



Office of the Director of
**Telecommunications
Regulation**

Media Release

For Immediate Release
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Telecoms Regulator announces new decisions on *eircom's* Reference Interconnection Offer (RIO) and the future development of Accounting Separation.

Telecoms Regulator, Etain Doyle, today Thursday (26th April 2001) announced a number of new decisions relating to *eircom's* Reference Interconnection Offer (RIO) and the further development of Accounting Separation.

The RIO is part of the annual process of setting interconnection rates between *eircom* and other operators, and this decision deals with a number of issues of methodology and calculation. As an operator with Significant Market Power in the telecommunications market in Ireland, *eircom* is required to publish separated accounts. The aim of publication is to assist in ensuring that charges are cost based, transparent and non-discriminatory and provide an analysis of accounting records to reflect as closely as possible the performance of parts of the business as if they had operated as separate businesses.

The issues, which were addressed in a consultation paper (ODTR 01/11), arose from the ODTR's review of *eircom's* Separated Accounts for last year and practical experience of accounting issues and the need to consider the future direction of Accounting Separation.

The main decisions include:

- Interconnection Call Rates to be presented as two-part charges from 1st October 2001, reflecting the underlying cost basis for call set-up and call duration.

- Provision for introduction from the same date for separate charges for call origination and call termination also reflecting the different cost bases.
- Changes to the format and content of the published Separated Accounts to support the transparency of cost attribution and the calculation of RIO rates.
- The timeframe for the publication of draft and final Separated Accounts
- The accounting treatment for certain cost elements, for example, Line Cards.

ODTR 01/24 "Report on the Consultation and Decision Notice regarding *eircom's* Reference Interconnection Offer & Accounting Separation and Publication of Financial Information for Telecommunications Operators" can be viewed on the ODTR website at www.odtr.ie.

ENDS

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