



Office of the Director of  
**Telecommunications  
Regulation**

## **PRESS RELEASE**

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### **REVIEW OF SIGNIFICANT MARKET POWER (SMP) BEGINS**

The Telecoms Regulator, Etain Doyle, today initiated the second annual review of Significant Market Power (SMP) in the Irish Telecommunications market. SMP is one of a number of regulatory measures designed to enable the development of competition.

In October 1998 the ODTR made its first determination of operators with significant market power in its Decision Notice D4/98. In that document Telecom Éireann (now Eircom) was designated as having SMP in the fixed, leased line, and interconnect markets. Eircell was designated as having SMP in the mobile market. The Director also signalled her intention to review the SMP notifications at regular intervals to take account of changes in competitive conditions. In setting out the ODTR's proposals for identifying operators who have SMP given this year's market conditions, the Regulator builds on last year's determination of SMP, proposing some modifications to the procedures and explaining the reasoning behind those proposals. It also highlights where modifications of the procedures may be needed in future years.

The SMP designation is required by European directives that have been transposed into Irish law. An operator designated as having Significant Market Power must comply with certain legal obligations adhering to the principles of non-discrimination, transparency and cost orientation which fall into the following broad categories: interconnection, access, quality of service, accounting separation and cost based tariffs. Launching the consultation the Director stated that "SMP is a regulatory tool created to encourage the development of the telecommunications market. It is useful in the early stages of competition until competitive market forces develop sufficiently to bring the consumers the full benefits of market liberalisation.

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"I have clearly stated my policy of light handed regulation and that regulatory controls should only be applied where they are appropriate and necessary. The determination of SMP and any further developments in the regulatory regime will therefore be designed to ensure effective competition in the Irish telecommunications sector and will be focused on markets which are considered to be uncompetitive and at players who have the potential to effect competition in those markets", she said.

The proposed approach to determining operators with SMP in the Irish telecommunications market follows the European Communities (Interconnection in Telecommunications) Regulations, 1998. These regulations state that an organisation with a share of more than 25 per cent of a particular telecommunications market is to be designated as having SMP. Following this initial step, the Director may then carry out further analysis to evaluate an organisation's market power where its market share is close to (above or below) 25% to determine SMP having regard to a range of criteria.

ODTR 99/59 "Significant Market Power in Telecommunications - Consultation Paper" can be viewed on the ODTR web-site (<http://www.odtr.ie>). The consultation period concludes on November 9<sup>th</sup>.

**ENDS**