



Office of the Director of  
**Telecommunications  
Regulation**

**QUARTERLY REVIEW**

# The Irish Communications Market Quarterly Review

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**Oifig an Stiúrthóra Rialála Teileachumarsáide**

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## **1 FOREWORD BY THE DIRECTOR**

This review summarises the developments in the Irish communications sector in the period since our last review published on 6<sup>th</sup> September 2001.

The 1<sup>st</sup> December 2001, was the third anniversary of liberalisation in the Irish telecommunications market. Competition has transformed the market in this short period. Other licensed operators market share is now 20%, mobile penetration now stands at 75%, one third of the population has access to the Internet at home, and the cable companies are currently rolling out digital television services. Consumers have benefited from cumulative price declines of over 18% in telecommunications prices since 1998. Ireland has achieved a lot over the years and the ODTR will continue to remove barriers to competition wherever it can, and provide a regulatory environment that facilitates as many ways of delivering infrastructure and services as possible. The major challenge in the telecommunications market now is broadband provision.

Key regulatory developments in the quarter included the publication of papers on the regulation of universal postal services, network resilience, decisions on the cable operators price increase applications, the role of resellers in carrier pre-selection and obtaining assurances in relation to the Valentia / *eircom* transaction.

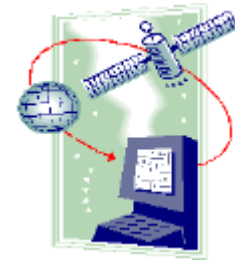
Included in this quarterly report are the results of a survey conducted by Irish Marketing Surveys on Small and Medium Enterprises (SMEs). The results of this survey are referred to throughout the report. The full survey is also available on our website.

We would like to thank all those operators and organisations who have contributed information and comments for this review and we appreciate their efforts in facilitating the publication of this document. We continue to encourage all operators to complete the questionnaire sent to them on a quarterly basis to ensure as complete a picture as possible of the Irish market can be presented.

*All figures and statements expressed in this review seek to reflect developments in the Irish market since the ODTR's last quarterly report. While every effort has been made to include the most up to date figures and estimates, we have, in some instances, referred to earlier data.*

## 2 MARKET DEVELOPMENTS

The data in the review is based on returns from licensees for the period 1st July 2001 to 30th September 2001. The report is based on submissions from 41 operators (detailed in Appendix 1).



### 2.1 OVERVIEW

Key market indicators include:

- Total revenues for fixed, mobile and broadcasting markets at the end of September 2001 stands at an estimated IR£2.5 (€3.2) billion per annum on an annualised basis, an increase of approximately 2% since the last quarter. This figure has increased by approximately 26% since September 2000.
- The telecoms sector is now estimated to account for approximately 3.1% of Irish GDP (2000)<sup>1</sup> an increase of 0.1% since the last quarter. This figure has increased by 0.2% since September 2000.
- The new entrants share of the fixed line market is approximately 20%. The market share held by new entrants has increased by 3% in the past 12 months.
- In the period up to the end of September 2001 2 additional basic licences were awarded, bringing the total number of Basic licences to 39<sup>2</sup>
- 23 of the 45 General licensees and 20 of the 39 basic licensees are operational in the Irish market<sup>3</sup>.
- The Irish mobile penetration rate is now 75%, an increase of 21% since this period last year. This figure is 5% higher as compared to the figure given in the last quarter.
- There are approximately 610,000 cable/MMDS subscribers to *basic television services* in Ireland. Approximately 1 million households are passed.
- The total number of employees in the telecoms sector is approximately 17,000. The fixed, mobile and cable markets account for approximately 79%, 15% and 6% of the total figure respectively. There has been a decline of approximately 2% since last quarter.

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<sup>1</sup> Figure was calculated using GDP at market price (2000) – ESRI Quarterly Economic Commentary, October 2001.

<sup>2</sup> One licence surrendered.

<sup>3</sup> Totals for general and basic licensees revised. Torc has a basic licence and not a general as included in Appendix 1 in Q02 2001.

The seventh report on the Implementation of the Telecommunications Regulatory Package was published recently<sup>4</sup>. The report presents some of the key indicators from the European market and examines in more detail some key requirements for developing competitive telecommunications in the EU under the current framework. It also focuses on outstanding regulatory issues.

According to the European Commission, Europe's telecommunications sector is still growing strongly, despite the global economic downturn, and continues to represent a substantial growth factor in the European economy. The combined national markets of the fifteen Member States will expand to an estimated €218 billion in terms of revenue by end 2001, representing growth of 9.5%. Since the sixth Implementation report, users and consumers have continued to enjoy an increased choice of operators accompanied by declining tariffs overall.

The fastest expanding segment in revenue terms is the mobile services market. Mobile penetration continues to rise dramatically, with substantially higher rates in every single member state since last year. The fixed voice telephony segment continues to represent the largest share of the EU market.

The Commission concludes that the EU market remains dynamic and there has been continuing progress towards liberalisation, but that a number of bottlenecks remain – LLU, fixed/mobile termination rates, flat rate for internet, high pricing/poor delivery for leased lines, numbering (carrier pre-select), rights of way and consumer protection.

Since the sixth report, the Commission notes that there have been further developments in all telecommunications markets in Ireland. According to the seventh report, Ireland is above average in terms of average telecommunications spend per capita, just below the average in terms of mobile phone usage, above the average in terms of choice of operator, and with a the full range of carrier pre-selection options available. Irish tariffs are still high, but have fallen more than those in other countries. The fall in market share of the incumbent has 'been particularly remarkable' in those countries such as Germany, France, Italy and the Netherlands which liberalised on 1 January 1998 and Ireland, which opened its market almost one year later. The Commission notes that despite considerable efforts by the ODTR to put in

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<sup>4</sup> Source: Commission of the European Communities – Communication from the Commission to the Council, The European Parliament, The Economic and Social Committee and the Committee of the Regions. Seventh Report on the implementation of the telecommunications regulatory package.

place the regulatory measures required for LLU, uptake has been slow and this kind of competition in the last mile has not been developed.

The ODTR has introduced service level agreements by way of corrective action for leased line delivery. And, as shown in section 2.3 data communications, delivery has improved considerably in recent months. Both geographic and non-geographic number portability has been established in Ireland and full mobile number portability is planned for the fourth quarter of 2002. Consumer protection has been at the centre of certain regulatory interventions of the ODTR. Qualitative measures of operators' performance have also been introduced. Ireland is lagging behind in the rollout of 3G services and will have difficulty in implementing the UMTS Decision under which licensing arrangements must be in place by 1<sup>st</sup> January 2002.

## 2.2 ODTR STRATEGIC AREAS 2002

The ODTR publishes and updates an annual work-plan throughout the year which is available on the ODTR Website at [www.odtr.ie](http://www.odtr.ie)

The work programme for 2002 will be published on the ODTR website during December 2001 and will continue the process of implementing the EU frameworks and enabling a competitive state of the art communications sector for end users.

As part of the development of that work programme the ODTR has identified seven key strategic areas that it will focus on during 2002 as listed below in table 2.1.

**Table 2.1**

<i>Key Strategic Areas 2002</i>
<i>Market competition and quality – tackling bottlenecks, and quality issues for users, seeking to intensify competition in existing services and best practice in delivery and range of services</i>
<i>Implementation of the new EU Framework for telecommunications liberalisation</i>
<i>Competitive infrastructure development and network sharing for broadband and narrowband, including LLU</i>
<i>Complete/ streamline costing/accounting modelling and frameworks for all sub-sectors, underpinning efficient pricing and stimulus to competition.</i>
<i>Complete postal regulation framework to encourage competition and quality for users</i>
<i>Maintain and develop ODTR ‘centre of excellence’ programme</i>
<i>Maintain and develop ODTR stakeholder relationships</i>

Progress to date has involved considerable effort on the part of the industry and the ODTR, but the challenges that remain require even greater effort. The key challenges are the need to introduce and roll out affordable broadband services rapidly and to maintain and develop the core infrastructure. Local loop unbundling, fixed rate internet access and leased line delivery and prices are all areas on the ODTR agenda for improvement, as well as addressing new challenges in mobile and wireless technologies, digital television media and postal services. These are key to being cost competitive in terms of service delivery.

### 2.3 SME SURVEY

The ODTR commissioned Irish Marketing Surveys (IMS) to examine the attitudes of SMEs to telecommunications services in the Irish market. The interviews were conducted in November 2001 with 200 SMEs.

SMEs are still benefiting from liberalisation with two in three claiming their telecommunications costs have decreased or stayed the same in the past twelve months. 41% of respondents believed they would be investing in telecommunications in the next twelve months.

Table 2.2 below illustrates telecom services / devices that the respondents intend investing in over the next 12 months.

**Table 2.2**

<i>Services / Devices</i>	<i>Percentage</i>
<i>Internet/Web development</i>	82%
<i>Mobile Telephony</i>	57%
<i>Fixed ISDN telephone line</i>	48%

*eircom* remains the dominant telecommunications player in the fixed line market with approximately four in five SMEs being supplied by *eircom* in respect of local calls.

**Table 2.3 Telecom Supplier**

<i>Supplier<sup>5</sup></i>	<i>2000</i>	<i>2001</i>
<b><i>Local Calls:</i></b>		
<i>Eircom</i>	78%	79%
<i>OLOs</i>	22%	21%
<b><i>National Calls:</i></b>		
<i>Eircom</i>	71%	78%
<i>OLOs</i>	29%	22%
<b><i>International Calls:</i></b>		
<i>Eircom</i>	69%	78%
<i>OLOs</i>	31%	22%

<sup>5</sup> OLOs is the aggregate of all operators mentioned in response to the survey other than *eircom*.



There is evidence in the survey that almost one in five respondents switched their fixed line supplier. The main motivation of SMEs in switching is to gain cheaper prices. This level of activity in Ireland compares to the 10% of UK SMEs who claimed they had switched fixed line supplier in a survey carried out by Oftel.

Table 2.4 shows a decline in the numbers who believe there are savings to be gained from switching supplier as compared with the position in last year's survey. This may reflect a bottoming out of the market in terms of price reductions. However, there is still a very strong belief by SMEs that the telecommunications market is more competitive than 12 months ago.

**Table 2.4**

<i>Question</i>	<i>2000</i>	<i>2001</i>
<i>Do you believe there are savings to be made by changing my telecommunications supplier?</i>	78%	47%
<i>Do you believe the telecommunications market is more competitive than it was 12 months ago?</i>	95%	84%

## **2.4 DATA COMMUNICATIONS**

According to figures collected for the September quarter, the total number of leased line circuits remained relatively constant at approximately 39,000. Results from the broadband survey in last quarter show that leased lines are the most widely used form of broadband access for larger corporate users. The SME survey showed that 15% of SMEs use leased lines, an increase of 3% since last year's survey.

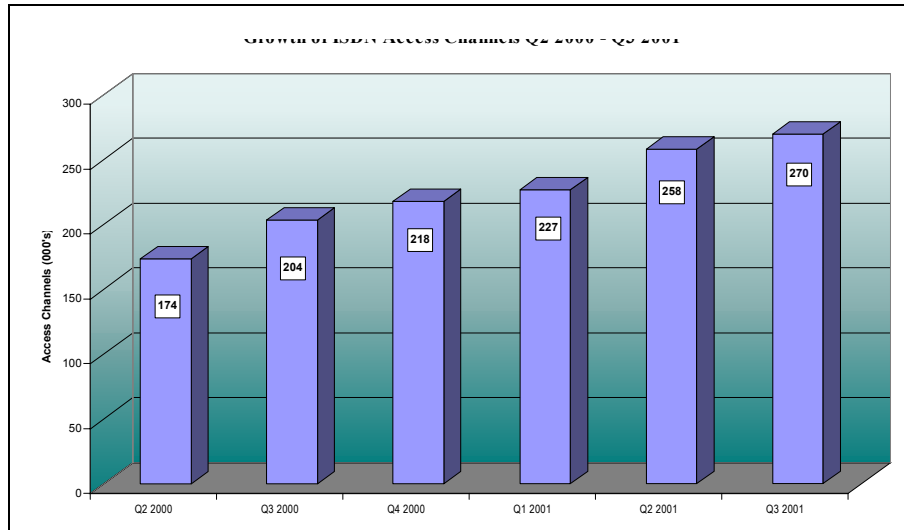
The ODTR SME survey shows the growing importance of ISDN with 56% of respondents saying they had ISDN compared to only 38% in 2000. The predominant method for accessing the Internet is via a dial up connection (52%). ISDN is used by 39% of respondents. Oftel's survey on SME use of Internet shows that 73% of UK SMEs access the Internet via a dial up connection while ISDN is used by 28%.

