



Office of the Director of
**Telecommunications
Regulation**

DECISION NOTICE

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

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Foreword

I would like to thank all those who responded to this consultation, which is of critical importance to the development of a competitive telecommunications industry. My Office has received a total of nine responses including the SMP operator *eircom*, and eight Other Licensed Operators (OLOs).

The telecommunications market has changed dramatically over the last year and has been set against the backdrop of difficult financial markets and uncertainty in terms of demand. Since the last review of the SLA we have seen significant improvements in delivery performance by *eircom* and they are to be commended for their efforts. Delivery timeframes for leased lines have fallen from approximately 54 days in February 2001 to between 16 and 20 days today. Such figures place Ireland among the best deliverers of leased lines across Europe.

We have sought to ensure that the amended SLA regime set out in this paper continues to focus on meeting evolving market needs while at the same time recognising improved performance.

I am confident that the industry will benefit from this SLA and we will be monitoring progress to assess whether further reviews are necessary.

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.

On the 30th November, 2001 the Director issued the Consultation document entitled “Service Levels Provided to Other Licensed Operators by Operators with Significant Market Power” which sought to build further on the work achieved over the last year to ensure that an effective SLA regime is in place to meet market needs.

Nine organisations responded in writing to the consultation document, as listed (alphabetically) below:

- ALTO (Association of Licensed Telecommunications Operators)
- eircom plc.
- Esat Telecommunications Ltd
- Ventelo Ireland (formerly GTS)
- tele.com
- NTL
- Swiftcall
- Vodafone
- WorldCom

This Decision Notice sets out the Director’s position regarding the SLA regime which shall apply going forward.

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. There have also been a number of developments since the revision of the SLA in November 2000. These are:

- *Carrier Services Operations and Maintenance Forum* – first O&M manual agreed by the industry at the end of January 2001. Forum continues to meet to discuss operations and maintenance issues in context of the SLA and where agreed O&M manual has been amended.
- *Implementation of SLA Processes* – given the volume of process changes required within eircom to support the revised SLA regime it is only since July 2001 that all the delivery processes have been implemented. Consequently the subsequent benefits in terms of improved delivery only began to be fully realised since then.
- *Eircom’s service delivery Transformation Programme* – designed to improve delivery of carrier services to OLOs against which eircom proposed an overall year end target for 2001 whereby 80% of all leased lines would be delivered according to due date.
- *Audit of eircom’s Leased Lines Provisioning* – ODTR carried out an audit of eircom’s Leased Line provisioning process which highlighted a number of issues with the SLA processes. Where appropriate, the issues raised and remedies proposed in the audit were addressed in the consultation.
- *Publication of Information* – average delivery statistics now published on eircom website as a first step towards bringing greater transparency to the market regarding eircom’s service delivery improvements.

2.1 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 decision notice 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 Provisions of the Service Level Agreement Regime

3.1 Scope of the SLA

Summary of the Consultation Topic

A minimum set of retail services have been classed as carrier services, when they are purchased by OLOs from the SMP operator. The “Carrier Services” which fall under the current SLA 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 Mbits)

It was the Director’s view, having regard to the principles defining a “carrier service” that PSTN, ISDN and leased lines services identified above should continue to fall under the SLA regime. The Director sought views of respondents as to the composition of the portfolio at this time.

Q. 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 governing a carrier service and individually supported with an appropriate justification for doing so.

Views of Respondents

A number of respondents agreed with the Director’s view that eircom’s performance has not yet improved sufficiently or reached a stable level to warrant the removal of existing services from the “Carrier Services” portfolio. In addition a number of respondents proposed that the provisions of the SLA should apply as standard to higher capacity services such as 34 Mbits, 45 Mbits and 155Mbit and that eircom’s hi-speed service should be included. The rationale proposed for doing so is that there is a need for certainty with regard to delivery of such higher bandwidth services. One respondent proposed that voice interconnect circuits, the introduction of operator proposed services and bitstream circuits, when available, should be included within the carrier services SLA. Another respondent stated that they would like to add Interconnection Leased Lines, darkfibre and STM-64 Circuits. They believed that these fell within the definition of carrier services as they facilitate the addition of value by the OLO to transform the carrier service into a retail service.

eircom's position

eircom expressed the view that the classification of the "Carrier Services" portfolio in the context of the SLA was too wide and that PSTN and ISDN BRA services should not fall within the scope of the SLA. They argued that OLOs have the facility to self provide switched network access lines or source them from other OLOs and so these services cannot be considered to be Carrier Services. The respondent also rejected the assertion that as it introduces higher capacity leased lines that they automatically fall under the scope of the SLA regime. It was their view that the application of the SLA to 34Mbit, 155 Mbits services is unnecessary and unwarranted as the market for higher bandwidth services has emerged since deregulation.

Position of the Director

eircom has a universal service obligation to meet all reasonable requests for the provision of PSTN lines throughout the State. Its retail arm also offers an SLA to its customers with respect to PSTN lines. eircom is obliged to act in a non-discriminatory manner with respect to the provisioning and fault management of PSTN lines ordered by OLOs.

The Director has not been made aware of any issues regarding PSTN delivery and she is minded therefore to remove PSTN lines from the Carrier Services. A condition of the foregoing is that the Director is satisfied at that there are indeed no issues regarding PSTN delivery. To that end, eircom are requested to provide the ODTR, by 1st June next, with information regarding the status of OLO PSTN orders, including their age profile and other parameters to be agreed. OLOs are also free to raise any issues regarding PSTN delivery within this timeframe. The Director will review the question of removing of PSTN from the Carrier Services Portfolio at that time if she is satisfied that the delivery situation warrants it. If removed, eircom would continue to be obliged to provide PSTN services in a non discriminatory manner but they would no longer fall under the scope of the SLA from July next.

Eircom's Hi-Speed service is deemed to be a hybrid PSTN service and as such is covered under the SLA as a PSTN service (for as long as it remains a Carrier Service).

The Director does not accept eircom's argument for the removal of ISDN BRA from the carrier services portfolio. ISDN services are of importance to OLOs in allowing them to add value to their services, for example by providing back-up to data circuits, or dial-in facilities from remote sites to corporate data services or as a portfolio voice or internet service offering.

The Director considers that ISDN services should continue to fall within the scope of the SLA although changes in some aspects of SLA timeframes are discussed later in the Decision Notice.

The Director would point out that a separate SLA exists for interconnect circuits and this matter, along with the question of interconnect as a basis for leased lines

and the availability of partial private circuits is being considered further in a consultation on the RIO scope (ODTR 02/27) which issued earlier this month.

It is not proposed to include dark fibre or bitstream products in the SLA. The opening up of dark fibre falls outside the remit of the Office. It has been laid by an number of operators in the market and it is open to OLO to commercially negotiate access to it. The Director will review the question of a Bitstream SLA at the appropriate time in light of demand.

As is currently the position, leased line capacities higher than 2Mbits will continue to fall under the scope of the SLA, however, because of their build to order nature their provisioning is currently not standardised within the SLA processes. Such orders are generally provided on a project managed basis.

There is a market demand for leased lines such as 34Mbits and above. The Director has decided that these shall be included in the SLA delivery processes and she will seek to publish appropriate standards. The ODTR will seek proposals from eircom in this regard by 15th April following which they will be presented to and agreed with the industry at the O&M forum.

Direction 1

Eircom are directed to provide the ODTR with data relating to the provisioning of PSTN lines to OLOs by 1st June next. Eircom shall develop a proposals for inclusion of higher capacity circuits in the SLA by 15th April next.

3.2 Processes Covered under the SLA

Summary of the Consultation Topic

While the Director considered that some amendments may be required with respect to the attributes within the processes covered under the SLA, she stated the view that the processes themselves were adequate and changes were not necessary at this time. The following processes are covered under the existing 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.

Q. 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.

Views of Respondents

The majority of respondents agreed that no additional processes were required under the SLA at this time. One respondent expressed the view that there is a need for a hand over process to ensure circuits were not being delivered in an incomplete manner. Another respondent while agreeing with the inclusion of the processes within the SLA believed there was merit in including a Cancellation Process to ensure that OLOs are not charged for circuits following cancellation. Additional processes were recommended by one respondent these were:

- Pre-qualification and Quotation Process
- Provisioning Process through e-bonding
- Expedite Process
- Maintenance Process
- Billing Process
- Escalation Process
- Cessation Process (Cancellation of Order and Disconnection of Circuit)

eircom's position

eircom, while agreeing that no additional processes should be added, did not agree that that the processes and process points should all remain subject to penalty and felt that In-Service Performance should not be included as it cannot be measured to an accurate degree. In addition, service alteration should only be included in the context of availability of the core service to the OLO and therefore only removal of service should be included for all carrier services. This would mean that should their be a request for an internal move that this would no longer be covered by the Service Alteration process outlined in the SLA.

Position of the Director

The Director does not propose including any additional processes under the SLA at this time as she does not wish to make the SLA unnecessarily complex. With regard to removing or altering the existing processes, the Director would point out that Service Alteration has been further defined in the Carrier Services O&M forum. While the Director agrees that internal moves should not be considered as

a service alteration under the SLA, further amendments to this definition should be addressed in the Forum.

She does not believe that In-Service Performance should be removed. The Director considers this an important process given the requirement for a service availability measure under the European Commissions Leased Line questionnaire and also its reporting for Leased lines under the Measuring Licensed Operator Performance Programme. It is also of relevance in the context of fault management which is discussed in Section 3.4.

The Director would point out that the SLA Delivery Notification process provides for a handover process for circuits and the OLO has a two day window to accept or reject the circuit if it has been incompletely provisioned. Similarly, a cancellation, cessation and quotation processes are set out in the O&M manual for Carrier Services.

The introduction of service provisioning through ebonding would be beneficial to both eircom and OLOs however, the Decision to do so is a commercial matter for eircom.

Therefore the following processes will continue to remain under the SLA with the following definitions:

- Service provisioning : the provision of Carrier Services 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: whereby an OLO requests the removal of the service in accordance with the terms and conditions of the contract between the parties.

3.3 Service provisioning Process Attributes

This section focuses on those delivery processes included in eircom's SLA along with proposals for change where it was deemed 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

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

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-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.

It was not considered that there was merit in a major revision to the SLA service provisioning process points as the benefits arising from the previous review are only beginning to be realised given their later than expected implementation. However, some minor amendments were suggested arising from experiences of the operation of the SLA to date.

3.3.1 *Order Validation & Order Forecast*

Summary of Consultation Topic

It was proposed to include a specific requirement in the definition of Order Validation for the provision of a delivery date in all instances, even if it equates to the SLA delivery timeframes, as this is the date communicated by the OLOs to their customers. The Director also considered that if eircom failed to fulfil this element of the process that they would be deemed non-compliant and would incur a process penalty. The proposed re-wording of Order Validation was:

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.

