

CONSULTATION PAPER

ntl's Price Increase Application for Cable Licensed Areas

Document No: ODTR 01/64

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Foreword by Director

This consultation paper deals with an application for a price increase by ntl Communications (Ireland) Ltd. ("ntl:") in respect of the basic cable television services it provides under licence from the ODTR. It follows on the review carried out earlier this year as outlined in ODTR Information Note 01/18.

Ntl's cable networks provide services in Dublin, Galway and Waterford and the company is an operator of national significance serving over 60% of households who subscribe to cable services. The company also has three MMDS licences and serves Counties Dublin, Galway, Mayo and Waterford and adjoining areas. The company is currently selling its MMDS operations and has indicated that it is in discussions with a number of bidders.

The Dublin network in particular had suffered from under-investment for many years and since acquiring the former Cablelink operations in 1999, ntl has invested heavily in upgrading the cable networks and developing its customer services. The company has also repaired its failure to meet the March 2001 rollout targets for the provision of digital services (see ODTR 01/18) and is ready to launch such services for some 140,000 households in the three cable areas before the end of September. The company will thereafter offer services at the rate of approximately an additional 10,000 homes per month until all homes within the networks are capable of receiving digital services. The company plans to have 290,000 homes enabled for digital services by the end of 2002. The areas where digital services are initially to be offered are listed in Appendix 1. Ntl's parent company has fully committed to providing the necessary resources to carry out such a programme

Although work had started in 2000, there were still ODTR concerns about the basic network quality early this year, and an agreed network upgrade programme has been carried out, closely monitored by the ODTR. A formal final review will be carried out by the ODTR during the consultation period. The upgrading works carried out to date has contributed to a reduction of 40% in service breakdowns during Quarter 1 2001 compared with the previous year. Although ntl a customer base of approximately 60% of cabled homes, it accounted for only 20% of complaints received by the ODTR in the first half of the year.

In the context of additional capital expenditure by the company and a clear improvement in service, I am prepared to consider a review of prices. The last price increase for the company's customers was at the beginning of 1999. Currently monthly prices range from £9.12 to £10.57. Under the ntl proposals they would rise to £12.21, (increase between £1.64 and £3.19) per month, an average of 33% in percentage terms. Before taking a decision on the application, I would wish to review in particular the views of interested parties and would therefore welcome written comments.

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This is an exceptional price application, which I propose to deal with on a once-off basis outside of

the framework of the rate regulation formula set last year by my Office in document ODTR 00/56.

Unlike the position when the eircom price cap was set in 1999, the amount of company information

available to the ODTR was limited when ODTR 00/56 was being finalised. This has now been

rectified. Subject to the review referred to below, the procedures set out in ODTR 00/56 would apply

to a future application for an increase.

No one likes to pay more for services, but inflation compounded over a number of years has been

significant and the costs of expanding service delivery, in particular capital investment in network up-

grade, are substantial. Cities and counties seeking investment and upgrade in the communications

services provided may assist their cause by seeking to reduce the complexities and delays in the

planning process for such developments.

In coming months, the ODTR will consider the issue of competition in the market for television

distribution. It will issue a consultation paper on licensing for television distribution in a market

without in-platform exclusivity, with a view to establishing a new licensing regime in early 2002. As

already indicated, the ODTR will issue before the end of August a paper on sub-national Digital

Terrestrial Television (DTT). The national DTT service is due for launch in the second half of 2002.

Without prejudice to my obligations to regulate the market, I would intend to review competition in

the television distribution market in mid/second half of 2002. This will, inter alia, consider the future

of price control, whether the existing formula should be maintained or revised/replaced, and/or

whether adjustments should be made to reduce or remove rate regulation.

Etain Doyle,

Director of Telecommunications Regulation.

ODTR 01/64

1 INTRODUCTION

The Director of Telecommunications Regulation ("the Director") and her Office ("the ODTR") are responsible for the regulation of the Irish telecommunications and broadcasting markets in accordance with EU and national legislation.

The cable/MMDS licences issued in 1999/2000 provide for a period of in-platform exclusivity until April 2004. Under the provisions of Regulation 15 (1) of the Wireless Telegraphy (Programme Services Distribution) Regulations 1999, the prior written consent of the Director is required for proposed charges for basic televisions services distributed by cable/MMDS and for any subsequent changes to those prices during any period of exclusivity. Similar powers exist in relation to cable licences issued under the Wireless Telegraphy (Wired Broadcast Relay Licences) Regulations, 1974.

Last year, the ODTR issued the Report on the Consultation, *Rate Regulation Mechanisms for Cable and MMDS Television Operators* (ODTR 00/56) outlining the framework for evaluating price increase applications.

In June 2001, ntl made a formal application for a price increase in which it asserted that a greater increase than that provided for under the rate regulation mechanism detailed in ODTR 00/56 was warranted due to the significant increases in operational, programming and capital costs since its last price increase in 1998.

As the Director indicated that she reserved the right to review the mechanism, she is minded to address ntl's request, but, as with the application received from Chorus Communications Limited, before doing so wishes to engage in a public consultation on the issue.

