



## Decision Notice

### **Implementation of CPS Single Billing Products – Wholesale Line Rental (SB-WLR), Agency Rebilling (SB-AR), Wholesale Ancillary Services (WAS)**

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## 1 Introduction

During 2002 the Commission for Communications Regulation (ComReg) undertook an industry consultation (ComReg document 02/47 – Carrier Pre-Selection in Ireland) to review the status of Carrier Pre-Selection<sup>1</sup> (CPS) in Ireland and to consider enhancements to the CPS product that would further promote competition in the Irish market. This consultation resulted in Decision Notice D13/02 – CPS in Ireland (D13/02), reviewing the arrangements applying to CPS.

In the light of market developments, D13/02 directed eircom to propose, by the end of September 2002, product descriptions for CPS Single Billing Products namely Wholesale Line Rental (SB-WLR)<sup>2</sup> and Agency Rebilling (SB-AR)<sup>3</sup> and to implement these products by the end of January 2003. Directions were also made which required eircom to provide Wholesale Ancillary Services (WAS)<sup>4</sup> such as call barring.

There is considerable interest in such products from consumers and industry alike as their implementation means that customers currently availing of CPS can opt to receive a single bill for their telephony rental, calls and other ancillary services. It is perceived that the current dual billing arrangements may provide eircom with an advantage in attempting to win-back customers, or may even act as a deterrent to those contemplating switching.

To assist in the speedy implementation of these products, the ODTR gathered the industry requirements and presented these to eircom as a list of essential features to be included in the product descriptions. eircom responded with product descriptions by the due date of 30<sup>th</sup> September 2002, however they were incomplete and omitted many of the essential features and much of the detail required for fully conforming product descriptions. The ODTR required eircom to make substantial amendments to these descriptions and revised versions were presented on 16<sup>th</sup> October 2002. These were still incomplete but in the interests of making progress, the ODTR convened the CPS industry forum to initiate discussion.

The industry raised similar concerns to the ODTR and discussions continued at forum and through bi-laterals in an effort to progress the product descriptions. The ODTR wrote to eircom on the 20<sup>th</sup> of November 2002 to express

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<sup>1</sup> Carrier Pre Selection is the facility offered to customers which allows them opt for certain defined classes of call to be carried by an operator selected in advance (and having a contract with the customer), without having to dial a routing prefix or follow any other different procedure to evoke such routing

<sup>2</sup> Single Billing through Wholesale Line Rental means that the customer has no relationship with Eircom, and all of the interfaces (ordering, billing, fault repair) are with the CPSO. The CPSO and Eircom have a separate contract for wholesale line rental. This product is only available in conjunction with Carrier Pre-Selection 'all calls'

<sup>3</sup> Single Billing through Agency Rebilling means that the CPSO acts as an agent for Eircom in collecting the standard retail line rental, etc. The customer may still have a relationship with Eircom in the context of fault handling and ordering line upgrades, etc. This product is only available in conjunction with Carrier Pre-Selection 'all calls'

<sup>4</sup> Wholesale Ancillary Services (WAS) are the wholesale variant of retail services which Eircom provides in association with a telephony line.

continued dissatisfaction. Some but limited progress was made following a meeting held on 22<sup>nd</sup> November 2002. However at a meeting of 6<sup>th</sup> December 2002, the OLOs indicated that the products were not fit for purpose and requested that ComReg review the product definition and timetable.

On December 10<sup>th</sup>, ComReg, intervening on its own initiative, wrote to eircom to direct the inclusion or amendment of thirteen specific items, set out in later in this paper. eircom were directed to respond by 18<sup>th</sup> December and by 23<sup>rd</sup> December on a number of the elements.

eircom responded by the due dates and ComReg is pleased to note that the amended product descriptions are now in accordance with the ComReg directions. However in light of the limited progress made to date, the amount time that has already passed and the complexity of the issues still to be addressed, eircom and the OLOs have requested that the launch date for the products be revised. This Decision Notice sets a revised completion date of 30<sup>th</sup> April 2003 for both products and also defines milestones for process development, negotiation of terms and conditions, submission of pricing elements and completion of testing. eircom have agreed to work with ComReg to ensure that fully fit-for-purpose offerings are available on or before the 30<sup>th</sup> April 2003.