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 'X' working days following 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 proposed 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 (the value of 'X' is discussed in Section 3.5.1.4).

- Q. 3 Do you agree with the Director’s proposal to amend the Order Validation definition? Please state your reasons, proposing alternatives where appropriate.**
- Q. 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.**

Views of Respondents

The majority of respondents agreed with the Director’s proposal to amend the Order Validation process as it was felt that the change allowed for more transparency and minimised the room for misunderstandings regarding due delivery dates. One respondent while agreeing with the amendment to the Order Validation definition to include the provision of a specific delivery date did not see the need to separately identify order forecast at this time. Another respondent questioned if a due delivery date which is less than the SLA delivery date is given, whether penalties would be applied against the Due Date provided by eircom or the SLA date and whether confirmation and notifications would be measured against the revised Due Date. Clarification of the processes was thought necessary by one respondent in order to remove any ambiguity regarding interpretation. The issue of detailed reasons for an order being classified as non standard was raised by one respondent.

It was also felt by one respondent that the Director’s proposal was insufficient to resolve what they perceived to be the current (but unspecified) inefficiencies in the processes. In order to eliminate these inefficiencies, they requested all terms are clearly defined and included in the SLA. They felt the wording of definitions be broadened to say how the Delivery Confirmation is provided to the OLO and felt that that the OV timeframe should be the same for all orders with a committed delivery date to be provided in each case. In light of their comments they believed the OF process to be unnecessary.

eircom’s position

Eircom agreed in principle to the changes proposed with regard to the Order Validation definition and accepted the requirement to provide a delivery date on all standard orders. Eircom agreed with the proposal to separately identify a Order Forecast process for Non Standard orders. They stated that the requirement to provide a detailed reason why an order is Non-Standard is not practical from a systems viewpoint. They stated there are a number of reasons as to why an order can be classified as Non Standard and additionally, for each generic reason, there can be a large number of detailed reasons. Adding this information to the process would create significant costs and could cause delays in the validation process. They maintained that customers who require additional information on order status can obtain this from their account manager.

Position of the Director

The Director intends to amend the Order Validation Process to include the provision of a specific delivery date on all Standard orders. She believes that this allows for greater transparency and will remove any ambiguity in the calculation of delivery dates for standard orders by OLOs. Failure to provide a date will result in non compliance with the process point and incur a penalty. If a due delivery date is provided for a standard order which is less than the SLA timeframe, penalties shall apply only from the SLA date as eircom should be encouraged and not penalised for delivering circuits quicker than the SLA timeframe.

The Director does not deem it appropriate at this stage to have a single process for both standard and non standard orders. Non-Standard Orders, by virtue of their classification according to the reasons set out in the SLA, can take longer to provide and as such a separate process is necessary.

Once a circuit has been classified as ‘Standard’ it shall not, for any reason, be re-classified as ‘non-standard’.

The Director considers the O&M manual to be an integral part of the SLA itself and the two are inextricably linked. Any issues regarding the further broadening of definitions or processes underpinning the SLA, and as set out in the O&M manual, can be raised in the industry forum which will be convened following the issue of this Decision Notice.

Having engaged in discussions with eircom regarding the provision of a meaningful reason as part of the Order Validation process for a Non Standard classification of an order, the Director is satisfied that mandating this as part of a generic process would add considerable cost and possible delay to the issuance of order validation notices. It should be noted that an order can only be classified as non standard according to the reasons set out in appendix A of eircom’s SLA. The inclusion of this requirement would only be beneficial to OLOs if the information provided was meaningful and comprehensive. The Director is satisfied that this information can be made available to OLOs from their account manager should they require it. Eircom shall ensure that it’s account managers have sufficient information available to them setting out the reasons why a circuit was classified as Non-Standard. A suitable escalation process may be necessary where there is disagreement regarding a circuit’s classification.

An Order Forecast process for Non Standard orders will now be separately identified. Eircom are directed to include the following definition for the Order Forecast process:

Order Forecast: the provision of a Due Delivery Date for a circuit deemed as Non Standard at validation. Order Forecast where applicable shall be provided no later than X working days from Order Receipt.

The value of ‘X’ will be dealt with in section 3.5.1.4.

Direction 2

Eircom are directed to introduce a separate Order Forecast Process for Non-Standard Orders. A specific due delivery date shall be provided by eircom at Order Validation or Order Forecast, as appropriate.

3.3.2 Delivery Confirmation

This step is designed to allow OLOs manage their customers' expectations regarding the delivery of the circuit and the Director considers it important, where a delivery date is missed (the date originally specified at the order validation(or order forecast stage), that a revised delivery date should be provided as part of the delivery Confirmation Stage. The Director deemed that where required, failure to provide a re-forecast at delivery confirmation would be a failure to fulfil the process and attract a penalty. It was proposed, therefore, to amend the definition 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.

Q. 5 Do you believe that 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 also recognised that system/process changes will be required on foot of the proposals above and considered that the revised Order Validation, Order Forecast and Delivery Confirmation steps should be effectively implemented no later than 2 months following the publication of the Decision Notice.

Q. 6 Do you agree with the timeframe for the implementation of the revised processes? Please state your reasons.

Views of respondents

Respondents in general believed that it was appropriate to modify the Delivery Confirmation stage with one stating that due regard must be given to the extra costs incurred by both sides in monitoring its operation. Another respondent while supporting the modification believed that the one-day notice period currently provided does not adequately enable both OLOs and customers to manage the consequences of delay appropriately and believed that 5 days would be more appropriate. It was suggested by other respondents that eircom should be obliged to provide a reason why the delivery date is being delayed and be penalised for failure to do so.

There was little consensus among respondents with regard to the proposed 2 month timeframe for introducing all the process changes with one respondent sighting the timeframe as too short and proposing 6 months for implementation. Others proposed that 2 months should be the maximum and that eircom should be encouraged to adopt the changes in a shorter timeframe, with the ODTR imposing an actual date and time by which they must prove to the ODTR that they have been implemented. The ODTR should also ensure that the output produced by the revised process is accurate and meets the required purpose.

eircom's position

eircom while acknowledging that the confirmation of delivery and/or the provision of a revised delivery date is an important process element they expressed concerns regarding the timeframe for doing so. They proposed that a suitable timeframe be allowed to ensure that the revised forecast provided is accurate as in many cases where it is discovered in the Delivery Confirmation step that delivery will not be achieved, it is necessary to carry out investigative work to produce a revised forecast date. Additionally, they did not accept that where the revised forecast is a significant period into the future that the Delivery Confirmation step should be repeated. However, were the Director to include the provision they would define a significant period as 10 working days from the date the revised forecast is given. On this basis they proposed the definition be amended as follows:

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 within 5 working days of the delivery confirmation notice. This revised forecast date, or any subsequent revisions to it, shall be subject to the Delivery Confirmation process should they extend the delivery date more than 15 working days beyond the previous delivery date.

They maintained that the delivery confirmation/revised delivery date process in its entirety, regardless of the number of iterations, should be considered as one single penalty process point. Failure to achieve the delivery date is subject to late penalties and the regime proposed would in effect be a double penalty.

Eircom expressed the view that there can only be one penalty payment for missing the process point in its entirety and regardless of the number of iterations, should be considered as one single penalty process point. They rejected the proposal that where a Delivery confirmation was positive and subsequently missed the due date, that this would be considered a failure of the Delivery Confirmation process point, maintaining that this would in effect be a double penalty.

Eircom felt that it would be unfair to impose a timeframe on them to introduce the additional process requirements without reference to the effort required to implement the previous alterations to the SLA. Based on this experience and the work involved in developing systems and processes to implement, monitor and control these new process requirements, eircom believes that a timeframe of four to six months would be more appropriate.

Position of the Director

The Director considers the provision of a revised forecast date (should the original delivery date be missed) to be of paramount importance and warrants any work to systems and processes that the implementation of this functionality may require. The timeliness of the revised forecast is crucial, but, in the interest of accuracy and meaningfulness the Director considers that a suitable timeframe should be allowed for its provision. Speed of provision is also a consideration given the likely interdependency between a new delivery date and the need for rescheduling of work by the OLO and/or their customers. The overall SLA timeframe must also be taken into consideration.

The Director is concerned that if the timeframe were too short that the date provided would not be accurate and would undermine an OLO's ability to manage its customer expectations. Provision of an inaccurate date to a customer where delivery has already been missed would only serve to erode the customer's confidence in the delivery process. The Director would also be concerned if any requirement to repeat the delivery Confirmation step should divert attention from the actual delivery of the service itself.

The Director therefore accepts eircom's proposal that further time be allowed to provide a revised forecast date and given the needs of all parties she considers 3 days following the original due delivery date to be reasonable. The delivery confirmation step should be repeated only where the revised forecast is a significant period into the future, and the Director has decided that this shall apply where the revised date extends 10 working days beyond the original due date.

The delivery confirmation/re-confirmation process shall be considered as a single process for penalty calculation purposes. Failure to fulfil one part of the process will result in non-compliance and attract a penalty.

The Delivery Confirmation definition shall be amended as follows.

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 no later than 3 days following the original due delivery date. This revised forecast date, or any subsequent revisions to it, shall be subject to the Delivery Confirmation process should they extend the delivery date more than 10 working days beyond the previous delivery date.

The Director recognises that changes on foot of the proposal will require systems and process changes. While the Director realises the efforts undertaken by eircom to implement the changes arising from the last revision of the SLA, she considers the changes proposed this time to be more limited in scope and therefore not as onerous. She therefore considers that the maximum timeframe for implementation should be 1st July 2002 but will actively encourage eircom to adopt the changes in a shorter timeframe. eircom will be required to provide the ODTR with updates on the progress of the changes to ensure that this deadline will not be missed.

Direction 3

Eircom are directed to introduce a delivery re-confirmation step as set out above.

All revisions to SLA processes as set out under section 3.3 are to be implemented by 1st July 2002 at the latest.

3.4 Fault management under the Service Level Agreement

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. It was considered by the Director that Maximum Repair times and Maximum Response time attributes should continue to apply to the services identified and sought views of respondents on these.

Q. 7 The Director considers that Maximum Repair Time and Maximum Response time attributes (the specific timeframes are discussed later in this document) 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

Views of Respondents

Four respondents stated that they agreed with the attributes with one stating that the focus, however, should be on individual leased line availability in the first instance. Another, while agreeing proposed in the interest of transparency that “repair time” be defined as the total time for resolution of a Fault, starting with the report of a Fault by the OLO (or Eircom) to Eircom (or the OLO) and ending with the closure of the Eircom Trouble Ticket in agreement with the Fault Resolution Confirmation, sent by the OLO.