The number of ISDN access channels<sup>6</sup> has increased from approximately 258,000 at the end of June to approximately 270,000 access channels at the end of September 2001, which represents an increase of approximately 5%. The number of ISDN access channels has

<sup>6</sup> The figure for total ISDN access channels includes basic rate, fractional rate and primary rate ISDN and is expressed in basic rate equivalents.

increased by approximately 32% in the last 12 months. The proportion of ISDN as a percentage of total access paths is now 6%.

**Figure 2.1 ISDN Access Channels**



Source: Quarterly Review Questionnaire

In November 2000, *eircom*'s average delivery time for leased line circuits to OLOs was between 70 and 90 days. The ODTR notes that this figure has reduced to between 36 and 43 days as shown in table 2.5 below:

**Table 2.5: Rolling Three Month Average Delivery Time for Leased Line Circuits Ordered by OLOs (Working Days)<sup>7</sup>**

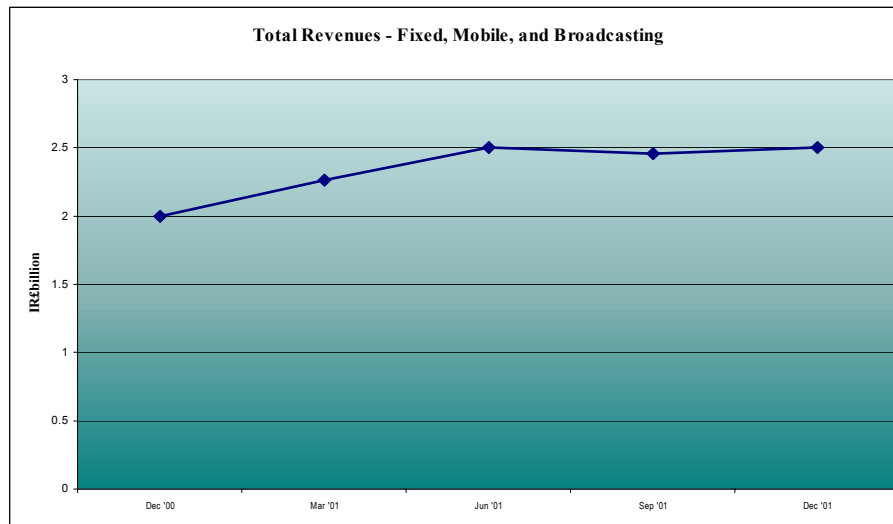
	<i>Aug 2001</i>	<i>Sept 2001</i>	<i>Oct 2001</i>
All Leased Lines	<b>37</b>	<b>37</b>	<b>38</b>
<i>Of Which:</i>			
Sub 2Mbit Lines	<b>38</b>	<b>37</b>	<b>36</b>
2Mbit Lines	<b>33</b>	<b>37</b>	<b>43</b>

<sup>7</sup> Source: ODTR Document no. 01/92 – Service Levels provided to other licensed operators by operators with SMP – Consultation Paper. 1) Delivery lead-time is shown both for 95% of orders delivered in the period. I.e. first 95% of orders delivered in a period. 2) Sub 2mb deliveries include digital circuits with transmission speeds of less than 2mb. 3) The statistics provided relate to orders from other licensed operators only. 4) Other interconnect circuits are not included in the statistics.

### 3 FIXED LINE MARKET

Total fixed line revenue<sup>8</sup> for the quarter to the end of September stands at approximately £400 (€508) million, which accounts for approximately 63% of total telecommunications revenue.

**Figure 3.1 Total Revenues – Fixed, Mobile & Broadcasting**



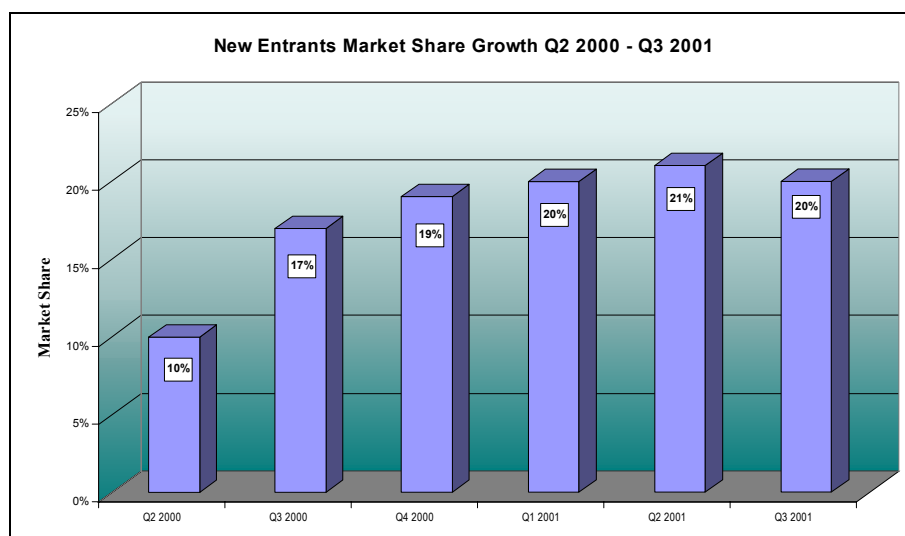
Source: ODTR Estimates

Total revenues for fixed, mobile and broadcasting markets now stand at an estimated IR£2.5 (€3.2) billion per annum on an annualised basis. This figure has increased by approximately 26% in the past 12 months. It can be seen from figure 3.1 above that the majority of this growth was early in the year with revenues stabilising over the last couple of quarters.

The market share of OLOs now stands at approximately 20%. In line with CPS, the OLO market share has stabilised. This is reflective of the slowdown in economic activity, which has impacted telecoms activity.

<sup>8</sup> This figure includes revenue from retail traffic (local, national, international, to mobiles, Internet, payphone and other), Internet services, leased lines, switched data services and other services such as directory publications and maintenance of customer equipment. Data based on operator returns.

**Figure 3.2: OLO Market Share**

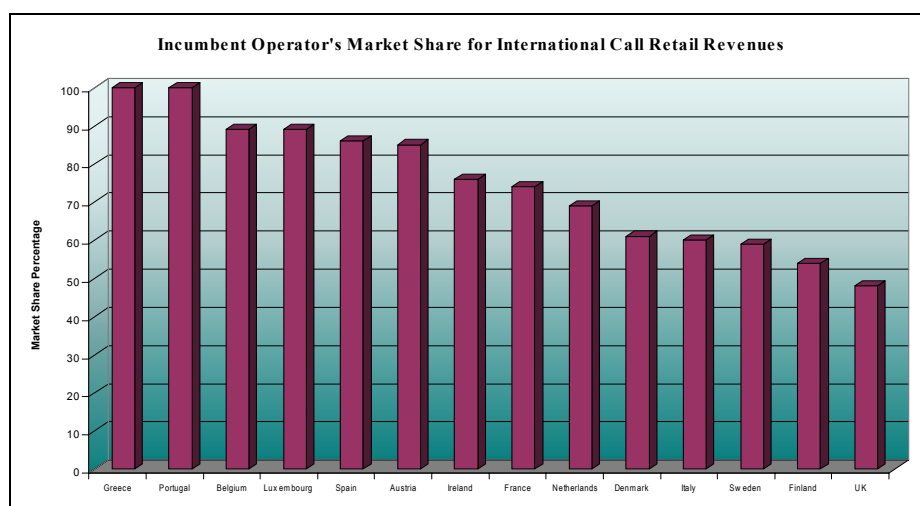


Source: ODTR Quarterly Review Questionnaire

The number of CPS<sup>9</sup> subscribers also has remained relatively static at approximately 160,000 subscribers, including both residential and business customers, as at the end of September 2001. This figure has increased by approximately 40,000 subscribers in the past year.

The incumbents share of the domestic call market<sup>10</sup> is approximately 84% at the end of September 2001. In the international call market, the incumbent has 76% market share. This is illustrated below in figure 3.3 with comparisons made with other EU country incumbents<sup>11</sup>.

**Figure 3.3: Incumbent Operators' Market Share for International Call Retail Revenue**



Source: Seventh Implementation Report

<sup>9</sup> Carrier pre selection is a service that enables a subscriber to the fixed network to select a different carrier from the local loop operator for the routing of all or some of its outgoing calls.

<sup>10</sup> Domestic calls include local and national calls. Market share is based on domestic call retail revenue. The EU does not have a comparative indicator for domestic call market share.

<sup>11</sup> Source: EU Seventh Implementation Report.

The levelling off of those seeking carrier pre-selection is evident in this and previous quarterly reports. The ODTR survey of SMEs confirms this trend with no increased awareness of CPS across both SME surveys. The following are the responses received when SMEs were asked which of the statements best describes their company’s situation on the use of CPS.

**Table 3.1 SMEs situation on the use of CPS**

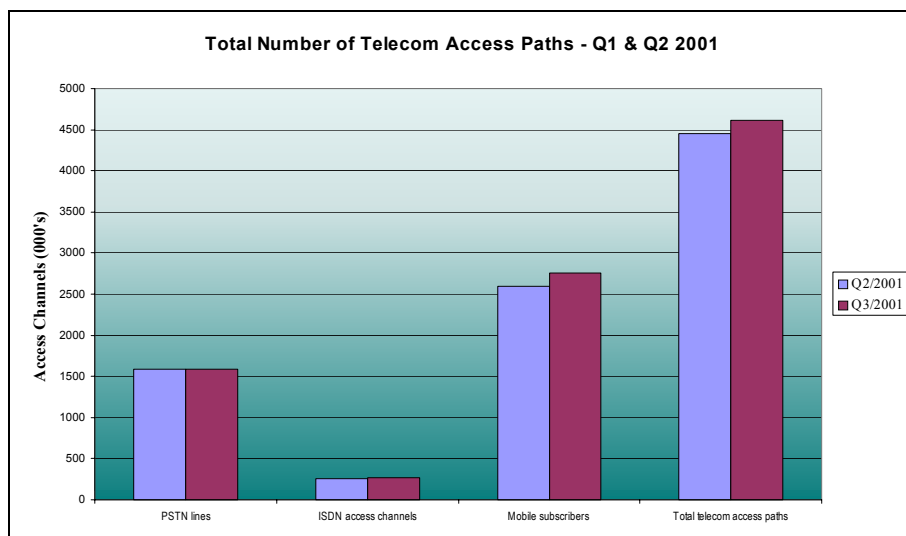
<i>Question</i>	<i>Response</i>
<i>We have not considered the service</i>	27%
<i>We have considered the service but will not be using it</i>	25%
<i>We are currently using this service</i>	21%
<i>We have used in the past but don't do now</i>	15%
<i>We are considering using the service</i>	10%

For those who do not currently use a CPS service, some of the reasons given for not using were, satisfaction with current service and/or satisfaction with the deal they are receiving from the incumbent.

### 3.1 TELECOM ACCESS PATHS

The total number of telecom access paths at the end of the quarter was 4.616 million. This figure has increased by approximately 20% since September 2000.

**Figure 3.3: Telecom Access Paths**



Source: ODTR Quarterly Review Questionnaire

### 3.1.1 PSTN Lines

The total number of PSTN lines has remained relatively constant. The total was just over 1.59 million lines at the end of September 2001. This figure is split between residential and business lines, with 1.09 million and 0.5 million lines respectively.

