



Office of the Director of
**Telecommunications
Regulation**

PRESS RELEASE

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EIRCELL AND ESAT DIGIFONE OFFERED EXTRA MOBILE SPECTRUM

Eircell and Esat Digifone have both been offered GSM1800 spectrum by the Telecommunications Regulator. From 1st January 2000 the companies will be permitted to use both 1800 MHz spectrum and the existing 900 MHz spectrum to provide a combined dual band mobile telephone service. New licences will be issued shortly to the companies.

Dual-band mobile phones will be used by the majority of subscribers to the new services, which will take advantage of good GSM900 coverage in rural areas and good GSM 1800 call handling capacity in urban areas, where there is an ongoing steep increase in the volume of calls. Both companies have outlined proposals for a range of new data services as well as expanding existing network capacity to meet consumer demand. Penetration in the Irish mobile market has almost doubled in the last year, with penetration levels of 30% recorded in June 1999 and 26% in April 1999 compared to 15% in April 1998.

In April 1999, the Regulator invited Eircell and Esat Digifone to each submit an application for additional spectrum. Amongst the criteria used to consider the applications were an assessment of the expected benefits to consumers in terms of services to be provided, tariffs to apply and quality of service. Attention to environmental issues, deployment of new technologies and treatment of capacity hotspots were also analysed. The companies will now be offered the full allocation of 2 x 14.4 MHz of GSM 1800 spectrum and will pay the appropriate Spectrum Access Charge for the GSM 1800 spectrum. This charge is approximately £5.6 million for each company.

Each company has undertaken to provide coverage using GSM 1800 spectrum in excess of the minimum requirement of one third of the population by the end of 2002.

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