One respondent believed that the attributes should be altered so that they are in line with agreed industry practice and proposed that Target Repair time and Mean Time to Repair attributes should be adopted. They also believed that Target Repair Times be extended to Analogue Telephony Lines as maximum response time is not adequate. They believe these new attributes will give a better indication from a service management perspective of eircom’s performance.

eircom’s position

Eircom stated that they were strongly of the view that the maximum repair time attribute was unreasonable and reflects unrealistic expectations. They also believe it is not in line with actual industry practice and customer requirements where the emphasis is on attributes such as response time, hours of coverage and availability %. It is eircom’s position that these are relevant, manageable and meaningful service attributes to be offered to customers. eircom also stated that there was no generally accepted agreement between eircom and the ODTR on the definition of response time with eircom defining response time to a fault as:

(i) the fault has been accepted and acknowledged by *eircom*

(ii) Preliminary *eircom* testing and fault localisation has occurred

(iii) *eircom* fault clearance has been instigated

This could in practice mean the arrival on site, or other location, of a repair technician.

Director's Position

It is apparent from the views expressed that there is widespread concern amongst respondents regarding fault management procedures, in particular, the belief that the current fault escalation processes were inadequate in an increasingly customer service oriented environment. Reliability of service and the speed of fault resolution are essential to business critical applications. It is equally important for OLOs to expect a high standard of fault management in order to allow them to respond to their customers needs. Fault escalation procedures have been set out in the Operations and Maintenance manual for Carrier Services, however, these are considerably high level and the Director considers that they require review in order to increase their effectiveness. Given the inter operator relatedness of such procedures the Director believes it appropriate that it is discussed within the Carrier Services Operations and Maintenance Forum. The Director also believes that it should be possible to escalate a fault within the maximum repair SLA time frame and therefore this shall form part of any agreed procedures. However, it is important that such escalations do not detract from the management and ultimate resolution of the fault itself.

The Director believes there is merit in respondents' proposals that the fault management SLA for leased lines should take account of in service performance levels and accordingly, she has decided to broaden its scope to cover availability. Availability standards and associated penalties are discussed further in Sections 3.5.2 and 4.3 respectively.

Service availability shall be recorded from when a failure message is given to the responsible unit within *eircom* and finishes when the line is re-established and notified to the OLO as being back in operation.

The Director considers that Service availability is a function of Maximum Repair Time and to duplicate the attributes would not be appropriate. The Director has therefore decided that the SLA fault management attributes for leased lines shall cover both Service availability and Maximum Response Time. Maximum Response Time is defined as

- (i) the fault has been accepted and acknowledged by *eircom*
- (ii) Preliminary *eircom* testing and fault localisation has occurred
- (iii) *eircom* fault clearance has been instigated
- (iv) Results of preliminary *eircom* testing and fault localisation provided to OLO

Maximum Repair Time shall continue to apply to ISDN lines. Given the Director's position regarding the proposed removal of PSTN services from the Carrier Services portfolio, the maximum response time attribute will continue to apply in the interim.

Systems or Process will be required to implement the above changes and therefore the amendments will not apply until 1st July 2002.

Direction 4

eircom are Directed to include the Maximum Response Time and Service Availability attributes in their SLA for leased lines.

3.4.1 Fault Severity and Statusing

The Director proposed that it was 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. The means proposed for doing this was through the provisioning of status updates allied to which is the question of prioritisation of faults. The Director set out her proposal regarding prioritisation and statusing within the fault management process with respect to ISDN and leased lines.

Three level 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

A single status update should be provided to the OLO within the fault management process for severity 1 and 2 faults the timing of which is dealt with later in the paper.

- Q. 8 Do you agree with the Director's proposal to create three different fault severity levels? Please state reasons for your answer.**
- Q. 9 Do you agree with the proposed definitions of the three severity levels. If not please propose alternatives.**
- Q. 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 also proposed, for the purpose of any SLA penalty that may apply, that some quota system is put in place which would limit the number of faults which can be designated as severity 1 in a given period. An OLO would be able to escalate beyond this quota but if they did so, any penalty that would apply

would only be based on the SLA timeframes applying in the context of lower severity faults.

Q. 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 it should be calculated.

Views of respondents

Most respondents agreed in principle with the Director's proposal to create three different fault severity levels, however, several difficulties were highlighted. One respondent stated that the benefit to OLOs and their customers of creating different levels of fault severity were unclear and stated that ODTR should instead be aiming for a cut in eircom's repair time for all type of faults. Another respondent while agreeing with the Director's proposal considered four severity levels to be necessary, however, as they would like to see severity levels closely associated with repair times and see availability percentages guaranteed under the SLA. It was proposed to define Availability as Mean Time Between Failures/Mean Time Between Faults plus Mean Time To Repair with appropriate targets being set initially between 99.7% and 99.9%.

Another respondent believed there was too much subjectivity in the definitions for severity as it is not possible to define, measure or rate the impact on business functions and therefore the definitions should be confined to the impact on the service itself.

Commenting on the provision of a single status update on the first two levels of faults, four respondents felt that this was inadequate. One stated that it would not provide adequate feedback to allow an OLO to manage its network or its customers, while another stated that customer expectations were higher than this. Two respondents felt that regular updates were needed in accordance with priority/severity level. Overall, three respondents believed that the Director's proposal was adequate, provided it contained clear information.

The proposal to introduce a quota system was not accepted by the majority of respondents. One respondent rejected the quota system as proposed on the grounds that there is no predictive model that would support it, while another felt it would not be workable in practice stating that a commercial offering based on differentiated service levels would be more appropriate. They felt a quota system could adversely compromise some OLOs' faults. Concerns were expressed about the quota's flexibility. Their stated preference for fault severity levels is that they be agreed on a bi-lateral basis between the OLO and eircom. Another respondent felt that this type of system was only necessary in view of the lack of clarity on the severity definitions.

eircom's position

Eircom were opposed to the proposal to introduce severity levels and stated that it amounted to over regulation, would impact on the investment of the ISDN and leased line products and would necessitate significant system change and development. They expressed grave concerns on the grounds that:

- Severity levels are unworkable as there is potential for disagreement over what severity level is applicable to which fault
- Raises significant items of definition of process and of practice that if pursued will take considerable time to resolve. It impinges on their commercial freedom to develop and offer premium service packages and that discriminates against eircom, as the OLOs would have that freedom.
- Eircom operates internationally agreed maintenance processes with a large number of international carriers for international circuits without the complexity of severity levels. They felt that more stringent controls on eircom in a national context were unwarranted.

In addition *eircom* stated that it intended to introduce an extranet facility that would enable OLOs to access information regarding the management status of their faults via a web-based browser. Eircom agrees with the principle of providing status information to the customer, but not with the proposed frequency and methodology proposed, as this would be unmanageable in practice and does not add sufficient value to justify its imposition. Eircom believes that adopting the ODTR's proposal would result in increased costs (systems and staff) and increased penalties for a matter they believe they are already addressing.

Eircom stated that the proposal for a quota would not work in practice, as it suggested that the OLOs must be able to escalate beyond this quota. It believed that no organisation could respond to such a system, as the number of escalated jobs is unlimited thereby compromising other faults. Eircom maintained that the only way to assign priority is to assign priorities against specific circuits in advance and the proposals outlined would have significant manpower and other resource commitments. It was eircom's view that customers should pay for the service level required/received. Eircom also expressed concern that its own response to customer faults from other customers could be compromised by a requirement to "prioritise" OLO faults as outlined.

Position of the Director

Responses to the Director's proposal regarding fault severity were varied. OLOs while agreeing in principle to severity levels, wished to see this measure broadened to include availability percentages.

The Director considers it important that OLOs are in a position to obtain updates regarding a fault during the resolution process as it allows them to manage their customer expectations. She considers that the provision of an online statusing tool, as proposed by eircom, would enable OLOs to adequately do so, provided a sufficient level of detail is included.

The Director wishes to avoid changes to the SLA that involve significant process or system changes, if the desired benefits can be achieved through an alternative and cost efficient means.

To this end the Director sought and was provided with information by eircom regarding their plans to implement the extranet statusing tool. A business case has

been developed for this tool by eircom and is due to be presented for internal management approval in the next fortnight. It is expected that should it be approved the extranet facility would be available to OLOs by the end of July 2002 at the latest.

Having reviewed the information provided by eircom, the Director is satisfied that this tool will be off benefit to OLOs in managing their faults and, in turn, their customers' expectations. Such a platform would also be efficient from and OLO viewpoint as it minimises any reciprocal processes which may be required in managing faults.

Given the Director's position in relation to fault severity and statusing a quota system will not be necessary.

The Director expects confirmation from eircom by the end of March 2002 that the extranet facility will be provided to OLOs and the timeframe/plan for its introduction. Should eircom decide not to introduce the extranet facility (confirmation to be provided by end March 2002) then the Director reserves the right to introduce the fault statusing measures proposed in the consultation.

The Director will be closely monitoring the introduction of the extranet facility to ensure that the deadlines set out in this Decision Notice are met. The Director also considers that a presentation should be provided to the OLO community at the O&M forum regarding the extranet facility.

Notwithstanding the introduction of the web-based fault management tool, the Director has decided that fault severity levels should be discussed by the O&M forum in the context of an amendment to the fault escalation procedures.

Direction 5

Eircom are directed to introduce the extranet fault statusing facility by 31st July next, at the latest. Pending its introduction, the current maximum repair time attribute and associated penalties will continue to apply. Escalation procedures should be amended in the O&M forum.

3.4.2 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. The Director stated the view that in order to meet customer expectation, it may be necessary to fix faults outside normal working hours.

Q. 12 Is it necessary to outline a twenty-four hour, seven day, repair schedule? What would be the implications of introducing such a service?

Views of Respondents

This proposal was welcomed by a number of respondents as they believe that businesses require 24*7 cover as they operate within these hours and it constitutes the common industry standard in almost all countries across Europe. Many believed that it should form part of the base price with only one respondent believing that this should be available as part of a differentiated service level offering. They stated that OLOs should be able to negotiate on a commercial basis with eircom, a proprietary SLA that suits their particular needs and reflects the type and scale of the eircom services of which they avail. One operator believed that, in the short term, 24*7 coverage should be provided in respect of all circuits over 2Mbits.

eircom's position

eircom's view was that it was not necessary to outline such a scheme as part of the standard "in tariff" product offering. They maintain that these hours of care are already available to customers who avail of their master plan and rapid plan products. According to eircom the cost of 24*7 coverage would be significant and OLOs would have to provide similar 24*7 operations for eircom to respond to and work with.

