



Commission for  
**Communications Regulation**

## Irish Communications Market

### **Quarterly Market Commentary**

**September 2003**

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# 1 Foreword

This report updates information on the Irish Communications Sector for the period April to June 2003. Overall revenues for the fixed, mobile and broadcasting sectors have increased. OAO (Other Authorised Operators) market share stands at 20% for the period. In the quarter Internet minutes slightly exceeded those of local and national calls. The increased use of the Internet is a sign of an increasingly confident residential and SME population and is confirmed by the encouraging e-commerce data contained in our Internet survey together with the encouraging uptake of FRIACO products since its launch at the end of June 2003.

The main issue on the postal side was the consideration and granting of price increases to An Post, together with new discount arrangements which assist smaller enterprises. ComReg made it clear that An Post must effectively address its inefficiencies and must realise the benefits of productivity agreements and capital investments in order to resolve its financial difficulties and quality of service issues. Our concerns on quality of service issues are confirmed in our third Postal survey, conducted by the TNS MRBI in August 2003, results of which are included in section three of the report.

Key Regulatory Developments during this quarter include an agreement of charges for Partial Private Circuits, the publication of a consultation paper on Carrier Pre Selection, and a number of papers in relation to the new EU framework, including general authorisations conditions.

We were pleased that Ireland is one of the first five countries to adopt the new EU framework. Dermot Ahern T.D. Minister for Communications, Marine and Natural Resources signed the relevant regulations on 24<sup>th</sup> July and the final regulatory measures necessary for implementation were brought into effect by ComReg on the 25<sup>th</sup> July in line with the national regulations. Under the new framework, many regulatory obligations are to be imposed following a process of market definition and analysis which is well underway and we would like to thank all the operators for their continuing support.

The mobile sector continues to grow this quarter, with the Irish mobile penetration rate reaching 81%. There are now 3.17 million mobile subscribers, while growth in SMS stabilised with 716 million messages sent during the quarter. Mobile Number Portability was launched in July, removing a key barrier to switching for those who wish to retain their full mobile number while becoming an active subscriber on another network. Introduced during the holiday period, take-up is expected to grow over coming months, in particular as operators consistently meet their commitment to transfers for single line customers in less than two hours.

I would like to thank all those operators and organisations who have contributed information and comments for this review and I appreciate their efforts in facilitating the publication of this document. I 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.

Etain Doyle,  
Chairperson  
Commission for Communications Regulation.

## 2 Market Overview

This section of the report provides analysis on the main trends and developments in the various sectors of the Irish communications market and is based on the information contained in the Key Data Report. For more detailed information on the sectors please refer to the Key Data Report. The data covers the quarter April – June 2003, except where otherwise stated.

Total revenues for fixed, mobile and broadcasting increased 2% this quarter. This is attributable to increased revenues in the mobile sector. Two new fixed line operators commenced operations this quarter, bringing to five the number which started in the last 12 months. A number of these operators indicate an interest in wireless applications.

### Fixed

The OAO (Other Authorised Operator) market remains stable at 20%. It has been in the 20-21% range for the last two years.

Over the last year internet minutes (dial up/ISDN/FRIACO) have caught up and now slightly exceed domestic minutes as a proportion of overall fixed retail traffic, reflecting increased internet usage by lower volume users such as SMEs and Residential customers. Internet minutes now account for 40% of all fixed retail traffic.

ISDN continued to grow during the quarter but at a slower rate reflecting some increase in DSL take-up. DSL take-up has increased over the last quarter but is still at a low base. FRIACO – wholesale flat rate services - were launched at the end of June. There are now approximately 6,500 FRIACO subscribers.

### Mobile

The Mobile penetration rate now stands at 81%, an increase of 1% since our last review. Meteor retains 4% of the market while Vodafone and 02 still account for the remaining 96%. The growth in the number of SMS messages has stabilised, with each mobile subscriber sending on average 75 messages each month. This is a decrease from 78 per month in the last quarter but an increase from 63 messages per month for the same period last year.

Mobile Number Portability (MNP) a facility which allows mobile subscribers to retain their mobile number when moving between mobile networks was introduced towards the end of July. This means that all mobile customers with a 085, 086 or 087 mobile number can be an active subscriber on the network of their choice with their current number. MNP facilitates consumer choice in mobile networks as it removes the cost of a number change when moving between networks. Approximately 10,000 subscribers have ported their mobile number since the introduction of the service.

### Internet

The results of the Amárach residential Internet research show that 39% of adults have Internet access at home<sup>1</sup>, a small increase on the previous quarter. The number of those purchasing goods and services on-line continues to grow reflecting an increasingly confident Internet using population. In terms of accessing the Internet from home, PSTN remains the predominant access technology followed by ISDN.

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<sup>1</sup> Adults ages 15 – 74 with a fixed line phone.

**Cable/MMDS & Satellite**

At 370,000, total digital subscribers in Ireland represent 28% of all households with a television. This figure has increased by 82,000 since September 2002. Increases in both cable/MMDS and satellite digital subscribers have contributed equally to this annual growth. Total cable/MMDS revenues have remained unchanged since last quarter.

**Tariffs**

Ireland's position remained largely unchanged since last quarter in the PSTN, leased line and mobile baskets with the exception of the National Business PSTN and Low User Post paid Mobile baskets where Ireland improved by two places and one place respectively. Since August 2002 Ireland's position has improved in three of the PSTN baskets (unchanged in International business) while it has remained unchanged in the two leased line baskets. There has also been an improvement over the past year in the low user post paid and pre-paid mobile baskets but a drop in the medium and high user post paid baskets. Since last quarter Ireland's position fell by two places in the ADSL Minimum Results basket and rose by four places in the Business Basic Rate ISDN basket (largely due to a revision in methodology), while remaining unchanged in all other baskets.

### 3 Postal Survey

During the quarter ComReg commissioned TNS MRBI to examine the attitudes of Irish business and residential consumers to the provision of letter post services (all standard sized letters such as bills, up to A4 size) in Ireland. Separate surveys were conducted for the business and residential markets. All interviews were conducted in August 2003.

#### 3.1 Summary

The surveys indicate that business mail is the bulk of mail processed by An Post. The average sent by all businesses per week is around 420 letters a week compared with 223 in 2002. However, the survey indicated that over 80% of businesses send less than 250 items per week which suggests that a few large companies are responsible for the major mail volumes. On average, residential customers receive 12.2 items per week, with wide variations - 35% of customers receive no mail on a given day and up to 7% of customers receiving 6 items or more daily. Whilst half of businesses replied that they were sending more letters nationally this year compared to last year, results from the residential survey indicate that the number of households that do not send any items at all has increased.

Generally the majority of businesses continue to be satisfied with An Post but there are some worrying trends:

- Satisfaction has decreased across all service issues rated in both this and last year's surveys.
- Over half of businesses that have personally made a complaint in the past 12 months consider their complaint to have been handled very/ fairly badly.
- The level of dissatisfaction with the latest collection time in relation to next day delivery of letters has increased by ten percentage points.
- In relation to sending letters there has been an increase in those dissatisfied with the time it takes for An Post to deliver letters.

The vast majority of households considered the cost of posting national and international letters to be good value for money. Overall, households consider the postal service in Ireland to be very/ fairly good<sup>2</sup>. However, complaint handling seems to be an area where An Post performs poorly.

More companies now appear to be using postal service providers other than An Post.

#### 3.2 Business

The business survey results are based on interviews conducted with 506 businesses from all industry sectors in the Republic of Ireland. Results from the survey reveal that just over half of businesses (52%) are sending up to fifty letters a week, whilst a minority (3%) continue to dispatch over two thousand letters on a weekly basis. Since last year the number of companies sending high volumes of letters (250-2000 per week) has more than doubled from 7% to 15%. Across all businesses the average is around 420 letters a week<sup>3</sup>.

Industry sector appears also to be a key driver in volumes of mail sent, with companies in finance, personal services and government services sending higher than average volumes. One quarter of businesses indicate that they send letters only nationally, i.e. no

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<sup>2</sup> It should be noted that this survey was conducted before the increase in the price of An Post domestic mail came in to effect on the 30 August.

<sup>3</sup> This figure is elevated by the minority of high volume mailing companies.