The Director welcomes comments from interested parties in relation to any of the issues raised in this paper. The closing date for receipt of comments is Monday, 17th September 2001. Please see Section 4 for details on submitting comments on this paper.

The background to this paper is outlined in Section 2. Section 3 sets out the application made by ntl and the Director's position on the issues raised. Section 4 contains details for the submission of comments on this paper.

2 BACKGROUND

Ntl is licensed under the Wireless Telegraphy (Programme Services Distribution) Regulations, 1999 to provide cable and MMDS television services in Dublin, Galway and Waterford.

MMDS

In addition to its three cable licences, ntl also holds three MMDS licences for counties Dublin, Waterford, Galway and Mayo, along with adjoining areas. The company has not rolled out digital services in its MMDS areas which were due in January 2001. Ntl is currently selling its MMDS operations and is in discussion with a number of bidders. It has also indicated that it does not propose to make an application for a price increase for its MMDS areas.

Digital Rollout Obligations

Earlier this year, the ODTR published an Information Note¹ regarding its discussions with ntl on its compliance with the digital rollout obligations set down in its Licences. In January 2001, ntl had announced that it would be delaying the rollout of the new digital services. In the weeks following the ntl announcement, the ODTR engaged in detailed discussions with the company to deal with these issues. Under the terms of its licences the company is obliged to meet specified time related roll out targets for the provision of digital services, the first of which was end March 2001. However, Paragraph 9 (3) of the licences issued under the 1999 Regulations² provides for a six-month period during which roll out breaches may be repaired.

As outlined in ODTR 01/18, ntl indicated that it would make digital television available by September and that it was committed to meeting the milestones for subsequent years within the plan as initially agreed. Furthermore, ntl indicated that it intended to comprehensively upgrade its networks. However, the initial rollout of digital television would be done without the complete up-grade of its network to telecommunications standards as had been originally envisaged by ntl.

The Director is satisfied that ntl is ready to provide digital television services before the end September deadline. This means that the target of 110,000 homes for end March 2001 will be more than met, with ntl offering services to some 140,000 homes in the three areas. It will shortly launch digital services in the areas specified in Appendix 1. The Director has also received assurances from the company of funding to meet its rollout targets for subsequent years. It is committed to rolling out

¹ Cable Television Licence Discussions with ntl- Information Notice - ODTR 01/18

² Wireless Telegraphy (Programme Services Distribution) Regulations, 1999 (S.I. No. 73 of 1999)

digital services to an additional 10,000 households in Dublin per month between September 2001 and end March 2002.

Network Quality

The ODTR is satisfied that ntl has a coherent strategy which not only addresses network quality and reliability but provides an upgrade path for the future. The replacement to date of co-axial cable with fibre in parts of the trunk network has dramatically cut the number of amplifiers used and has greatly improved the quality of signal delivered to subscribers on the longer trunks.

The ODTR also notes that ntl has provided auxiliary power supplies at critical points along the networks and that remote monitoring devices have been installed. These actions should lessen the impact of power outages even further. The installation of remote monitoring devices should also facilitate the rapid restoration of service through early identification of faults. However the ODTR notes that while the overall outage figure has decreased it still includes outages caused by third party damage. The ODTR considers it entirely appropriate that licensees pursue all third parties who cause damage to communications networks.

Productivity/Efficiency

The Network Field Operation (customer repair) has been re-organised with a greater emphasis on customer service and flexibility. New rotas have been introduced increasing working hours, including Saturday working. New working practices have been and continue to be introduced with a greater emphasis on customer services.

In addition, there has been a 25% increase in the number of technicians, specifically to improve response rates and quality of service via preventative maintenance. Specific programmes have also been introduced to improve technician efficiency including planned work-studies and changes in procedures and practices.

To date, ntl has been expanding its staffing and developing its operational capacity. These operational improvements should lead to future productivity gains.

Customer Care

The relative quality of the service provided by ntl is evidenced in the ODTR's complaints' statistics. Although ntl has almost 60% of total cable customers, complaints received by the ODTR accounted for just 20% of the total for the first half of 2001. Ntl's own statistics show the number of

breakdowns declining since the first quarter of 2000, with breakdowns for Q1 2001 down over 40% on those for the same period last year.

It is also important that customers who do experience difficulties get prompt and effective responses and ntl has devised a code of practice for handling customer complaints (Appendix 3). The code is in accordance with ODTR requirements as set out in the Decision Notice D06/01. In advance of distribution of the code to all customers, it is available on the ntl website at www.ntl.ie. Copies may also be obtained by telephoning ntl at 1800 321 321 (freephone)

Performance Indicators

Ntl has undertaken to implement a programme to measure licensed operator performance (MLOP) for its cable operations on the same lines as that already in place for telephony. Targets for addressing service quality for individual customers are contained in the code of practice and the ODTR will publish a record of all operators' performance. The Director will require records maintained by operators to be independently audited.

3 NTL'S APPLICATION

As previously mentioned, the ODTR received a formal application for a price increase in respect of its cable services from ntl in June of this year. No application has been made for a price increase in respect of MMDS services. The ODTR last approved a price increase for the former Cablelink cable areas in November 1998, based on CPI movement to September 1998. These new prices became effective from 1st January 1999.