Director's Position

The Director considers that 24*7 cover should be available as a "value added" element to the fault management service. Indeed operators frequently differentiate their service offerings on the basis of out of normal hours of service and additional charges generally apply. The Director has decided that it is not appropriate to extend the SLA to a 24*7 cover period. Additional periods of cover have cost implications and as such an additional charge for these may be warranted.

Eircom has available two differentiated service offerings which can be availed of by OLOs. The Director is aware that some OLOs already avail of these packages. However, the Director considers that as part of a normal customer-supplier relationship, that eircom should respond to requests from an OLO for an even higher standard of service. These would be subject to commercial negotiation in the first instance and could then be made available on a non discriminatory basis to other customers.

3.5 SLA Standards

In this section the Standards that apply for each of the attributes associated with the Service Provisioning and Fault management processes were discussed.

3.5.1 Service Provisioning Standards

The Director outlined the standards or timeframes that apply under the current SLA regime in respect of service provisioning and proposed a number of minor changes to the SLA standards.

3.5.1.1 *Service Delivery Standards*

The Director considered that the current Service Provisioning Standards of 22days for ISDN and sub 2 Mbits and 26 days for a 2Mbit circuit were among best European practice. The Director stated that were eircom to consistently meet the 22 and 26 day targets that current market needs would be served and therefore did not propose to change the Service Provisioning Standards.

Q. 13 Do you agree with the Director's view that the service provisioning timescales approximate a best practice European Standard? Please justify your reasons outlining any alternative proposals.

Views of respondents

In the main respondents agreed with the Director's position. One respondent agreed in broad terms and believed that if eircom were to attain such standards on a consistent basis that it would be a considerable move forward. They believe, however, that continual improvement is needed and proposed that a six monthly review be introduced by the ODTR to ensure the current timescales are in line with European Practice. One respondent did not agree with the director and while acknowledging that the timeframes had improved felt the SLA they could be enhanced by articulating definitions more precisely to avoid loopholes. This respondent made several proposals regarding the SLA, many of which were tailored to its needs in terms of their own SLA offering. These included, amongst other things, shorter delivery timeframes and changes with respect to the categorisation of non-standard orders.

eircom's position

eircom stated it is difficult to determine exactly what was best practice from the delivery table set out in the consultation because there are so many variables across different networks which may not be represented in the statistics. Eircom wished to have OLOs provide demand and location forecasts for Carrier Services similar to the interconnect regime in order to help provide an improved delivery performance.

Director's Position

Eircom's delivery of leased lines has improved significantly over the last year. The Director is satisfied that eircom's current timescales are in line with European best practice and acknowledges that some variables may lead to differences in measuring performance across countries. She has decided to align ISDN PRA SLA delivery timeframes with those of 2Mbits Leased Lines as the services are provided using similar network elements and processes. This shall take effect from 1st July 2002. The Director will be closely monitoring the progress of eircom in the coming months to ensure that timeframes continue to meet best European Practice levels and will utilise the delivery parameters set out in the European Commission's report on performance in the supply of leased lines pursuant to Council Directive 92/44 EEC.

The Director points out that it is not possible to tailor the SLA regime to suit an OLOs internal process definitions or indeed match them to individual SLA offerings. Rather, the Carrier Service SLA provides a menu approach to allow an OLO to create its own SLA. Some of the specific issues raised by OLOs are more appropriate for discussion at the operational level and OLOs are free to raise these at either a bilateral level with eircom or at the O&M forum.

3.5.1.2 *Pegging of Standards to Order Receipt*

The Director was concerned that a situation could arise where an order may not be acknowledged with the result that the OV standard and subsequent standards are pegged against a process which has not been fulfilled and therefore cannot be triggered. In order to remove ambiguity the Director proposed that all delivery process point standards be pegged to “receipt of order submission”.

Q. 14 Do you agree with the director’s proposal to peg delivery process point standards to “receipt of order submission”? Please explain the reasons for your answer.

Views of Respondents

It was felt by the majority of respondents that this proposal was warranted and would be more transparent and logical. One respondent requested a clear definition of “receipt of order submission” and stated the view that order submission needs to be date and time stamped according to the time the respective order was sent from the OLO as opposed to the date and time received by eircom. Another recommended the “Access Service Request Sent Date” as reference date for all steps in the Service provisioning Process, which they defined as the date when a valid order was sent by the OLO to eircom.

eircom’s position

Eircom agreed with the Director’s proposal stating that all orders are currently tracked from the date the order is received.

Director’s Position

The Director considers that all orders shall now be pegged to the “receipt of order submission”. The Director does not agree that “Receipt of order Submission” should be time stamped according to when it is sent by the OLO as she considers emails can be subject to delays which are outside of the control of eircom, e.g. an OLOs mail server. “Receipt of order submission” is therefore, defined as the date and time on which the order was received by eircom. . As orders are submitted by email there should be very little variance between the time in which an order is sent by an OLO and the time eircom receive the order. In any event, the Director is not aware of any difficulties in this regard, and where disputes arise, a receipt time can be corroborated against the operator’s mail server. As orders are already pegged within eircom to the date they received it this will avoid any additional systems work to implement this process.

Direction 6

Eircom are directed to peg the delivery process points to “Receipt of Order Submission” to take effect immediately.

3.5.1.3 Order Acknowledgement, Validation and Delivery Confirmation

The Director stated her intention not to alter the standards for the Order Acknowledgement, Order validation and Delivery Confirmation service provisioning process points.

Q. 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.

Views of Respondents

Four respondents stated that they did not see any need for an amendment at this time. It was the opinion of one respondent that OA should be reduced by one day as it is purely administrative. They also stated that the current time frame for OV was too long. They felt that the OV timeframe should be cut in half, i.e. T+6. In addition they requested that DC take place 5 days before the due delivery date. They believe that the current timeframe does not allow them to manage their customer’s expectations. Another respondent proposed shortening the OV timeframe to 5 days for standard orders and 10 working days for non-standard orders. They believed that DC should be 1 working day before the Due date at the very latest.

eircom’s position

Eircom stated that the current definition was adequate and did not see a need for its amendment.

Director’s Position

The Director is aware of the importance of these process points in assisting operators to manage their customer’s expectations and considers the existing timeframes to be adequate in the context of current delivery timeframes. The Director does not wish to divert attention and resources to maintaining and improving processes where it has the potential to adversely affect delivery timeframes. With regards to providing delivery confirmations earlier in the overall process as proposed by one respondent, the Director is minded that the critical stage of delivery is in the final days when all elements necessary to complete an order come together. It is believed that shortening the Delivery Confirmation timeframe would serve to undermine its accuracy in terms of confirmation or otherwise that a circuit will be delivered and the DC timeframe shall remain unaltered. The Director also believes that shortening the OV

timeframe would undermine the accuracy of the delivery dates being provided and would therefore be counterproductive.

3.5.1.4 Order Forecast Standard

In light of the Director's proposal in Section 3.3.1 to separately identify the Order forecast process it was proposed that a standard be introduced. In the case of non-standard orders T+18 days (where T is the time an order is received by eircom) for ISDN BRA, ISDN PRA and Sub 2 Mbits leased lines was proposed with T+20 days for 2 Mbits leased lines.

Q. 16 Do you agree with the Director's proposal for the standards for order forecast? Please explain the reason for your answer.

Views of Respondents

As was set out earlier, respondents agreed in principle with the proposal to introduce an Order Forecast process. One respondent believed that eircom should be able to deliver an Order Forecast at "T" + 10 days rather than at "T" + 18 days as eircom have had one year to work with the new process. They believe that a more timely forecasting process would be of great assistance to customers in terms of planning. Another respondent felt that the timeframes outlined by the Director were too long and stated that the submission of Order Forecast within 5 days of OV for all bandwidths would be more reasonable. In addition they also suggested that an estimate of the delivery date be provided at OV for non standard circuits.

Another respondent proposed that the SLA be amended to allow for the same OV process timeframes for both standard and non standard orders and therefore did not see the need for an Order Forecasting stage. In this regard they considered that OV should be provided after 10 days.

eircom's position

eircom while agreeing to the principle of a separately identified OF process could not agree to the timeframes set out. They believed that any attempt to reduce the time given to produce a forecast would result in a forecast that cannot be guaranteed delivery on the date specified thus incurring a process penalty for non-delivery. They believe that the emphasis should be on providing a reliable forecast to the customer so as to meet Due Date, not on the speed of delivery of the forecast. They therefore disagree strongly with the proposal to reduce the existing Order Forecast timeframes.

Director's Position

The Director is conscious that OLOs wish to have the delivery dates for their orders confirmed early in the order process. The Director does not agree with the suggestion that an initial estimate be provided, as it would not be guaranteed and would lead to unnecessary and inefficient use of resources. In any event, eircom's

current delivery times are published monthly and provide a suitable basis for an estimate.

The Director would point out that Order Forecast only applies to Non Standard orders which have been deemed as such according to the criteria set out in the Carrier Services Operations & Maintenance Manual. To excessively shorten the period for the provision of an OF has the potential to impact upon the accuracy of the forecast itself.

The Director has decided that the following timeframes shall apply for OF.

Table 1: Order Forecast Standard for 'Non-Standard' Orders

Service Type	OF
ISDN BRA and Sub 2Mbit leased lines	T+19 days
ISDN PRA 2 Mbits Leased Lines	T+22 days

where T = time of receipt of order by eircom.

The Director considers that eircom should be able to accommodate this shorter timeframe given the experience gained to date and the bedding down of delivery processes. These time frames shall become effective from 1st July 2002.

Direction 7

Eircom are directed to introduce the above standards for the Order Forecast Process by 1st July, 2002

3.5.1.5 Summary of Service Delivery Standards

The following table summarises the Standards having regard to the views of respondents in Sections 3.5.1 to 3.5.4.

Table 2: Service Provisioning Standards for Standard Deliveries

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

Table 3: Service Provisioning Standards for Non-Standard Deliveries

Service Type	OR	OA	OV	OF	DC	SD
ISDN BRA and Sub 2Mbit leased lines	T	T+2 days	T+10 days	T+19 days	SD-1 day	*
2 Mbits Leased Lines & ISDN PRA	T	T+2 days	T+13 days	T+22 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

3.5.2 Fault Management Standards

Having regard to the proposals in the consultation regarding the provision of status updates and the introduction of fault severity levels, the Director proposed the following revised standards for the maximum repair time attribute, including a statusing standard. Views of respondents were sought in light of this proposal.

Table 4: 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 5: 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

Q. 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 you answer.

Views of Respondents

Many respondents had differing views with regard to the merits and details of the proposal for the provisioning of status updates including the timeframes. One respondent while not agreeing with the statusing timeframes stated they may be acceptable if an adequate escalation procedure was in place and was adhered to by both parties.. They felt though that this would require further discussion and consideration by the industry. Most respondents called for more regular status updates particularly in the case of severity 1 faults as they believed the proposal of a first update only after three hours where a customer has suffered a complete loss of service seemed unsatisfactory. It was proposed instead that the first status update be received after an hour and every hour thereafter.