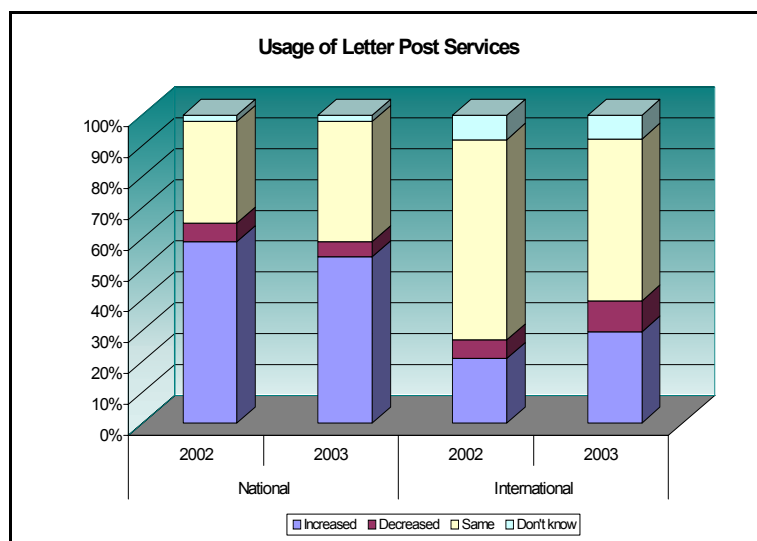
internationally addressed items. Overall, 85% of letters dispatched from businesses are to an address in Ireland and 15% are for overseas.

Six out of seven businesses (86%) use An Post for all their posting requirements, although more companies appear to be using other postal service providers compared with last year (14% vs. 9% in 2002)<sup>4</sup>. These tend to be companies sending out higher volumes of mail, notably in finance (27%) and business services (17%). Hays DX, DHL, Fedex and SDS (a separate business division of An Post) remain the most widely used alternative postal providers. The main reasons mentioned for using other providers relate to speed/efficiency and reliability/guaranteed delivery. Previous experience and cost were also mentioned as factors.

The wide range in volumes mailed is also reflected in the differences in annual spend on letter post services with An Post, with 80% of businesses spending less than the average figure, which is €10,783 per annum. Of the highest volume mailing companies (2001+ letters a week), around four in ten (42%) have used An Post’s direct mail service. A similar proportion (40%) of those companies sending 100-2000 letters a week intend to use the service in the next 12 months.

As can be seen in Figure 3.1 below, while half of businesses (54%) are sending more letters nationally this year than last year, this proportion has fallen compared to 2002 (59%). A small minority (5%) have experienced a decrease in nationally mailed items. In contrast, 30% have seen an increase in their international mail volumes while 10% have seen a decrease. Email/electronic transfer is the main reason cited for these decreases, whilst a change in business strategy/ reduced demand is also instrumental in driving the decrease for international items.

*Figure 3.1 Usage of letter post services over the past 12 months*



Respondents were asked to rate their satisfaction with An Post letter post services between one and five (five being very satisfied). While the majority of businesses are satisfied with An Post, satisfaction has decreased across all service issues rated in both this and last year’s surveys. Table 3.1 below shows that latest collection time in relation to next day delivery has seen the greatest drop in satisfaction, with a drop in mean score from 3.9 to 3.6. The larger or heavier the item, the greater the likelihood of the postal rate being considered expensive, whether within the state or international, but particularly so for

<sup>4</sup> Awareness of alternative postal service providers is low amongst the business community, with up to 84% unable to name another provider.



heavier items within the state (which 48% consider expensive). However, for standard sized envelopes (national and international), more businesses see the service as competitively priced than see it as expensive. Government services and IT/Telecoms companies were particularly concerned about value for money.

**Table 3.1 Satisfaction with letter post services**

	<i>Mean satisfaction</i>	
	2002	2003
<i>Latest collection times in relation to next day delivery of letters</i>	3.9	3.6
<i>Time taken to deliver letters</i>	3.7	3.6
<i>Value for money</i>	3.8	3.6

Table 3.2 below, expresses the attitudes of business users towards the development of letter post services in Ireland. Identical ratings and groupings were used as in Table 3.1. Results indicate a divergence in attitudes towards these various services with a large number of respondents believing that An Post letter post services has improved over the last 12 months. That said there was a marked increase in the proportion of businesses noting that the reliability of An Post’s service had not improved in the past 12 month, 26% compared with 10% in 2002. One third of businesses disagree with the proposition that the letter services offered by An Post are better value for money than 12 months ago. The percentage taking this view has increased from 21% to 34%.

**Table 3.2 Attitudes of heavy users to the development of letter post services**

	<i>Agree</i>	<i>Disagree</i>
<i>An Post’s letter service is more reliable than 12 months ago</i>	32%	26%
<i>An Post’s letter services offer better value for money than 12 months ago</i>	24%	34%
<i>Overall the letter service from An Post is better than 12 months ago</i>	37%	23%

Some additional aspects were included in this year’s survey, adapted from the most recent Eurobarometer study<sup>5</sup>. Covering ease of access, quality of service, clarity of information and terms and conditions, ratings were good in general, with less than one in ten businesses dissatisfied with any one aspect. Overall, 87% of respondents consider the postal service in Ireland to be very/ fairly good. Up to one in five respondents have personally made a complaint in the past 12 months, nearly all to An Post. Around six in ten (59%) consider their complaint to have been handled very/ fairly badly.

### **3.3 Residential**

#### **3.3.1 Receipt of Letters**

The residential survey questioned 742 households and results reveal that 90% of Irish households receive between one and twenty letters a week with an overall average of 12.2 per week. Nearly one quarter of households (23%) receive between one and five items of mail per week. This is unchanged on 2002, however there are fewer high volume receiving households in the sample. i.e. who receive over 20 items per week (9% vs. 12% in 2002).

<sup>5</sup> Standard Eurobarometer public opinion surveys are conducted on behalf of the European Commission at least two times a year in all member states of the European Union.

As can be seen in Table 3.3 below, around one fifth (21%) of households indicate they receive more personal letters than one year ago. Reasons given for this increase include more business/ work related mail, household members have more contacts or else family/ friends have moved away so are sending more mail. Increased bills and financial correspondence are also given as significant factors. Of the 14% reporting a decrease in personal mail since last year, nearly half attribute this to the telephone and one third to email.

**Table 3.3 Personal letters received compared with one year ago**

	<i>Percentage</i>
<i>Receive more personal letters compared with one year ago</i>	21%
<i>Receive less personal letters compared with one year ago</i>	14%
<i>Receive the same amount of personal letters compared with one year ago</i>	63%
<i>Don't know</i>	1%

Concerning direct mail, four in ten respondents (42%) believe that volumes delivered to them have increased since one year ago while six in ten householders (61%) always or sometimes read direct mail.

Satisfaction levels with the postal delivery service are broadly unchanged on 2002, with at least two thirds of respondents very/ fairly satisfied with all aspects rated. The consistency or regularity of the service offered by the postman scores particularly well (84% satisfied). The level of dissatisfaction with the time of mail delivery each day has increased by 2% to 13% this year.

### **3.3.2 Receipt of Letters –further detail**

Of the 742 households who participated in the residential survey 557 agreed to be recalled to participate in a follow up survey. This survey was conducted to obtain a better understanding of the nature and characteristics of the letters Irish households actually receive through their letterbox each day. The follow up interviews were conducted the next (mail delivery) day to avoid mail from different delivery days being mixed up. Respondents were asked questions on a maximum of five personally addressed items with envelopes picked at random if more than 5 were received that day. Of those who were recalled 395 were able to take part. It is important to note that the results of the survey relate to mail delivered to residential households only and therefore excludes all mail delivered to businesses.

The split of mail received by Irish households shows that 87% of all mail is of domestic origin and 13% originates outside of Ireland. Of the 13% of mail that is international 42% originates from a private individual. 86% of personally addressed items delivered were from businesses. There were many types of businesses or organisations from which a mail item was received but banking and finance (18%), telecommunications (14%) and public administration (9%) accounted for 39% of all mail received.

