

Determination of 7.7.2000

## INTERCONNECTION CONDITIONS APPLICABLE TO ACCESS TO SPECIAL SERVICES

### ***TO BE INCLUDED IN THE INTERCONNECTION AGREEMENTS TO BE SIGNED BETWEEN PORTUGAL TELECOM, S.A. AND THE OTHER FIXED TELEPHONE NETWORK OPERATORS AND/OR FIXED TELEPHONE SERVICE PROVIDERS***

Upon decision of 12<sup>th</sup> of May 2000, the ICP Board of Directors determined that the operators notified with significant market power under the terms of Decree-Law no. 415/98 of 31<sup>st</sup> of December should conclude the negotiations for interconnection agreements with the interested entities within a 30-day period, in accordance with that set out in paragraph c) of Article 16 of said Decree-Law.

Considering that:

- a. Under the terms of article 4 of Decree-Law no. 415/98 and point 2 of article 16 of the same diploma, it shall fall upon ICP to promote conditions aimed at ensuring effective competition and the smooth functioning of the market, also in concomitance with that set out in article 16 of Law no. 91/97 of 1<sup>st</sup> of August.
- b. Entities with significant market power which, duly qualified for the purpose, provide fixed telephone networks and/or fixed telephone services, must respect the principles of transparency and cost orientation when establishing interconnection prices, under the terms of paragraph a) of no. 1 of article 9 of said Decree-Law.
- c. Various fixed telephone network operators and/or fixed telephone service providers requested ICP's intervention in the negotiations for interconnection agreements to be signed with PT in certain areas, namely with regard to provision conditions applicable to access to special services.
- d. Up until the present date, ICP has been notified of the conclusion of a single interconnection agreement where one of the parties is PT – the Interconnection Agreement signed between Portugal Telecom, S.A. and ONITELECOM - Infocomunicações, S.A., on 31 December 1999.
- e. At this moment in time, there are no reasons for altering the above-mentioned Interconnection Agreement, taking into consideration also the express wish of one of the parties in that agreement.
- f. The interested entities notified ICP as to their position regarding the matter at hand and proposals were analysed relating to, *inter alia*, the conditions applicable to access to special services, namely customer support services and information services, provided respectively in the numbering range 16xy.z and 18xy, universal access services (“universal number”) and shared costs call services (“blue number”).
- g. It can be considered that the customer support service provided in the numbering range 16xy.z, as well as the information service provided in the numbering range 18xy, cannot be dissociated from the provision of the fixed telephone service in the indirect access modality, and contributes to its smooth functioning.
- h. The promotion of the user, interests and the efficiency in exploring the resources used, guiding interconnection principles consecrated in no. 1 of article 4 of Decree-Law no.

415/98, as well as the principles of equality, transparency and non-discrimination, associated to healthy competition in the telecommunications sector, shall be pursued in the most appropriate manner in cases where it is the operator providing the customer support service and information service that defines the retail price. Furthermore, it can be argued that price setting for these services by the network operator where the call is originated may possibly contradict, generally speaking, the pursuit of said objectives.

- i. In the case of universal access services (“universal number”) and shared costs call services (“blue number”), it is important to maintain incentives so that each fixed telephone network operator and/or fixed telephone service provider promotes and disseminates their advantages to potential interested parties, simultaneously guaranteeing that access to these services by the end clients of other operators is duly remunerated, in function of the costs borne by the latter.

In its extraordinary meeting of 07/07/2000 and under the terms of that set out in article 16 of Decree-Law no. 415/98, ICP's Board of Directors deliberated that:

1. The interconnection agreements to be signed between Portugal Telecom, S.A. and the other fixed telephone network operators and/or fixed telephone service providers must observe the provision conditions applicable to access to special services foreseen in the Interconnection Agreement signed between Portugal Telecom, S.A. and ONITELECOM - Infocomunicações, S.A.

### 1.1. Access by OLO Clients to Special Services Provided by PT

Service	Retail Price	Interconnection Conditions
<b>Emergency (112 and 117)</b>	Free-of-charge.	Free-of-charge for the OLO.
<b>National Directory Enquiries (118)</b>	Established in PT's tariff system.	The OLO remunerates PT with 65% of the price to the public as defined in PT's tariff system.
<b>International Directory Enquiries (179)</b>	Established in PT's tariff system.	The OLO remunerates PT with 65% of the price to the public as defined in PT's tariff system.
<b>Free-of-charge for the Caller ("Freephone Number") (800 2)</b>	Free-of-charge.	PT remunerates the OLO in accordance with call origination tariff under the terms foreseen in the interconnection tariff system of the OLO.  The reference figures for the call origination of the OLO shall be PT's call origination figures as set out in the RIO 2000.
<b>Virtual Phone Card (882 2)</b>	Established in PT's tariff system.	PT remunerates the OLO in accordance with call origination tariff under the terms foreseen in the interconnection tariff system of the OLO.  The reference figures for the call origination of the OLO shall be PT's call origination figures as set out in the RIO 2000.