## 2 Legislation

Both EU and Irish legislation recognise that, in the interests of developing and sustaining competition in the telecommunications sector, the ability of new entrants to the market to interconnect with the network of an incumbent operator is essential.

The most relevant legislative provisions in relation to interconnection are:

*Council Directive 97/33/EC on interconnection in telecommunications with regard to ensuring universal service and interoperability through application of the principles of the Open Network Provision (ONP (“the Directive”)), and*

*The European Communities (Interconnection in Telecommunication) Regulations, 1998, SI No. 15 of 1998, transposing the above Directive. (“the Regulations”) as amended*

The Directive and Regulations were amended to take account of the European Communities (Interconnection in Telecommunications) (Amendment) Regulations, 1999, SI 249 of 1999 which may be cited as above.

Under the legislation, a telecommunications industry operator providing fixed public telephone networks and designated as having Significant Market Power (SMP) in that market is required to publish a Reference Interconnect Offer (RIO). Carrier Pre-Selection was added to the RIO as a result of the implementation of Regulation 13(13) which states that operators with SMP, shall enable their subscribers, including those using ISDN, to access the switched services of any interconnected provider of publicly available telecommunications services.

eircom as an SMP operator in the public fixed telephony services and networks market is obliged to publish a RIO under Regulation 8 of the Regulations and ComReg has the power to direct eircom to justify its RIO and where appropriate, direct the RIO to be adjusted to ensure transparency and cost-orientation. ComReg also has the power under Regulation 10 (3) to intervene on its own initiative to specify RIO inclusions.

Regulation 10(5) provides that the conditions set or the changes directed by ComReg under Regulation 10(3) may include the following conditions and changes amongst others: conditions designed to ensure effective competition, technical conditions, tariffs and supply and usage conditions. Regulation 10(6) allows ComReg at any time on its own initiative to set the period within which negotiations on interconnection shall be completed and may take steps to conclude an agreement if not reached within the period set under procedures laid down by ComReg. In exercising its functions under the Regulations, Regulation 10(1) requires ComReg to take into account a number of factors including the need to stimulate a competitive market in telecommunications services and the need to ensure satisfactory communications for users in a manner that promotes economic efficiency.

#### Implementation of SB – WLR, SB – AR, WAS

All those negotiating interconnection must do so in good faith but the Directive and Regulations place special obligations on an operator who is designated by the Director as having SMP in the market for fixed telephony networks and services. These obligations include:

- interconnection charges should follow the principles of transparency, non-discrimination and cost-orientation;
- the Director may direct an organisation to justify its charges and to adjust these charges where they are not in compliance with these principles;
- the burden of proof lies on the organisation providing interconnection;
- a RIO based on market needs shall be published and the Director may direct changes to this offer;

Furthermore, Regulation 7 provides that SMP operators shall adhere to the principle of non discrimination and in particular shall provide similar conditions in similar circumstances to interconnected organisations providing similar services, and shall provide interconnection facilities and information to others under the same conditions and of the same quality as they provide for their own services or those of their subsidiaries or partners.

eircom is the only operator to have been designated as having SMP in the relevant market

### 3 Decision Notice Issues

#### 3.1 Product Description

Directions 2.2 and 2.3 of Decision Notice D13/02<sup>5</sup> directed eircom to propose product descriptions for CPS Single Billing (namely Single Billing through Wholesale Line Rental [SB – WLR] and Single Billing through Agency Rebilling [SB – AR]). Direction 4.1 required that eircom provide Wholesale Ancillary Services (WAS) by the same target date.

Section 1 of this Decision Notice sets out the chain of events to date and details the discussions between ComReg, eircom and the OLOs. As stated previously, at a meeting of 6<sup>th</sup> December 2002, the OLOs indicated that the products were not fit for their purposes and requested that ComReg review the product definition and timetable.