### **3.3.3 Sending Letters**

Respondents were asked about their household's posting behaviour in relation to mail in standard sized envelopes. On average, 5.3 items are mailed by a household on a weekly basis. The number of households that do not send any items at all increased from 11% to 14% this year, while the number of households who post between one and five items per week has decreased by 6% to 67%. In terms of the destination of items mailed, nearly one third (31%) do not send mail overseas. On average, 85% of mail posted is sent to an address within the state.

Compared with one year ago, two thirds of households post the same amount of personal mail. There are more households that have experienced a decrease in mail posted than have seen an increase on last year (18% vs. 14%, respectively). Friends/ family moving away and more business/ work related correspondence were cited as key factors for increased posting; telephone and email were key drivers for reduced posting activity.

**3.3.4 General aspects of postal service**

As in the 2002 survey, respondents were asked to rate their satisfaction with the postal service on a number of general service issues. The service provided by An Post is generally considered very/ fairly satisfactory by half to two thirds of respondents, depending on the service. This is very much in line with the 2002 survey. There has, however, been a marked increase in those dissatisfied with the time it takes for An Post to deliver letters (14% very/ fairly dissatisfied vs. 7% in 2002). As with last year, the two lower scoring aspects relate to information available and the cost of postage stamps.

As illustrated in Table 3.4, between 77% and 88% of households considered the cost of posting national and international letters to be good value for money. There is however some discrepancy in attitudes towards rates for mainland Europe and the USA/ rest of the world, whereby significantly fewer people (77%) consider the postage rate to mainland Europe to represent value for money (87% for US and 88% for rest of the world). This is unsurprising, given that the rates for mail to Europe were increased by up to 40% last January. Finally, those considering the 41 cent rate for delivery within Ireland as good value for money (82%) were divided on the new rate of 48 cent, with 55% considering it value for money and 44% not value for money.

*Table 3.4 Value for money of postal services*

	<i>Yes</i>	<i>No</i>	<i>Don't Know</i>
<i>Letters for delivery within Ireland (41 cent)</i>	82%	17%	1%
<i>Letters for delivery in Britain (50 cent)</i>	81%	17%	2%
<i>Letters for delivery in Europe (57c up to 25g/83c over 25g)</i>	77%	20%	3%
<i>Letters for delivery within the USA (57c up to 25g/83c over 25g)</i>	87%	10%	3%
<i>Letters for delivery elsewhere in the world (57c up to 25g/83c over 25g)</i>	88%	8%	4%

As with the business section, some additional aspects were included in this year’s survey, adapted from the most recent Eurobarometer study. Covering ease of access, quality of service, clarity of information and terms and conditions, ratings were positive overall with around one in ten dissatisfied with any one aspect. Overall, 89% of respondents consider the postal service in Ireland to be very/ fairly good. However, complaint handling seems to be an area where An Post performs poorly. Over the past 12 months, one in ten respondents had personally made a complaint about the service and nearly all to An Post. Nearly two thirds (63%) of customers making a complaint were of the opinion that their complaint had been handled very/ fairly badly by An Post.

## 4 Regulatory Developments

### 4.1 EU Framework

The new EU regulatory framework governing the communications sector was completed in July. The new framework has been transposed into Irish law through regulations made by the Minister for Communications, Marine and Natural Resources.

The measures announced provide operators and users with the details of how the new framework will operate. The EU directives were adopted 15 months ago and a considerable amount of work has gone into planning for their implementation.

The measures which came into force replace telecoms licensing with a system of general authorisations and also extends coverage to include the wider communications sector.

ComReg has issued documents on the following subjects; Authorisations, Universal Service Obligation (USO) and User's Rights, Dispute Resolution Procedures, Spectrum Rights of Use, Administrative Levy/Spectrum Fees, Interconnect and Access. Details of these papers are contained in appendix II.

### 4.2 Fixed

#### 4.2.1 *Carrier Pre-selection in Ireland 2003 – ComReg's 2003 Review and Addendum*

Carrier Pre-Selection (CPS) is one of the key measures of competition among service and network providers in Ireland, offering the Irish consumer a choice of provider for voice telephony calls. As CPS is of critical importance to the development of competition ComReg is concerned by the current level of instability.

As a result of these and other concerns ComReg carried out a review of the CPS framework to identify and address any weaknesses in the current system. This consultation document provides an update of ComReg's findings of its review and suggests ways in which the current CPS framework can be enhanced<sup>6</sup>.

Following the launch of this consultation a number of respondents requested further information on some of the issues discussed in the document such as the review of other EU countries, customer survey and survey of the industry. An addendum to the consultation document was published to answer these requests and provide additional information<sup>7</sup>. The final response to consultation will be issued shortly.

#### 4.2.2 *Wholesale Price Cap for Interconnection Rates: Next Steps following consultation*

ComReg stated in decision notice D14/03 that it agreed in principle to a conveyance rate price cap, that a prompt examination of the more detailed issues was warranted and that a further consultation would follow. Market definition, market analysis and the identification of SMP under the new framework is currently underway and this will be examined further in light of decisions made as a result of this exercise. Responses received to the consultation on fixed interconnection charging mechanisms will be taken in to

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<sup>6</sup> ComReg Document No. 03/76 - Carrier Pre Selection in Ireland 2003 – ComReg's 2003 Review

<sup>7</sup> ComReg Document No. 03/76a – Addendum to “Carrier Pre Selection in Ireland 2003” – ComReg's 2003 Review

consideration with regard to any future steps in this area in the context of any remedies that might be imposed under the new regime<sup>8</sup>.

#### **4.2.3 Private Partial Circuits (PPCs)**

Partial Private Circuits (PPCs) are an interconnect product that will allow Other Authorised Operators (OAOs) to provide point to point data services by availing of *eircom*'s network, including its local access network, together with elements of their own infrastructure, to provide a service equivalent to *eircom*'s wholesale leased line product.

Information notice 03/101 signals agreement to the process charges which support the PPCs product range<sup>9</sup>. The process charges and the product prices are now published in the *eircom* RIO<sup>10</sup>. These prices are all final except those which include copper in the end user link. Because the pricing of copper loops is subject to legal challenge by *eircom* these prices cannot be finalised until the completion of legal proceedings.

#### **4.2.4 Eircom's performance in the Delivery of Leased Lines to Other Licensed Operators – Review of Performance under the Carrier Services Service Level Agreement Regime**

The timely delivery of leased lines is a key enabler of the development of competition in a liberalised telecommunications market and Service Level Agreements (SLAs) are critical to this aim. ComReg carried out a review<sup>11</sup> of *eircom*'s leased line delivery performance over the period July 2002 to June 2003. This review showed that *eircom*'s performance in the delivery of leased lines has demonstrated a sustained improvement over the period. The improvements have seen average delivery times remain at between 20 and 26 days (standard and non-standard orders respectively) since July 2002. In addition to average delivery, there has been a significant improvement in *eircom*'s due date performance (the frequency with which *eircom* deliver a circuit according to the date committed to the OAO during the ordering stage). *eircom* had reached the ComReg target of 95% at the end of 2002 and it has remained at or above this level during the first half of 2003.

Following the review of performance, ComReg has decided that the Carrier Services SLA regime will not require large scale review, although minor amendments have been made to reflect developments in other product areas such as partial private circuits, Retail SLAs etc, which had an impact on the Carrier Services SLA over the coming months.

#### **4.2.5 Payphone Access Charge – Industry Implementation**

In recent years, the growth of freephone traffic in the Irish market has raised the issue of payphone operators being in a position to recover the cost of the use of their public payphones when calls are made to freephone numbers. The implementation of the Payphone Access Charge (PAC) facilitates the recovery of these costs.

ComReg has met regularly with industry representatives and has convened an industry forum to develop a solution for the introduction of the PAC on an industry wide basis. A project plan for the implementation of the PAC has been agreed and its implementation

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<sup>8</sup> ComReg Document No. 03/103 – Information Notice – Wholesale Price Cap for Interconnection Rates: Next Steps following consultation

<sup>9</sup> ComReg Document No. 03/101 – Information Notice – PPCs – Review of Process Charges

<sup>10</sup> ComReg Document No. 03/77 – Information Notice – PPCs – Publication of Prices

<sup>11</sup> ComReg Document No. 03/75 – *eircom*'s Performance in the Delivery of Leased Lines to Other Licensed Operators

will see the introduction of an interconnection product to facilitate the industry wide charging of a PAC in October 2003.

