



Office of the Director of  
**Telecommunications  
Regulation**

## **PRESS RELEASE**

*For Immediate Release*  
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### **REGULATOR SETS OUT FRAMEWORK FOR DIGITAL TELEVISION DELIVERY ON CABLE & MMDS**

The Director of Telecommunications Regulation, Etain Doyle has set out the framework for delivery of digital television on cable and MMDS networks. The new framework provides for the upgrading of networks, enhanced consumer protection and quality standards. Milestones will be set to ensure early introduction of digital services, enhanced quality of service and codes of practice regarding complaints.

Following an extensive public consultation and lengthy discussions, the Regulator has set out the full terms which she is willing to offer existing licence holders. The Regulator is inviting the relevant existing licence holders to indicate by 11<sup>th</sup> January 1999 their willingness to surrender existing licences in favour of the new regime.

The new framework takes account of commercial realities, the rights of consumers to a reasonably priced, high quality service and the need for Ireland to take early advantage of the digital revolution. These principles are considered by the Director to equitable and reflect, where possible and reasonable, concerns raised during the various stages of consultation.

#### **MORE**

The process that has occurred to date regarding the granting of new cable/MMDS licences, the provisions for draft regulations and licences proposed by the Director in respect of cable and MMDS services, and the next stages of the process to be followed by the Director are outlined in **ODTR 98/63** - "Television Transmission Licensing for Cable and MMDS – Report on the Consultation."

On the release of the report, the Director of Telecommunications Regulation, Etain Doyle, said “ It is desirable from the consumer’s viewpoint to be able to establish a new licensing framework promptly and without recourse to legal disputes which could cause significant delay. I am anxious to see an early acceptance by the industry of the terms set out in the draft regulations and look forward to implementing a new licensing regime that will benefit the consumer in terms of quality, choice and the early provision of digital services”.

This new framework should clear the way for the introduction of wide-ranging, competitive television services that take full advantage of the new digital technology. The full text of ODTR 98/63 “Television Retransmission Licences – Report on the Consultation Process” is available on the ODTR website: [www.odtr.ie](http://www.odtr.ie).

**ENDS**

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## **BACKGROUND INFORMATION:**

### **PROCESS THAT HAS OCCURRED TO DATE**

As indicated in Document **ODTR 98/20**, MMDS and Cable Companies were invited to make submissions to the Director so that she might decide whether it might be appropriate to offer them new licences in place of their existing ones, the terms of such new licences to be consistent with the policy expressed in the document. In summary, following the submission of business plans by a number of existing licensees, the Director issued letters to those companies on **3<sup>rd</sup> December 1998** which set out how she proposed to take matters forward. That letter also set out the principles (see **ODTR 98/63** Appendix 1) on which new regulations and licences would be based. These principles are considered by the Director to be equitable and reflect, where possible and reasonable, concerns raised during the various stages of consultation.

To date, one company has agreed to proceed on the basis of the principles as set out and a second has indicated conditional acceptance. However, a number of matters were raised and draft regulations which reflect the Director's final views, having considered the issues involved are appended to the report (see **ODTR 98/63** Appendix 2).

The Director is inviting the relevant existing licence holders to indicate by **11<sup>th</sup> January 1999** their willingness to surrender existing licences in favour of the new regime as set out in the draft regulations. In the event of licensees not doing so, the Director will initiate or continue (as appropriate in each case) legal action to establish what rights, if any, existing licensees have in respect of exclusivity or renewal under the existing licences or the extent to which such rights may constrain the establishment of an appropriate regulatory framework for the industry. In such circumstances, the Director will also consider how best to protect the interests of consumers within the relevant licenced area.

### **TEXT OF DRAFT REGULATIONS AND LICENCES**

The full text of draft regulations and licences is contained in **ODTR 98/63**. Among the principal provisions are the following conditions:

- Licences to be for a period of 15 years, and to be exclusive within platform for the first 5 years. **(The exclusivity proposed does not exclude television transmission from other**

**platforms such as satellite or terrestrial).**

- A review of the operation of licences in 11<sup>th</sup> year after issue of the first licence, following which the Director may agree to renew licences for a further 5 year period after the original expiry date of the licence.
- Rate regulation to apply to basic services during periods of exclusivity.
- A requirement for the roll-out of digital services in accordance with the Digital Roll-Out Plan.
- A licence fee of 3.5% of Gross Revenue from basic and premium services.
- A Code of Practice for handling complaints to be implemented by licensees.

### **NEXT STAGES OF THE PROCESS**

The consultation process already adopted has ensured an opportunity for all interested parties to make known their views on the course intended to be adopted by the Director. In the context of the publication of ODTR 98/63, the Director considers that licensees should respond no later than **11<sup>th</sup> January 1999** indicating their willingness to surrender existing licences in favour of the new framework. Following such response the necessary steps to permit the granting of new licences will be taken. The rights of existing licensees who do not accept new licences will have to be established by legal process.