### 3.1.2 ISDN Access Channels

As at the end of September 2001, there were approximately 270,000 ISDN access channels. (see Figure 2.1 in Data Communications)

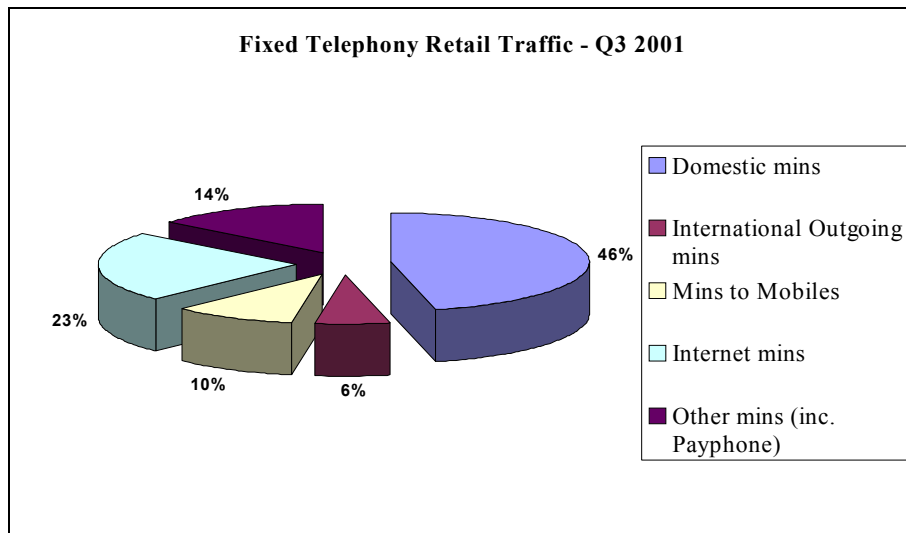
### 3.1.3 Mobile Subscribers

The number of mobile subscribers has increased to 2.8 million, at November 2001. Mobile lines account for nearly 60% of the total access paths.

## 3.2 RETAIL TRAFFIC

Fixed Telephony Retail traffic measured in minutes has remained relatively static during the quarter. International, mobile and other minutes experienced growth during the quarter, while domestic minutes have remained static. Internet minutes have decreased since last quarter.

**Figure 3.4 Retail Traffic**



Source: ODTR Quarterly Review Questionnaire

As a proportion of total retail traffic, domestic minutes remains the highest followed by Internet traffic.<sup>12</sup>

<sup>12</sup> Internet traffic as a proportion of the total has been revised in the previous quarter due to a mis classification of Internet minutes by an operator. Therefore the shift in proportions in Internet traffic is from 25% in Q02 to 23% in Q03 2001.

### **3.3 REGULATORY DEVELOPMENTS**

#### ***Network Resilience***

Resilience of both individual and interconnecting networks is becoming increasingly important from a quality of service perspective. Consumers need to have a reasonable level of assurance around the continuity and security of the service being provided. In light of this the ODTR issued a consultation paper seeking views from a wide range of parties as to how best network resilience can be assured<sup>13</sup>. Resilience is an issue not just for individual networks but also because of the increased potential for problems arising from the interdependence of networks.

#### ***Carrier Pre-Selection***

A decision notice, which addressed the role and responsibilities of CPS Resellers and how they operate within the CPS environment, was issued by the ODTR<sup>14</sup>. This document focused on defining a CPS reseller and its obligations, and the Inter-operator processes required to support the CPS reseller business model.

#### ***Reference Interconnect Offer***

Since our last review the Director issued an information notice regarding *eircom*'s Reference Interconnection Offer (RIO)<sup>15</sup>. The RIO is part of the annual process of setting interconnection rates between *eircom* and other operators. *eircom* published a further revision of the RIO on 4<sup>th</sup> September 2001 announcing the interim rates to be applied from 1<sup>st</sup> April 2001 until 31<sup>st</sup> March 2002.

#### ***Number Translation Codes***

A specific issue of importance to the telecommunications sector is that of interconnection to services provided over Number Translation Codes (NTC's). The ODTR issued a decision notice to address the issue of the treatment of discounts in the calculation of settlement rates for NTC's<sup>16</sup>. In this decision the ODTR outlined the means by which *eircom* might qualify for the 'pass through of discounts' in the calculation of settlement rates to OLO's for NTC's.

#### ***Sale of Eircom***

During this quarter the Valentia Consortium succeeded in gaining the 80% approval of *eircom* shareholders for the purchase of *eircom*'s issued share capital. The offer was subject to regulatory and competition approvals.

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<sup>13</sup> Network Resilience – Consultation Paper (ODTR Doc. No 01/77)

<sup>14</sup> The role of resellers in Carrier Pre-Selection and the block transfer of customer accounts – Decision Notice D17/01.

<sup>15</sup> *Eircom*'s Reference Interconnect Offer – Information Notice (ODTR Doc. No 01/78)

Following a joint application by Valentia and *eircom* to the Director, she gave her consent to the transfer of certain licenses, which were held by *eircom* and by its wholly owned subsidiary Indigo Services Ltd. In the context of the transfer process Valentia and those of its shareholders entitled to nominate directors to the Valentia board, provided assurances to the ODTR<sup>17</sup>.

The Minister for Enterprise Trade and Employment also approved the transaction subject to a number of behavioural conditions placed on the Chairman of Valentia, Sir Anthony O Reilly.

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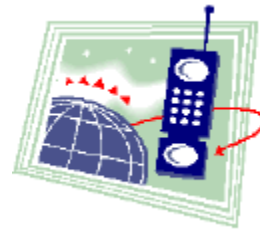
<sup>16</sup> Treatment of Discounts in the Calculation of Settlement Rates for Number Translation Codes – Decision Notice D16/01.

<sup>17</sup> Valentia / *eircom* transaction: Text of assurance letters (ODTR Doc. No 01/87)



## 4 Mobile Communications

Since our last quarterly review, the Irish mobile penetration rate has increased to 75%.



**Figure 4.1 Irish Mobile Penetration Rate: 1991 - 2001**

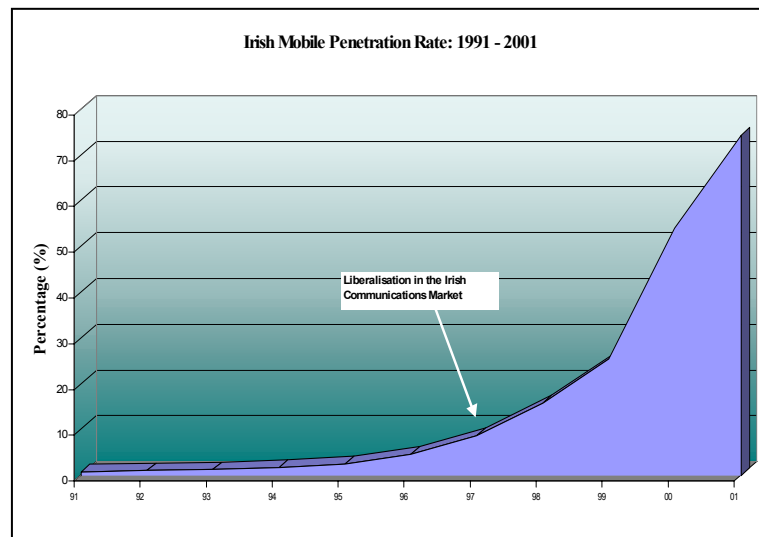


Figure 4.1 illustrates the Irish mobile penetration rate over the last decade. Since the launch of the second operator, Esat Digifone, now Digifone, a significant rise in the penetration rate is evident.

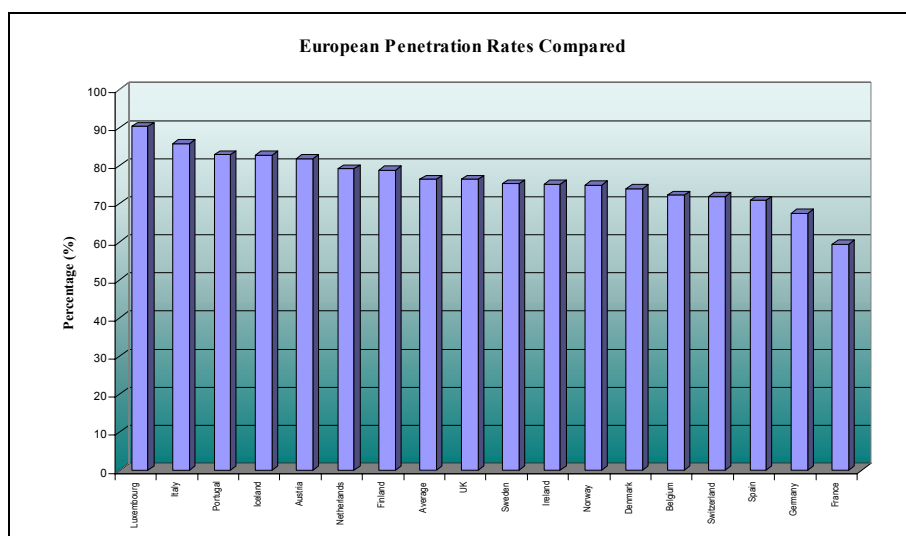
Source: ODTR Estimates and FT Mobile Communications

With approximately 2.8 million mobile subscribers, the three mobile operators in the Irish market – Eircell Vodafone, Digifone, and Meteor – now have 58%, 40% and 2% market share respectively<sup>18</sup>.

During the quarter Eircell announced that its brand would be fully integrated into the Vodafone brand by end Q1 2002, with interim dual branding already introduced. Digifone announced its name change from Esat Digifone to Digifone, with the O<sub>2</sub> brand expected to be introduced initially in 2002 in conjunction with the Digifone brand.

Figure 4.2 (overleaf) illustrates the various European mobile penetration rates. Ireland lies three places behind the European average, and at 90%, Luxembourg continues to have the highest mobile penetration rate in Europe.

<sup>18</sup> Source: FT Mobile Communications November 2001.

**Figure 4.2 European Penetration Rate**

Source: FT Mobile Communications

The ODTR SME survey shows a lower level of switching by SMEs in terms of their supplier of mobile services, with only 12% switching supplier in the past 12 months compared with 19% switching in the fixed line market. The main reason for staying with their current mobile operator was satisfaction with the level of service from their supplier. An Ofcom survey on SME use of mobile telephony showed that 11% of UK SMEs had switched supplier in the past 12 months.

Of the SMEs surveyed, 89% had a least one mobile phone. By comparison, only 61% of UK SMEs owned at least one mobile phone. The survey also showed that 71% of SME respondents were using monthly subscription contract mobile phones while 14% used Timeshare<sup>19</sup>. The Ofcom survey showed that 80% of UK SMEs with mobiles used post-pay monthly subscription packages, 19% prepaid packages, while 11% used All in One packages.<sup>20</sup>

The ODTR SME survey showed that 81% were satisfied with the information available on call charges for using a mobile in Ireland. With regards to the cost involved in ringing another mobile network, 69% were aware of the differences.

When asked if they used their mobile abroad for business purposes 70% of respondents used their mobile abroad for work purposes. Over half, (59%) of UK SMEs with a mobile phone use their mobile abroad for business purposes.

<sup>19</sup> Timeshare/Sharetime – this is where minutes are bought in bulk and are used among the mobile phone users in the company.

<sup>20</sup> All in One packages – where line rental is paid in advance & calls are either billed monthly or paid by call vouchers. SMEs in the UK were using more than one package.

The ODTR and OFTEL are undertaking a joint project to examine the issue of consumer awareness of the rates mobile users are charged when using their phones abroad. The project with OFTEL could prove to be beneficial as the bulk of the roaming costs for Irish consumers arise in respect of travel to the UK.

#### 4.1 DATA SERVICES

The number of SMS messages sent this quarter has increased in the last quarter. The popularity of SMS is evident by the fact that, on average each mobile subscriber sends 46 SMS messages each month.

**Figure 4.3 Number of SMS sent Q1 2000 – Q3 2001**

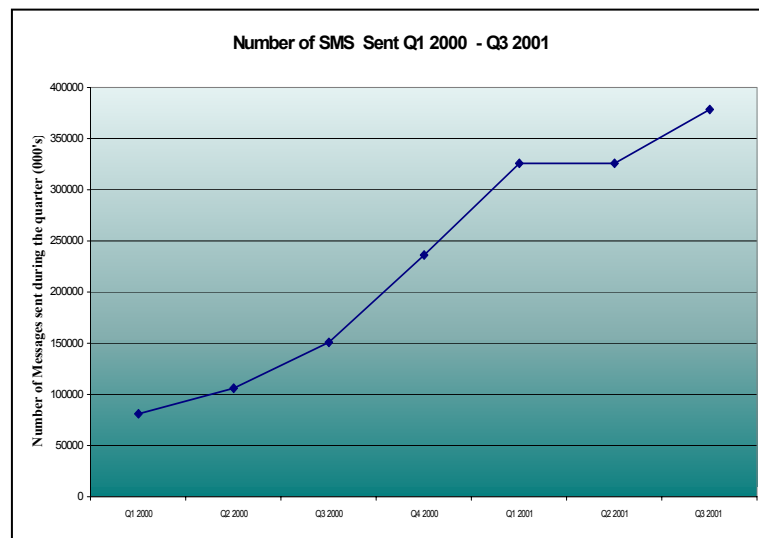


Figure 4.3 illustrates the number of SMS messages since Q1 2000. There has been a 150% increase in the number of SMS sent in the 12-month period from Q3 2000 to Q3 2001.