A Consultation document was issued on some of the details of the implementation of the charge, in particular, deciding which payphones are PAC eligible, charging transparency issues and other matters<sup>12</sup>. The response is due to be published shortly.

#### **4.2.6 Monitoring eircom's compliance with decision notice D16/02 – "off book" pricing investigation in respect of eircom's provision of voice services".**

The purpose of the "off book" pricing investigation was to immediately halt any unfair practices and to ensure that any repetition of such practices by *eircom* is avoided in the future. Further to the Decision Notice D16/02 *eircom* has been directed to undertake specified measures, which includes a requirement that *eircom* commission an independent external audit. *eircom* were also directed to continue with the implementation of a system of management controls and processes to support full compliance with their legal obligation in relation to pricing and discounts.

*eircom* is proceeding with the process of commissioning a suitable independent auditor to conduct the Audit on the basis of the agreed Compliance Audit Terms of Reference. In line with the requirements of D16/02 *eircom* have been required to accelerate their independent audit. ComReg will provide further report(s) at appropriate times in respect of the process.

ComReg continues to closely monitor the implementation of the specified measures contained in D16/02 by *eircom* and will continue to take whatever further steps considered necessary in light of progress and developments<sup>13</sup>.

#### **4.2.7 Interim Rates for NTC services effective from 1<sup>st</sup> July 2003**

Interim rates for Number Translation Codes (NTC) services effective from 1 July 2003 were issued in August<sup>14</sup>. These rates apply to Esat BT only who has implemented Near End Hand Over (NEHO) of NTC calls with *eircom*. This follows a direction in June for *eircom* to implement the capability for Near End Handover in all AXE switches no later than 3 months from the date of that determination.

The existing industry average rates continue to apply to other operators who have not requested NEHO and continue to collect calls at the Tertiary Switches. These rates apply only to calls originated by *eircom* and do not apply to transit traffic to this Operator. Rates may need to be revised if ComReg is satisfied as to the accuracy and materiality of any new information submitted by *eircom*.

#### **4.2.8 Local Loop Unbundling – Provision of bulk line data**

The "local loop" is the copper pair connecting each telephone subscriber to the telephone network at the local exchange. This "last mile" of network is accepted to be the most difficult for new entrants to replicate. The EU Regulation on Local Loop Unbundling requires the network owner to provide access to this copper pair, so that alternative operators can offer their services – in particular broadband services - across the local loop. In Ireland, where Esat BT sought access, 40 key exchanges have been successfully

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<sup>12</sup> ComReg Document No. 03/73 – Consultation Paper – Payphone Access Charge – Industry Implementation

<sup>13</sup> ComReg Document No. 03/94 – Information Notice – Monitoring *eircom*'s compliance with Decision Notice D16/02

<sup>14</sup> ComReg Document No. 03/106 – Information Notice – Interim Rates for NTC services effective from 1<sup>st</sup> July 2003

unbundled and are providing DSL services to end customers. However in order to determine whether an individual customer's line is suitable for DSL, Esat BT requested a new product which provides the technical characteristics of lines in a bulk transfer, rather than on a line by line basis. ComReg deemed Esat BT's request to be reasonable and directed *Eircom* to provide a cd containing this data, subject to signature of a non disclosure agreement<sup>15</sup>.

#### **4.2.9 3.5 GHz Local Area Fixed Wireless Access: Response to Expressions of Interest and Planned Approach to Licensing**

Expressions of interest were received confirming that there is a substantial demand for access to radio spectrum at 3.5 GHz to provide FWALA services, particularly in and around the Dublin area. ComReg plans to introduce a method to comparatively evaluate licence applications due to the limited spectrum available in the 3.5 GHz band and the substantial demand for this spectrum<sup>16</sup>.

ComReg has launched a licensing process for Fixed Wireless Access Local Area (FWALA) Licences. The overall objective of the process is to assist in the development of a competitive local access market for the provision of broadband services to the public<sup>17</sup>.

### **4.3 Mobile**

#### **4.3.1 Mobile Accounting Separation and Costing Methodologies**

Having regard to the timelines involved, following consultations on proposals for the form and content of accounting separation and costing methodologies to apply to the Mobile Network Operators in Ireland, ComReg decided that it is appropriate that any further action in relation to accounting separation be within the context of the new regulatory framework for telecommunications<sup>18</sup>.

ComReg welcomed recent reductions in Mobile Termination Rates which keep Irish rates stay among the lowest in Europe. Following reductions in mobile termination rates last year by both Vodafone and O<sub>2</sub> and a further reduction earlier this year by Vodafone, both operators have said they were willing to consider further reduction in mobile termination rates. Vodafone's 13% reduction to its peak period termination rate earlier this year will be followed by a further 5% reduction to its average termination rates next year. O<sub>2</sub> have indicated that they plan to introduce reductions in average termination rates of CPI minus 8% both this year and next year.

#### **4.3.2 Mobile Number Portability (MNP)**

ComReg were pleased to announce the introduction of MNP in July. MNP is a facility where mobile customers can move between mobile networks and retain their full mobile number. MNP will contribute to increasing competition as it enables the customer to choose to move between networks without incurring the additional cost and inconvenience of a number change.

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<sup>15</sup> ComReg Document No. 03/80 – Decision Notice D15/03 - Local Loop Unbundling – Provision of bulk line data

<sup>16</sup> ComReg Document No. 03 / 92 - 3.5 GHz Local Area Fixed Wireless Access: Response to Expressions of Interest and Planned Approach to Licensing

<sup>17</sup> ComReg Document No. 03 / 97 - Guidelines to Applicants for Fixed Wireless Access Local Area – 3.5 GHz (FWALA) Licences

<sup>18</sup> ComReg Document No. 03 / 71 - Mobile Accounting Separation and Costing Methodologies Next Steps following Consultation

## 4.4 Radio Spectrum and Technology

### 4.4.1 Use and Development of Radiocommunications Services in the 2500 – 2690 MHz Bands

ComReg issued a consultation to obtain views on current and potential future spectrum utilisation by MMDS and 3G mobile services and the implications for the future use of the 2500 – 2690MHz band<sup>19</sup>.

The consultation addressed three specific issues, namely:

1. options for development of MMDS and 3G mobile services,
2. compatibility and frequency sharing between MMDS and 3G networks
3. a possible approach to co-existence between mobile and MMDS services in the 2500 – 2690 MHz band.

In its response to consultation ComReg proposed to maintain the current prohibition on the provision of MMDS services in the main urban areas of Dublin, Cork, Limerick, Galway and Waterford, to require the MMDS operators to indicate their spectrum requirements for continuing use of the 2.5Ghz band by 30th June 2004 and to undertake a review of the 2.5GHz spectrum when the decision by CEPT on the detailed frequency arrangements for the 2500 – 2690 MHz band is available<sup>20</sup>.

### 4.4.2 Convergence of Mobile and Fixed Technologies

In line with Government objectives to achieve widespread availability of broadband infrastructure and services throughout Ireland within the next three years ComReg opened a consultation on extending broadband access within licensed GSM spectrum<sup>21</sup>.

