



Office of the Director of
**Telecommunications
Regulation**

INFORMATION NOTICE

ODTR Review of eircom's Bitstream Pricing Proposals

Document No: 01/65

Date: 23rd August 2001

Oifig an Stiúirthóra Rialála Teileachumarsáide

Office of the Director of Telecommunications Regulation

Abbey Court, Irish Life Centre

Lower Abbey Street, Dublin 1, Ireland

Tel. +353 1 804 9600 Fax. +353 1 804 9680 E-mail info@odtr.ie

1. Introduction

Since the Decision Notice mandating bitstream access (ODTR document 00/30 'Report on the ODTR consultation on Local Loop Unbundling – Decision Notice D6/00) in April 2000, the ODTR has supported the development of the underlying arrangements and products for access to the local loop. However, a review of supplier and platform change by eircom resulted in a delay of the launch date for bitstream access from April to September 2001.

There have been substantial delays over the last few months in the provision of pricing information by eircom and an initial review by the ODTR raises possible concerns about cost orientation. The responsibility is on eircom to ensure that proposed charges are cost oriented.

This Information Notice is issued to inform all interested parties of the current position with respect to introduction of eircom's wholesale Bitstream ADSL service.

2. Background

Following the publication of ODTR document 00/30, the ODTR convened two industry working groups to agree arrangements for implementation of bitstream access to the local loop, targeted for April 2001.

These groups, in advance of the LLU Regulation on other forms of Local Loop Unbundling (Regulation 2887/2000 of the European Parliament and of the Council on unbundled access to the local loop', also turned their attention to preparing for implementation of full and shared unbundling. Information on these forms of unbundling is available on the ODTR website www.odtr.ie (see in particular ODTR document 01/27 'Local Loop Unbundling – Decision Notice D8/01') and in the eircom Reference Access Offer (ARO) available on www.eircom.ie.

Work on the bitstream product offerings was at an advanced stage early this year when eircom decided in the light of a technical and commercial review to change the equipment it would use to provide service and postpone the launch planned for April 2001. The Bitstream Forum recommenced in May 2001. An alternative bitstream product was identified and is currently under trial by eircom and other licensed operators. Eircom propose to introduce a wholesale bitstream product on 28th September 2001.

3. Pricing of Bitstream

Bitstream falls under the definition of Special Network Access and as such is covered by the provisions of Regulation 20 of the European Communities (Voice Telephony and Universal Service) Regulations, 1999 ("Voice Telephony Regulations"). The responsibility is on eircom to ensure that proposed charges are cost oriented. The ODTR is obliged to ensure that proposed charges are cost oriented. The ODTR is also obliged to ensure effective competition and maximum benefits in terms of price, choice and quality to end users, and must be satisfied that these obligations are met by any such new product introduced, in particular by a telecommunications operator with Significant Market Power.

Despite first committing to provide pricing proposals to the ODTR by 11th June 2001, eircom provided access to pricing proposals to the ODTR in full only on 9th August, some 9 weeks later.

The initial ODTR review of the eircom proposal raises possible concerns that cost orientation has not been proven. A schedule of these concerns will be provided to eircom.

The responsibility remains with eircom to ensure cost orientation of the proposed bitstream charges, and eircom is requested to furnish an adequately and appropriately cost oriented submission to this Office in full by close of business Wednesday September 5th, or before if possible.

The ODTR, due to the likely complex nature of this submission and the detailed work required to analyse it which is in excess of that required for compilation, will treat this review as a matter of utmost priority. Specifically, the ODTR will continue to deploy the significant team already engaged on this project, in order to complete its examination by two months (or earlier) from the date of receipt of a complete submission.

Depending on the eircom submission, and its orientation to cost, the Director will consider whether further action, such as the setting of interim prices or an instruction to eircom in relation to its planned launch, is appropriate and in the interests of effective competition and maximum benefit to all users.