## 1.2. Access by PT Clients to Special Services Provided by the OLO

Service	Retail Price	Interconnection Conditions
<b>Free-of-charge for the Caller (800)</b>	Free-of-charge.	The OLO remunerates PT in accordance with the call origination tariff under the terms foreseen in the RIO 2000.
<b>Virtual Phone Card (882)</b>	To be defined by the OLO.	The OLO remunerates PT in accordance with the call origination tariff under the terms foreseen in the RIO 2000.

2. With regard to the other special services not specifically foreseen in the Interconnection Agreement signed between Portugal Telecom, S.A. and ONITELECOM - Infocomunicações, S.A., the following rules must be observed.

## 2.1. Access by OLO Clients to Special Services Provided by PT

Service	Retail Price	Interconnection Conditions
<b>Customer Support Services (16 20)</b>	To be established in PT's tariff system.	PT remunerates the OLO in accordance with the call origination tariff under the terms foreseen in the interconnection tariff system of the OLO.  These conditions are also applicable in the case of free-of-charge services.  The reference figures for the call origination of the OLO shall be PT's call origination figures as set out in the RIO 2000.
<b>Universal Number (707)</b>	Established in PT's tariff system.	The OLO remunerates PT for the price to the public as defined in PT's tariff system minus the call origination figure under the terms foreseen in the interconnection tariff system of the OLO and PTE 7.5 per call.  The reference figures for the call origination of the OLO shall be PT's call origination figures as set out in the RIO 2000.
<b>Shared Costs: "Blue Number" (808 2)</b>	Established in PT's tariff system.	The OLO remunerates PT for the value of a local call as defined in PT's tariff system minus the call origination figure under the terms foreseen in the interconnection tariff system of the OLO and PTE 7.5 per call.  The reference figures for the call origination of the OLO shall be PT's call origination figures as set out in the RIO 2000.
<b>Call Forwarding</b>	Established in PT's tariff system.	The OLO remunerates PT in accordance with the call termination tariff under the terms foreseen in PT's interconnection tariff system.

## 2.2. Access by PT Clients to Special Services Provided by the OLO

Service	Retail Price	Interconnection Conditions
<b>Customer Support Services (16 xy.z)</b>	To be defined by the OLO.	The OLO remunerates PT in accordance with the call origination tariff under the terms foreseen in the RIO 2000.  These conditions are also applicable in the case of free-of-charge services.
<b>Information (18xy)</b>	To be defined by the OLO.	The OLO remunerates PT in accordance with the call origination tariff under the terms foreseen in the RIO 2000.  These conditions are also applicable in the case of free-of-charge services.
<b>Universal Number (707)</b>	To be defined by the OLO.	PT remunerates the OLO for the value to the public as defined in the tariff system of the OLO minus the call origination figure under the terms foreseen in the RIO 2000 and PTE 7.5 per call.
<b>Shared Costs (808)</b>	To be defined by the OLO.	PT remunerates the OLO for the value of a local call as defined in the tariff system of the OLO minus the call origination figure under the terms foreseen in the RIO 2000 and PTE 7.5 per call.
<b>Call Forwarding</b>	To be defined by the OLO.	PT remunerates the OLO in accordance with the call termination tariff under the terms foreseen in the interconnection tariff of the OLO.  The reference figures for the call termination of the OLO shall be PT's call termination figures as set out in the RIO 2000.

- Should operators, aware of market developments, wish to provide other special services apart from those whose rules are currently specified, then the principle of free negotiation of interconnection agreements set out in point 1 of article 3 of Decree-Law no. 415/98 must prevail, and, in principle, intervention at a regulatory level shall not be considered necessary.
- The conditions of offer applicable under the terms of this determination shall be valid for the interconnection agreements in force during the present year.
- Should alterations to the RIO 2000 arise from the previously specified rules, namely in the case of free phone numbers and trunk call numbers, Portugal Telecom must alter the said RIO, in concomitance with that set out in point 1 of article 13 of Decree-Law no. 415/98, within a 10-day period.
- From a perspective of public information and tariff transparency, advantages would result from a common approach to the price charged fixed telephone service subscribers for access to a shared costs call service ("blue number"). Taking said advantages into consideration, we recommend that when fixed telephone service providers set this price, they have as a reference the price of local calls provided within the scope of the Universal Service.