Respondents also felt that the maximum repair time should be reduced to 4 hours for severity 1 faults and 8 hours for severity 2. One respondent proposed that the maximum time should be 4 hours for individual 2Mbit LL and a maximum repair time for 2 hours for protected circuits.

eircom's position

eircom did not agree with the statusing and repair times as set out. eircom stated that they intend to provide an online statusing facility to OLOs via an extranet facility and that this would allow them to receive updates at intervals of their choice. eircom were also of the opinion that the response and repair times for individual services should reflect a number of factors inter alia, the complexity of the network and support systems, the geographic coverage required and the hours of coverage required. They also argued that the maximum repair time attribute is unreasonable given the wide variety of faults and causes and therefore would need to be qualified to identify reasonable exceptions and systems developed to monitor and account for these exceptions. Should maximum repair times and status metrics be enforced eircom proposed that the following revised fault status and fault repair times

Table 6: eircom's proposed Status and Repair Times

Service	Status Interval	Maximum Repair Time
ISDN	4 hours	16 hours
Leased Line	4 Hours	16 Hours

Director's Position

The ODTR has engaged in discussions with eircom regarding the development and introduction of the fault management extranet facility. In line with Section 3.4.1, the Director has decided that statusing can be provided in real time via the extranet facility. In light of this decision, fault statusing timeframes are not applicable. It is considered that fault severity levels should be discussed by the O&M forum in the context of fault escalation procedures.

In view of the Directors Decision in Section 3.4 the following standards shall apply for Maximum Repair time for ISDN lines and Maximum Response Time and Service Availability for leased lines.

Table 7: Maximum Repair Time Standards for ISDN Lines

Service	Maximum Repair Time
ISDN Lines	T+14 working hours

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

Table 8: Maximum Response Time Standards for Leased Lines

Service	Maximum Response Time
Leased Lines	T+3 Hours

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

Table 9: Service Availability Standards for Leased Lines

Period	“Availability” Standard
1 st July – 30 th September 2002	99.7%
1 st October – Onwards	99.8%

The above service availability standards are consistent with what the Director deems to be consistent with the service availability levels as set out in the European Commission’s Leased Line report for the year 2000.

The Director will review the Service Availability targets in light of performance.

The Director would also like to highlight her view that eircom should seek to reduce repair times for ISDN lines to same day repair and she will monitor performance in this regard.

The above changes are to be implemented by 1st July 2002.

Direction 8

eircom are directed to apply the above standards from 1st July 2002.

4 Penalties

The Director expressed her view that the greatest level of implementation and operation of SLA processes and standards has been where there has been a penalty for non compliance. 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

The Director believes that 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.

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

4.1 Service Provisioning Process Point Penalties

The table below sets out current penalties payable for non-compliance with the service provisioning process points subject to a maximum of £1000 per order.

Table 10: Current Service Provisioning Process Point Penalties

Service Provisioning Process Point	Penalty Payable IR£	Penalty Payable €
Order Acknowledgement	£500	€635
Order Validation	£500	€635
Delivery Confirmation	£500	€635
Delivery Notification	£500	€635

In Section 3.3.1 of the consultation the Director had proposed that the Order Forecast process be separated from the Order Validation process. The Director stated that she felt that a penalty payment at both OV and OF would seem disproportionate but that failure to provide an OF would result in eircom being non-compliant with respect to OV, and therefore attract a penalty.

Q. 18 Do you agree with the Director’s proposal above? If not please explain why.

In addition the Director proposed that where eircom delivers a standard circuit prior to the SLA delivery standard, and had already incurred a process point penalty, that a maximum of one process point penalty could be “voided”. The Director believed that this could be a means of encouraging the delivery of services earlier than their SLA dates without the need to resort to additional penalties.

Q. 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.

Views of respondents

While two respondents did agree with the Director’s proposal some respondents felt that the capped figure for penalties should either be removed or increased to £1500 to reflect the introduction of the new metric. One respondent felt that while the capped figure remains at £1000 adding a penalty but keeping the capped figure is not going to give eircom much encouragement to comply and improve what they believe is already poor implementation of processes. Another respondent felt that failure to comply with OF should attract a penalty higher than that for being non-compliant with OV to compensate the OLO for delay. Another respondent felt that the same process and principles that apply to standard orders should apply to non-standard orders and therefore did not agree with the Director’s proposal to separately identify an order forecast process.

Respondents in general felt that at the time of the consultation that given eircom’s process point performance that they were not yet at a stage where the provisions of the SLA could be relaxed. They did not agree with the proposal to void penalty process points in order to encourage delivery prior to SLA standards. It was believed that the focus should be to ensure eircom’s compliance with all the steps in the delivery process meets the standards set out in the SLA. One respondent felt that the most important parameter is due delivery date as OLOs also need to plan resources to take delivery of the circuits. If circuits are delivered before their due date, the OLO will incur rental and may not be able to benefit from the early delivery of the circuits as there may not be any resources available to accept delivery to integrate the circuits into their network. They would, however, accept the proposal if the due date is the date that is used for the billing of the circuit. Another respondent stated that they would agree as long as due notice is given to the operator and if an operator is unable to agree to this early delivery there should be no penalty and the circuits should be delivered as agreed on the due date.

eircom’s position

eircom believe that the critical criterion for penalties is that the level of penalty should be proportionate to the service provided and as the service provided is represented by the level of charges applied, then it implies that the penalty should be proportionate to the charges applied. They assert that this is not the case for process penalties. Eircom’s view is that the £500 process point penalty is excessive and arbitrarily calculated particularly in the case of PSTN and ISDN where incurring a penalty can mean that the service does not make a return for up to 3 years. Eircom proposed that the process point penalty regime needs to be fundamentally reviewed to adhere to the principle of proportionality with respect to the connection charge levied for the particular service. Eircom proposed the following possible penalty process points for a non-standard order.

- Order Acknowledgement
- Order Validation/Forecast
- Delivery confirmation/Re-confirmation
- Delivery Notification

They also contend that all process penalty points should be removed from ISDN BRA as this service is provided in a similar manner to PSTN service and they outlined a regime they believe would be more appropriate and recognises the appropriate principle's for penalty setting.

Table 11: eircom's proposed service delivery process point penalties

Service	Individual Point Penalty	Maximum process penalty per order	Penalty as % of Connection Fee
ISDN PRA/FRA	€ 400	€ 1,200	27%
< 2 Mbits Leased Line	€ 150	€ 450	59%
2 Mbits Leased Line	€ 350	€ 1,050	55%

In the context of the above proposal eircom stated that they could accept the Director's proposal to alter the existing penalty regime with regard to the treatment of the Order Forecast penalty.

Eircom welcomed the Director's proposal to encourage delivery prior to SLA standards but stated that as it is likely that in many instances where eircom delivers a circuit before SLA times that no process penalties would have been incurred therefore if no process penalty has been incurred on that specific order, that the credit may be used against another order with the same OLO where a process penalty has been incurred. Eircom further proposed that this regime be extended to non standard circuits delivered before their forecast date.

Director's Position

The Director recognises eircom's improved performance in meeting SLA process points and does not agree with the view that the implementation of processes has remained poor following the initial delay in their implementation. Implementation has improved steadily over the last number of months. Improved performance is a consideration in establishing any new penalty levels. However, the Director is aware of the need to continue to incentivise adherence to the standards set out in the SLA until she is satisfied that a 'steady state' position has been reached concerning the fulfilment of process points. The Director would also point out that process point penalties are entirely avoidable should eircom perform efficiently and in accordance with the delivery processes set out in the SLA.

In view of the Director's position earlier regarding the inclusion of ISDN PRA in the Carrier Services SLA portfolio, she does not propose to remove penalties from this service at this time. The following process penalty regime is considered appropriate.

Table 12: Amended Process Point Penalty Levels

Service	Individual Process Point Penalty	Maximum Process penalty per order
ISDN BRA	€100	€300
ISDN PRA	€350	€1,150
Sub 2Mbit Leased Lines	€250	€750
2Mbit Leased Lines	€350	€1,150

In the case of a non-standard circuit, a separate Order Forecast process has been established which will follow Order Validation. Given the criticality of these processes in terms of the OLOs management of its customer expectations, the Director believes that each of these processes should attract a penalty in the event of non-compliance.

The Director considers that the Delivery Confirmation/Re-Confirmation processes should be considered as an integrated process point and therefore only attract a single penalty for non-compliance. However, failure to fulfil either part of this process point will result in non-compliance and thus attract a penalty.

The Director neither believes that the introduction of her proposal would remove eircom's focus from compliance with the process points, nor would it act as a disincentive to eircom to better the SLA timeframes. It is considered that measures such as those proposed in the consultation could encourage delivery times shorter than those set out under the SLA and would benefit both operators and consumers. However, given the logistical issues raised by all parties, in particular, re-scheduling work to take account of earlier than due date delivery, the director does not propose to introduce the measure as suggested. However, the Director would signal her intention to take a lighter approach in future with respect to penalties, and indeed the SLA in general, should eircom's performance be demonstrated as having reached a long term sustainable level consistent with best European practice.

Direction 9

Eircom are directed to amend the process point penalty regime as set out above. The regime shall come into effect from 1st July next.

4.2 Service Provisioning Delivery Penalty

Having outlined the current penalty regime the Director stated that she did not intend altering the general structure of the service delivery penalty regime but considered that it should reflect the current position with respect to delivery. As the "A" value was set back in November 2000, based on the then average delivery time, it was proposed that it should be altered to reflect the current position regarding delivery in order to continue to encourage eircom to reduce its "typical" delivery period figure closer to the SLA delivery "standards". The following table was proposed:

Table 13: Proposed Service Provisioning Delivery Standards

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 Mbits leased line	26 days	46 days

Q. 20 Do you agree with the above proposal to amend the Service Provisioning Penalty Algorithm? Please support your answer.

Views of Respondents

In general respondents agreed with the proposal to amend the Service Provisioning Penalty Algorithm believing it would incentivise eircom to improve delivery further. One respondent believed that it should only move so far and proposed a review of the operation of the algorithm on a six monthly basis, so that changes to the average eircom delivery lead-times are closely tracked. This contrasted the view of another who felt the “A” value should decrease to 35 days for sub 2Mbit circuits and 40 days for circuits of 2Mbits and above.

A change to the penalty calculation was welcomed by another OLO but not in the manner proposed by the Director. They maintain the view that the penalty mechanism should be simplified, identical for both standard and non standard Orders, take effect as soon as delivery is late, proportional and uncapped but grow faster the longer delivery remains outstanding. The following penalty algorithm was proposed.

