



Office of the Director of
**Telecommunications
Regulation**

MEDIA RELEASE

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Telecommunications Regulator – Addresses Joint Committee on Public Enterprise and Transport

Telecommunications Regulator, Etain Doyle today (6th April 2000) addressed the Joint Oireachtas Committee on Public Enterprise and Transport.

During her address the Director said “ the Irish telecommunications sector continues to develop at a hectic pace and the Irish consumer is now beginning to see the concrete benefits of a liberalised market.”

“ Simply put, she said my office has one focus: that is to enable consumers to have a choice of quality telecommunications services at attractive prices. Anything that speeds and enhances this process of consumer power is to the good, anything that slows it down or gets in the way is to the bad.”

- There are now 44 operators offering retail services to residential and business users. The net effect is better prices, better quality, better choice.
- Prices have fallen. The effect of competition has been to increase the pressure on eircom to reduce its residential prices in line with those offered to business

customers. These reductions have been across the board with local, national and international calls all being reduced over the last 12 months.

- Eircom's competitors are also aggressively reducing prices. New entrants, such as Esat, OCEAN, and Irish-Multichannel are also introducing new pricing initiatives, such as per second billing and one rate prices for all local and national calls.
- Residential customers still pay more for national and local calls than customers do in 15 out of the 19 key countries within the OECD. However as competition develops we are likely to witness fierce price wars in the residential market as has happened in other European countries.
- On cable/MMDS, there now two large players, NTL and Irish Multichannel are preparing to provide Digital Service. The licensees concerned are required to connect over 180,000 homes to Digital Television Services by next March. This figure is the minimum requirement and I understand that the licensees are planning to exceed their minimum obligations. The ODTR are in discussion with the new owners of the Suir Nore group of companies operating mainly in Tipperary, Carlow and Kilkenny about new licences under which digital TV services would be brought to these areas.
- 19 Deflector licences have now been issued. Since the process started, some others have made themselves known. As there appears to have been genuine difficulties affecting some of these, I propose to deal with applicants from such groups provided they are made before the 4th May – four weeks from now. The scheme is now well known – there will be no third chance.
- Since the beginning of this year, number portability for non-geographic numbers has been available – that means service providers using numbers like freefone and lo call (1800 and 1850) can choose their network provider and take their number with them.

- By November, geographic number portability will be introduced – what this means is that all customers will hold onto their telephone number when they change service provider.
- On 1 January 2000, Carrier pre-selection was introduced. This means that by simply having their phones pre-programmed, consumers can choose the operator they want without the inconvenience of dialling codes or the inconvenience and /or expense of installing a router (a "black box").
- Already this year, eircom has more than halved the price of a new ISDN connection, as well as reducing by over two-thirds the cost of an upgrade from an ordinary phone-line.
- Other operators have launched similar promotions with a discernible trend towards less distance-sensitive pricing and the increasing use of discount plans for high volume users clearly evident.
- The pre-Christmas rush in sales of mobile phones has driven the market to an estimated 1.7 million subscribers, pushing Ireland's penetration rate up to 46%, comparable with most other developed European markets.
- 22% of all adults describe themselves as current Internet users. 'Free ISPs' - combined with fall in PC prices and growing consumer awareness are bringing Ireland to a level from which it will escalate. Measures taken by this office to encourage cheaper access the Internet will further speed up this process.
- Along with the increase in the volume of mobile subscribers, the sophistication of the services offered by the operators has also increased. Following on from the success of their SMS services, both Eircell and Digifone introduced new WAP-based services before Christmas, which allow users to access certain Internet information on their mobile phones.

- Despite growing competition from the mobile market, the number of main lines increased from 1.6 million in March '99 to its current figure of over 1.77 million, an annual increase of over 10%. This increase has pushed the fixed penetration rate to over 47 lines per 100 inhabitants, narrowing the gap between Ireland and most other developed European countries. The European average is about 53 lines per 100 inhabitants.

“This is not a list of “achievements” by this office or by anyone else. It is an indication of a *process* – a process made possible by liberalisation. We must be vigilant to ensure that everything we do encourages this process to continue apace in the same direction.” said the Director

ENDS

Issued by:

Brigid Smyth, Public Affairs Manager, ODTR

Ph: 01 804 9639 **Mobile:** 086 827 0905

The full speech is available on the website www.odtr.ie

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