



Office of the Director of
**Telecommunications
Regulation**

MEDIA RELEASE

For Immediate Release
7th September 2000

Statement issued by Etain Doyle: Director of Telecommunications Regulation re: Delivery of Leased Lines by eircom plc to Other Licensed Operators.

Etain Doyle, Telecoms Regulator today (Thursday 7th September) said “There has been a very substantial increase in demand for circuits – a very healthy sign of dynamism in the telecoms sector. It is eircom’s responsibility and opportunity to respond to this challenge.”

“If eircom meets its promised delivery times for circuits it will not incur any penalties – capped or uncapped. The current situation has arisen due to failure to meet targets.”

Background

- eircom’s performance in delivery of leased lines to the industry has been persistently inadequate.
- The Regulator has brokered circuit delivery backlog programmes (interconnect and leased lines) on 3 separate occasions in the last two years with eircom.
- eircom has failed to put in place an effective solution to the ongoing problem after repeated assurances to the ODTR.
- Despite having a year to improve delivery timeframes eircom has failed to reach satisfactory delivery standards. These timeframes were put forward by eircom itself.

Other Licensed Operator Complaints:

- All the major operators in the Irish market have complained to the ODTR about eircom’s poor performance

- Retail consumers have informally complained to ODTR about leased line delivery.

Correspondence with ODTR:

- As recently as mid July *eircom* informed the ODTR that their service delivery transformation programme was on schedule and would lead to the delivery in accordance with Service Level Agreement (SLA) targets
- *eircom* only recently informed the ODTR that it will not be able to deliver to the promised SLA targets.

Decision to uncap penalties (August 2000):

- Given *eircom*'s persistent inadequate performance in delivery of leased lines to OLOs, the Director believes that the penalties currently provided for in the SLAs are no longer adequate and appropriate to ensure effective delivery of services or competition.
- The Director has therefore directed *eircom* to amend its existing mechanism for penalty calculation so that penalty payments **will no longer be capped** after delivery has reached 1.5 times the target delivery date.
- The Director considers this is a reasonable and proportionate action on her behalf and followed repeated warnings to *eircom* that action would be taken in accordance with the Director's powers . This was a targeted action aimed at resolving a specific and urgent problem. Should *eircom* deliver on time they will not incur penalties.
- In planning for its more general consultation on SLA's the ODTR had suggested to *Eircom* that it could make a case for extending the period during which the 26 day delivery target would apply. *Eircom* did not provide a meaningful response.

ENDS

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