5% of (Non Recurring Charge + Recurring charge) per working day late

eircom’s position

eircom welcomed that the overall structure of penalties should remain unchanged but proposed a change such that delivery targets for ISDN PRA/FRA should be amended to align with those of 2Mbit Leased Lines as the delivery process for these services utilises similar processes. eircom also did not believe the ‘A’ days figure should be reduced per the Director’s proposal.

In addition they proposed that the title on column 3 of the table be amended. This would result in the following change to the table.

Table 14: eircom’s proposed Service Provisioning Penalty Algorithm

Service	Standard Provisioning Time-scale	Days to be added to the due date to derive the “A” Days (See note below)
ISDN BRA/FRA exchange lines	22 days	24 days
ISDN PRA/FRA exchange lines	26 days	25 days
Sub 2Mbits Leased lines	22 days	24 days
2 Mbits leased line	26 days	25 days

Note: In the case of non-standard orders the further grace period of 10 days must be added to derive the “A” Days.

In the context of the amendments to the regime outlined in the *eircom* response to Q18, *eircom* could agree to reduce the period from when connection penalties commence being paid and when the full connection charge is payable (Column 3) to 20 days in all instances.

Director’s Position

The Director accepts *eircom*’s arguments regarding the alignment of delivery targets for ISDN PRA to those of 2Mbit leased lines. Given that the Director has decided that ISDN BRA should remain in the Carrier Services SLA portfolio, the existing delivery target of 22 days should remain. The Director has decided to reduce the point at which the connection fee becomes repayable to incentivise further improvements in delivery towards SLA timeframes. The Director considers this reasonable given that this point was originally set in line with the then actual delivery timeframe. The following penalty mechanism and algorithm are deemed appropriate.

Figure 1 : New Service Provisioning Penalty Mechanism

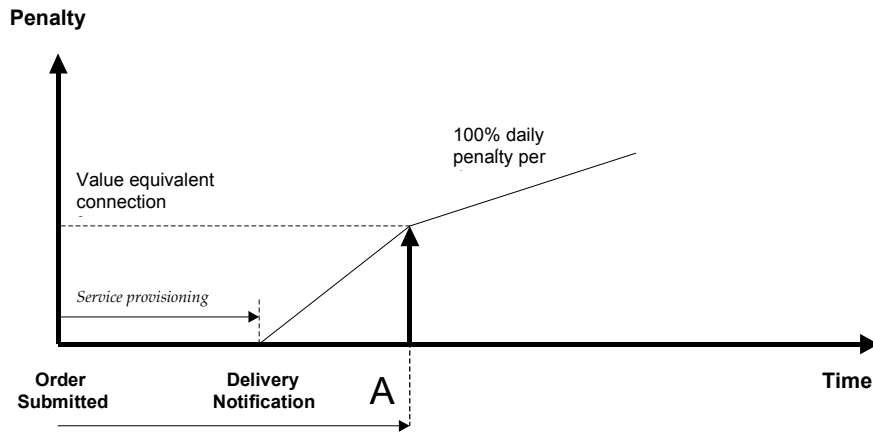


Table 15: New Service Provisioning Penalty Algorithm

Service	Standard Provisioning Time-scale	Days to be added to the due date to derive the “A” Days
ISDN BRA	22 days	21 days
ISDN PRA	26 days	22 days
Sub 2Mbits Leased lines	22 days	21 days
2 Mbits leased line	26 days	22 days

In the case of non-standard orders a further grace period of 10 days must be added to the provisioning timescale provided at Order Forecast in order to derive the “A” Days.

The above mechanism provides for a payment of a penalty once a circuit is delivered beyond the SLA date. OLOs will realise from their own delivery experiences that certain circuits can be more complex to provision than others and for this reason the penalty mechanism makes a reasonable allowance by including an additional 10 days before penalties with respect to such “non-standard” circuits become payable.

Recognising the requirement for system changes by both eircom and OLOs to support the above amendments to the penalty mechanism and algorithm, the changes are not to come into effect until 1st July 2002.

The Director has held discussions with eircom regarding its overall service delivery performance, in particular, targets for performance for the coming year and their relationship with the delivery penalty regime. The year end target for last year required eircom to delivery 80% of all circuits according to their due delivery date. The targets for the coming year are set out in Section 5.1, however, in summary eircom have agreed to achieve a performance level of 95% due date delivery in the context of structural changes to the nature of the penalty regime, the details of which are as follows.

- Due date performance is measured on an individual operator by operator basis and reports on their performance would be provided on a periodic basis. Periods could be monthly or, depending on order volumes, when a set number of circuits have been delivered.
- eircom have indicated that they would be in a position to consistently sustain a 95% performance over the coming months.
- Should the individual 95% performance level be achieved with respect to an OLO eircom would not have to pay any late delivery penalties to that OLO. If they fail to achieve the 95% performance level for the period then penalties are paid with respect to all overdue circuits.

The Director is positively disposed to eircom's proposal, as she considers a performance level of 95%, if consistently achieved, to be wholly adequate and, in the context of SLA delivery standards, would certainly place Ireland amongst best European practice levels.

However, the introduction of a penalty regime in accordance with the proposal will undoubtedly require that a number of operational issues be resolved prior to its introduction, e.g. monitoring arrangements, reporting periods etc. The Director would also have to be convinced that eircom is capable of achieving the 95% performance level, both in the first instance and on a consistent basis.

Should such a proposal be adopted the Director would be concerned at a situation whereby, as a result of the removal of the penalty from the remaining 5% of (outstanding) circuits, that the incentive to deliver them is largely eliminated. In this regard, the Director considers that where eircom falls below the 95% level for an individual OLO for two consecutive reporting periods, that the OLO reverts to the normal penalty regime until eircom has demonstrated that it can achieve this performance level again over a similar reporting period.

Subject to the resolution of these issues, along with the full and timely implementation of the measures throughout this Decision Notice, the Director is minded to introduce a penalty regime based on the proposal by 1st July 2002. A condition of its introduction is that the Director is satisfied that the appropriate reporting structures are in place to allow both the ODTR and OLOs to be assured regarding performance levels. The Director will give effect to her decision in July 2002 if such conditions are satisfied.

The Director therefore proposes that the intricacies of this proposal be resolved within the industry forum.

The ODTR reserves the right to subject eircom to the 100% penalty regime should delivery anomalies with respect to individual OLOs become apparent.

4.3 Maximum Repair Time Penalties

In light of proposals in sections 4.4.1 and 4.5.2 of the consultation with respect to fault statusing and prioritisation the Director 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. Additionally it was proposed that failure to provide a “status” according to the standards proposed in Section 4.5.2 would result in a £100 penalty.

Q.21 Do you agree with the Director’s proposal to modify the penalty regime for the Maximum Repair Time attribute? Please explain your reasons.

Views of Respondents

Many respondents saw the Director’s proposal as a reduction in penalties which they felt did not reflect the impact that circuit outages can have on a network and on customers. It was felt that penalties should be based on Repair Time or Outage Duration. One respondent considered that the ultimate goal in setting out a maximum repair time sanctioned with penalties is to create incentives for a high standard of maintenance to be instituted. They did not agree that reducing the penalties applicable against fault repair time stimulates that incentive.

An alternative to the Director’s proposal included a proposal from one respondent whereby the minimum penalty payable should be 10% of the annual rental, subject to a maximum of 100% in any one year as they felt it fair and reasonable that the yearly rental should be fully refunded if a circuit has more than 10 outages in a year. Modifying the Maximum Repair Time attributes in terms of “Availability” was also proposed with appropriate targets being set per quarter for circuits by type and per platform and that appropriate penalties be set for non-compliance with the target.

eircom’s position

Eircom did not agree with the timeframes proposed and were of the opinion that the response and repair times for individual services should reflect a number of factors inter alia, the complexity of the network and support systems, the geographic coverage required and the hours of coverage required. Eircom believe that the £100 penalty for failure to provide a “status” need not apply as the OLO will be able to access this information on the proposed extranet. Eircom proposed that the penalty for maximum repair time should reflect the rental fee of the service with a maximum penalty of 50% of the monthly rental being applied. Because of the complexity of Leased Line charging and the application of discounting for many services, eircom proposed some averaging of the repair

penalties to avoid unnecessary administrative complexity for penalty payment calculation resulting in the following penalty levels:

Table 16: eircom's proposed Maximum Repair Time Penalty

Service Type	Repair Penalty
ISDN BRA	€ 18
ISDN PRA	€ 80
Sub 2Mbit Leased Line	€ 100
2M Leased Line	€ 500

Director's Position

Given eircom's plans to introduce online statusing as discussed in Section 3.4.1 the question of penalties no longer arises in this context.

In Section 3.4 the Director decided that Maximum Response Time and Service Availability attributes shall apply for Leased lines, while for ISDN lines the Maximum Repair Time continues to apply. The Question of penalties therefore arises in this context.

For leased lines the Director has decided that a penalty of 50% of monthly rental shall apply for each failure to achieve a minimum level of service availability in a particular quarter. Service availability shall be measured quarterly and, in order to avoid duplication of measurement parameters, service availability shall be measured according the definition used for the Measuring Licensed Operator programme.

The service availability penalty shall not apply for the first month (or part thereof) following the provisioning (or equivalent process) of a new circuit. The Director recognises that further work may be required to ensure that an appropriate inter-operator process is in place to capture data relevant to the service availability parameter and to agree a set of exceptional circumstances where the service availability penalty would not apply e.g. fault is not attributable to its network, cable break by a third party etc.. It is also considered appropriate to ensure that the implementation timeframe is allied to MLOP reporting periods. The amended repair time penalty regime shall become effective from 1st July 2002.

The Director recognises that a penalty of €635 (£500) per failure to meet the maximum repair time standard under the SLA may not be proportionate when applied to particular services. Nevertheless, a penalty should be sufficiently high to encourage compliance with the SLA standard. Having regard to the principles for setting a penalty already set out in Section 4, the Director considers that a penalty should be proportionate to the cost of a service as a whole.

The Director has decided to amend the maximum repair time penalty regime that shall apply for ISDN fault repair as follows.

Table 17: Maximum Repair Time Penalty for ISDN Lines

Service	Penalty
ISDN BRA	€100 per failure to achieve maximum repair time and refund of the daily rental (rounded up to the nearest day) for length of outage.
ISDN PRA	€250 per failure to achieve maximum repair time and refund of the daily rental (rounded up to the nearest day) for length of outage.