The ntl Submission

Ntl carried out an analysis of its operational and capital cost increases between 1999 and 2000 as part of its application and has requested approval for a standard annual price of £136.00 (the proposed standard monthly price is £12.21) in each of its three cable licensed areas. No price increase has been applied for in relation to the MMDS areas licensed to ntl for the provision of MMDS services.

The table below shows increase in prices for basic services across ntl areas. The proposed rates would result in an increase of 33.8% on the annual basic services charge in Dublin, 25.8% in Waterford and 15.2% in Galway. Services provided by ntl are identical in the three cable areas.

The Director has no objection to ntl's proposal for a standard price across its cable areas. While the level of upgrade required in Dublin was greater than in the other two areas, in the absence of separated accounts the ODTR is not in a position to determine the exact breakdown of the capital expenditure between the three licensed areas.

Ntl currently offers subscribers who pay on an annual basis a discount of 7% on the basic services rate. The annual discount is being maintained in the ntl pricing proposals. Details of ntl's pricing proposals are provided in Appendix 2.

	Dublin	Waterford	Galway
Existing Annual Price	£101.65	£108.10	£117.52
Increase (£)	£34.35	£27.90	£18.48
Increase (%)	33.8%	25.8%	15.2%
Ntl Proposed Price	£136.00	£136.00	£136.00
Mechanism Price*	£108.68	£125.37	£115.73

Note: * Application of the pricing mechanism outlined in ODTR 00/56 – CPI movement to July 2001.

In brief, the key reasons why ntl believes that it warrants an increase greater than that allowed for by the rate regulation mechanism in ODTR 00/56 are:

- Since taking over operational responsibility for Cablelink in July 1999, ntl has made substantial investments both in terms of operating costs and capital expenditure. Between 1999 and 2000, ntl's operating costs have increased by more than 30% with headcount rising from 314 in 1999 to 597 in 2000. 90% of the staff increases were in either technical or customer service areas with major improvements being made in the areas of customer handling, maintenance and network improvements. Headcount growth greatly exceeds the growth in subscribers and is a function of ntl's efforts to dramatically improve quality and customer service. During the 12 month period, average salary costs have risen by more than 10% reflecting rapidly growing wage rates, particularly within the communications sector;
- □ Since acquiring Cablelink, ntl have been engaged in a major capital investment programme partly dedicated to improving the existing infrastructure and partly to prepare its network for the introduction of digital services, direct telephony, and internet access. During 2000, ntl's capital investment was over £200 per subscriber. Ntl's network key performance indicators are improving rapidly and there is substantial evidence to suggest that investment is being made to good effect;
- □ Programming costs have increased by 11% since the last price review in November 1998.

Ntl acknowledges that the proposed prices signify a substantial increase but argues that relative to other pay-TV providers, its service represents good value for its customers. In its submission it compares its annual price in Dublin of £101.65 for basic cable services to that charged by Chorus in Cork - £159.96. On a per channel basis, it states that the current annual price is £6.78 per channel in Dublin compared to £8.42 in Cork. It indicates that this represents a differential of £1.64 per channel, or 19.5%.

Director's Position

The Director is of the view that, for the reasons set out by ntl, a price increase application should be considered. She is cognisant that to date ntl has carried out a substantial programme of remedial work on its network, which will be inspected by the ODTR during the period of the consultation to ensure that all work has been completed to its satisfaction. She also notes that by the end of September ntl will be making a digital service available to some 140,000 customers in the three cable areas licensed

to it by the ODTR. The Director acknowledges that the company has committed to its code of practice for handling customer complaints and has made it available on its website.

The ODTR carried out a review of Financial and Management accounting information provided by ntl for 1999/2000. Although income can be reported by product type, ntl is not able to report expenditure by activity/product/location. With the exception of programming costs, it was necessary to apportion costs between regulated basic and non-regulated other services on the basis of the overall numbers in the revenue generating units. In view of the difficulty in respect of cost apportionment as mentioned above, the Director requires ntl to prepare separated accounts, from an early date, in conformity with its licence requirements and in a form provided by the ODTR for each of its licence areas in respect of its current financial year and each subsequent year.

The Director notes that there is some competition to ntl through the availability of Sky Digital. While the service offerings are not directly equivalent in terms of content (Sky Digital does not provide the four Irish services, ITV or Channel 4 and only provides BBC 1 & 2 in its *Family Pack*) or number of services (five in the *Value Pack*; over 50 in the *Family Pack*), prices charged offer a basis for comparison. Sky Digital has recently announced increased prices to apply to new customers from 1 September 2001. The *Value Pack* will rise in price from £9 per month to £14.96 and the *Family Pack* from £16 to £21.26 per month.

In view of the exceptional circumstances regarding cost increases and performance (subject to verification) on network and service quality as outlined in this paper, the Director is minded to consider the application outside the scope of the mechanism set out in ODTR 00/56. She is conscious that ntl needs a substantial increase in revenue in order to maintain and develop services as outlined in the paper.

