



Office of the Director of
**Telecommunications
Regulation**

MEDIA RELEASE

For Immediate Release
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Telecoms Regulator outlines licence framework for 3G mobile Telecommunications Services in Ireland.

Etain Doyle, Telecoms Regulator, today (7th December 2000) outlined the licence framework for third generation mobile telecommunications services in Ireland. This follows the second round of public consultation, the report on which is published today. 20 responses were received from a wide range of interested parties.

According to the Regulator “ In setting the framework the key objective is to ensure that good quality, innovative telecommunications services are available to consumers at the lowest possible price consistent with the sustainability of a competitive market. In recognition of the specific requirements of the Irish market together with recent developments in licensing 3G on a European level – an innovative approach is essential.”

She added “ To ensure Ireland gets early access to high quality 3G services at competitive prices I believe that it is important to promote competition in the mobile telecommunications market at both the infrastructure and the service level. I am therefore keen to encourage new entrants at both these levels. We are offering two distinct 3G mobile licence classes one of which supports the potential for certain types of MVNOs thus facilitating increased competition at the service level.”

- There will be 4 licences of equal 3G spectrum. Additional spectrum will be offered to new market entrants (subject to certain requirements) in order to level the playing field with incumbent operators who have an inherent advantage in rolling out new networks.
- Applicants will be pre-qualified on the basis of a high level of financial/ technical strength and management expertise to ensure strong competition.
- Applicants can bid for both types of licence but will be required to indicate a preference should they be highly ranked for both categories.
- Applications will be evaluated on a series of criteria including coverage, roll out, performance guarantees, fees and promotion of competition.

There will be **one Class A licence**, which includes a high coverage and roll-out requirement. Bids will be evaluated in terms of willingness and terms for facilitating MVNOs as well as additional coverage, rollout etc. This licence will involve the potential for award of additional 900MHz spectrum subject to a demonstrable need for those willing to facilitate MVNOs.

There will be **three class B licences** with lower coverage requirements.

Coverage

Class A licence will carry with it a requirement to provide minimum coverage equal to 80% of the population. The class B licence will have a minimum requirement of 53% demographic coverage.

Roll Out

Class A licence will involve a roll out requirement on a phased basis of a minimum of 53% of the population (all 5 major cities) by mid 2004 and fulfilment of the minimum requirement of 80% by the end of 2005.

The class B licence will also require a minimum phased roll-out but on a less stringent basis and will cover 33% of the population by the end of 2004. The minimum requirement for coverage on the B licence by end 2006 shall be 53%.

Applicants will be asked to make voluntary offerings concerning coverage/ roll-out in excess of the minimum requirements stipulated above.

Roaming

A pre condition for entry to the licence competition will be a requirement from bidders who are licensed to provide GSM services and networks in Ireland to accept an obligation to provide national roaming facilities on the basis of commercial negotiations onto their GSM network to all 3G mobile licensees who meet a minimum rollout requirement. In the event of commercial negotiations failing, the Regulator will reserve the right to intervene, using the basis of retail minus net avoidable costs.

Roaming will apply for five years from the date when an operator has 20% of its network constructed.

MVNO Access conditions

The Class A competition licences will be significantly weighted for provision of MVNO access and the terms on which it may be provided (retail minus X formula). An additional allocation of 900 MHz spectrum will be available should the winning bidder commit to MVNO access.

There is no similar provision for Class B.

The response to the consultation ODTR 00/ 92 “ Extending Choice – Opening the market for third Generation Mobile Services (3G Mobile) : Response to the Consultation “ can be viewed on the ODTR website <http://www.odtr.ie/>

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Note to Editors

MVNO

For bidding to provide access to MVNOs, a Mobile Virtual Network Operator (MVNO) is defined as an organisation operating a physical network infrastructure comprising as a minimum a GSM mobile switching centre, home location register and authentication centre (or 3G mobile equivalents), having its own unique mobile network code with distinct number series (where applicable), and issuing its own branded SIM cards (or 3G mobile equivalent), but without a mobile radio access network. By having their own network infrastructure MNNOs will be able to offer enhanced services to their customers beyond those available on the host network.

Retail minus net avoidable cost

Retail minus net avoidable cost for roaming means the retail price less cost not incurred in delivering service to another large operator.

Retail minus X

For bidding to provide access to MVNOs, applicants will be invited to specify a % for X, from zero upwards, for the pricing of access for MVNO.

NB This media release is for general information purposes only. It does not form part of the tender process