



Office of the Director of  
**Telecommunications  
Regulation**

## **PRESS RELEASE**

*For Immediate Release*  
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### ***eircom's* Reference Interconnection Offer (RIO) and the future development of Accounting Separation**

The Telecommunications Regulator, Etain Doyle, today Friday (March 2<sup>nd</sup> 2001) published a consultation paper on some technical issues on *eircom's* Reference Interconnection Offer (RIO) and the future development of Accounting Separation. The RIO is part of the annual process of setting interconnection rates between *eircom* and other operators. The next series of rates to be determined will take account of the development of LRIC (long run incremental costing) methodology.

The issues in relation to Accounting Separation arose as a result of the ODTR's review of *eircom's* Separated Accounts for the year ended 31<sup>st</sup> March 2000 and the need to consider the future direction of Accounting Separation. The purpose of Accounting Separation is to provide an analysis of accounting records to reflect as closely as possible the performance of parts of the business as if they had operated as separate businesses. It applies to those licensees that have been designated as having significant market power (SMP). Both of these subjects are inter-related.

The main issues in the consultation include:

- The timeframe for the publication of the Separated Accounts
- Development of the linkage between the Reference Interconnect Offer (RIO) and the Separated Accounts.
- Two-part call charges
- Differential charges between Call Origination and Call Termination
- The format of the costing information to be disclosed for Local Loop Unbundling.

The effect of using two-part charging is essentially to charge for the set-up of a call (per call cost) along with a separate duration charge (per minute cost). For example, long duration calls such as Internet calls incur higher costs than if there were two-part charges. The converse applies to short duration calls which would incur a higher cost if there were two-part charges. This reflects the higher costs that apply to the setting-up of a call and the relatively lower cost which relate to the duration of a call. At present both types of cost are combined in a single per minute rate.

Interested parties are invited to submit their views in relation to the consultation on Accounting Separation in writing before 5pm on 26th March 2001. New RIO rates will be determined shortly after that, taking account of a review of comments received.

**The consultation paper ODTR 01/11 “*eircom’s* Reference Interconnection Offer & Accounting Separation and Publication of Financial Information for Telecommunications Operators” can be viewed on the ODTR website at [www.odtr.ie](http://www.odtr.ie).**

**ENDS**

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