

STATUTORY INSTRUMENTS

S.I. No. 31 of 2003

**Order
Entitled**

TELECOMMUNICATIONS TARIFF REGULATION ORDER, 2003

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TELECOMMUNICATIONS TARIFF REGULATION ORDER, 2003

The Commission for Communications Regulation, in exercise of the powers conferred on it by section 7(2) of the Telecommunications (Miscellaneous Provisions) Act, 1996 (No. 34 of 1996), as extended by Regulation 8(3) and (8) of the European Communities (Voice Telephony and Universal Service) Regulations, 1999 (S.I. No. 71 of 1999), hereby make the following Order:

1. (1) This Order may be cited as the Telecommunications Tariff Regulation Order, 2003.
- (2) This Order shall come into operation on the 4th day of February, 2003.
- (3) Telecommunications Tariff Regulation (Modification) Order, 1999 (S.I. No. 438 of 1999) is revoked as and from 4 February, 2003.
- (4) Telecommunications Tariff Regulation Order, 1996 (S.I. No. 393 of 1996) is revoked as and from 4 February, 2003.

2. (1) In this Order—

"the Act of 1996" means the Telecommunications (Miscellaneous Provisions) Act, 1996 (No. 34 of 1996);

"basket of telecommunications services" has the meaning assigned to it by Article 3;

"the company" means eircom Limited.;

"connection and takeover charge" means a charge made by the company for the connection of a customer to the company's networks or to services on the company's networks;

"the Commission" means the Commission for Communications Regulation established under section 6 of the Communications Regulation Act of 2002, (No 20 of 2002);

"fixed to mobile calls" means calls from the public switched telecommunications network which supports the transfer between network termination points at fixed locations of speech and 3,1 kHz bandwidth audio information, to support *inter alia*: voice telephony, to a public telephone network where the network termination points are not at fixed locations;

"Integrated Services Digital Network" means a network whereby telephone calls are made over switched end to end digital transmission paths;

"light user scheme" means any discount scheme which has been approved as such by the Commission and which is aimed at certain residential users whose bills for telecommunications services are, in the opinion of the Commission, following consultation with the company, low in monetary terms;

"local dialled call" means a dialled call made from a telephone exchange line in the State to a telephone exchange line in the same telephone group or to a telephone exchange line in another telephone group in the State or in Northern Ireland which is regarded as adjacent to the first-mentioned telephone group;

"lower quartile bill" means a notional bill for telecommunications services (including telecommunications services other than those referred to in the First Schedule) which stands specified by the Commission, following consultation with the company and is based on a representative sample of bills imposing charges for a specified period on residential users of such services;

"operator call" means a call which is completed with the assistance of an operator of the company for which a charge is made by the company;

"payphone call" means a call originating from a public pay telephone owned by the company on public property;

"the provision of Integrated Services Digital Network lines" means a service for which a recurring charge is made by the company for the availability of Integrated Services Digital Network lines and does not include connection and takeover charges;

"the provision of telephone exchange lines" means a service for which a recurring charge is made by the company for the availability of telephone exchange lines and does not include connection and takeover charges;

"relevant year" means any period of 12 months beginning on 4 February;

"trunk dialled call" means a dialled call made from a telephone exchange line in the State to a telephone exchange line in another telephone group in the State or in Northern Ireland which is not a local dialled call;

"vulnerable user scheme" means any tariff scheme which has been approved as such by the Commission and which is aimed at vulnerable groups of users, within the meaning of Regulation 8(2) of the European Communities (Voice Telephony and Universal Service) Regulations, 1999 (S.I. No. 71 of 1999);

and any cognate words shall be construed accordingly.

(2) In this Order—

(a) a reference to an article or schedule is to an article of, or Schedule to, this Order unless it is indicated that reference to some other Order is intended;

(b) a reference to a sub-article is to the sub-article of the provision in which the reference occurs unless it is indicated that reference to some other provision is intended.

3. The telecommunications services set out in the First Schedule to this Order shall be the basket of telecommunications services specified for the purposes of this Order and "basket of telecommunications services" shall be construed accordingly.