In its response to consultation ComReg outlined that both the original proposal and the revised proposals to facilitate provision of broadband wireless gained only limited, qualified support amongst mobile operators and on the basis of the responses received it has been decided not to proceed with the proposal as outlined in Document 03/63<sup>22</sup>. Nevertheless, ComReg is still keen to explore additional platforms for the delivery of fixed broadband access and has therefore decided to leave open the possibility to provide a FWA service using unutilised GSM1800 MHz spectrum i.e., service delivery to fixed, external subscriber antennae and using no more than 20% of an GSM1800 MHz operators' licensed spectrum. Any mobile operator interested in offering a FWA service under these conditions should contact ComReg and the matter will be reviewed, subject to consultation as appropriate

### 4.4.3 The World Radiocommunications Conference (WRC – 03)

This document outlines some of the agreements reached at the international level on use of the radio frequency spectrum<sup>23</sup>. Some key results of WRC-03 include: (i) Expanding the

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<sup>19</sup> ComReg Document No. 03 / 70 - Use and Development of Radiocommunications Services in the 2500 – 2690 MHz Bands

<sup>20</sup> ComReg Document No. 03 / 105 - Use and Development of Radiocommunications Services in the 2500 – 2690 MHz Bands – Response to Consultation Document O3 / 70

<sup>21</sup> ComReg Document No. 03 / 13 and 03 / 63 - Convergence of Mobile and Fixed Technologies Extending Broadband Access within Licensed GSM Radio Spectrum

<sup>22</sup> ComReg Document No. 03 / 104 – convergence of Mobile and Fixed Technologies Extending Broadband Access within Licensed GSM Radio Spectrum – Response to Consultation

<sup>23</sup> ComReg Document No. 03 / 79 - Second Information Notice on The World Radiocommunications Conference



choice available for consumers by making spectrum allocations and decisions regarding various new satellite and terrestrial wireless services, including Radio Local Area Network systems (RLANs), which allow wireless communication within short distances, and broadband-in-flight communications to provide high-speed Internet access to airline passengers. The Conference agreed on global frequency allocations for RLANs in frequency bands around 5 GHz which are becoming popular in Europe and which are already being used to provide broadband access in Ireland. (ii) The conclusions of WRC-03 removed the uncertainties around spectrum allocations for Galileo (the European ‘GPS’ satellite system aimed at providing enhanced navigational and positioning capabilities) and set out the regulatory framework to allow it to share spectrum with existing GPS and Glonass systems; (iii) Certainty on the further development of IMT-2000, the third generation (3G) mobile communications system, including protecting IMT-2000 networks from interference by other systems and regulatory procedures to facilitate use of high-altitude platform stations (HAPS) as IMT-2000 base stations; (iv) The resolution of a number of issues concerning the regulation of maritime distress and safety issues, important for the Irish shipping and fishing industry; (v) Resolving a number of satellite network regulatory issues which will permit further sharing between terrestrial (e.g., fixed links) and satellite services that share bands. This includes outstanding issues affecting VSAT operations, one of the primary satellite network applications used in Ireland.

## 4.5 Broadcasting

### 4.5.1 *Charges and WT Licence Fees Applicable to Broadcasting Networks and Services*

ComReg published a consultation paper on the administrative charges and Wireless Telegraphy (WT) licence fees applicable to broadcasting networks and services<sup>24</sup>.

The response to consultation set forth ComReg’s decisions for levying administrative charges and fees for spectrum-rights-of-use following the introduction of the new regulatory framework<sup>25</sup>. ComReg has harmonised the amounts payable by all providers of communications services and has therefore decided on a basis of levying cable and MMDS operators which would represent a significant reduction in their contributions while RTE and BCI are now subject to an annual administrative charge.

## 4.6 Numbering

### 4.6.1 *ENUM: Accessing Multiple Customer Services through Telephone Numbers*

ENUM is an emerging telecommunications protocol that, at its simplest, is designed to help users make contact with other persons through various means (e.g. mobile, e-mail, VoIP) while knowing only their telephone number. This can work with either a fixed line or mobile number or possibly also a freephone or personal number. This protocol is on trial in a number of countries and ComReg issued a consultation paper<sup>26</sup> in March to establish whether or not there is enough interest in Ireland to carry out an ENUM trial here.

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<sup>24</sup> ComReg Document No. 03 / 78 Future Regulation of Electronic Communications Networks and Services Administrative Charges and WT Licence Fees Applicable to Broadcasting Networks and Services

<sup>25</sup> ComReg Document No. 03 / 98 Future Regulation of Electronic Communications Networks and Services Administrative Charges and WT Licence Fees Applicable to Broadcasting Networks and Services – Response to Consultation

<sup>26</sup> ComReg Document No 03/56 - ENUM: Accessing Multiple Customer Services Through Telephone Numbers

Responses indicated that there was strong support for a trial, that it should be specifically tailored for the Irish market independent of trials in other countries and that an industry forum should be set up to monitor its design and implementation<sup>27</sup>. ComReg plans to hold a start-up meeting of this ENUM Forum towards the end of September, with a follow-on meeting to take place within a further two weeks. In line with the more limited trials being carried out elsewhere, ComReg would expect that around six months will be necessary to complete the initiative.

## 4.7 General

### 4.7.1 *ComReg response to DCMNR Consultation on New Data Protection Regulations for Electronic Communications Networks and Services*

The European Communities Directive concerning the processing of personal data and the protection of privacy in the electronic communications sector will be transposed into national law by 31 October 2003<sup>28</sup>. In advance the Minister launched a consultation on the draft regulations.

As the national regulatory authority for the electronics communications sector ComReg welcomed the opportunity to provide comments focussing particularly on potential future implementation or interpretational problems<sup>29</sup>. One major issue addressed by ComReg is the matter of the financing of any ComReg data protection activities which is not provided for in the draft regulations. Other issues addressed in ComReg's response include; directories of subscribers, unsolicited communications, national directory database and enforcement powers of ComReg.

### 4.7.2 *ComReg's Response to Dublin City Council's Public Consultation on the Regulation of Road Works undertaken by Network Operators*

Given the importance of developing electronic communications to the economy of Ireland and mindful of its responsibilities under the Communications Act<sup>30</sup>, ComReg provided comments on Dublin City Council's consultation on the regulation of road works undertaken by network operators in respect of electronic communications networks<sup>31</sup>. Whilst ComReg agrees that different infrastructure services should be ranked in order of priority for access to underground space, the response raised concerns that the proposed ranking places electronic communications services at the end of the list and would not necessarily accept that electronic communications should be assigned a lower priority than, for example, gas or electricity.

ComReg also pointed out that road authorities are required to consult with ComReg on certain aspects of the Scheme such as the laying of additional ducts and infrastructure sharing disputes. To assist road authorities in gaining responses to consultations, ComReg suggested that road authorities may also wish to make use of the notifications register listing operators of Electronic Communications Networks and Services which ComReg maintains on its website.

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<sup>27</sup> ComReg Document No 03/96 – ENUM: Irelands Next Steps

<sup>28</sup> European Communities Directive 2002/58/EC

<sup>29</sup> ComReg Document No. 03/99 - ComReg Submission to Department of Communications Marine and Natural Resources Consultation on New Data Protection Regulations for Electronic Communications Networks and Services

<sup>30</sup> Communications (Regulation) Act 2002

<sup>31</sup> ComReg Document No 03/93 – Response to Dublin City Councils Consultation on the regulation of road works undertaken by network operators

## **4.8 Statutory Instruments – Adopted by ComReg**

### **4.8.1 *Wireless Telegraphy Regulations – S.I. 338 of 2003***

These Regulations provide for the issue of licences to keep and have possession of apparatus for wireless telegraphy for the purpose of using FWPMA for the provision of telecommunications access network and services.

### **4.8.2 *Wireless Telegraphy Regulations – S.I. 339 of 2003***

These Regulations provide for the issue of licences for apparatus for wireless telegraphy used solely for the purpose of providing GSM mobile telephony services, for the regulation of such apparatus and for the payment of fees by persons granted licences for that purpose.

### **4.8.3 *Wireless Telegraphy Regulations – S.I. 340 of 2003***

These Regulations provide for the issue of Licences for apparatus for wireless telegraphy used solely for the purpose of providing Third Generation and GSM mobile telephony services, for the regulation of such apparatus and for the payment of fees by persons granted Licences for that purpose.

### **4.8.4 *Communications Regulation Act – S.I. 346 of 2003***

This Order provides for a levy on holders of, or persons required to hold, authorisations under Regulation 4 of the European Communities (Electronic Communications Networks and Services)(Authorisation) Regulations, 2003, other than certain broadcast transmission networks for the purpose of meeting expenses incurred by the Commission for Communications Regulation in the discharge of its functions in relation to electronic communications.

### **4.8.5 *Communications Regulation Act – S.I. 392 of 2003***

This amendment Order provides for a levy on certain broadcast transmission networks who are holders of authorisations under Regulation 3 of the European Communities (Electronic Communications) (Authorisations) Regulations 2003, or otherwise deemed to be authorised under those Regulations for the purpose of meeting expenses incurred by the Commission for Communications Regulation in the discharge of its functions in relation to electronic communications.

## **4.9 Statutory Instruments – Adopted by the Minister**

### **4.9.1 *European Communities (Access) Regulations - S.I. 305 of 2003***

The purpose of these Regulations is to give effect to Directive 2002/19/EC of the European Parliament and of the Council of 7 March 2002 on access to, and interconnection of, electronic communications networks and associated facilities (Access Directive). The aim of the Regulations is to establish a regulatory framework for the relationships among suppliers of networks and services that will result in sustainable competition, interoperability of electronic communications services and consumer benefits.