Source: ODTR Quarterly Review Questionnaire

#### ***4.2 REGULATORY DEVELOPMENTS***

Recently a consultation paper was issued to address certain difficulties in handling value added SMS services<sup>21</sup>. The development of a new range of short codes is proposed, to allow both network operators and third party service providers equal access to the mobile market for the delivery of value added SMS services. The paper proposes a framework for a short-code numbering system for text messaging, including "Premium" SMS Services, within the Irish Market, whether offered by mobile network operators or independent service providers.

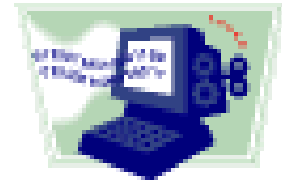
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<sup>21</sup> A Proposed Framework for Value-added Text Messaging (SMS) Services (ODTR Doc. No 01/91)

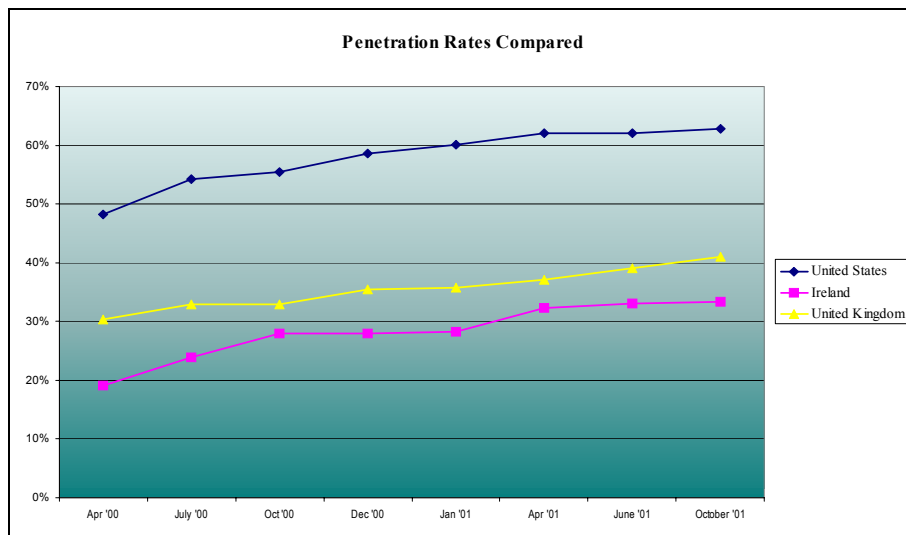
## 5 INTERNET

### 5.1 CONSUMER

There has been no change in Ireland’s domestic Internet penetration since our last review, with approximately one-third of the population having home Internet access at the end of October 2001<sup>22</sup>. It can be seen from figure 5.1 that the growth in Internet penetration in Ireland and the United States has remained relatively stable since April; however, in the UK it has been rising.



**Figure 5.1 Internet Penetration Rates Compared**



Source: Nielsen NetRatings

According to Nielsen’s Internet figures (see table 5.1 overleaf), the active Internet Universe in Ireland has increased by 11% since our last review<sup>23</sup>. The active Internet universe refers to the number of people who have access to the Internet at home and have used it during the month. The increase in Internet usage may be due to the tragic events of September 11<sup>th</sup> with an increasing number of people possibly accessing the Internet for up to date news reports.

The average home user spent just over 4 hours online in October 2001.

<sup>22</sup> The ODTR have been using Nielsen NetRatings – Current Internet Universe (i.e. penetration): All Individuals 2+ who have access to the Internet from home. Other methods of calculation, including penetration rates based on households and adults 16+ accessing the internet give different penetration numbers and many improve Ireland’s penetration rate

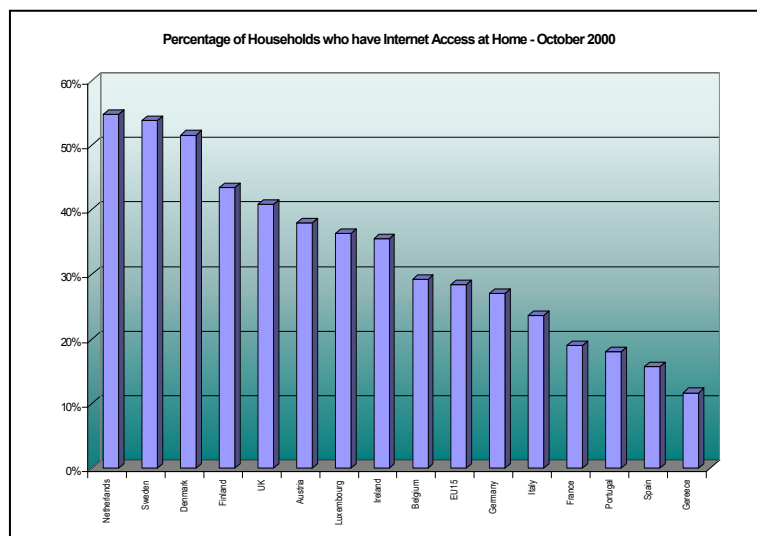
<sup>23</sup> All individuals 2+ who accessed the Internet from home i.e. usage

**Table 5.1: Average Internet Usage for Ireland, the UK, and the US, October 2001.**

	<i>United States</i>	<i>Ireland</i>	<i>United Kingdom</i>
<i>Number of Sessions per Month</i>	20	9	12
<i>Number of Unique Sites Visited</i>	42	28	36
<i>Time Spent per Site</i>	n/a	13:54	19:26
<i>Time Spent per Month</i>	10:40:15	4:02:47	5:44:03
<i>Time Spent During Surfing Session</i>	32:20	27:59	28:54
<i>Duration of a Page viewed</i>	00:55	00:43	00:44
<i>Active Internet Universe</i>	103,704,879	622,578	13,857,071
<i>Current Internet Universe Estimate</i>	169,442,714	1,250,429	24,330,300

Source: Nielsen NetRatings, October 2001

Figure 5.2 illustrates the percentage of EU households who have Internet access at home<sup>24</sup>.

**Figure 5.2: Internet Access in EU 15 – October 2000.**

Source: Eurostat

As illustrated in figure 5.2, at 36% Ireland lies two places ahead of the EU average. With a household penetration rate of 55%, the Netherlands has the highest rate in Europe.

## 5.2 BUSINESS

In a report issued by accenture<sup>25</sup> the attitudes of Irish businesses towards e-commerce were examined. Ninety-four percent of Irish executives believe that the adoption of e-commerce is vital to national competitiveness, with sixty-five percent rating the Irish government as an exemplar of e-commerce – this was the most positive result in all of the 25 nations surveyed.

<sup>24</sup> Population considered is equal or over 15 years old.

<sup>25</sup> The Unexpected Ireland - accenture

The ODTR SME survey shows that 88% of respondents are connected to the Internet. By comparison the Oftel survey on SME usage of the Internet showed that 61% of UK SMEs are connected to the Internet.

Most respondents used the Internet for research purposes as can be seen from the table below.

**Table 5.2 Types of e-business applications for which Irish SME use the Internet**

<i>Question</i>	<i>Response</i>
<i>Sourcing information from websites</i>	84%
<i>E-mail with suppliers/customers</i>	80%
<i>E-mail within company</i>	45%
<i>On-line purchasing from suppliers/orders from customers</i>	32%
<i>On-line banking</i>	49%
<i>On-line payments to suppliers/from customers</i>	25%
<i>Communicating with newsgroups</i>	14%

Of those not connected, the main reasons for staying offline as outlined below are similar to those found in the Oftel survey.

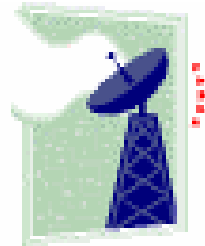
**Table 5.3 Reasons for staying offline**

<i>Question</i>	<i>Response</i>
<i>Content and uses of the Internet are not relevant to the work of the company</i>	53%
<i>Internet could not assist company in any way</i>	18%
<i>Need more information on how the internet could assist company</i>	6%
<i>Lack of knowledge about the equipment needed and how to use it</i>	6%
<i>Security fears</i>	6%
<i>Cost of equipment</i>	6%

When asked about online activity, 48% of respondents said that they currently had a website, while 29% are planning to develop a website.

## 6 Cable & MMDS

As at the end of September 2001, the ODTR estimates that there were approximately 610,000 cable & MMDS subscribers to *basic television services* in Ireland. This figure has decreased by approximately 1% since last quarter. Approximately 1 million households were passed

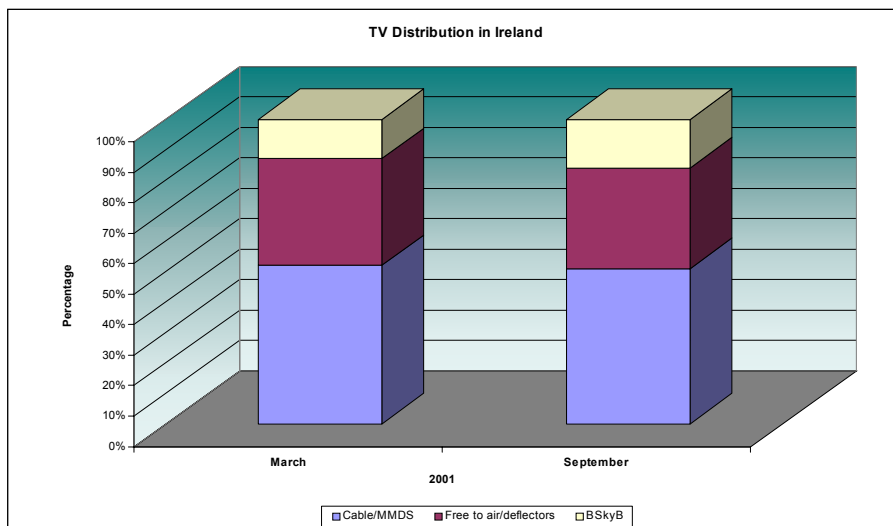


Total cable & MMDS revenues have increased by approximately 3% in the past 12 months. Employees in the sector at the end of September were 1,020, a decrease of approximately 15% since March 2001.

For cable & MMDS users the number of telephony subscribers increased by approximately 2% and Internet subscribers have increased by 17% since last quarter. Both operators began to provide telephony and Internet services to its customers in Q3 2000. Telephony subscribers increased by approximately 730% (from a very low base) in the past 12 months.

At the end of September 2001, it is reported that there were over 193,000 subscribers to BskyB<sup>26</sup>. Figure 6.1 illustrates the TV distribution in Ireland between free to air / deflectors, cable / MMDS and BskyB.

**Figure 6.1 - TV Distribution in Ireland**



Source: ODTR Estimates

<sup>26</sup> Sunday Business Post – 25<sup>th</sup> November 2001.



## **6.1 REGULATORY DEVELOPMENTS**

### **6.1.1 Applications for price increases:**

Following an extensive public consultation<sup>27</sup>, applications received from Chorus and ntl for a price increase in respect of their basic television services were approved subject to conditions. The conditions outlined are aimed at ensuring consumer satisfaction. Both companies have agreed to a shortening of the in-platform exclusivity period to the 1<sup>st</sup> March 2002. This will facilitate competition in the television market. The ODTR intends to issue a consultation paper on licensing for television distribution in a market without in-platform exclusivity, with a view to establishing a new licensing regime in early 2002.