4. (1) The Commission hereby specifies $\Delta\text{CPI} - 0\%$ to be the price cap in respect of the basket of telecommunications services to which this Order applies.

(2) Without prejudice to sub-article (1) of this Article, the following adjustment to the price cap formula shall apply until a vulnerable or light user scheme is effective: in respect of the lower quartile bill the price cap shall be $\Delta\text{CPI} + 0\%$.

5. (1) The restrictions and adjustments to the price cap formula, set out in Part I of the Second Schedule to this Order, shall be applied for the purpose of determining compliance with the price cap specified in Article 4 (1). The Commission hereby specifies that compliance shall be at all times throughout the relevant year.

(2) The restrictions and adjustments to the price cap formula, set out in Part 2 of the Second Schedule to this Order, shall be applied for the purpose of determining compliance with the adjustment to the price cap specified in Article 4(2). The Commission hereby specifies that compliance shall be at all times throughout the relevant year.

6. Notwithstanding Article 4 of this Order, the Commission may make the following adjustment to the price cap formula: to the extent that a company has made, during any relevant year, a reduction in charges that is greater than the reduction required or an increase in charges that is less than the increase that is permitted by sub-article (1) of that Article, the difference may be taken into account by the Commission in applying the said sub-article (1) in the relevant years subsequent to the relevant year in which the reduction was made or the allowable increase was not availed of.

FIRST SCHEDULE

The provision of telephone exchange lines and Integrated Services Digital Network lines;

Telephone exchange line and Integrated Services Digital Network connection and take-over;

Local dialled calls;

Trunk dialled calls;

Operator calls;

Payphone calls;

Fixed to mobile calls.

SECOND SCHEDULE

Part 1

$$\sum_{i=1}^n \Delta P_i * (R_i / R_t)$$

Where,
n is the total number of services in the basket of telecommunications services;

ΔP_i is the percentage change in the tariff (before discounts, except for any light user scheme or vulnerable user scheme) for telecommunications service "i" calculated in accordance with a method to be specified by the Commission after consultation with the company from either:

- (i) the base of the tariff pertaining at the end of the year preceding the relevant year, or
- (ii) on the basis of a representative sample (approved of by the Commission after consultation with the company) of call records for the service "i" provided by the company;

R_i is the total revenue before discounts for the telecommunications service "i" in the financial year ending on or about 31 March in the relevant year;

R_t is the overall total revenue before discounts in the financial year ending on or about 31 March in the relevant year for all telecommunications services in the basket.

Part 2

$$\sum_{i=1}^n \Delta P_i * (LR_i / LR_t)$$

Where,

n is the total number of services in the basket of telecommunications services;

ΔP_i is the percentage change in tariff (before discounts, except for any light user scheme or vulnerable user scheme) for telecommunications service "i" calculated in accordance with a method to be specified by the Commission after consultation with the company from either:

- (i) the base of the tariff pertaining at the end of the year preceding the relevant year, or
- (ii) on the basis of a representative sample (approved of by the Commission after consultation with the company) of call records for the service "i" provided by the company;

LR_i is the amount charged for the telecommunications service "i" in the lower quartile bill in the financial year ending on or about 31 March in the relevant year;

LR_t is the overall total charge for all telecommunications services in the lower quartile bill in the financial year ending on or about 31 March in the relevant year.

EXPLANATORY NOTE

This Order revokes the Telecommunications Tariff Regulation (Modification) Order, 1999 (No. 438 of 1999) and the Telecommunications Tariff Regulation Order, 1996 (No. 393 of 1996). The Order removes the price cap on the lower quartile bill but this is conditional on the introduction of a vulnerable or light user scheme approved by the Commission for Communications Regulation. The Order also removes the sub-caps contained in previous orders. In addition the Order provides that the price cap on certain services provided by eircom must not exceed an amount equal to the annual percentage change in the Consumer Price Index - 0%. The Order removes directory enquiry calls from the basket of telecommunications services previously covered by the price cap and introduces fixed to mobile calls into the basket. The Order also provides for various matters for measuring compliance.

GIVEN under the seal of the Commission for Communications Regulation this 3 day
of February 2003

L.S

Etain Doyle
Chairperson