
Determination of 30.1.2003

ANACOM DRAFT DECISION RELATED TO ALTERATIONS TO BE INTRODUCED IN THE RIO 2003

In accordance with the provisions contained in paragraph 1 of article 13 of Decree-Law no. 415/98, and without prejudice of the provisions contained in paragraph 2 of the above-mentioned article, the Board of Directors of ANACOM decided to carry on the prior hearing of the interested parties, pursuant to articles 100 and 101 of the Rules of Administrative Procedure, setting a 10-day deadline for these entities to make a written statement on the determination that is deemed to be adopted with the following content:

PT Comunicações should change, within 10 days, their Reference Interconnection Offer (RIO), so as to introduce the changes referred to below:

1. INTERCONNECTION PRICES

1.1 Call termination, call origination and transit

Following the determination of the Board of Directors of ANACOM of 07/11/02, PT Comunicações submitted an interconnection price proposal to be integrated in the RIO 2003. After analysing this proposal, the same is deemed not to be compatible with the cost-orientation principle.

In this context, taking into account the foreseeable evolution in demand, the current costs and the evolution perspectives throughout 2003, the global market conditions and within a framework of progressive alignment of prices to costs, bearing also in mind the current practices in the European Union, the maximum interconnection prices, to be in force as from 01/03/2003, should be as follows:

PRICE PER MINUTE, BASED ON A 3-MINUTE CALL (FIGURES IN EURO CENTIMES WITHOUT VAT)

LEVEL	CALL TERMINATION		CALL ORIGINATION		TRANSIT	
	Price Per Minute		Price Per Minute		Price Per Minute	
	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
LOCAL	0,76	0,49	0,81	0,52	0,58	0,43
SINGLE TANDEM	1,09	0,70	1,15	0,74	n.a.	n.a.
DOUBLE TANDEM	1,66	1,06	1,76	1,12	n.a.	n.a.

The call setup prices should not exceed 0.65 Euro centimes for Local interconnection, 0.75 Euro centimes for a Single Tandem Interconnection and 0.85 Euro centimes for a Double Tandem interconnection, applicable to call termination services, call origination and transit. Invoicing shall be issued per second as from the 1st second.

1.2 Transit service with interconnection in Single Tandem and Double Tandem

In 12/12/02, ANACOM decided, as far as prices applicable to transit service with Single Tandem and Double Tandem interconnection are concerned, with traffic conveyance between PT Comunicações and the destination operator supported on PT Comunicações circuits, having decided not to change the proposal submitted by PT Comunicações, without prejudice of price revaluation within the RIO 2003 global framework.

Taking into account the maximum prices set out in the previous paragraph number as well as cost estimates and other information made available by PT Comunicações within the scope of the determination of 12/12/02, and acknowledging that this service is new in the market and therefore there is some uncertainty as to the supply evolution, traffic volume and service provision conditions, which justifies some prudence in price definition, the maximum prices applicable to this service, to be in force as from 01/03/03, are:

**MAXIMUM PRICES APPLICABLE TO TRANSIT SERVICE USING PT
COMUNICAÇÕES LINES (FIGURES IN EURO CENTIMES WITHOUT VAT)**

LEVEL	CALL SET-UP	PRICES PER MINUTE	
		Peak	Off-Peak
SINGLE TANDEM	0.75	1.54	0.88
DOUBLE TANDEM	0.85	2.22	1.26

1.3 National and International Information Services

Considering that the conditions applicable to the National Information Service (118) and to the International Information Service (179) are an exception, not being in line with the conditions applicable to the remaining special services provided by PT Comunicações, the conditions for the provision of the National and International Information Services rendered by this company should be revised, being the responsibility of PT Comunicações to define the retail price and the origin operator being remunerated according to call origination plus the invoicing and collection price in the cases where the call is not free to the user.

1.4 Invoicing, collection and bad debt liability service

The prices applicable to invoicing, collection and bad debt liability service should be revised, according to the cost estimates made, as follows:

- a) the maximum price for invoicing, collection and bad debt liability, applicable to the access of PT Comunicações customers to shared cost call services, in which the cost to be borne by the caller is, at the utmost, equal to a local call made within the scope of the Universal Service, provided by operators/telecommunications service providers, amounting to 3.75 Euro centimes, per call;
- b) the maximum price for invoicing, collection and bad debt liability, applicable to the access of PT Comunicações customers to the remaining non-free special services, namely customer services, information services, universal access services and call services with shared costs in which the cost to be borne by the user is higher than a local call made within the scope of the Universal Service, provided by the operators/telecommunications service providers, amounting to 6.05 Euro centimes.

1.5 Operator Pre-selection

PT Comunicações proposes revision of the price applicable to the pre-selection activation, defining it as €11.

