algorithm ? Please support your answer.

Question 21

Do you agree with the Director's proposal to modify the penalty regime for the Maximum Repair Time attribute ? Please explain your reasons.

Question 22

Do you agree with the Director's proposal regarding a schedule for the payment of penalties? If not please state your reasons. Please propose alternatives?

Question 23

Do you agree with the Director's proposal that OLOs should be compensated in situations where their customers have cancelled circuits due to excessive delays. Do you agree with the definition of "excessive delay". If you do not agree, please provide alternative proposals.

Question 24

Do you believe there is merit in the Director's proposal for the itemisation of credits on the penalty Statement? Is the level of itemisation identified above adequate ? Where amendments are suggested please support with an adequate reasoning for doing so.

Question 25

Do you consider there is merit in the proposal above to both establish and publish the above targets. Do you believe the measures above are adequate ? Please support your answer.

Question 26

Do you agree with the Director's proposal to supplement existing performance measures. Do you have any suggestions as to the types of information which may be usefully published in order to demonstrate improvements in service delivery?

Question 27

Do you consider that moving to a bi-annual performance report as outlined above would be a useful basis for deciding whether or not further regulatory intervention regarding the SLA regime was warranted ? Please state your reasons.

Question 28

Do you have any suggestions as to the measures that might be included in such a report ? Please explain the measures in detail and the reasons for their appropriateness.

Question 29

Do you consider there is merit in creating separate terms and conditions for the services offered within the Carrier Services portfolio in order that they are more reflective of the wholesale nature of the services as offered to OLOs ?

Question 30

Do you agree that the SLA should form part of the terms and Conditions ? Please justify your answer.

Question 31

As an operator do you offer your customers a Service Level Agreement either based on or as a variant of the Carrier Services SLA? Please provide details regarding the terms, conditions and availability for such SLAs ?

Question 32

As an operator do you offer your customers a Service Level Agreement either based on or as a variant of the Carrier Services SLA? Please provide details regarding the terms, conditions and availability for such SLAs ?