### **4.9.2 *European Communities (Authorisation) Regulations – S.I. 306 of 2003***

The purpose of these Regulations is to give effect to Directive 2002/20/EC of the European Parliament and of the Council of 7 March 2002 on the authorisation of electronic communications networks and services (Authorisation Directive). The aim of the

Regulations is to facilitate the freedom to provide electronic communications networks and services through the harmonisation and simplification of authorisation rules and conditions.

#### **4.9.3 European Communities (Framework) Regulations – S.I. 307 of 2003**

The purpose of these Regulations is to give effect to Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications and services (Framework Directive). The Regulations establish a framework for the regulation of electronic communications services, electronic communications networks, associated facilities and associated services.

#### **4.9.4 European Communities (Universal Service and User's Rights) Regulations – S.I. 308 of 2003**

The purpose of these Regulations is to give effect to Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive). The aim of the Regulations is, inter alia, to ensure the provision of specified electronic communications services and the affordability of those services.

## 5 Consumer Focus

### 5.1 Consumer Complaints

ComReg has an established framework on the Codes of Conduct for the handling of complaints by cable and MMDS operators<sup>32</sup> and a similar framework for telecommunications operators<sup>33</sup>.

The majority of complaints received during Q2 2003 for the fixed telecommunications sector related to billing issues such as disputed CPS charges, line fault repair and disputed charges for services cancelled or not yet provided. Installation issues relating to PSTN, ISDN and DSL delays were received. Repair issues such as delays, missed appointments and lack of feedback were also received in the fixed sector. Most complaints in the broadcasting area were billing and customer service issues, including disputed charges due to lack of service, delay with credit/refunds, incorrect billing, failed promised call-backs and misleading information,. In the mobile sector, the most common complaints related to billing and network/coverage issues such as changes made to packages without prior notice, disputed charges and dropped calls due to traffic congestion in urban areas.

**Table 5.1 Consumer Complaints**

<i>Complaints</i>	<i>Q02 2003</i>	<i>Q012003</i>
<i>Fixed Telecommunications Operators</i>	191	230
<i>Mobile Telecommunications Operators</i>	28	29
<i>Broadcasting</i>	98	129

ComReg also receives general consumer queries on a wide range of Electronic Communication Network / Electronic Communication Services (ECN/ECS) issues. Most queries received during the quarter related to operators' policies, for example, in relation to customer service, credit control and disconnection. Queries on phone based CPS subscription processes; call barring restrictions; broadband rollout and postal delivery charges were also received. Table 5.2 below illustrates the volume of queries received this quarter compared to last quarter.

**Table 5.2 Consumer Queries**

	<i>Q02 2003</i>	<i>Q012003</i>
<i>Queries</i>	818	615

### 5.2 Users' Rights to Communications Services – Protecting Users in a Developing Communications Market

ComReg plays an important role in ensuring that operators provide high quality services to their customers. Following a consultation period<sup>34</sup> which focussed on how the national regulatory framework would evolve in the area of Users' Rights in light of the EU

<sup>32</sup> ODTR Document No 01/22 - Decision Notice D6/01 and response to the consultation, Codes of Practice by cable and MMDS operators for handling consumer complaints

<sup>33</sup> ODTR Document No 01/67 – Decision Notice D13/01, Codes of Practice for the handling of consumer complaints by telecommunications operators

<sup>34</sup> ComReg Document No. 03/26: Protecting Users in a Developing Communications Market Implementing Measures under the National and EU Communications Framework

Directive on Universal Service and Users' Rights<sup>35</sup>, ComReg published a decision notice detailing the measures which will ensure that Users' Rights are protected<sup>36</sup>. These provisions (some of which are current obligations) include measures concerning transparency of information (including tariffs, quality of service, minimum contract terms, codes of practice for complaint handling, including the requirement on service providers to introduce customer guarantee schemes.

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<sup>35</sup> Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive)

<sup>36</sup> ComReg Document No. 03/86: Users Rights to Communications Services (Protecting Users in a Developing Communications Market)

## 6 Postal Regulation

### 6.1 An Post's Proposals to increase the price of Domestic Postal Services 2003

Under Section 70 of the Postal and Telecommunications Services Act, 1983, as amended, ComReg must approve the increases for services that are reserved to An Post, i.e. items weighing less than 100grams. In June ComReg published a consultation paper<sup>37</sup> based on a proposal by An Post to increase the price of domestic letter post services. As noted in the paper, there were substantial delays in getting adequate information from An Post to deal with their proposal.

ComReg, like many respondents to the consultation, has been concerned for some time about the An Post's failure to fully realise the benefits from its major capital investment programme and its deteriorating quality of service. It was equally clear to ComReg that price rises alone would not resolve An Post's growing financial problems. Given the scale and urgency of An Post's situation at that time, it was difficult to avoid granting the proposed increases. However it is obvious that An Post needs at this time to prioritise its efforts on converting their commitments and their very significant investments made to date into tangible improvements in efficiency as well as becoming more proactive in its efforts to reduce unit costs by growing volumes rather than relying on future price increases. A serious commitment to quality delivery for customers must also be demonstrated by way of substantially improved quality of service indicators.

On 5 August ComReg agreed to the An Post price proposals<sup>38</sup> and the Postaim direct mail prices subject to receipt of revised proposals from An Post in respect of the discounts to be made available to businesses and other large users of postal services. ComReg suggested that a more satisfactory minimum posting amount in relation to deferred delivery would be 350 instead of the 2000 mail items proposed by An Post.

On 21 August a revised threshold of 500 mail items was accepted by ComReg<sup>39</sup> subject to a further revision to 350 by 1 September 2004 and the following prices were approved to come into effect on 30 August 2003:

48c rate for a POP (C5) envelope, together with the new wider weight step which has been increased from 50g to 100g  
 60c rate for larger (C4) envelopes up to 100g and  
 96c rate for other packets up to 100g.

A full list of the agreed revised prices which came into effect on 30 August can be found on ComRegs website<sup>40</sup>.

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<sup>37</sup> ComReg Document No 03/65 – Consultation Paper An Post's Proposals to increase the price of Domestic Postal Services 2003

<sup>38</sup> ComReg Document No 03/95 – Response to Consultation An Post's Proposals to increase the price of Domestic Postal Services 2003

<sup>39</sup> ComReg Document No 03/100 – Further Response to Consultation An Post's Proposals to increase the price of Domestic Postal Services 2003

<sup>40</sup> [www.comreg.ie](http://www.comreg.ie)

## 6.2 Terminal Dues Agreements – Extension to Deadline for Compliance

In accordance with Regulation 10(2) S.I.No 616 of 2002, ComReg directed An Post to bring its Agreements on Terminal Dues<sup>41</sup> into compliance with its obligations no later than 7 July 2003. ComReg received a representation from An Post to extend this deadline as, although considerable efforts to re-negotiate REIMS has been made, the company is not yet in a position to conclude revised terminal dues arrangements. Given that An Post's current financial difficulties in relation to inbound international mail must be rectified, on 9 July ComReg agreed to an extension of the deadline to 22 July 2003<sup>42</sup>. As An Post has failed to meet the extended deadline, ComReg has asked the new CEO for his assessment on how An Post can bring its agreements on Terminal Dues into compliance with its obligations under Regulation 10(1).

## 6.3 An Post's Quality of Service - Domestic single piece mail

A contract was put in place between TNS MRBI and ComReg to monitor the quality of postal service of single piece mail in the Republic of Ireland on a quarterly basis for three years from 1st January 2003. On 2 September 2003 ComReg published the second quarter results, 1 April to 30 June 2003<sup>43</sup>, which indicated that only 71% of single piece mail items were delivered the working day after posting. 75% of mail for local delivery was delivered the day after posting while only 64% of single piece priority mail from provincial centres to addresses in Dublin was delivered the day after posting.

The target set by ComReg for the year 2003 was 94%. As the result for the first quarter was 73% it is already clear that the target for the full year will not be met. While ComReg will continue to encourage An Post to take whatever steps are necessary to improve the quality of postal services generally, it is also working on other remedies to enforce compliance with the objective of ensuring that postal users get the level of service they need.