Consultation Questions

- Q1 Ntl asserts that its circumstances merit a price increase greater than that allowed for by the rate regulation mechanism. Do you agree that ntl's price application warrants consideration outside the scope of the rate regulation mechanism? If you disagree, please state reasons.
- Q2 Do you agree with the price proposals as outlined in Appendix 2? If not, please state your reasons.
- Q3 Do you agree with the proposed standardisation of prices across ntl's licensed areas? If not, please state reasons.
- Q4 Do you have any further comments on the arrangements outlined in this paper?

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4 **SUBMITTING COMMENTS**

All comments are welcome, but it would make the task of analysing responses easier if comments

were referenced to the relevant question numbers from this document. The consultation period will

run from 21st August to 17h September 2001 during which the Director welcomes written comments

on any of the issues raised in this paper. Please indicate if you are or ever have been a ntl customer,

and give your full name and address. Having analysed and considered the comments received, the

ODTR will, unless persuaded otherwise by the comments received, review the ntl price increase

application and publish a report in September/October on the consultation which will, inter alia

summarise the responses to the consultation. In order to promote further openness and transparency

the ODTR will publish the names of all respondents and make available for inspection responses to

the consultation at her Offices. Anonymous responses will not be considered.

The Director appreciates that many of the issues raised in this paper may require respondents to

provide confidential information if their comments are to be meaningful. Respondents are requested

to clearly identify confidential material and if possible to include it in a separate annex to the

response. Such information will be treated as strictly confidential.

All responses to this consultation should be clearly marked "Reference: Submission re **ODTR 01/64**"

and sent by post, facsimile or e-mail to:

Ms. Sinead Devey

Office of the Director of Telecommunications Regulation

FREEPOST (No stamp required)

Irish Life Centre

Lower Abbey Street

Dublin 1

Tel: +353-1-804 9668 Fax: +353-1-804 9671

Email: deveys@odtr.ie

to arrive on or before 5pm on Monday, 17th September 2001.

Office of the Director of Telecommunications Regulation

21st August 2001

ODTR 01/64

APPENDIX 1

Areas to receive digital services by September 2001

Dublin

Leixlip	Finglas	Tallaght	
Ballyfermot	Castleknock	St. Helen's	
Clondalkin	Clonsilla	Santry	
Lucan	Navan Road	Coolock	
Baldoyle	City Centre		

Waterford

Whole licensed area

Galway

Whole licensed area

Areas in Dublin where NTL plan to offer digital services 2001 –2002

Area	2001	2002	Total end 2002
Tallaght*	26,000	7,500	33,500
Lucan/Leixlip*	5,000	7,500	12,500
Glasnevin/Finglas*	5,000	7,500	12,500
Blanchardstown/	9,500	5,500	15,000
Castleknock /			
Clonsilla*			
Navan Rd. / Cabra /	5,000	3,500	8,500
Chesterfield*			
Ballyfermot*	5,000	4,500	9,500
Clondalkin*	5,500	5,000	10,500
Coolock / Santry*	4,000	6,500	10,500
Sutton / Baldoyle*	6,500	6,000	12,500
Griffith Avenue	2,500	5,500	8,000
Harolds Cross	2,500	6,000	8,500
City Centre (South) /	8,500	6,500	15,000
Sandymount*			
City Centre (North)*	8,000	7,500	15,500
Portmarnock	500		500
Crumlin / Kimmage	7,000	3,000	10,000
Blackrock / St	4,000	7,000	11,000
Helens / Stillorgan*			
Balally / Ballyogan	1,500	6,000	7,500
Shankill	3,500	5,500	9,000
Drimnagh	3,500	6,500	10,000
Clonee	2,500	0	2,500
Marley	2,500	4,000	6,500
Rathfarnham	2,000	4,000	6,000
Taney	2,000	4,000	6,000
Clontarf	1,500	6,000	7,500
TOTAL	123,500	125,000	248,500

^{*} Area to receive digital services by end September 2001

APPENDIX 2

ntl's Pricing Proposals

All prices shown include VAT at 20%. The Euro figures are the proposed ntl prices converted at the rate of 1Euro = £0.787564, rounded to the nearest cent. These are included for illustrative purposes.

Area	Category of	Current	Proposed	Euro	Increase	Increase
	payment	Charge	Charge (£)	Equivalent	(£)	(%)
Dublin	Annual	£101.65	£136.00	€172.68	£34.35	33.8%
	Six monthly	£53.06	£71.04	€90.20	£17.98	33.9%
	Monthly	£9.12	£12.21	€15.50	£3.09	33.9%

Area	Category of	Current	Proposed	Euro	Increase	Increase
	payment	Charge	Charge (£)	Equivalent	(£)	(%)
Galway	Annual	£117.52	£136.00	€172.68	£18.48	15.7%
	Six monthly	£61.49	£71.04	€90.20	£9.55	15.5%
	Monthly	£10.57	£12.21	€15.50	£1.64	15.5%

Area	Category of	Current	Proposed	Euro	Increase	Increase
	payment	Charge	Charge (£)	Equivalent	(£)	(%)
Waterford	Annual	£108.10	£136.00	€172.68	£27.90	25.8%
	Six monthly	£56.53	£71.04	€90.20	£14.51	25.7%
	Monthly	£9.72	£12.21	€15.50	£2.49	25.6%

APPENDIX 3

ntl's Code of Practice



ntl - Code of Practice

ntl Communications (Ireland)Limited Registered in Ireland number 32156 P2 East Point Business Park Dublin 3. Telephone +353 (0) 1 2458000 FAX +353 (0) 1 2458001 Web www.ntl.com

1. Introduction

1.1 In this Code we attempt to provide answers to a range of questions which you may have about our services and to provide you with information on how and where you can obtain advice and help.

