

[IE] Deregulation of Telecoms

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On December 1, 1998, telecoms were deregulated in Ireland, one year ahead of schedule. This was done despite a derogation which would have lasted until January 2000. The decision was taken to end Telecom Eireann's monopoly and introduce full competition early because of fears that delay could affect the economy and especially the e-commerce industry. There had already been competition in some sectors, such as the mobile phone sector and services to the business community, but not in the range of services available to residential customers. However, as Telecom Eireann still controls the network connections, it will be some time yet before other telephone companies will have direct access to enable them to provide additional services, such as video on demand.

Meanwhile, the Telecommunications Regulator has also taken steps to address the problems arising from the exclusive licences issued to cable and MMDS (Multipoint Microwave Distribution System) operators some years ago. She is seeking to limit the period of exclusivity of the licences to five years, after which period other television delivery systems could compete with these operators in their geographical areas. Already, several cable operators have instituted legal proceedings, invoking their exclusive licences, against unlicensed community-based operators who were using deflected signals to provide a much cheaper service in their localities (see IRIS 1997-7: 9).

Both the deregulation decision and the outcome of the regulator's proposals for cable and MMDS licences will have an impact on the impending sale of Cablelink, the cable company jointly owned by Telecom Eireann and RTE, the national public service broadcaster. Cablelink needs upgrading to enable it to offer multimedia services such as video on demand and Internet. However, its sale is expected to generate a lot of interest because it has the highest penetration of homes (410,000 homes; 340,000 subscribers) of any cable company in Europe.