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<sup>41</sup> ComReg Document No 03/40 - Information Notice Terminal Dues Agreement

<sup>42</sup> ComReg Document No 03/74 - Information Notice Terminal Dues Agreement, Extension to Deadline for Compliance

<sup>43</sup> ComReg Document No 03/107 - An Post's Quality of Service Domestic single piece mail. Quarter 2, April to June 2003



## Appendix I: Documents Issued April – June 2003

**Fixed**

<b><i>Document No.</i></b>	<b><i>Title</i></b>
03/103	Wholesale Price Cap for Interconnection Rates Next Steps following Consultation
03/101	Partial Private Circuits – Review of Process Charges
03/94	Monitoring <i>eircom</i> 's Compliance with Decision Notice D16/02: "off book" pricing investigation in respect of <i>eircom</i> 's provision of voice services
03/80	Decision Notice D15/03 Local Loop Unbundling: Provision of Bulk Line Data
03/77	Partial Private Circuits – Publication of Prices
03/76a	Addendum to 'Carrier Pre Selection in Ireland 2003'
03/76	Consultation Paper – Carrier Pre Selection in Ireland 2003, ComReg's 2003 Review
03/75	<i>eircom</i> 's Performance in the Delivery of Leased Lines to Other Licensed Operators
03/73	Payphone Access Charge Industry Implementation

**Mobile**

<b><i>Document No.</i></b>	<b><i>Title</i></b>
03/71	Mobile Accounting Separation and Costing Methodologies Next Steps following Consultation

**Consumer Issues**

<b><i>Document No.</i></b>	<b><i>Title</i></b>
03/87	The Future Framework for the Regulation of Universal Service in the Irish Communications Market (Provision of Telephony Services to Users)
03/86	Users Rights to Communications Services (Protecting Users in a Developing Communications Market)

**Post**

<b><i>Document No.</i></b>	<b><i>Title</i></b>
03/107	An Post's Quality of Service Domestic Single Piece Mail – Quarter 2, April to June 2003
03/100	An Post's Proposals to increase the price of Domestic Postal Services 2003
03/95	An Post's Proposals to increase the price of Domestic Postal Services 2003
03/74	Information Notice – Terminal Dues Agreements Extension to

	Deadline for Compliance
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### Radio Spectrum/Technology

<i>Document No.</i>	<i>Title</i>
03/105	Use and Development of Radiocommunications Services in the 2500-2690 MHz Bands – Responses to Consultation Document 03/70
03/104	Convergence of Mobile and Fixed Technologies Extending Broadband Access within Licensed GSM Radio Spectrum – Responses to Consultation Document 03/63
03/97a	Guidelines to Applicants for Fixed Wireless Access Local Area – 3.5GHz Licences (Appendix 1 – Application Form in Word Format)
03/97	Guidelines to Applicants for Fixed Wireless Access Local Area – 3.5GHz Licences
03/92	3.5 GHz Local Area Fixed Wireless Access: Response to Expressions of Interest and Planned Approach to Licensing
03/70	Use and Development of Radiocommunications Services in the 2500-2690 MHz Bands

### Numbering

<i>Document No.</i>	<i>Title</i>
03/106	Interim Rates for NTC Services effective from 1 <sup>st</sup> July 2003
03/96	ENUM: Ireland's Next Steps

### General

<i>Document No.</i>	<i>Title</i>
03/99	ComReg Submission to Department of Communications, Marine and Natural Resources Consultation on New Data Protection Regulations for Electronic Communications Networks and Services
03/93	ComReg's response to Dublin City Council's Public Consultation: Scheme for Regulation etc of Road Works undertaken by Network Operators in the Administrative Area of Dublin City Council, in accordance with the Communications (Regulation) Act 2002
03/88	Communications Act 2002 Levy Order – Compliance Guidelines
03/89	Response to Consultation & Decision Notice D18/03 – Dispute Resolution Procedures
03/79	Second Information Notice on The World Radiocommunications Conference – July 2003
03/72	Broadband Market in Ireland – Presentation to Joint Oireachtas Committee on Communications, Marine and Natural Resources ICT sub-Committee 24 <sup>th</sup> June 2003
03/69	Consultation Paper – Dispute Resolution Procedures

**EU Directives**

<b><i>Document No.</i></b>	<b><i>Title</i></b>
03/102	Guidance on Completion of Notification Form Relating to a General Authorisation
03/98	Response to Consultation – Future Regulation of Electronic Communications Networks and Services Administrative Charges and WT Licence Fees Applicable to Broadcasting Networks and Services
03/91	Transition arrangements for the new Regulatory Framework for Electronic Communications – July 2003
03/90	Exempted Networks and Services under the Authorisations Regulations
03/85	Response to Consultation – Arrangements for General Authorisations
03/84	Wireless Telegraphy Licences – Future Applicability of Licence Conditions
03/83	Guidelines relating to General Authorisations
03/82R	Notification Form for a General Authorisation Version 2
03/81	Conditions of General Authorisation
03/78	Future Regulation of Electronic Communications Networks and Services Consultation

## Appendix II: Documents relating to New EU Framework

### **1. General Authorisation – Conditions for the Provision of Electronic Communications Network and Services**

Under the new regulatory regime, general/basic telecoms licences are no longer required by operators and on 25 July were replaced by Authorisations. ComReg has now published a document explaining the interpretation and nature of these new authorisations<sup>44</sup>. This document also describes the conditions that authorised undertakings are subject to, such as obligations on the provision of information, adherence to radiation emission standards, the integrity of networks and interconnection.

Going forward, operators who are or want to be authorised to offer communications services to the public will simply have to notify ComReg in accordance with the process outlined in this document. The Notification Form for a General Authorisation<sup>45</sup> and guidance note<sup>46</sup> for completing this form are now available on the ComReg website. The form can be submitted by email but must also be sent in hard copy as the proposed facility for electronic submission of notifications is not yet available but will be available before the end of September.

### **2. Future Regulation of Electronic Communications Networks & Services – Arrangement for General Authorisations**

In June, ComReg published a Consultation Paper on arrangements for General Authorisations. That paper published ComReg's proposals for the conditions to a General Authorisation. In addition, the paper discussed a number of related issues. Responses to the consultation were taken into account when ComReg finalised the General Authorisation and views were also received in connection with the associated issues.

ComReg's position on the following issues is outlined in the document<sup>47</sup>:

- Categorisation of particular networks and services
- Broadcasting activities – distinction between broadcasting transmission & broadcasting distribution
- Provision of a network
- Retail Broadcasting services
- Virtual Private Networks

### **3. Transition arrangements to the new Regulatory Framework for Electronic Communications – July 2003**

The regulations transposing the new EU regulatory package on electronic communications networks and services were made by the Minister for Communications and Natural Resources on 21 July and came in to force on 25 July. The new legislative package consists of the Framework Regulations<sup>48</sup>, the Access Regulations<sup>49</sup>, the Universal Service Regulations<sup>50</sup> and the Authorisations Regulations<sup>51</sup>.

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<sup>44</sup> ComReg Document No 03/81 – Conditions for the Provision of Electronic Communications Network and Services

<sup>45</sup> ComReg Document No 03/82R - Notification Form for a General Authorisation

<sup>46</sup> ComReg Document No 03/102 - Guidance Note on Completion of Notification Form for a General Authorisation

<sup>47</sup> ComReg Document No. 03/85 – Response to Consultation – Future Regulation of Electronic Networks and Services – Arrangement for General Authorisations

<sup>48</sup> S. I. No. 307 of 2003 the European Communities (Electronic Communications Networks and Services) (Framework) Regulations 2003 which transposes Directive 2002/21/EC of the European Parliament and the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services.

On 25 July 2003 ComReg issued a number of measures implementing the regulations. They included authorisations<sup>52</sup>, universal service obligations<sup>53</sup>, users' rights<sup>54</sup>, dispute resolution procedures<sup>55</sup>, spectrum rights of use<sup>56</sup> and levy arrangements<sup>57</sup>. This document<sup>58</sup> outlines the arrangements in place for transition to the new Regulatory Framework.