In addition to this Code we aim to comply with the principles outlined in various legislation, including recent European legislation. We aim to make available full and accurate information in plain language about how services are run, what they cost, how they should perform and who is in charge. This code helps to explain what to do if things go wrong. It gives information on how to get a full explanation, together with a remedy. It also sets out the complaints procedure and explains how to use it should the need arise.

Nothing in this Code affects your statutory or common law rights, nor is anything contained in this Code intended to form part of a contract or collateral contract between ntl and any of its subscribers.

- 1.2 ntl is licensed to provide cable television including digital television and interactive services, telecommunications, internet, and communications services. More detailed information can be obtained from our Customer Management Centre phone [1800 321 321]
- 1.3 This Code is published by ntl Communications (Ireland) Limited as required under the licences which it holds granted under Section 111 of the Postal and Telecommunications Services Act, 1983, and Section 5 of the Wireless Telegraphy Act, 1926 on behalf of its associated companies who hold similar licences and in accordance with the Conditions of those licences. References in this Code to "ntl" relate to the company with which you have signed a Customer Service Agreement and references to the "Licence" are to the licence operated by that company in your area.

2. General

ntl's aim is to give those who subscribe to its services customer-focused attention and a fair deal in the provision of quality communications and cable television services. This Code is a general guide to the ways in which we serve our residential customers and how we deal with difficulties and disputes should they arise. Many ntl services are subject to the general terms and conditions of the service agreement, which constitutes a contract with the customer. If, after reading this guide and the general terms and conditions, you are uncertain about anything written in this guide, in your agreement, or the terms and conditions under which your services are provided, please get in touch with your Customer Management Centre.

Your contract with ntl covers the provision, maintenance of, and charges for our telephone, television and other services, together with all equipment forming part of our system that you need, to enable you to receive the services supplied by ntl.

NB: You need to have a licence for your television set. This remains your responsibility.

3. Other Useful Addresses

We will do our best to help you resolve your complaint or query. If it relates to a matter that is not our responsibility we will try to tell you whom to contact. Some specific examples are referred to below.

3.1 Programme Content

Complaints or queries on matters relating to programme content can be directed to us or to the Office of the Director of Telecommunications Regulation (ODTR). Alternatively, you may wish to contact the RTÉ Authority in relation to RTÉ programmes and advertising or the Independent Radio and Television Commission (IRTC) in relation to independent radio and television (eg TV3). These bodies are responsible for regulating the content of programmes and advertising appearing on television in their respective spheres. More generally, you may wish to contact the Broadcasting Complaints Commission or the Advertising Standards Authority for Ireland. The addresses and telephone numbers of these bodies may be found at the end of this code in Appendix B.

3.2 Adverts on Posters, in Magazines and other Printed Material

The Advertising Standards Authority for Ireland (ASAI) is the independent self-regulatory body set up and financed by the advertising industry and committed in the public interest to promoting the highest standards of advertising and sales promotion. Self-regulation means the adoption by the advertising industry of standards

drawn up by and on behalf of all advertising interests, and involves the enforcement of those standards through the commitment and cooperation of advertisers, agencies and media.

The main codes of practice applicable to advertisers generally are the Code of Advertising Standards and the Code of Sales Promotion Practice which are administered by the ASAI. These codes govern the content of commercial advertisements aimed at consumers and marketing techniques which involve the provision of direct or indirect additional benefits designed to make goods and services more attractive to purchasers, such as prize promotions, premium offers etc. Both codes require that all commercial advertisements and promotions be legal, decent, honest and truthful, be prepared with a sense of responsibility to consumers and to society, and respect the principles of fair competition generally accepted in business. Members of ASAI are required to abide by the Codes and not to publish an advertisement or conduct a promotion which contravenes Code rules.

3.3 Invasion of Privacy

The Broadcasting Complaints Commission can hear complaints from individuals who feel that they have been unfairly treated in a programme or have had their privacy infringed. It will also consider complaints relating to the portrayal of violence or sexual conduct in programmes and alleged failures on the part of such programmes to attain standards of taste and decency. The Broadcasting Complaints Commission will also deal with complaints concerning news and current affairs. The address and telephone number of the Broadcasting Complaints Commission are given at the end of this Code in Appendix B. As outlined in paragraph 3.1 above, you may also wish to contact the RTÉ Authority or the Independent Radio and Television Commission (IRTC).

3.4 Premium Rate Telephony Services

Telephone information and entertainment services, such as weather lines, competition lines, dating lines and advice lines are regulated by the Regulator of Premium Rate Telecommunications Services Ltd. (Regtel). These services cost more than ordinary calls and have telephone numbers with special codes (such as 1550). Regtel deals with all complaints about the content and advertising of telephone information and entertainment services. The address and telephone number of Regtel are given at the end of this Code in Appendix B.