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<sup>27</sup> Responses to consultation ntl – ODTR Document No. 01/80, Chorus – ODTR Document No. 01/84

## 7 Consumer Focus

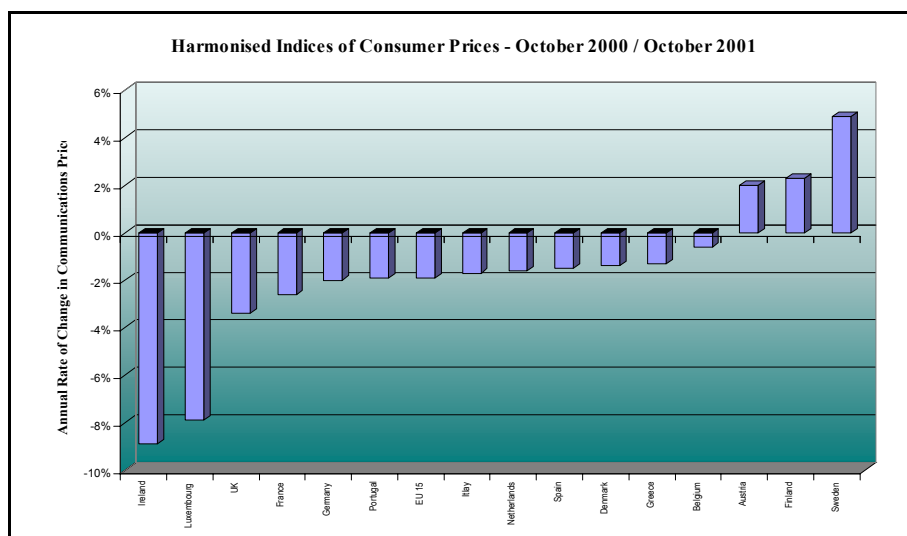
The ODTR has established a consumer representative group, which meets periodically to keep consumer groups updated on developments in the current work programme and to solicit their views on various issues. The ODTR also nominates consumer representatives to working parties and groups on issues of key interest to the consumer such as numbering.

Some recent developments in the regulatory regime are summarised below from a consumer perspective. It is important to recognise that enabling competition is designed to provide tangible benefits to consumers in terms of price, choice and quality. While the developments below are by no means exhaustive they give an indication of the immediate and direct impact that telecommunications liberalisation provides to consumers.

### 7.1 PRICE DEVELOPMENT

A price cap applies to a range of services provided by eircom whereby eircom must reduce the price of the basket of services in line with a formula based on CPI –8% each year. In recent years *eircom* have reduced their prices by more than this. Statistics in Focus reports that the price of communications in Ireland has reduced by more than any other EU country for the 12 month period October 2000 – 2001. It can be seen from figure 7.1 that the annual rate of change in communications prices in Ireland has decreased by 8.9% over a 12 month period. (see also Appendix III for Telecommunications Price Index)

**Figure 7.1: Harmonised Indices of Consumer Prices – Oct. '00 – Oct. '01**



Source: Eurostat, Statistics in Focus, Harmonised Indices of Consumer Prices October 2001

In July 2001 *eircom* was directed to provide a minimum level of itemised billing free of charge to all customers upon request by 31st December 2001. This was previously only available to *eircom* customers on special schemes. Other customers were charged up to £4 per bill. Its introduction will assist consumers in checking and controlling their purchase of telephony services.

## 7.2 CHOICE

100% of the population have a choice of operator for local, national and international fixed line phone calls. Carrier Pre-Selection (CPS) allows consumers to select an alternative operator to carry their calls and has been a key enabler for effective competition in the market by providing consumers with a greater choice of competitive telecommunications services. Over 160,000 consumers avail of this service.

## 7.3 QUALITY

The ODTR has put in place a long-term plan to promote real improvements in quality of service to users. The emphasis for the ODTR is to put in place a structure that encourages companies to focus on service delivery issues. The aim is to utilise the legislative powers of the office so that companies must make the necessary changes to their operations in order that the customer benefits from the provision of a high quality service.

The ODTR recognises that it is the companies themselves who must deliver action in this area, and that a piecemeal approach by any of them with ad hoc responses to persistent complaints is not sufficient. Effort must be put into high quality, prompt delivery and repair and into high quality service response.

The ODTR insists that all General and Mobile Telecommunications License holders have a code of practice for dealing with consumer issues. The ODTR recently set out a minimum set of criteria that operators must include in their Codes and is designed to improve the manner in which they respond to consumer complaints. Codes of Conduct have also been developed for Cable/MMDS television service providers.

In 1999 the ODTR introduced a programme on measuring licensed telecommunications operator performance and the first data from this will be published shortly. The data will provide detailed statistics on how each operator performs against predefined parameters such as service provision, fault management, consumer complaints and billing issues.

Since 1998 the ODTR has been carrying out network audits on different elements of the Cable/ MMDS networks, and has required improvements to be carried out by the operators to improve picture quality for subscribers. Both Chorus and ntl have agreed frameworks with the ODTR for completing upgrades on all networks.

All operators using spectrum are required to put in place procedures for ensuring compliance with International Standards in respect of non-ionising radiation. The ODTR audits compliance and has published three reports with the most recent published in October 2001<sup>28</sup>.

The ODTR has devoted considerable time and attention to ensuring that Cable and MMDS operators upgrade their networks in order to provide quality of service in line with their licence obligations. In August 2001 both Chorus and ntl applied to the regulator for a price increase. As noted elsewhere, the price increases have been sanctioned subject to conditions which include implementing an agreed code of practice for handling consumer complaints and instituting changed procedures to ensure that all complaints and fault reports are followed up. Operators are also obliged to provide data to allow the ODTR to measure performance of specific customer service related parameters, which the ODTR will publish on a regular basis.

#### **7.4 SERVICE LEVEL AGREEMENTS (SLA)**

These agreements have been developed for leased line and interconnect circuits, which set the terms, and conditions under which operators can obtain services from *eircom*, thereby assisting them to effectively compete in the marketplace and ultimately leading to improved levels of services to the consumer. The ODTR has instituted the toughest SLA penalty regime in Western Europe.

SLAs have also been put in place for Local Loop unbundling.

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<sup>28</sup>ODTR Document No. 01/85 Compliance with emissions limits for non-ionising radiation – Third Audit Report

## 8 Technology Developments

In October 2001, speaking at a conference organised by the Institute of Engineers in Ireland<sup>29</sup>, the Director addressed the theme of the Challenge and Opportunities of Information and Communication Technology and looked forward to some of the technology-related developments we can expect to see in the coming months and years. She also raised a number of issues Ireland faces in developing its communications infrastructure. Among these is an urgent need to improve planning, particularly at the local level. In particular, it is important that planning departments of the councils harmonise their policies and procedures so network providers are able to move quickly to bring the most up-to-date and advanced services to business and residential consumers.



In November 2001, the Office issued a technology-briefing note on Next Generation Networks. The document examines the next generation of network technologies and applications to see how they may develop over the next 5 to 10 years. It also identifies some of the opportunities such networks may provide to operators and users alike<sup>30</sup>.

It is envisaged that these Next Generation Networks will be based on high-speed packet technologies that will enable multiple services such as voice, video and data to be integrated and efficiently carried over the same infrastructures. These networks will be more than just upgrades of current circuit switched networks. They will require major changes in network architectures affecting the ways in which operators deliver services. These changes in network architectures should enable operators to save on operational costs while allowing them the flexibility to more easily provision new capacity and services.

There is little doubt that next generation applications in areas such as e-business, tele-presence, tele-medicine and tele-education will play an important part in the rapidly evolving 'Information Age', and it is important that Ireland is well prepared. In particular we need to consider whether there are any possibilities for leapfrogging forward in terms of whole networks or key elements.

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<sup>29</sup> ODTR Doc. 01/82

<sup>30</sup> ODTR Document No. 01/88 Next Generation Networks –Briefing Note

## 9 POSTAL REGULATION

During the quarter the ODTR put in place two important parts of the framework for the regulation of universal postal services, and imposed a levy on providers of universal postal services.



Following consultation about the Quality of Service Standards to be achieved by An Post the Director has given An Post until 2 April 2002 to submit detailed costed proposals to achieve a target of delivering 97% of first class letters the next working day after posting from 1 January 2003<sup>31</sup>. In recent years An Post did not meet its own target of 90%. The Director has set an interim target for 2002 of 92% for nation-wide delivery and 95% for local delivery.

If An Post is to achieve the long term target it will be necessary to consider new options such as giving business and other customers, who post large quantities of mail at the same time, the choice between a first class letter post service offering next day delivery, and a number of cheaper options which do not involve sortation during the evening peak. As indicated in our last quarterly review 73% of Irish businesses believed that ‘*all businesses*’ should have a choice between a first class letter post service offering next day delivery and a cheaper second class service with delivery within three days.

Another part of the regulatory framework concerns accounting separation. Following a consultation the ODTR has issued a detailed Direction to An Post about the accounting system that it must put in place to meet the requirements of the EU’s “Postal Directive”<sup>32</sup>. This Direction requires An Post to keep accounting and financial records to enable each business segment to prepare separated accounts to the same standard as if each of the separate businesses was carried on by a separate company. The Direction also requires that payments / charges between each business segment should be transparent and non-discriminatory.

During the quarter the Director imposed a levy<sup>33</sup> on universal service providers<sup>34</sup> for the amount necessary for the purposes of meeting expenses properly incurred by her in the

<sup>31</sup> ODTR Decision Notice D14/01 & Response to consultation, Regulation of Universal Postal Services – Quality of Service Standards to be achieved by An Post.

<sup>32</sup> ODTR Decision Notice D15/01, Regulation of Universal Postal Services – Accounting separation and costing methodology – Proposed Direction to An Post.

<sup>33</sup> Telecommunications (Miscellaneous Provisions) Act, 1996 (Section 6) Postal Levy No.2 Order, 2001 Statutory Instruments S.I. No. 464 of 2001. See also ODTR Doc. No 01/79 Levy on Providers of Postal Services – Response to Consultation

<sup>34</sup> Under the European Communities (Postal Services) Regulations, 2000, (S.I. No. 310 of 2000) An Post has been designated as a Universal Service Provider and the Minister for Public Enterprise may designate one or more additional postal service providers as a Universal Service Provider having an obligation to provide all or part of the Universal Service.

discharge of her functions in respect of postal services. For the period to 31 December 2001 the amount of the levy to be imposed on the universal service provider is 0.2% per annum of the relevant turnover and for the period commencing on or after 31 December 2001 the amount in any levy year in which the universal service provider is designated as such, is 0.5% of the relevant turnover.

## **10 REVIEW OF TELECOMMUNICATIONS TARIFFS**

This section compares movements in incumbents' tariffs for a range of telecommunication services since the ODTR's last review in September 2001. It should be noted that competing operators sometimes offer cheaper tariffs and this would also be true in the other countries surveyed. The tariff comparisons, generated from the pricing of a number of baskets of telecom services, rank Ireland's position against a group of key countries in relation to telecom tariffs<sup>35</sup>. The tariff comparison also reflects only one tariff option per incumbent operator and by definition is not indicative of tariff levels available in other tariff options, which may be offered by operators.

The baskets, which are constructed by Teligen using an OECD approved methodology, provide a "snapshot" of Ireland's position vis-à-vis other countries at a particular point in time. The baskets of services examined in this review include:

- National PSTN
- International PSTN
- National Leased Lines
- International Leased Lines
- Personal Mobile Basket
- Business Mobile Basket
- Personal Pre-paid Mobile Basket

### ***10.1 OVERVIEW***

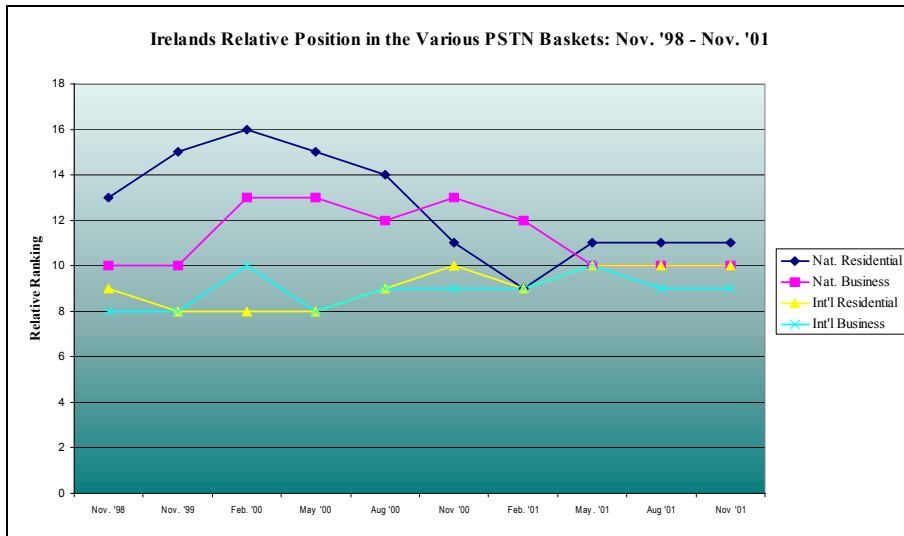
The trend in Ireland's PSTN tariffs during the quarter has been static, maintaining the same position in each basket since the last quarter.