For Leased lines the Maximum Response Time (MRT) and Service Availability penalties for leased lines shall apply as follows

Table 18: MRT and Service Availability Penalty for Leased Lines

Service	Penalty
Sub 2Mbit Leased line	€250 per failure to achieve maximum response time and availability penalty (See above).
2Mbit Leased line and above	€250 per failure to achieve maximum response time and availability penalty (See above).

4.4 Payment of Penalties

At the time of the consultation the Director was concerned at eircom's delays in generating penalty statements and the backlog in making penalty payments by eircom. Penalty payment delays are of particular concern where an OLO is offering a "back to back" SLA to its own customers. The Director is aware that the situation has improved and penalty statements and payments are issuing in a timely fashion.

It was the opinion of the Director that the three month billing cycle was limiting eircom's ability to pay penalties on all orders in a timely fashion. The Director therefore proposed that eircom should provide individual OLOs with penalty statements one month in arrears with the statement being reconciled between the parties during month 3 with payment made in the next billing cycle. It was considered that 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 considered that some level of compensation was appropriate where an OLO customer has cancelled orders due to the length of delay in its provisioning. The Director proposed that where an OLO loses a customer for this reason that any penalties incurred up to the point of customer loss be paid by eircom. Excessive delay was defined as: where the circuit remains outstanding for a period equal to or greater than 50% of the delivery lead time for the particular circuit.

- Q. 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.**
- Q. 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 reasons.**

Views of Respondents

Respondents remarked that the inefficiencies of eircom’s systems for the payment of penalties remains a considerable source of frustration and indeed commercial loss to many OLOs and most agreed that the timeframe proposed by the Director would help prevent such unnecessary delays. Some changes to shorten the timeframes were proposed by one respondent.

The principle of compensating OLOs where a customer has cancelled due to excessive delays was welcomed but the application of the proposed mechanism and definition of excessive delay were questioned by respondents. One respondent felt that it could have a negative impact on overall delivery standards, since eircom may adopt an over cautious approach to classification of orders as standard and non standard.

eircom’s position

eircom had no objection to the introduction of a schedule as suggested but objected to the introduction of interest payments should penalty payments be late as they considered this would represent an undue and unjust financial gain for OLOs. They objected to the introduction of compensatory payments in the case where an OLOs customer has cancelled due to excessive delay as they felt this regime would be open to abuse. Eircom consider the scale of reduced cancellation fees agreed at the Industry Forum to be an already significant financial penalty on the company.

Director’s Position

The Director considers that the introduction of a payment schedule to be necessary to ensure the delays in the payment of penalties as experienced in the past do not re-occur. A clearly defined schedule would allow for greater transparency in the payment of penalties and remove any ambiguity surrounding reconciliation and payment. The Director considers the following payment schedule to be appropriate:

Month 1	Circuit Delivered
End Month 2	Penalty statement issued for preceding month
End Week 2 Month 3	Operator provides feedback to eircom on statement

Start Week 4 Month 3 Reconciliation between the parties

Next billing cycle All undisputed amounts are paid

Adherence to the above schedule should ensure that all penalties are paid in the relevant billing cycle and thus avoid any unnecessary delays. The Schedule above is a minimum standard and where agreed between operators, the parties are free to adopt different procedures.

In view of the respondents views regarding the workability of the proposal to compensate OLOs for orders cancelled due to excessive delays, the Director has decided not to implement this measure. The Director believes that such a measure may be warranted where excessive delays are a regular occurrence in the leased line environment, however, given the significant improvements in delivery along with the reduction in the age profile of orders, it is not considered appropriate at this time.

The Director would draw attention the reduced cancellation fees that apply in the event of a cancellation due to delayed delivery or excessive delivery date.

For Cancellation where a Due Delivery Date is missed

If an order is not going to be fulfilled on or before the Due Delivery Date(DDD) ,provided at validation, then eircom must notify operators at the Delivery Confirmation stage. Eircom must then provide operators with a Revised Forecast Date (RFD) either at the Confirmation Stage or within 5 working days from confirmation. If the RFD provided extends beyond 10 working days (of original DDD) for Standard Orders and 20 working days (of original DDD) for non-Standard orders the customer has the option of cancelling the order without incurring any cancellation fee. The customer must cancel the order within 3 full working days. However, if the customer accepts the RFD then the full cancellation fee applies until the RFD is reached when the above rules will be applied again.

In the event of eircom not giving a RFD within 10 working days then no cancellation fee applies, except in situations where the customer subsequently accepts an RFD for that order.

For Cancellation at Validation

eircom is prepared to waive 50% of the cancellation fee for any non standard order for which the due delivery date provided at validation is more than 40 days from date of validation. This wavier will apply provided that the OLO cancels the order within 2 full working days of the validation date. The situation will be reviewed at the end of March 2002.

The above measures are considered sufficient at this time and interest payments on late payments are not necessary. However, the Director wishes to place eircom on notice, that she will not tolerate a situation where penalty payments are being delayed and she will, if necessary, consider introducing the measure.

4.4.1 Transparency of Penalty Statements

The Director considered that the itemisation of credits on the penalty statement would remove any ambiguity as to how penalties are being calculated, thereby enabling OLOs to reconcile the statements with their own records and contribute to a speedier resolution process. The Director proposed the following level of itemisation:

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.

Q.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.

Views of Respondents

It was the view of most of the respondents that itemisation of penalty credits is vital to ensure speedy reconciliation of penalty statements and therefore believed there was merit in the Director’s proposal. One respondent suggested that a number of additional dates (such as order acknowledgement etc.) should be included in the Monthly summary sheet to facilitate identification of discrepancies between an OLOs penalty calculations and eircom’s penalty calculations. These included dates on which process point information was sent e.g. Order Acknowledgement, SLA Due Date for standard orders and Forecast date for non standard orders. They also proposed that further itemisation be provided in respect of the account number to which the credit will be issued and a description is provided regarding the actual amounts for which the credits are being applied. Another respondent requested a soft copy of the penalty statement, with each of the process attributes listed and where the applicable penalty

applied, the monthly rental charge, installation charge, standard lead time applicable, is stated.

eircom's position

Eircom agreed that the itemisation of credits on SLA penalty statements is necessary to allow OLOs to validate the statements issued by eircom and outlined the current level of detail on statements as follows:

Leased Lines:

Currently OLO Leased Line SLA Penalty statements contain the following level of detail per circuit:

Data name	Description
OLO Name	Operator Name
SO Number	Service Order Number
DPL Number	Direct Provided Line Number
Circuit Type	Circuit capacity e.g. 2M, 64k
Order Date	Date of receipt of order
Completion Date	Date of completion of order
Days Late	Number of working days late
Penalty Status - Late Delivery	Explanatory comments of penalty status
Connection Fee IR£	Invoiced circuit connection fee
Annual Rental IR£	Invoiced circuit annual rental
Process Penalty IR£	Total Process point penalties
Gross Delivery Penalty IR£	Total Gross Late Delivery Penalties
Net Delivery Penalty IR£	Delivery Penalties net of OLO and any Term and Volume discounts
Total Net Penalty Due - EUR	Sum Process and Net Delivery Penalty

Eircom consider that as the SLA process has bedded down, the level of detail has stabilised as indicated in the table above. Monetary amounts will be indicated in Euro from January 2002 onwards with the total net penalty amount indicated in IEP.

Effective from February, *eircom* will be in a position to include the Due Delivery date for non-standard orders per circuit.

The credit notified to the OLO appears on their Leased Lined invoice as follows
Sample penalty credit on OLO invoice:

PERIOD

QTY

01APR01-31MAY01	CARRIER SERVICES SLA PENALTIES	1	3,360.00CR
01JUN01-31JUL01	CARRIER SERVICES SLA PENALTIES	1	1,156.25CR
01AUG01-31OCT01	CARRIER SERVICES SLA PENALTIES	1	3,338.05CR
	TOTAL ONCE OFF CHARGES		7,854.30CR

Thus the SLA credit statements are easily identifiable on the OLO invoice. *eircom* believe that the above information is sufficient to allow OLOs to reconcile the SLA penalty statements. They also propose sending a soft copy in addition to the hard copy to facilitate the reconciliation of SLA statements.

In the case of PSTN SLA penalty credits, the statement includes:

- Other Licence Operator Name
- Service Order Number
- Area Code Number
- Telephone Number
- Order Date
- Completion Date
- Comments on Penalty status
- Number Working days to complete
- Connection fee amount
- Late delivery Penalty amount due in IR£ and the equivalent in Euro

Similarly for ISDN Lines, SLA penalty statement include the following information:

- Operator Name
- Service Order Number
- Service Type- PRA / BRA
- Order Date
- Completion Date
- Comments on Penalty status
- Telephone number including area code
- Processed Penalties amounts
- Comments on Penalty status
- Number Working days to complete
- Connection fee
- Annual rental
- Late delivery Penalty
- Total Delivery Penalty Due in IR£ and equivalent in €

eircom believes that the above information is sufficient for OLOs to reconcile the penalty statements.

Director's Position

The Director considers the level of itemisation currently provided by *eircom* to be adequate and will allow for the speedy reconciliation of penalty statements. The inclusion of due delivery date for non standard orders from February 2002 is

welcomed as a further step in promoting the speedy reconciliation of penalty statements. The Director considers that a soft copy should be sent to OLOs along with the hard copy and would expect eircom to introduce this without delay.

5 Performance Targets

5.1 Performance Targets

The Director set out her intention to seek improved performance targets from eircom to build on the target of 80% of orders delivered by their due date which was set for 2001. In addition the Director outlined quarterly target measures for the year end which she would seek from eircom. These targets 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 considered that such targets should be published by eircom, following their agreement with the ODTR. Similarly, eircom's performance against the target should also be published.

Q. 25 Do you consider there is merit in the proposal to both establish and publish the above targets. Do you believe the measures above are adequate? Please support your answer.

Views of Respondents

Many respondents felt that the current performance target of 80% of circuits delivered by their due date to be a starting point and expressed a views that they would expect eircom to reach, at minimum, 90% performance during the coming year. It was felt that publication of these targets would assist operators in business planning and management of customer expectations. With regards to the quarterly targets one respondent proposed that they targets should be determined in a transparent manner, clearly defined and timeframes for publication should be established. One respondent felt that the O&M forum should propose the initial targets. It was felt that the information could also be supplemented to include further statistics regarding post due date delivery performance.

eircom's position

Eircom stated that it was not possible to publish targets for these measures as it was only at validation where an order is classified as either standard or non standard.

In subsequent discussions with the ODTR eircom did propose achieving a 95% due date performance level subject to the changes to the penalty regime.