In the event of an investigation, ntl will co-operate fully with the relevant body.

4. How to Obtain Our Services

4.1 Who to Contact

When you require any of our services please contact the freephone sales number 1800 321 321 Our Field Sales Advisors will be pleased to help you and explain what products and services are available and the terms and conditions which will apply. If you would prefer a Field Sales Advisor to visit, please ask.

4.2 Terms and Conditions

We generally do business on standard terms and conditions of contract, which differ according to which service or combination of services you decide to order. We will give you the relevant contract and will explain everything you need to know before you enter into any commitment.

From time to time we may provide you with equipment in order to allow you to receive services from us. Such equipment will be provided for the sole purpose of facilitating provision of our services. Please note that this equipment remains our property and must be returned to us in the event that we cease to supply you with services for whatever reason.

Our Field Sales Advisors have been supplied with a copy of this Code and aim to be courteous and helpful in all their dealings with customers. If you feel you have not received a satisfactory standard of service from any of our Field Sales Advisors, please let us know.

Please feel free to ask the Field Sales Advisor any questions about how the service is run.

Installation

If you decide to order a service we will agree an installation date with you. Our target is to connect to residential customers' premises within 10 working days of order, subject to survey and any relevant credit checks, for both cable telephone and television services.

An installation is not always required, eg for an existing customer adding a CPS related product to their current services.

4.3 Deposits and Account Limits

If you decide to order a service, we may ask for a deposit prior to commencement of service. You will be informed of this at the time of sale or when you sign the agreement. If we do require a deposit it will normally amount to approximately £50 or such other sum as ntl reasonably considers appropriate. We might require a further deposit in future, if the usage against the account indicates an adjustment is needed to the level of deposit held (see Account Limits below).

We may retain your deposit until you have paid us all charges that you owe us. We reserve the right to use all or part of the deposit towards payment of any sums that you are liable to pay us. We may also retain the deposit until all equipment that we have provided to you is returned in good working order. If any equipment is not in good working order, we may use part or all of the deposit to meet any charges you must pay for the equipment. If you promptly pay your bills for 12 months (or any other period we may agree), we shall add any deposit (or the balance of any deposit) to your customer account at the end of the account period.

We might impose an "Account Limit" based on the level of usage charges we expect you to incur. If you exceed your Account Limit we may ask you to pay a deposit if you wish to continue to receive service. We reserve the right to restrict the services provided to you and request payment by a certain method of payment.

5. Fault Repair

5.1 What to Do

We aim to provide a customer focused service to our customers and this includes ensuring that the services you require are connected and operate satisfactorily. We make strenuous efforts to monitor, anticipate and avoid faults. We also carry out strict preventative maintenance routines to minimise faults. However, technical faults may occur from time to time.

If you are not receiving a good picture on your television set or you notice any other fault with your television you should consult our brochure "Your Welcome Guide". A copy of this brochure was included within the Welcome Pack that you received when you took the service. The brochure offers some basic 'trouble shooting' tips. If you require further assistance, please dial our 1800 321 321 freephone number. If you are experiencing difficulties registering with ntlworld.ie please phone our internet technical support team on 1800 924 422. If you are experiencing difficulties with your internet service after you have registered, please call our internet technical support team on 1550 924 124 (calls are charged at 58p per minute) If you have a fault with your cable modem internet service please call our customer management centre on 1800 924 424. or email cablemodemhelp@ntlworld.ie. This service is 24 hr.

A fault on your telephone or Internet service via your PC should be reported to your Customer Management Centre Opening hours are: 08.00 - 22.00 Monday-Sunday (inclusive).

The number of your Customer Management Centre is 1800 321 321. This is set out in Appendix A. Our target is to answer all phone calls within 20 seconds.

5.2 Our Responsibility

ntl is responsible for maintaining the cable system and any associated equipment on your premises such as outlets, set-top converters and remote control units which ntl has supplied. When a piece of equipment connected to the cable system, but not supplied by an ntl company (for example, a telephone handset or television set) develops a fault, it will be for you to decide what action to take depending upon the nature of the trouble. In many cases, an equipment supplier or maintenance organisation will be the appropriate source of help. If the equipment has been supplied by an ntl company then you should call your Customer Management Centre, and the problem will be dealt with under the terms of your contract with the ntl supplier.

Should you arrange for one of our technicians to visit your premises and the fault subsequently proves to be on equipment (including any telephone line) for which ntl has no maintenance responsibility, this may result in a charge being made to you and a delay in putting things right. It is important, therefore, for you to try to determine where the fault lies before you call us. If you are in doubt, phone your Customer Management Centre who will be pleased to advise you. Details of service call charges (and the circumstances in which they may be made) are available on request from your Customer Management Centre.

NB you will be charged for the repair of any damage or re-connection to equipment or to the system that you have caused by your own actions.

If the fault proves to be in a telecommunications system operated by another company, such as Eircom, to which our system is connected, we will notify them immediately. We will keep you informed of progress.

ntl recommends third party suppliers to customers for the purchase of a cable modem/ethernet card. ntl does not bear any responsibility for this equipment.