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<sup>35</sup> For the purpose of our analysis only the EU 15, Iceland, Norway and Switzerland are examined.

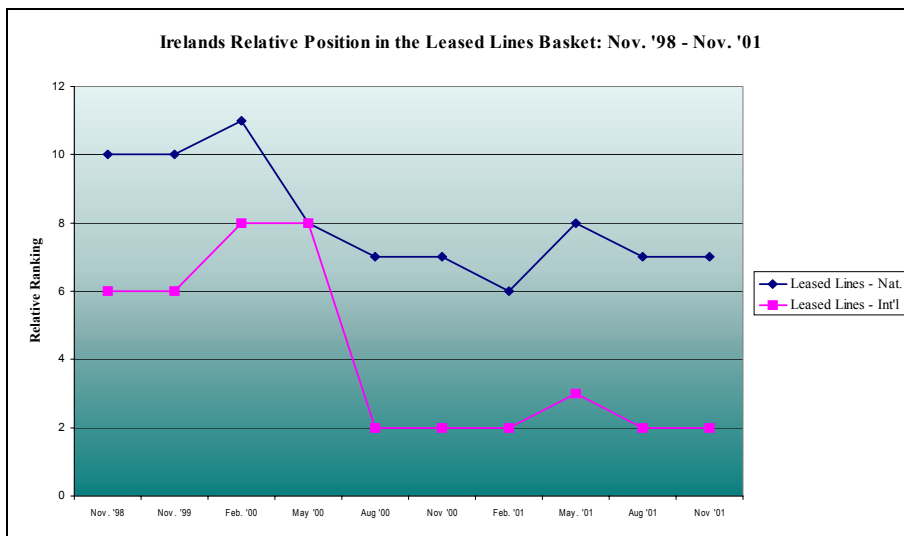


**Figure 10.1: Ireland’s Relative Position for Various PSTN baskets: Nov. ’98 – Nov. ’01**



Similar to the PSTN basket, Ireland’s position in the Leased Line Baskets remained static during the quarter. Ireland remains in 7<sup>th</sup> and 2<sup>nd</sup> position in the National and International baskets respectively.

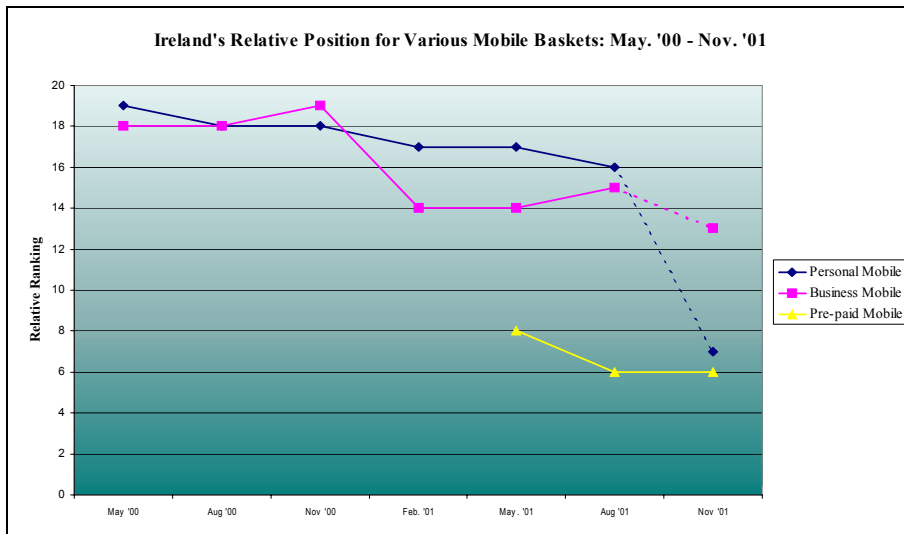
**Figure 10.2 Ireland's Relative Position in the Leased Line Baskets: Nov. '98 – Nov. '01**



Overall in the mobile baskets, the pre-paid basket remained static since September 2001.

Mobile subscribers in Ireland are predominantly pre-paid, with approx 2/3rds of all Irish subscribers in this category. The post paid market is predominantly a business market with only a small percentage of post paid subscriber classed as personal or residential users. Those who use post paid in the personal residential category account for approximately 6/7% of the total mobile subscriber base.

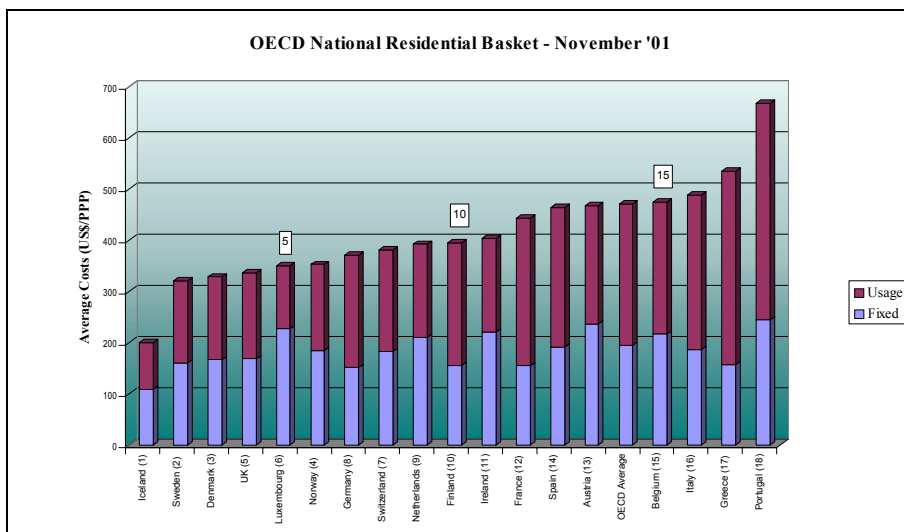
**Figure 10.3: Ireland’s Relative Position for various Mobile Baskets: May. ’00 – Nov. ’01**



### 10.2 NATIONAL RESIDENTIAL BASKET

The “National Residential Basket” examines the average cost of national (including local) calls for the residential sector. Ireland’s position in this basket has not changed over the last two quarters, remaining in 11<sup>th</sup> place. In a basket that remains relatively static, Ireland now lies 4 places ahead of the OECD average.

**Figure 10.4: OECD National Residential Basket – November 2001**

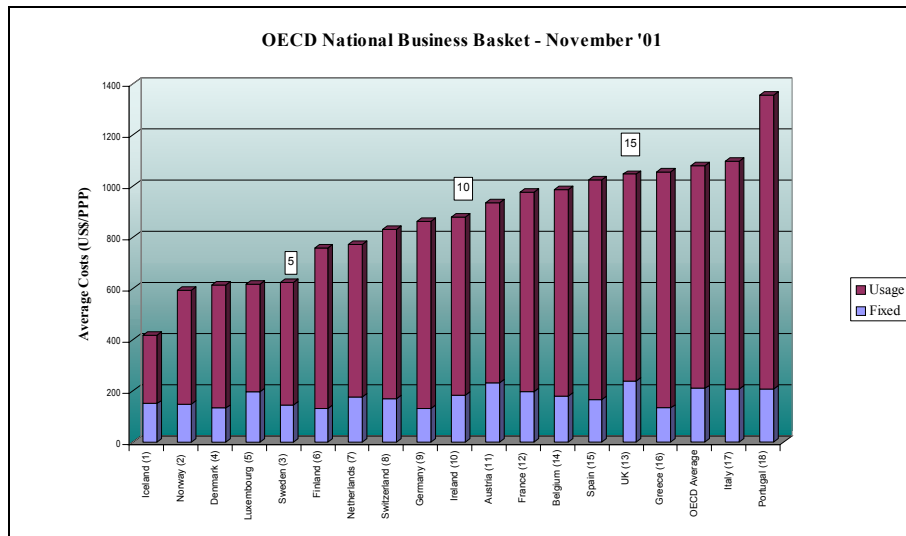


NB: The numbers in brackets represent the countries respective rankings as at September 2001.

### 10.3 NATIONAL BUSINESS BASKET

The “National Business Basket” examines the average cost of national (incl. local) calls for the business sector. This basket is comprised of a much larger number of calls compared to the residential basket, with a greater proportion at peak times although they are generally of shorter duration. Ireland’s position has improved by 3 places over the year. In 10<sup>th</sup> place Ireland now lies 5 places ahead of the UK and 7 ahead of the OECD average.

**Figure 10.5: OECD National Business Basket – November 2001**

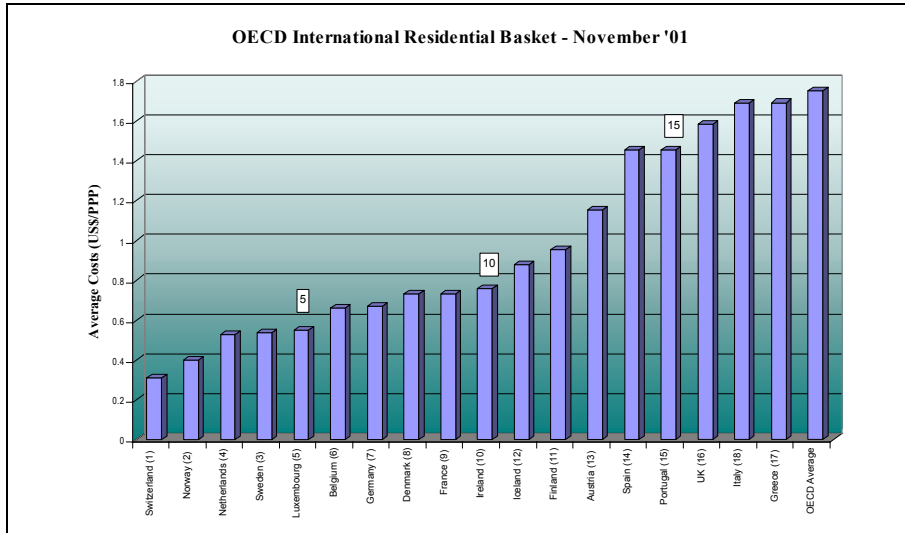


NB: The numbers in brackets represent the countries respective rankings as at September 2001.

### 10.4 INTERNATIONAL RESIDENTIAL BASKET

The “International Residential Basket” sets out the average cost of international calls for residential users. In 10<sup>th</sup> place Ireland lies 9 positions ahead of the OECD average. Ireland’s position in this basket is illustrated in figure 10.6 below.

**Figure 10.6 OECD International Residential Basket – November 2001**

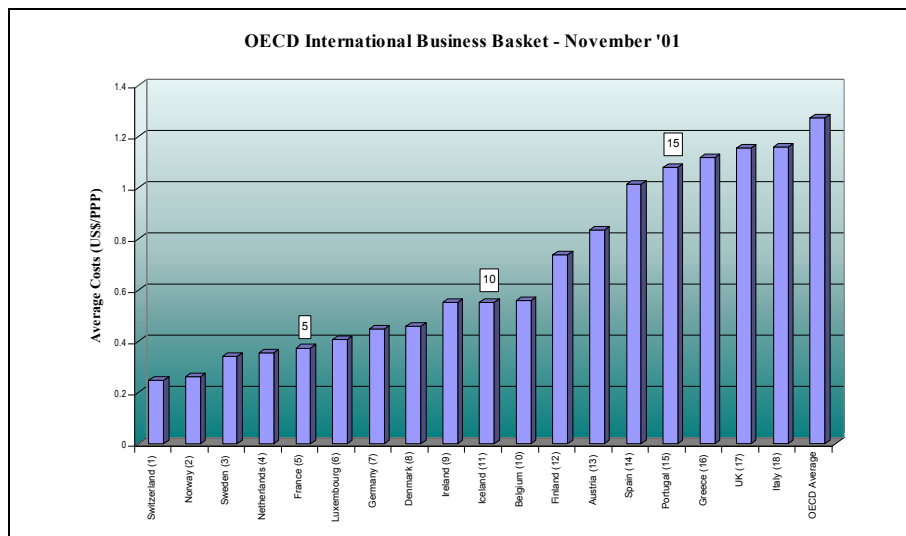


NB: The numbers in brackets represent the countries respective rankings as at September 2001

### 10.5 INTERNATIONAL BUSINESS BASKET

Figure 10.7 illustrates the average cost of international calls for business users. Like the national baskets, the international baskets have different weights for the business and the residential sectors. The business basket apportions 75% of the calls to peak rates, while the residential basket apportions 25% to peak rates. Similar to the other PSTN baskets, Ireland's position has remained static since our last review. In 9<sup>th</sup> position, Ireland lies 8 positions ahead of the UK and 10 positions ahead of the OECD average.

