[IE] Problems with Telecoms Reforms

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At the end of August 2002, the Director of Telecommunications Regulation and the Competition Authority made a joint submission to the European Commission's Consultation on the Draft Recommendation on Relevant Product and Service Markets within the Electronic Communications Sector (see IRIS Extra: September 2002).

While welcoming the Draft Recommendation, the two bodies expressed their apprehension that it did not take into account the various stages of market development in Member States. For example, the later liberalisation of the Irish telecommunications market means that effective competition has not been fully attained in certain sectors, such as the mobile phone market and pay-television services, and the recent economic downturn affecting the telecommunications sector worldwide has also had repercussions for the Irish market. The document also highlights the problems of double marginalisation (i.e., when market power exists at both wholesale and retail levels) and the non-inclusion of effective retail broadcasting markets in the Draft Recommendation. The joint submission suggests that some form of impact assessment of the provisions in the Draft Recommendation be undertaken and calls for the diversity across the European Union to be recognised through flexibility in the regulatory framework so that all Member States move towards conformity in regulation.

Meanwhile, the plans to regulate satellite services on the same basis as cable and MMDS services, announced by the Director of Telecommunications Regulation in March 2002, have been strongly condemned by Sky Television. Currently, Sky is not regulated in the Irish market, as none of its services are uplinked from Ireland. Instead, Sky uplinks its services from the UK to the Astra and Eutelstat satellites, which use orbital slots registered in Luxembourg and France respectively. Sky does now, however, carry the Irish terrestrial services, RTÉ (the national public service broadcaster), TV3 (the only national commercial television broadcaster) and TG4 (the Irish-language (public service) television broadcaster) on its digital platform (see IRIS 2002-4: 7 and IRIS 2001-8: 11) and agrees that they should be regulated because RTÉ is providing an uplinking service, but they only form a very small part of Sky's overall operations. The Director of Telecommunications Regulation expects that the EC Telecoms Package (see IRIS 2002-3: 4 and IRIS 2002-1: 5), due to be implemented in the Member States by July 2003, will give her power to regulate satellite services, such as Sky.

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The difficulty of competing with established cable and satellite providers may have been a factor in the decision of the sole bidder for a licence to operate a national digital television network to withdraw its application more than a year after the Government had initiated the competition for the franchise. The decision places the future of the Government's planned terrestrial television network and the sale of RTÉ's transmission network in doubt. The Minister for Communications is due to outline a new strategy for digital television within weeks.

"Joint Response to Consultation on the European Commission's Draft Recommendation on Relevant Product and Service Markets within the Electronic Communications sector", ODTR Doc. No. 02/74, 29 August 2002

http://www.odtr.ie/docs/odtr0274.doc

"ODTR review of new EU Directives on providing communication services", ODTR Media Release of 6 March 2002

http://www.odtr.ie/docs/pres060302.doc

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