#### **4. Exemption of certain Electronic Communications Networks and Services**

Under the new EU regulatory framework any person who intends to provide an electronic communications network or service must notify the Regulator of this intention. Regulation 4(6) of S.I. no. 306 of 2003 states that the Regulator may make a determination specifying that certain electronic communications networks or services are exempt from the requirement to notify.

ComReg made the determination that electronic communication networks or services which are wholly for own use including use by connected entities are exempt from this requirement<sup>59</sup>.

#### **5. Future Regulation of Electronic Communications Networks and Services – Guidelines relating to General Authorisations**

The Minister for Communications, Marine and Natural Resources made necessary regulations to give legal effect to the new framework on 21 July 2003. One of the most important changes is the legal basis under which networks and services may be provided. It is no longer necessary to hold a telecommunications licence; instead there is a general

<sup>49</sup> S. I. No. 305 of 2003 the European Communities (Electronic Communications Networks and Services) (Access) Regulations 2003 which transposes Directive 2002/19/EC of the European Parliament and the Council of 7 March 2002 on access to, and interconnection of, electronic communications networks and associated facilities.

<sup>50</sup> S.I. No. 308 of 2003 the European Communities (Electronic Communications Networks and Services)(Universal Service and users' rights) Regulations 2003 which transposes Directive 2002/22/EC of The European Parliament and the Council of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive).

<sup>51</sup> S.I. No. 306 of 2003 the European Communities (Electronic Communications Networks and Services) (Authorisations) Regulations 2003 which transpose Directive 2002/20/EC of the European Parliament and the Council of 7 March 2002 on the authorisation of electronic communications networks and services.

<sup>52</sup> ComReg Document Nos. 03/81 – Text of General Authorisation Conditions, 03/82 – Notification Form, 03/83 – Guidelines to General Authorisations, 03/84 – Wireless Telegraphy Licences – future applicability of licence conditions, 03/85 – Response to a consultation on arrangements for General Authorisations and 03/90 – Exemption from notification requirement

<sup>53</sup> ComReg Document No. 03/87 – The Future Framework for the Regulation of Universal Service in the Irish Communications Market (Provision of Telephony Services to Users)

<sup>54</sup> ComReg Document No. 03/86 – Users Rights to Communications Services (Protecting Users in a Developing Communications Market)

<sup>55</sup> ComReg Document No. 03/89 – Response to Consultation and Decision Notice D18/03 – Dispute Resolution Procedures

<sup>56</sup> S.I. 340 of 2003 and S.I. 339 of 2003

<sup>57</sup> S.I. 346 of 2003

<sup>58</sup> ComReg Document No. 03/91 – Transition arrangements for the new Regulatory Framework for Electronic Communications – July 2003

<sup>59</sup> ComReg Document No. 03/90 – Exemption of Certain Electronic Communications Networks and Services under Regulation 4(6) of the European Communities (Electronic Communications Networks and Services)(Authorisation) Regulations, 2003 (S.I. No. 306 of 2003)

entitlement to provide electronic networks and/or services subject to compliance with standard conditions.

ComReg published guidelines<sup>60</sup> to provide direction on the operation of the new regulatory framework and outline the procedures which ComReg will apply in handling notifications such as completion of the notification form and timing of notifications.

## **6. Dispute Resolution Procedures**

Under the requirements of the EU Framework Directive<sup>61</sup> and the Regulations<sup>62</sup> which transposed the Directive into national law, the legal basis for the provision of electronic communications networks and services and associated facilities changed throughout the European Union on 25 July 2003. One of these changes was the amendment of the current dispute resolution procedures contained in ODTR Decision 11/99. On 20 June ComReg issued a consultation paper outlining its proposals for the revision of the existing dispute procedures<sup>63</sup>.

The new Framework Directive and regulations require: that the time period for ComReg's resolution of disputes is shortened to four months from six; ComReg must make provision for alternative mechanisms to resolve disputes; undertakings engaged or intending to engage in the provision of electronic communications networks and services or associated facilities can lodge disputes and ComReg must make its decision publicly available, giving the parties to the dispute a full statement of the reasons for its decision. The proposed new procedures presented in this document were designed to ensure that disputes are managed and resolved by ComReg in the most efficient and effective manner. ComReg welcomed comments on these procedures and a response to this consultation was published on 25 July<sup>64</sup>. There was broad agreement from respondents with the proposed dispute resolution procedures while ComReg is committed to issue further guidance on disputes by the end of October.

ComReg recognised that the dispute procedures in the Decision Notice constitute only one element of how it deals with issues raised by the industry. Many issues are dealt with in other ways including: resolution through informal contacts or negotiation; or are developed in industry fora; they become the subject of a ComReg own initiative investigation, by way of consultations or through alternative dispute mechanisms.

## **7. The Future Framework for the Regulation of Universal Service in the Irish Telecommunications Market – Provision of Telephony Services to Users**

The concept of universal service is one of the cornerstones of the European communications regulatory framework and is designed to ensure that that every person can receive a basic set of high quality telecommunications services, no matter where they live, at an affordable price. The existing Irish universal service regime, in place since 1999, required updating in view of the new EU Framework. The paper focused on how the provision of services such as telephone lines, payphones and directory services could continue to evolve in line with changing user needs, market developments and recent changes in the EU regulatory framework.

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<sup>60</sup> ComReg Document No. 03/83 – Future Regulation of Electronic Communications Networks and Services – Guidelines relating to General Authorisations

<sup>61</sup> Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services

<sup>62</sup> European Communities (Electronic Communications) (Framework) Regulations, 2003 available on the Department of Communications, Marine & National Resources website [www.dcmr.gov.ie](http://www.dcmr.gov.ie)

<sup>63</sup> ComReg Document No 03/69 – Dispute Resolution Procedures, Consultation

<sup>64</sup> ComReg Document No 03/89 – Dispute Resolution Procedures, Response to Consultation

Given *eircom*'s market share, the ubiquity of its network and its considerable experience and ability in providing universal services, the Commission, with the consent of the Minister for Communications, Marine and Natural Resources, designated *eircom* as the universal service provider<sup>65</sup>.

The updated universal service regime will lead to greater clarity around the universal service provider's specific obligations and result in increased transparency for users who seek access to the essential services identified above. The USP is to publish a policy statement/customer charter regarding the provision of all services falling within the scope of the USO.

### **8. Dispute Resolution Procedures**

Under the requirements of the EU Framework Directive<sup>66</sup> and the Regulations<sup>67</sup> which transposed the Directive into national law, an amendment was required to the current dispute resolution procedures contained in ODTR Decision 11/99. On 20 June ComReg issued a consultation paper outlining its proposals for the revision of the existing dispute procedures<sup>68</sup> and a response to this consultation was published on 25 July<sup>69</sup>.

The proposed new procedures presented in this document were designed to ensure that disputes are managed and resolved by ComReg in the most efficient and effective manner. ComReg recognised that the dispute procedures constitute only one element of how it deals with issues raised by the industry. There was broad agreement from respondents with the proposed procedures while ComReg is committed to issue further guidance on disputes by the end of October.

### **9. Wireless Telegraphy Licences – future applicability of licence conditions**

The new regulatory framework implemented on 25 July encompasses the regulation of radio spectrum and necessitates changes to some of the conditions attached to radio licences. These changes have the effect of reducing and, in some cases, removing licence conditions while no additional licence conditions have been added to licences. ComReg has issued a document to highlight the differences between the conditions which attached to radio licences under the old licensing regime and those which will now apply under the new regulatory framework<sup>70</sup>. Specifically, this document clarifies, for each category of licence, the licence conditions which continued to be applicable from 25 July, 2003.

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<sup>65</sup> ComReg Document No. 03/87: The Future Framework for the Regulation of Universal Service in the Irish Communications Market (Provision of Telephony Services to Users)

<sup>66</sup> Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services

<sup>67</sup> European Communities (Electronic Communications) (Framework) Regulations, 2003 available on the Department of Communications, Marine & National Resources website [www.dcmr.gov.ie](http://www.dcmr.gov.ie)

<sup>68</sup> ComReg Document No 03/69 – Dispute Resolution Procedures, Consultation

<sup>69</sup> ComReg Document No 03/89 – Dispute Resolution Procedures, Response to Consultation

<sup>70</sup> ComReg Document No 03/84 – Wireless Telegraphy Licenses – future applicability of license conditions