5.3 Fault Repair Targets

Where the fault is on our system or on any associated equipment which we or an ntl company have supplied, we shall arrange for someone to repair, adjust or replace the system/equipment as necessary to restore and maintain an efficient service. We aim to have resolved a fault within 24 hours or by close of business the following day. Fault Restoration is subject to objective criteria that the industry operates to. These criteria are monitored by the Office of the Director of Telecommunications Regulation (ODTR) and will be published.

5.4 Priority Fault Repair

We recognise that for some of our telephony customers, a telephone is vital at all times. Therefore ntl offers a priority repair service. To obtain details about this service, please contact your Customer Management Centre.

6 Billing

6.1 Payment Procedures

ntl requires its customers to pay monthly. Cable telephone customers are charged for rental of a telephone line and for the length of the calls they have made. Television and internet customers are charged according to the package of services which they take. We have published price lists for all our services, copies of which can be obtained from your Customer Management Centre or the information can be viewed on ntl's website, www.ntl.ie ntl customers can only avail of the ntl internet access tarrifs when they register with ntlworld.ie (CD- Rom)

Basic Catv customers will be allowed to continue to pay at frequencies other than monthly, i.e. Yearly, half yearly, quarterly and monthly. All other services are monthly

How to Pay

- You may pay your bills by any one of the following methods:
- by direct debit; this is the easiest and most convenient way to pay. Once set up, you know your bills will always be paid on time
- by certain credit cards over the telephone
- by cheque or postal order sent to ntl by post;
- by bank, through online, ATM or telephone service. Please contact your own bank directly to set this up
- by bank giro, call to any bank branch with the bank giro slip attached on your bill and present it with the appropriate amount.
- In person at any post office. Your ntl statement should accompany your payment and cheques made out to An Post, if using this method of payment
- For your own benefit, however, we would ask you **NEVER** to mail cash to us.

All payment options information are available on our website www.ntl.ie

Your telephone bill will be fully itemised for calls that cost over 10p and will include details of the services you receive and charges for each service separately and, where appropriate, details of all calls made. If additional itemised call details are required, this service is available, but may be subject to a charge. Services that have been provided at no cost to the subscriber will not be detailed on the bill.

6.2 **Queries**

If you have any queries about your bill you should contact your Customer Management Centre where a record of all usage and charges is kept. If, following investigation, you have been overcharged, we will deduct the amount by which you have been overcharged from your next bill. If we are unable to settle a disputed charge, you may wish to refer the matter to the ODTR (Office of the Director of Telecommunications Regulation - see paragraph 5.3).

Time for Payment and Disconnection for non-payment

We require bills to be paid on the due date for payment as specified on the bill. If you fail to pay your bill on time you will receive a reminder. If you do not then pay within the period specified in the reminder you may be disconnected. Disconnection will be effected initially by us suspending our service electronically on or from the 40th day after the statement date (not the due date for payment) of the unpaid bill. If the bill has still not been paid by the 60th day after the statement date, we will effect a full disconnection through the recovery of our equipment from your premises. You will not be reconnected until you have paid the outstanding amount, a reconnection fee and you may be asked for a deposit. See 4.4. If you are having difficulty in paying your bill, please contact your Customer Management Centre. We aim to be considerate to any of our customers who are experiencing genuine payment difficulties.

Right to Install Telecommunications Equipment

Installation of equipment on or in your premises to provide you with a service is governed by the terms of your Customer Service Agreement.

Customers With Special Needs

At present ntl do not provide any telephone handsets to any of our customers.

Standard Services For Telephony Customers

9.1 Directory Listings

When you take our telephone service you will be asked whether you wish to be included in the telephone directory. The listing options will allow you to choose to have an entry that may exclude gender, or have only a partial address. You may also choose to be ex-directory. This means your number will not be listed in the directory, nor will it be accessible to callers to the Directory Enquiry Service. We will notify callers where a number is ex directory.

9.2 Directory Enquiries

You may contact Directory Enquiries by dialling either 11850 or 11811. For International Directory Enquiries dial either 11860 or 11818. Details of charges made for calls to Directory Enquiry Services are available from your Customer Management Centre.

9.3 Emergency Services

If you dial 999 or 112 your call will immediately go through to the emergency services switchboard. You will not be charged for the call.

9.4 Operator Services

You may contact the national operator by dialling 10 and the international operator by dialling 114. **NB: Please note that a charge may be incurred if you ask the operator to connect you.**

Calling Line Identification

ntl offers a Calling Line Identification (CLI) facility through our telephone service. CLI is a system that displays the telephone number of the person calling you and identifies your number to your caller. In some cases, you will not be able to discover the CLI information. This is where the person calling has a telephone service that is not provided by a digital exchange, or where the person calling you has chosen to withhold their number. Many phones have the facility to display CLI information, so you can see the number of the person calling you on the phone's display. ntl plans to offer the facility to allow you to withhold your number if your caller is unknown because he has withheld his number. We already offer, in certain areas, the option to withhold your number when making a call. You may also wish to reject a call if the CLI information has been specifically withheld.