On December 10<sup>th</sup>, ComReg, intervening on its own initiative, wrote to eircom to direct the inclusion or amendment of thirteen specific items, set out herein:

- SB-WLR and SB-AR to include ISDN
- SB-WLR and SB-AR to allow for ordering and provisioning of new lines and additional lines
- SB-WLR, SB-AR and WAS to ensure continuity of service, insofar as possible, in the case of customer house moves
- WAS to include Voicemail
- SB-WLR and SB-AR to include Customer Premises Equipment (CPE).

In addition, several specific directions requesting clarification and proposals were made with respect to:

- Carrier Access and Carrier Selection Codes
- Timetable for the delivery of ancillary services
- Timetable for the delivery of debranded ancillary services
- Details of eircom's proposed billing transfer format
- Details of eircom's proposed bill format for Agency Rebilling
- Timetable for end to end testing
- Proposal to minimise or eliminate any interruption of service on switchover
- Proposal to provide advance notification of service order completion

eircom were directed to respond by 18<sup>th</sup> December and by 23<sup>rd</sup> December on a number of the elements. eircom responded by the due dates and ComReg is

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<sup>5</sup> D13/02 CPS in Ireland 2002, July 2002.

Implementation of SB – WLR, SB – AR, WAS pleased to note that the product descriptions are in accordance with the ComReg directions. These were presented to OLOs on 30<sup>th</sup> December 2002 and reviewed at a meeting held 9<sup>th</sup> January 2003. In general, OLOs welcomed the improvements. However this meeting raised some minor issues, discussed between eircom and ComReg at a meeting held 10<sup>th</sup> January 2003. Additionally, and for the avoidance of doubt, the wholesale variant of eircom's Fixed SMS product, should be finalised in this work and will be available contemporaneously with the launch of these products.

Therefore these issues require production of Version F of the product descriptions for SB – WLR and SB – AR. It is intended these will be in place by 24<sup>th</sup> January 2003.

ComReg now intends to move towards freezing of the product descriptions to allow implementation work to re-commence. A forum meeting will take place in the week of the 20<sup>th</sup> January 2003 at which ComReg is confident that a frozen product descriptions will be agreed. Should this however not be the case, ComReg will intervene as appropriate to achieve product freeze.

As stated previously, the original directions required eircom to implement these products by 31<sup>st</sup> January 2003. However eircom and the OLOs, cognisant of the volume and complexity of the work involved, have requested that ComReg review this launch date. ComReg therefore have reviewed the dates and believe that a launch date of 30<sup>th</sup> April 2003 is more realistic. eircom have agreed that the fully fit-for-purpose offerings will be in place at that date.

**Direction 3.1.1**

**The Commission for Communications Regulation directs Eircom to implement CPS Single Billing through Wholesale Line Rental (as described in the frozen product description) by 30<sup>th</sup> April 2003.**

**Direction 3.1.2**

**The Commission for Communications Regulation directs Eircom to implement CPS Single Billing through Agency Rebilling (as described in the frozen product description) by 30<sup>th</sup> April 2003.**

**Direction 3.1.3**

**The Commission for Communications Regulation directs Eircom to implement Wholesale Ancillary Services (as described in the frozen product description) by 30<sup>th</sup> April 2003.**

### **3.2 Process Development**

To facilitate implementation of the products, inter-operator processes must be developed and implemented. Some limited process work has already begun, and ComReg considers it imperative that progress is expedited.

ComReg requires that eircom develop, with appropriate OLO involvement, a detailed Inter-Operator Process Manual for CPS Single Billing products (namely SB-WLR and SB-AR) and WAS. This Inter-Operator Process Manual will be developed at workshops scheduled and facilitated by ComReg. Detailed billing interfaces and formats will also be developed at these workshops.

In order to ensure the availability of fully fit-for-purpose products as agreed by 30<sup>th</sup> April 2003, ComReg, taking account of the views of industry, is of the opinion that this should be completed by 7<sup>th</sup> March 2003. This will be formalised in the industry agreed project plan to be drafted by ComReg. ComReg will provide such assistance as is necessary in order to meet this deadline.