Two years having elapsed since the introduction of pre-selection and according to the sector evolution and the experience meanwhile accumulated in the availability of this functionality, a public consultation in pre-selection is being prepared in order to improve the “Pre-selection Specification”.

Therefore, the immediate price revision may be premature and this analysis should be made after conclusion of the above-mentioned process and taking into account the conditions that may possibly be defined within the context of “Pre-selection Specification”.

1.6 Prices enforcement date

All prices defined within the scope of the RIO 2003 shall be in force on 01/03/03.

2. OTHER MATTERS

2.1 Conditions for access to the services provided within the 809 numbering range

The RIO should accommodate the necessary conditions so that service providers may allow access to special services of generalized use provided by PT Comunicações. Thus, the RIO should contain the supply conditions applicable to the access to call services with shared costs, in which the cost to be borne by the caller may be higher than a local call within the scope of the Universal Service (809 numbering range).

2.2 International outgoing traffic transportat service

It is PT Comunicações' understanding that, in view of the existing market competition level, the international outgoing traffic transportat service should be withdrawn from the RIO.

Since there was no significant evolution as far as this matter is concerned, we consider that, at present, PT Comunicações should maintain in the RIO 2003 the conditions associated with the international outgoing traffic transport service, updating the prices according to the economic conditions evolution that took place at international level.

2.3 User-to-user signalling

The user-to-user signalling service is defined in the RIO as an interconnection service that includes sending of CLIP and/or CLIR. The RIO also establishes that the service in question requires prior agreement between PT Comunicações and the operator/service providers.

Pursuant to ETS 300 284 standard, user-to-user signalling, available to users connected to a network through basic and primary accesses, allows sending and reception of information to users about the signalling channel associated to that call. Said standard also establishes that information should flow in a transparent way through the network, not interfering with CLIP or with CLIR.

Since the user-to-user is an ISDN additional service, differentiated from CLIP/R, the latter also associated with analogue accesses, it is ANACOM's understanding that the definition of said service should be changed accordingly. Specially, since it is made available in retail, within the scope of the ISDN telephone service, the user-to-user information additional service – service 1 (UUI 1), access to this service must also be made available to the remaining operators, within the scope of the RIO.

2.4 Definition of traffic delivery point intended to non-geographic numbering services

It is up to the operator to define the points where the traffic for non-geographic numbering services pertaining to the operators themselves must be delivered. Thus, PT Comunicações must clarify in the RIO that what was established for traffic delivery to the remaining non-geographic numbering services relates only to non-geographic numbering services provided by PT Comunicações.

2.5 Quality of Service

By determination of ANACOM of 31/07/02 on the quality levels for the leased lines service provided by PT Comunicações, the values for the average installation time of a new circuit for 95% of cases (12/11 days), the average malfunction repair time for 80% of cases (2.5 total hours) and the availability degree (99.96%) were fixed for the years 2002 and 2003.

ANACOM defined those indicators for the whole universe of leased lines offered by PT Comunicações. The application of the same indicators for a subgroup of circuits represents a greater effort made by PT Comunicações to comply with those levels.

However, taking into account that operators make in advance an interconnection planning by sending PT Comunicações the transmission means for interconnection and considering the background of values that were made in 2002 for the quality of service indicators within the scope of the circuits used for interconnection purposes, the values defined in the determination of 31/07/02 may be applied within the scope of the RIO.

Thus, PT Comunicações should revise the RIO so as to fix a repair deadline for 80% of cases in 2.5 hours and the degree of availability in 99.96%, without prejudice of punctual and specific situations duly explained.

2.6 Transmission of the calling line identification

Taking into account that the replacement of ELD switches in PT Comunicações network is finished, PT Comunicações must change the offer so as to always guarantee the transmission, to the interconnected parties, of the information on the calling line identification, including the appropriate information to allow its restriction, pursuant to the applicable legislation associated with the protection of personal and private life data, without prejudice of force major situations, duly justified case by case that may prevent it.

2.7 Selection and Pre-selection of Operator

Once the technical difficulties associated with pre-selection in EWSD switches are overcome, PT Comunicações should eliminate the reference “whenever technically possible” as to the possibility of the user to be able to pre-select an operator for national calls and another one for international calls.

2.8 PT Comunicações network structure

The description of PT Comunicações network structure contained in the RIO does not contain Funchal (FX) and Ponta Delgada (PD) national switches. However, in the list of the Interconnection Geographic Points (PGI) those switchers are presented as being national distribution functions, being National PGIs.

PT Comunicações must therefore include the reference to the Funchal (FX) and Ponta Delgada (PD) national switchers in the section in question.

2.9 Collocation in buildings

The Board of Directors of ANACOM shall make a specific determination as to the collocation under an open space regime (“*co-mingling*”) in PT Comunicações buildings.