Malicious Calls

ntl understands that malicious calls may be menacing. There are steps that you can take to tackle the problem and things that we can do to help you.

If you receive malicious calls, you should contact your Customer Management Centre immediately. You will receive sympathetic help and advice. We can contact the police; they will need to talk to you direct in order to

log the complaint fully and take appropriate action. If necessary, we will liaise with the police on your behalf. This may mean that the choices you have made on Calling Line Identification (CLI) information will be overridden whilst we try to resolve the problem.

Junk Faxes and Direct Marketing calls

ntl understands that you may wish to limit approaches from direct marketing organisations. If this is the case, please contact your Customer Management Centre, which will ensure that you do not receive unwanted approaches from such organisations by virtue of your subscription to ntl.

Confidentiality

Any information about yourself or your affairs, which you provide to ntl, will be treated in strict confidence. ntl is registered under the Data Protection Act 1988 and we operate within its guidelines and within the guidelines of the European legislation. If you have any queries about our confidentiality policy, please contact your Customer Management Centre.

Complaints Procedure

ntl would like to know if you have any difficulties associated with the service you receive so that we can try to put matters right. All such problems should be taken up immediately with your Customer Management Centre who will do everything possible to resolve them. Any such problems will be captured and identified on the Customer Management System on the day they are identified to us. Any issues will be tracked and escalated by the system through the resolution process to ensure quality of resolution within the timescales advised. ntl aims to give you an acknowledgement to any problems raised within 24 Hours, and a resolution to the problem within 28 days. This is in line with industry standards, However, it must be recognised that some cases may take longer than others. In all cases, ntl will work with you to resolve such problems. ntl endeavour to adhere to the Quality of Service standard dictated by Measuring Licenced Operator Performance (MLOP). ntl will retain all records pertaining to complaints for at least one year after resolution of the complaint. You may of course choose to take the matter to an independent body (see Appendix B for addresses).

14.1 Independent Advice

We hope that we will be able to put the matter right in most cases but if you feel that you would like independent advice, you may obtain it from the Office of the Director of Consumer Affairs, your local Citizen Information Centre [or other regulatory bodies]. The addresses and telephone numbers of these bodies may be found at the end of this Code in Appendix B.

14.2 Office of the Director of Telecommunications Regulation

You should also be aware of the Office of the Director of Telecommunications Regulation (ODTR). The ODTR was established by the government in 1996 to regulate the telecommunications industry within Ireland. It is headed by the Director of Telecommunications Regulation, Ms Etain Doyle. Among the objectives of the ODTR is to secure the best possible deal for consumers in terms of quality, choice and value for money in telecommunications and cable TV services.

The ODTR is responsible for the regulation of the airwaves for television and radio broadcasting and the regulation of other platforms such as cable for the delivery of television and radio programme services to consumers. The ODTR also has important functions with regard to licensing of telecommunications operators and ensuring that all licence obligations and conditions are met by these operators.

If you are having difficulty resolving a problem in relation to our services, you may wish to contact the ODTR directly.

Appendix A Address and telephone number for customer management centre (CMC)

ntl, IDA Waterford Industrial Park, Cork Road, Waterford.

1800 321 321

Appendix B Useful Addresses

Advertising Standards Authority for Ireland

IPC House Shelbourne Road Dublin 4 Telephone (01) 660 8766

Fax: (01) 660 8113 www.asai.ie

Broadcasting Complaints Commission

c/o Department of Finance Government Buildings Dublin 2 Telephone (01) 676 7571

Fax: (01) 668 2182

Chartered Institute of Arbitrators (Irish Branch)

8 Merrion Square Dublin 2 Telephone (01) 662 7867 Fax: (01) 662 7891

Consumer Advice Shop

13A Upper O'Connell Street Dublin 1 Telephone (01) 809 0600

Fax: (01) 809 0601

Department of Arts, Heritage, Gaeltacht and the Islands

Dún Aimhirgin 43-49 Mespil Road Dublin 4 Telephone (01) 647 3000 Fax: (01) 667 0826 eolas@ealga.irlgov.ie

European Consumer Advice Centre

13A Upper O'Connell Street Dublin 1 Telephone (01) 809 0600 Fax: (01) 809 0601

Independent Radio and Television Commission
Marine House
Clanwilliam Place
Dublin 2
Telephone (01) 676 0966
Fax: (01) 676 0948
info@irtc.ie

Office of the Director of Telecommunications Regulation (ODTR)

Abbey Court Irish Life Centre Lower Abbey Street Dublin 1 Telephone (01) 804 9600 Fax: (01) 804 9680 www.odtr.ie

Office of the Director of Consumer Affairs

4 Harcourt Road Dublin 2 Telephone Lo-call 1890 220 229

Regulator of Premium Rate Telecommunications Services Ltd. (Regtel)

Crescent Hall Mount Street Crescent Dublin 2 Telephone (01) 676 7025 Fax: (01) 676 7035 info@regtel.ie

RTÉ Authority RTÉ Donnybrook Dublin 4 Telephone (01) 2083111 Fax: (01) 208 3080 www.rte.ie