### **3.3 Terms and Conditions**

There is a clear need for eircom, when developing and introducing new services in response to OLO demand, to ensure that the terms and conditions for wholesale products are negotiated with OLOs. ComReg therefore requires eircom to negotiate the terms and conditions with OLOs so as to ensure all the interested parties needs are met.

It is recognised that there is a necessary connection between development of processes and negotiation of terms and conditions. Therefore this work should be scheduled to commence immediately following process completion. In order to ensure the availability of fully fit-for-purpose products is available as agreed by 30<sup>th</sup> April 2003, ComReg believes that eircom should produce a draft set of terms and conditions by 14<sup>th</sup> March 2003, provide these to OLOs and negotiate same. The suggested end date for negotiation of terms and conditions is the 27<sup>th</sup> March 2003. For the avoidance of doubt, Service Level Agreements (SLAs) should form part of this negotiation. These dates will be formalised in the industry agreed project plan, to be drafted by ComReg

ComReg will provide such assistance as is necessary in order to meet this deadline.

### **3.4 Other implementation issues**

Due to the nature of the SB – WLR and SB – AR products, a detailed Code of Practice will be developed to ensure that a competitive market can develop. All parties must abide by the Code of Practice. eircom and the industry have agreed to develop such a Code, based on the existing Carrier Pre-Select Code of Practice.

In order to ensure the availability of fully fit-for-purpose products as agreed by 30<sup>th</sup> April 2003, an agreed Code of Practice should be in place sufficiently in advance of the launch date so as to provide sufficient time for all operators to communicate its provisions to staff. ComReg, taking account of the views of

Implementation of SB – WLR, SB – AR, WAS industry, proposes a date of 9<sup>th</sup> April 2003. Again this date shall be formalised in the industry agreed project plan.

### **3.5 Costing**

The ODTR wrote to eircom on the 25th November 2002 requesting a pricing submission for Single Billing products by the 2<sup>nd</sup> January 2002. This date was of course to meet the original deadline for product implementation. However given the revised timelines, ComReg considers it appropriate to set a new deadline for submission of eircom's pricing submissions. These are set out below. ComReg will then review these submissions.

#### **Direction 3.5.1**

**The Commission for Communications Regulation directs that eircom provide to the Commission a pricing submission, with full justification, for CPS Single Billing through Wholesale Line Rental product elements of connection and recurring charges no later than close of business on 21<sup>st</sup> February 2003.**

#### **Direction 3.5.2**

**The Commission for Communications Regulation directs that eircom provide to the Commission a pricing submission, with full justification, for CPS Single Billing through Agency Rebilling product elements of connection and recurring charges by close of business no later than 21<sup>st</sup> February 2003**

#### **Direction 3.5.3**

**The Commission for Communications Regulation directs that eircom provide to the Commission a pricing submission, with full justification, for Wholesale Ancillary Services. This should include connection, recurring and per call charges by close of business no later than 21<sup>st</sup> February 2003**

**Direction 3.5.4**

**The Commission for Communications Regulation directs that eircom provide to the Commission a pricing submission, with full justification, for CPS Single Billing through Wholesale Line Rental process elements no later than close of business on 31<sup>st</sup> March 2003.**

**Direction 3.5.5**

**The Commission for Communications Regulation directs that eircom provide to the Commission a pricing submission, with full justification, for CPS Single Billing through Agency Rebilling process elements no later than close of business on 31<sup>st</sup> March 2003.**

**Direction 3.5.6**

**The Commission for Communications Regulation directs that eircom provide to the Commission a pricing submission, with full justification, for Wholesale Ancillary Services process elements no later than close of business on 31<sup>st</sup> March 2003.**

#### **4 Next Steps**

As previously stated, ComReg will circulate Version F of the SB – WLR and SB – AR product descriptions for a proposed freeze in the week commencing 20<sup>th</sup> January 2003.

ComReg will also propose a project plan to be discussed and agreed by the industry forum. This will include a schedule of industry meetings to meet the milestones set out in this Decision Notice.