**Figure 10.7: OECD International Business Basket – November 2001**



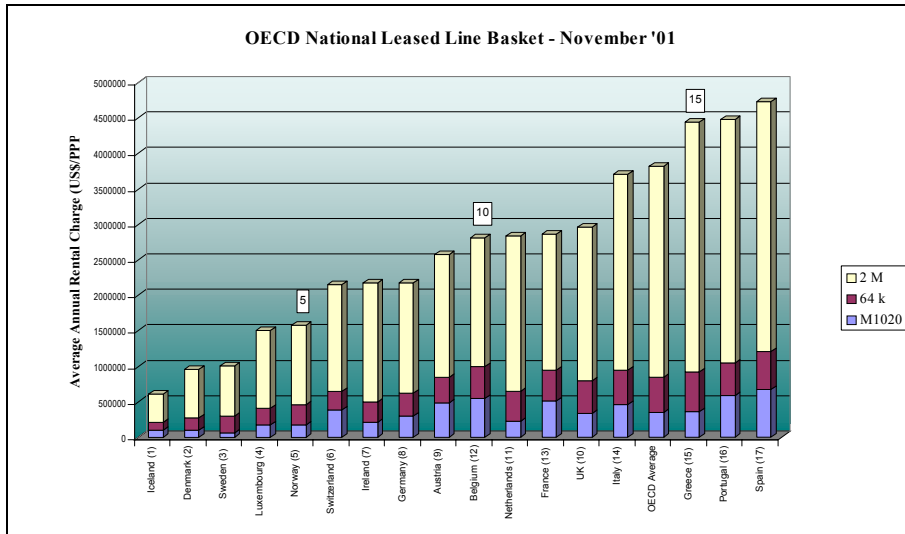
NB: The numbers in brackets represent the countries respective rankings as at September 2001

### 10.6 NATIONAL LEASED LINES

Figure 10.8 illustrates Ireland's position in the National leased line basket<sup>36</sup>. In a basket that has remained relative static since our last review, Ireland lies in 7<sup>th</sup> position. Ireland's position has improved by 3 places since liberalisation.

<sup>36</sup> The "National Leased Line Basket" is based on 100 circuits distributed over 6 distances from 2 to 500 km. Results exclude Vat.

**Figure 10.8 OECD National Leased Line Basket – November 2001**

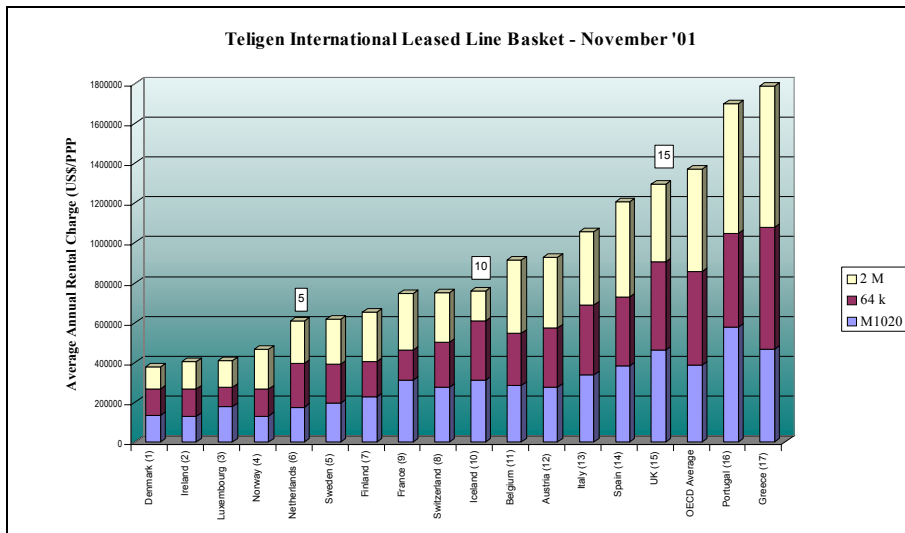


NB: The numbers in brackets represent the countries respective rankings as at September 2001

**10.7 INTERNATIONAL LEASED LINES**

Ireland’s position in the International leased line basket is illustrated in figure 10.9<sup>37</sup>. Remaining in second place for five of the last six quarters, Ireland has consolidated its position in the upper decile of this basket. Ireland has improved from sixth to second, in this basket, since liberalisation.

**Figure 10.9 OECD International Leased Line Basket – November 2001**



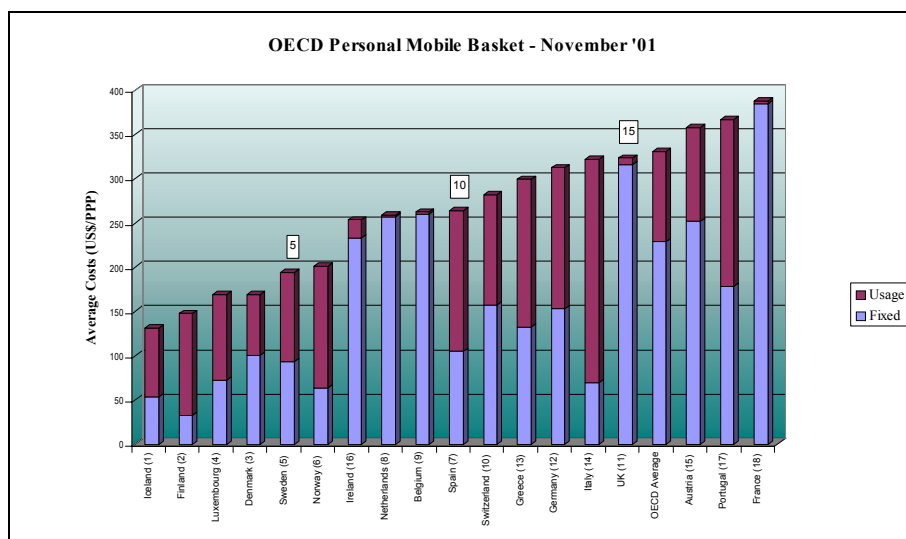
NB: The numbers in brackets represent the countries respective rankings as at September 2001

<sup>37</sup> The prices used for these circuits are devised from the weighted average of half-circuits to all other OECD countries, using the traffic volume weighting method proposed by Teligen.

### 10.8 PERSONAL MOBILE BASKET – POST-PAID

This basket covers GSM tariffs<sup>38</sup> and reflects post-paid tariffs available from the incumbent mobile operator. The “Personal Mobile Basket” sets out the average of personal mobile tariffs. In September 2001, Ireland was ranked 16<sup>th</sup> amongst 18 key countries, and 3 positions behind the OECD average. In 7<sup>th</sup> position, Ireland now lies 9 positions ahead of the OECD average. Eircell’s Personal Light tariff option is now used for the cross-country analysis, where previously Eirtime 50 was used in the analysis. The improvement in Ireland’s position is due to lower fixed charges for this tariff option compared to Eirtime 50.

**Figure 10.10: OECD Personal Mobile Basket – November 2001**



NB: The numbers in brackets represent the countries respective rankings as at September 2001

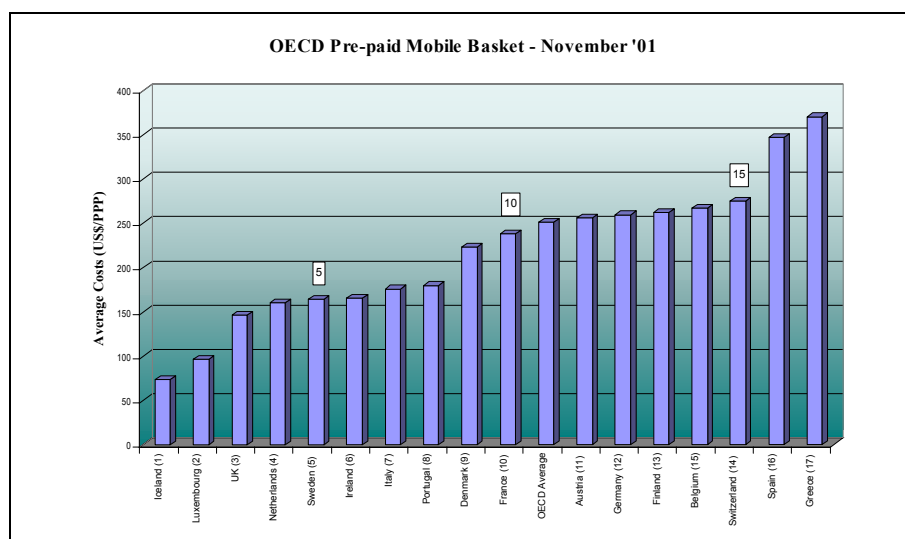
### 10.9 PERSONAL PRE-PAID BASKET

This basket covers GSM or DCS tariffs<sup>39</sup>. Both reflect pre-paid tariffs available from the incumbent mobile operators. As illustrated in Figure 10.11 Ireland’s position in this basket has remained static since our last review in September. Ireland remains 3 positions behind the UK.

<sup>38</sup> The OECD Personal Mobile basket has national calls fixed at 200 distributed between local and national (not distance related) and including 10% of calls to other mobiles in the same network. Call duration will be 3 minutes for all types of calls. The charge for each call reflects the actual charge for the duration in question, as defined by the tariff. Call set-up and minimum charges are included. Detailed lists of caveats are set out in our previous quarterly review for March 2001.

<sup>39</sup> The OECD Personal Pre-paid baskets has a peak / off-peak relationship of 25% / 75%, the same as the standard personal mobile basket, and as the OECD stipulates. There are no handset charges or other initial fees included, and the cheapest option available is always used. As is the case with all the baskets US\$/PPP is used.

**Figure 10.11: OECD Personal Pre-paid Basket – November 2001**

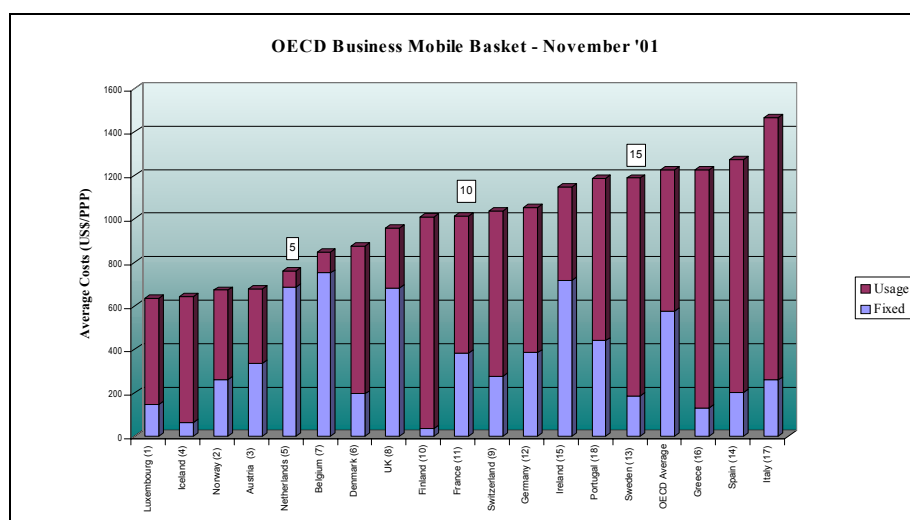


NB: The numbers in brackets represent the countries respective rankings as at September 2001

### 10.10 BUSINESS MOBILE BASKET

This Basket covers GSM tariffs and reflects post-paid tariffs available from the incumbent mobile operator<sup>40</sup>. The “Business Mobile Basket” sets out the average cost of Business mobile tariffs. Ireland's position in this basket is 13<sup>th</sup> on the basis of the Eircell’s new Business Performer tariff option launched this quarter, which is now used for the cross-country analysis. Previously Eirtime 250 was used in the analysis. The main differences between the two options are the fixed costs.

**Figure 10.12: OECD Business Mobile Basket – November 2001**



NB: The numbers in brackets represent the countries respective rankings as at September 2001.