Director's Position

The Director does not consider a delivery target of 80% by due date to be adequate in the medium to long term and is non consistent with the Director's wish to have Ireland's performance amongst the best European practice levels. The 80% figure was a target for the end of 2001 and was agreed early that year having regard to eircom's then level of performance. Speed of delivery must be balanced against certainty around due delivery dates and improvements on the 80% figure are therefore required. As set out in Section 4.2, eircom has proposed a 95% due date performance level subject to the changes to the penalty regime. The Director welcomes eircom's proposal and is willing to accept it subject to the resolution of the considerations set out in Section 4.2.

The Director has decided the eircom shall publish figures for its actual performance relative to this target on a monthly basis. This will also include actual figures on the percentage split between standard and non-standard orders delivered.

Direction 10

Eircom are directed to publish figures for its due date performance on a monthly basis commencing 1st April 2002. Information regarding the split between standard and non-standard orders delivered shall also be published.

5.2 Publication of Performance Measures and Statement of Compliance

The Director considered the publication of information to be a medium through which improvements in performance can be tracked and provides signals to the market that Ireland is actively addressing leased line delivery issues. The information currently published by eircom in relation to average delivery was outlined in the consultation but the Director stated that she considered this to be a first step. She felt this information should be augmented to included publication of information on eircom's performance in meeting SLA service provisioning process standards and an aged analysis setting out the proportion of outstanding circuits by reference to particular time periods.

Q. 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?

In addition to the ongoing monitoring and publication of statistics in relation to eircom's performance the Director proposed the introduction of a bi-annual report on its performance under the SLA to the ODTR with non confidential elements of the performance report being made publicly available. The Director considered that the report could be used as a basis for deciding whether further regulatory intervention regarding the SLA regime was warranted or not.

Q. 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.

Q. 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.

Views of Respondents

There was strong support from the majority of respondents for the Director's proposal to augment publication requirements not only to assist in managing customer expectations but would be a key success factor to achieve transparency, SLA compliance and detect discriminatory behaviour if any. In particular the publication of aged analysis information was welcomed as being very useful. With regard to statistics provided by eircom, it was proposed by one respondent that indicative numbers of circuits should be provided by eircom in addition to the % amounts in order to provide a more informative picture.

Another respondent suggested adjustments to the current website reporting requirements. They proposed that performance be shown as well for eircom's retail business and internal divisions, be split between standard and non standard and show the number of leased lines ordered for each type of customer. In addition to the published statistics they believed there was merit in an itemised service performance report being sent to the individual OLO on a monthly basis which would form the basis of a monthly service meeting.

The general consensus among respondents with regard to the presentation of bi-annual reports to the ODTR was that while these would be of benefit to the industry, there was a need for more frequent reporting and many proposed that the reports should be quarterly instead of on a bi-annual basis. One respondent proposed a number of additional reporting parameters relating to eircom's performance on an individual OLO basis. Other parameters such as the number of orders by circuit were proposed.

eircom's position

Eircom believes that the combination of information which is already available on the *eircom* web-site and that which will be available under the MLOP programme is already adequate. Imposition of additional obligations in this context would represent over regulation of *eircom* and would constitute an unjustified and disproportionate burden. *eircom* does not have infinite resources and already carries a significant and much more onerous burden than the OLOs in the production of data under the MLOP programme, as it has to report under a much greater number of categories.

Director's Position

The information currently published on eircom's website was a welcome starting point in introducing greater transparency to the market with regard to eircom's performance in the delivery of Leased Lines. The Director has made her intention known to eircom from the outset that she would be seeking to augment this

information in an effort to make it as meaningful as possible to both OLOs and consumers. To this end the Director has determined that both an aged analysis of pending orders along with statistics in relation to eircom's compliance with the SLA process points shall be made publicly available (on eircom's website) on a monthly basis. The Director does not believe that this requirement to be an unnecessary burden as such statistics are already provided to the ODTR as part of its compliance monitoring process. Other measures will be recorded by eircom for the purpose of fulfilling the requirements set out elsewhere in the paper and as such their publication poses no burden.

The Director would point out to respondents that her office monitors delivery timeframes to both eircom's retail and wholesale arms and the figures to date do not suggest any occurrence of discriminatory behaviour.

The Director would have concerns regarding some of the parameters suggested by respondents as they could give rise to commercial confidentiality considerations. OLOs should be in a position to reciprocally monitor eircom's performance regarding their own circuit orders and as such the director does not see the need to individualise performance measures (apart from those relating to penalty regime and its link with due date delivery performance).

While the Director considers that the introduction of a bi-annual report would be of benefit to the industry she also considers it necessary to allow the ODTR to determine whether further regulatory action in relation to the SLA is necessary, or indeed, existing measures can be relaxed. Measures such as average delivery times, age analysis of orders and SLA process compliance will be published as well as forming part of the bi-annual report of performance. The ODTR will seek to agree further measures, as appropriate, with eircom and where these are not considered to be commercially sensitive they may be made publicly available.

Given the reporting requirements above she feels that initially the reports should be on a bi-annual basis but shall review this should it become apparent that this timeframe is too long.

Additional reporting requirements will be put in place between eircom and the ODTR in relation to individual OLO performance level and its relationship with the penalty regime.

Direction 11

Eircom are directed to publish the performance measures as set out above on a monthly basis commencing 1st April 2002. A bi-annual report shall also be presented to the ODTR by eircom covering the parameters outlined above and others which may be agreed. The first Bi-annual report shall be presented for the first six months of 2002 by 22nd July 2002.

6 Other SLA related Issues

6.1 Terms and Conditions for Carrier Services

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

- Q. 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?
- Q. 30** Do you agree that the SLA should form part of the terms and conditions? Please justify your answers.

Views of Respondents

The majority of respondents saw merit in the creation of separate terms and conditions believing this could allow flexibility in forming offerings more suited to OLO requirements and to make it consistent. It was felt that the SLA should be specifically incorporated into these terms and conditions with one respondent suggesting that the terms should detail an adequate procedure for the resolution of billing disputes arising in respect of leased lines.

eircom's position

eircom felt that the services covered by the SLA were retail services and did not agree that separate terms and conditions should be created. *eircom* does not believe that the need for such a step has been proven nor is there any evidence that any benefit would accrue to any of the parties involved. *eircom* already has an obligation to comply with the provisions of the SLA and it would be superfluous to repeat the provisions of that SLA in the terms and conditions. They also felt that they would be forced to unduly discriminate against its retail.

Position of the Director

The Director does not accept *eircom's* argument that the introduction of separate terms and conditions for the services offered within the Carrier Services portfolio would force *eircom* to unduly discriminate against its retail customers in favour of the OLOs. *Eircom* is free to offer a similar SLA to its own retail customers if it chooses to do so.

The Director believes there is merit in aligning the terms and conditions to the SLA. Indeed, issues have arisen in the past where the terminology in the existing terms and conditions differs from that used in the SLA. The creation of separate terms and conditions which include the SLA would prevent this re-occurring.

The Director has decided that separate terms and conditions should be created for those services offered in the Carrier Services portfolio which reflect the SLA terminology. The SLA itself should form part of these terms and conditions.

Direction 12

Eircom are directed to create separate terms and conditions for the services offered under the Carrier Services portfolio. The SLA shall form part of the terms and conditions.

6.2 Back to Back Retail SLAs

The Director considers that the principle beneficiaries of the SLA should be the OLOs retail consumer and that penalties received should be passed on to consumers through the creation of a back-to-back SLA. The Director was 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 to understand further the benefits of the regime for consumers.

Q. 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 and conditions and availability for such SLAs.

Views of Respondents

Disappointingly a number of respondents felt that this issue was not appropriate for consideration in this consultation and failed to respond to the question. They felt that the ODTR's focus must continue to be on eircom, as the only operator designated as having SMP in the leased line market. Of those who did respond, one operator stated that do not offer back to back SLAs to their customers. Another offers its customers an SLA tailored to the needs of each customer and their product portfolio. A third stated it offered an SLA to its customers.

Position of the Director

The Director is disappointed that many operators failed to respond to this question as she believes that the principle beneficiaries of the SLA should be OLOs' own customers. Part of the rationale for the SLA regime is to facilitate such back-to-back offerings. The Director wishes to see OLOs pass on the benefits of the SLA to their customers and not treat any penalties which may accrue as a revenue source. The Director intends raising consumer awareness regarding the existence of the SLA in order that consumers can actively seek to take advantages of its benefits in terms of a back-to-back SLA.

6.3 Carrier Services Operations and Maintenance Forum

Insofar as any changes to the SLA regime or supporting processes 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 and continue to meet on a quarterly basis at a minimum.

Q. 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.

Views of respondents

Many felt that the O&M forum is an effective medium for addressing and resolving issues of general importance to the industry.

eircom's position

Eircom believed there was inadequate representation by OLOs at the Industry Forum felt that this lack of attendance pointed to a lack of relevance of this issue to the industry as a whole. They stated that the forum was established to define operational procedures to support the SLA. Since this was completed the Forum has been used to debate operational issues.

Position of the Director

It is the intention of the Director that the O&M forum is reconvened on foot of this decision notice to discuss the process changes proposed herewith. Such issues include, amongst other things,

- Fault Management Issues
- Movement to a 95% Performance Level

The Forum will meet in the Offices of the ODTR on 4th April next at 10.00am. and all telecommunications licensees are invited. Attendance should be confirmed to Ms. Susan O'Shea (Ph. 8049689 or email mailto:osheas@odtr.ie) by 29th March next t. The Forum should attempt to agreeing any processes changes required arising from the Decision Notice as quickly as possible. Any delays may have an impact on the required implementation dates for SLA changes set out herein. Operators should therefore be cognisant of the timeframes for the introduction of any amendments to the SLA as set out throughout the paper and where interdependencies exist with issues to be agreed within the forum speed is of paramount importance.

The ODTR will attend the Forum to ensure consistency of any processes adopted with the provisions set out in the Decision Notice.

The Director also considers there is merit in continuing the O&M forum on a quarterly basis following completion of this task as it provides an appropriate medium through which general operational issues involving the delivery of carrier services and the SLA can be addressed. She is mindful of eircom's concerns that the forum is not properly attended by operators and that as a result some of the issues dealt with in the forum recently may be tailored towards a small number of operators. The ODTR will monitor attendance at the O&M forum to ensure that market needs are catered for. Operators are of course

encouraged to raise specific operational issues directly with eircom in the context of a supplier-customer relationship.

7 Next Steps

The ODTR has concluded an extensive consultation with interested parties and having come to the conclusions set out in this report, this section sets out the further steps which are required to implement these conclusions.

In accordance with Condition 18 of its General Telecommunications Licence, the Director will be Directing eircom to publish an amended statement of service levels by 15th June 2002.

The Director will review the published Statement to ensure that it conforms with the details as set out in the Decision Notice.

The principal provisions of this Review do not take effect until 1st July 2002. Any circuits ordered prior to then shall be subject to the existing SLA.