



Office of the Director of
**Telecommunications
Regulation**

PRESS RELEASE

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REGULATOR CONCLUDES REVIEW OF TELECOM EIREANN'S RIO - INTERCONNECTION OPTIONS BROADENED FOR COMPETITORS

The Telecoms Regulator has concluded her review of Telecom Eireann's Reference Interconnect Offer (RIO) with the publication of Decision Notice D12/99. This review was carried out following the publication by Telecom Éireann in March of a consolidated Reference Interconnection Offer (RIO) - the "catalogue" of interconnection services for competitors.

Prior to liberalisation on 1 December 1998, the Regulator carried out an initial series of investigations of the TE Reference Interconnect Offer to ensure that it covered key services which were priced as low as possible. This work has now been supplemented inter alia, by the 1999 consultation on the RIO and Decision Notice now issued. The Director considers this paper to be a milestone report, stating in full, key requirements of the RIO. Many of the decisions are already in hand and are not disputed by interested parties, but all are of sufficient importance that they need to be formally recorded.

The Regulator has now finalised and clarified the methodology for calculating rates and for dealing with a number of underlying principles such as the method of interconnection, how calls are routed and switched and the introduction of new services. The key principles on fixing interim and final rates have been established, and provision has been made inter alia, for retrospection and the possibility of interest penalties for over-estimation of interim rates.

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In line with the response to the consultation favouring the inclusion of new services on the basis of commercial negotiations, the Regulator's decision requires TE to consult with other operators on their requirements for interconnecting with Telecom Eireann and for the development of RIOs by TE to meet the demands for a range of requested services within specified timetables. It also provides for fairer competition between TE and OLOs by regulating the introduction of new services by the incumbent.

The Regulator said “The Telecom Eireann RIO is a living document and will change with the requirements of the market. The telecommunications market in Ireland is fast moving and dynamic – the evolution and development of the interconnection regime will have to keep pace with that market.”

She went on to say, “this Decision will help ensure that the range of services included in the RIO are such that they meet market demand. Coupled with other work streams such as the pricing of access to the Telecom Eireann’s network for competitors, including the methodology for LRIC should help ensure that the rates paid by TE’s competitors become less expensive. These are among the most critical elements of the regulatory framework for a competitive telecommunications market”.

ODTR 99/54 - “Telecom Éireann's Reference Interconnect Offer (RIO) – Decision Notice D12/99” can be viewed on the ODTR web-site (<http://www.odtr.ie>).

ENDS

Note to Editors

Interconnection is the term describing the connection of one network with another. New entrants have to connect with TE's network as it takes a number of years for them to build a nationwide network of their own. The RIO sets out TE’s stall of interconnection services for these operators and the charges for those services. Individual operators can then choose the elements they require to build their services and negotiate a specific agreement with TE on those issues. The existence of the RIO gives new entrants and operators a starting point from which to negotiate. In a market where Telecom Eireann is by far the strongest player, this is an essential tool for new players.