<sup>40</sup> The number of national calls in the OECD Business Mobile basket is fixed at 1200. The national calls are just distributed between local and national (not distance related), and include 10% of calls to other mobiles in the same network. The international proportion of the basket follows the basic structure of the international PSTN basket, for business & residential usage. The only difference is that calls have duration of 3 mins



## 11 APPENDIX 1 – LIST OF LICENSEES

GENERAL LICENSEES	Operational	Voice Services	Infrastructural Network	Reseller	Other VAS	Responded To QR
AUCS Communications Services (Ireland) Ltd. - formerly known as AT&T Unisource	✓	×	✓	×	VPNs, International Call Centre Solutions.	×
Aurora Telecom Ltd	✓	×	×	×	×	✓
Budget Telecommunications Ltd	✓	✓	✓	✓	Indirect Access (National/International/Mobile) Services. Number Translations Services.	✓
Cable & Wireless Services Ltd	✓	✓	✓	×	Customer Premises Equipment Frame Relay & ATM Freephone, Direct & Indirect Voice	✓
Cablelink (Acquired by ntl)	✓	✓	✓	×	Cable TV services	✓
Carrier 1 AG	×	×	×	×	×	✓
Chorus (trades as Irish Multichannel)	✓	✓	✓	×	Cable TV & Telephony services	✓
Signal Global Telecommunications Ireland Ltd	×	×	×	×	×	×
Colt Telecom	✓	×	×	×	×	✓
Concert Global Networks Ltd.	×	×	×	×	×	✓
<i>eircom</i>	✓	✓	✓	×	Global voice, data and internet services provider.	✓
Eircell	✓	✓	✓	×	Mobile Operator	✓
Esat Telecommunications Ltd	✓	✓	✓	×	Global voice, data and internet services provider	✓

GENERAL LICENSEES	Operational	Voice Services	Infrastructural Network	Reseller	Other VAS	Responded To QR
Esat Digifone	✓	✓	✓	×	Mobile Operator	✓
Esat Inland Ltd. (transferred from Post GEM)	✓	×	✓	×	Internet Service Provider	✓
Esat Net	✓	×	✓	×	Internet Service Provider	✓
Formus	×	×	×	×	×	×
GTS Business Services (Ireland) Ltd	✓	✓	✓	✓	Carrier and access services; Internet services; callcards	✓
IDT Europe BV Lts Liability Cooler	×	×	×	×	×	×
Interoute Ireland Ltd	×	×	×	×	Residential & Business CPS Carrier Access. Prepaid Accounts and cards.	×
ITG Group (IRL) Ltd.	✓	×	✓	×	EPOS Equipment Payphones CPS on Voice Land-Line Traffic	✓
IXC Communications Services Europe Ltd.	×	×	×	×	×	×
LCN-Ireland, L.L.C.	×	×	×	×	×	×
LDMI Telecommunications of Ireland (previously known as Vianvi Ltd)	×	×	×	×	×	×
Mastercall International Ltd	×	×	×	×	×	×
WorldCom	✓	✓	✓	×	Int'l frame relay, int'l freefone service into Ireland, Nat. & Int'l VPNs.	✓
Meridian Communications Ltd. (formerly known as ACCess Telecom)	×	×	×	×	Resale of mobile telephony services	×

GENERAL LICENSEES	Operational	Voice Services	Infrastructural Network	Reseller	Other VAS	Responded To QR
NTL (UK) Group, Inc.	✓	×	✓	×	Leased Lines & Broadcasting Transmission Services	✓
Ocean Communications Ltd	✓	✓	✓	×	Complete voice, data and internet Service provider.	✓
PrimeTEC UK Ltd	×	×	×	×	×	×
Primus Telecommunications Ltd	×	×	×	×	×	×
RSL Communications (Ireland) Ltd	×	×	×	×	×	×
Sigma	×	×	×	×	×	×
S.M. Communications (T/A Worldlink)	✓	✓	×	✓	Prepaid Services	✓
Smart Telecom	✓	×	×	×	×	✓
Startec Global Communications UK Ltd.	×	×	×	×	×	×
Stentor Communications Ltd	✓	✓	✓	✓	Call centre and VPN solutions Callcards	✓
Swiftcall Centre	✓	✓	×	✓	Indirect Access & CPS Telephony Internet & Callcard Services Call Centre Services	✓
Tele2 Telecommunications Services Ltd.	×	×	×	×	×	✓
Teleglobe Ireland Ltd	×	×	×	×	×	×
Transaction Network Services Limited	✓	×	×	×	Dial-up access for point of sales.	✓
VarTec Telecom (UK) Ltd.	×	×	×	×	×	✓
Viatel (I) Ltd.	×	×	×	×	×	×

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<b>GENERAL LICENSEES</b>	<b>Operational</b>	<b>Voice Services</b>	<b>Infrastructural Network</b>	<b>Reseller</b>	<b>Other VAS</b>	<b>Responded To QR</b>
WTI Ireland Ltd.	x	x	x	x	x	x
Yac.com Ltd.	x	x	x	x	x	✓

BASIC LICENSEES	Operational	Voice Services	Infrastructural Network	Reseller	Other VAS	Responded To QR
Alord Holdings Ltd (T/a Switchcom)	✓	✓	×	✓	Pre-paid/Post paid residential service.	✓
AT&T Global Network Services Ireland Ltd.	✓	×	✓	×	Dial up and leased line services	✓
Broad Band Communications Ltd.	×	×	×	×	×	✓
Cargo Community Systems Ltd.	✓	×	✓	×	e-commerce solutions	✓
Casey CableVision Ltd.	✓	×	✓	×	Cable TV Limited internet services	×
Conduit Enterprises Ltd	✓	×	✓	×	Nat. & Int'l directory enquiry services	✓
Crossan Cable	×	×	×	×	×	×
EGN B.V.	✓	×	✓	×	relay services for multinationals	✓
Flag Telecom	×	×	×	×	×	×
Genesis Internet Service Provider Ltd.	×	×	×	×	×	✓
Genuity International Inc. (formerly known as GTE Internetworking International Corporation)	×	×	×	×	×	×
Global Crossing Ireland Ltd. (licence surrendered to the ODTR as of 7/08/01)	×	×	×	×	×	×
Global One Communications Ltd.	✓	×	✓	×	ATM Switching	×
GTS Network (Ireland) Limited	×	×	×	×	×	×
Hibercall Ltd.	✓	✓	×	✓	Prepaid & Postpaid Services, Callcards	✓
Hyper Lan Ltd	×	×	×	×	×	×
IDirect	×	×	×	×	×	×

BASIC LICENSEES	Operational	Voice Services	Infrastructural Network	Reseller	Other VAS	Responded To QR
Indigo	✓	×	✓	×	Internet Service Provider	✓
IXNET UK Ltd.	✓	×	✓	×	Limited service to banks.	×
Kokomo	×	×	×	×	×	×
KPNQwest Carrier Services B.V	✓	✓	×	×	IP VPN ATM Direct Internet Access	✓
Lake Communications System	✓	×	✓	×	ISDN, business solutions	×
MediaNet Ireland Ltd	✓	×	✓	×	Internet business solutions	×
Metromedia Fibre Network Ireland Ltd	×	×	×	×	×	×
Next Telecom	×	×	×	×	×	×
QoS Networks Limited	×	×	×	×	×	×
Radianz Connect Services (previously known as Reuters Connect Services)	✓	×	✓	×	Private wire services.	×
Rillbank Limited	✓	×	×	×	×	✓
Savvis Europe B.V.	✓	×	×	×	×	×
Sonic Telecom	×	×	×	×	×	×
Société Internationale de Télécommunications Aéronautiques	✓	×	✓	×	Managed data network access services for the airline industry	×
Sprintlink	×	×	×	×	×	×
TCS (Ireland) Ltd.	✓	✓	×	×	Voice Telephony services via the Internet.	×
Tele Media International Ltd.	×	×	×	×	×	×
Timas Ltd (T/A Galileo Ireland)	✓	×	✓	×	Frame relay service for travel agents	✓
Torc Telecom	×	×	×	×	×	×

<b>BASIC LICENSEES</b>	<b>Operational</b>	<b>Voice Services</b>	<b>Infrastructural Network</b>	<b>Reseller</b>	<b>Other VAS</b>	<b>Responded To QR</b>
Universal Access Ireland Ltd	×	×	×	×	×	×
Valuetel Ltd.	✓	✓	×	✓	Re-selling long distance domestic & international services; callcards	✓
Waterland Technologies	×	×	×	×	×	×
Web-Sat Ltd.	×	×	✓	×	Internet access via satellite; SMG news services.	✓

## 12 APPENDIX 2 – DOCUMENTS ISSUED, SEPTEMBER – NOVEMBER 2001

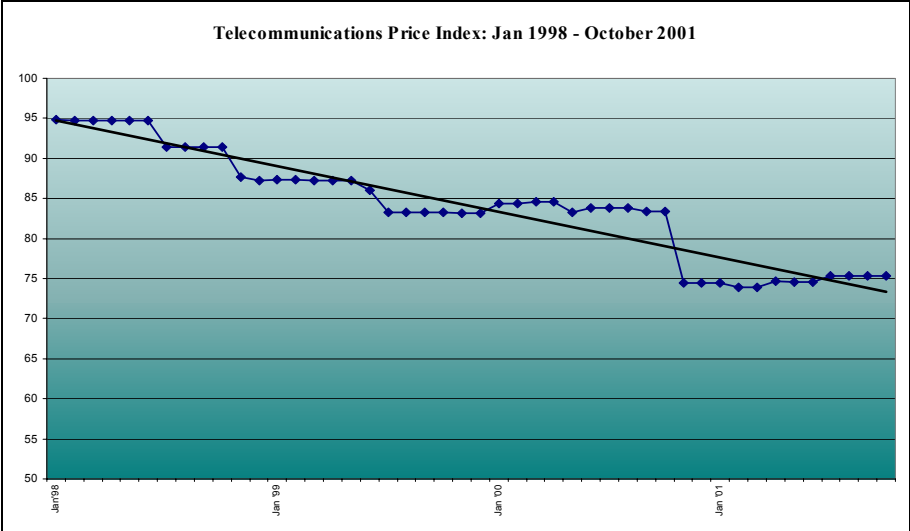
DOCUMENT NO.	NAME
<b>FIXED</b>	
01/92	Service Levels provided to other licensed operators with Significant Market Power – Consultation Paper
01/87	Valentia / <i>eircom</i> transaction – Text of assurance letters
01/86	The role of resellers in Carrier Pre-Selection & the block transfer of customer accounts – Decision Notice D17/01
01/83	Treatment of discounts in the calculation of Settlement Rates for Number Translation Codes – Decision Notice D16/01
01/78	<i>Eircom</i> 's Reference Interconnect Offer – Information Notice
01/77	Network Resilience – Consultation Paper
<b>MOBILE</b>	
01/91	A Proposed Framework For Value-added Text Messaging (SMS) Services
<b>INTERNET</b>	
01/75	Wholesale Bitstream ADSL and Line Sharing Costs – Information Notice
01/90	Digital Audio Broadcasting Technical Conditions – annex to Information Notice
01/89	Digital Audio Broadcasting Technical Conditions – Information Notice
01/84	Chorus' Price Increase Application for Cabled / MMDS Licensed Areas – Response to Consultation
01/80	Ntl's Price Increase Application for Cabled Licensed Areas – Response to Consultation
<b>POST</b>	
01/79	Levy on Providers of Postal Services – Response to Consultation
01/74	Regulation of Universal Postal Services – Accounting separation and costing methodology – Proposed Direction for An Post – Decision Notice D15/01
01/73	Regulation of Universal Postal Services – Quality of Service Standards to be achieved by An Post – Decision Notice D14/01 & Response to Consultation



<b>DOCUMENT NO.</b>	<b>NAME</b>
<b>RADIO SPECTRUM/ TECHNOLOGY</b>	
01/88	Next Generation Networks – Briefing Note
01/81	Strategic Management of the Radio Spectrum in Ireland – Draft Publication
<b>GENERAL</b>	
01/82	Address by Etain Doyle, Director of Telecommunications Regulation, to the Institution of Engineers of Ireland 2001 Conference, October 5 <sup>th</sup> 2001: “Information and Communication Technology – Challenges and Opportunities”
01/76	Address by Etain Doyle, Director of Telecommunications Regulation, to the BMW Conference “Future of Telecommunications – Implications for the BMW region”, 27 <sup>th</sup> September 2001

# 13 Appendix 3 - Telecommunications Price Index: January 1998 - October 2001

Figure 13.1 Telecommunications Price Index: Jan 1998 to Oct 2001



Source: CSO Telecommunications Price Index Including Private, Public and Mobile Telephony