

## **DETERMINATION ON ALTERATIONS TO BE INTRODUCED IN THE SUBSCRIBER LINE RESALE OFFER REFERENCE PROPOSAL**

### **I – Framework**

On 14/12/05, ICP-ANACOM defined the alterations that companies of the PT Group which were active in retail markets of access to the public telephone network at a fixed location, both for residential and non-residential customers, were required to introduce, within a ten-working-day deadline, in version V1.01 of the Subscriber Line Resale Offer Reference Proposal (SLRO).

PT Comunicações, S.A. (PTC) and PT Prime - Soluções Empresariais de Telecomunicações e Sistemas, S.A.<sup>1</sup> published version V1.01 of the SLRO Reference Proposal<sup>2</sup>, on 30/12/05.

By letter dated 05/01/06, OniTelecom – Infocomunicações, S.A. (OniTelecom) informed that this company had noted that some aspects of the Reference Proposal did not comply with the Determinations issued by ICP-ANACOM on the matter under consideration. Moreover, PTC, by fax dated 13/01/06, requested of ANACOM that it reassessed the performance target applicable to the quality of service parameter “Fault Repair Time”, putting forward an alteration of the method of calculation of the respective compensation for non-fulfilment. Subsequently, on 20/01/06, Telemilénio – Telecomunicações Sociedade Unipessoal, Lda. (Tele2) requested of ICP-ANACOM some clarification on certain matters.

#### *1.1 Single bill*

OniTelecom referred it had formally requested of PTC that it solicited of beneficiary companies the billing and collection of all services comprised within the SLRO, having proposed that this service should apply the billing and collection price of non-geographic numbering services, which was deemed reasonable pursuant to the 14/12/05 Determination on the conditions for the provision of bundled network line and traffic offerings by companies of the PT Group<sup>3</sup>. However, according to OniTelecom, PTC did

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<sup>1</sup> Hereinafter referred to as “companies of the PT Group”.

<sup>2</sup> Hereinafter referred to as “Reference Proposal”.

<sup>3</sup> See <http://www.anacom.pt/template12.jsp?categoryId=173784>

not show readiness to solicit beneficiary companies to bill and collect all services comprised within the SLRO.

Tele2 took the view that, where the beneficiary company requested the SLRO activation of the companies of the PT Group, all supplementary services should be included, save for the cases where the companies of the PT Group explicitly notified the beneficiary company that they did not wish their supplementary services to be billed.

In the prior hearing report on the Reference Proposal's alterations, ICP-ANACOM restated the clarification provided in the Determination dated 29/04/05<sup>4</sup> on minimum elements to be included in the Reference Proposal, as well as the specifications applicable to the beneficiary companies, according to which the SLRO does not ensure a single bill regime, in spite of the fact that it may contribute thereto. Furthermore, ICP-ANACOM stressed that, in the light of the current framework, it is not entitled to impose upon the companies of the PT Group the obligation of engaging the billing and collection services of beneficiary companies, and likewise, that there is no legal basis to impose this obligation on companies that do not hold significant market power.

In any case, it should be highlighted that the actual possibility of a single bill comprising all services provided by the companies of the PT Group would contribute towards the increase of competition, as restated in the report of the prior hearing and general consultation procedure for the conditions for the provision of bundled network line and traffic offerings by companies of the PT Group.

Without prejudice, the 14/12/05 Determination on the conditions for the provision of bundled network line and traffic offerings by companies of the PT Group aims, among other objectives, to promote the existence of a single bill in as many cases as possible. Nevertheless, it should be considered that the Determination does not impose on the companies of the PT Group that they request of beneficiary companies the billing and collection of all services comprised within the SLRO, whether the price applicable to this service is reasonable or not.

In any case, for the purposes of an effective and efficient introduction of the SLRO, it appears appropriate that companies of the PT Group, as soon as possible after beneficiary companies are presented the conditions attached to the respective billing and collection services, enlighten beneficiary companies if they wish to request the latter to bill and collect the services provided over accesses activated for the SLRO, whether such services are provided by the companies of the PT Group themselves or by other companies, and billed and collected to users of the companies of the PT Group. It is considered that this practise may be implemented in the short term.

### *1.2 Comprised Services*

Tele2 considered that, as regards accesses where the SLRO has been activated, the supply of terminal equipment of the telephone service at a fixed location provided by companies of the PT Group must be collected and billed by the beneficiary company, due to the fundamental connection between this service and the supply of the respective access.

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<sup>4</sup> See <http://www.anacom.pt/template12.jsp?categoryId=150562>.

According to OniTelecom, the Reference Proposal does not comply with the provision of the Determination dated 14/12/05, as it does not establish that the beneficiary company may bill and collect traffic owned by a company other than the beneficiary company or companies of the PT Group, by request of the beneficiary company itself, providing only for cases where the companies of the PT Group require the beneficiary company to bill and collect traffic owned by a company other than the beneficiary company or companies of the PT Group.

Sub-point 5 of point ii) of paragraph 1 of item 5 of the Reference Proposal provides for the possibility of the companies of the PT Group requesting the beneficiary company to bill and collect the cost of hiring the terminal equipment of the telephone service at a fixed location provided by companies of the PT Group. Moreover, as the prior hearing report on the Reference Proposal's alterations refers, in the light of the current framework ICP-ANACOM is not entitled to impose upon companies of the PT Group the obligation to engage the billing and collecting services of beneficiary companies, and likewise, there is no legal basis to impose this obligation on companies that do not hold significant market power. It is to be noted that beneficiary companies may provide users with a hiring service of terminal equipment of the telephone service at a fixed location, in the same way as the companies of the PT Group.

Thus, and having regard to the fact that the Reference Proposal is not contrary to the view of ICP-ANACOM, there seems to be no advantage involved in the alteration thereof.

Pursuant to the 29/04/05 Determination, the beneficiary company is not bound to bill and collect services provided by companies other than the companies of the PT Group, where such services are not comprised within the SLRO, and if it decides to enter into an agreement with other companies, for purposes of billing and collection services, it shall provide such services under reasonable conditions. This approach was not altered by the 14.12.05 Determination.

In fact, the issues at stake in the 14.12.05 Determination were: (i) the inclusion of narrowband Internet access within services comprised by the SLRO; and (ii) the need for companies of the PT Group to be able to request of a beneficiary company to bill and collect services provided by a company other than the beneficiary company or companies of the PT Group only where they are duly authorised thereto by the company that owns the traffic.

It should be noted that there are no grounds for including commitments in the Reference Proposal which should only result from the goodwill of possible agreements concluded between the beneficiary company and companies other than the companies of the PT Group, and to which the companies of the PT Group are not parties.

Thus, and having regard to the fact that the Reference Proposal is not contrary to the view of ICP-ANACOM, there seems to be no advantage involved in the alteration thereof.

### *1.3 Service provision procedures*

The provisions concerning compensation due to the State and to PTC for possible irregularities in the granting of benefits to retired people and pensioners should be

withdrawn from the Reference Proposal, in OniTelecom's view, as such provisions are deemed to be excessive and outside the scope of the SLRO.

Pursuant to Decree-Law no. 20-C/86, as amended by Decree-Law no. 18/2003, the granting of benefits to retired people and pensioners depends on a request submitted by the interested party and also on an order of approval of this application issued by the Board of Directors of PTC, based on evidence deemed to be sufficient and established by order of the Ministry with jurisdiction thereupon. Thus, as notified by ICP-ANACOM, by fax dated 05/01/06, to companies of the PT Group, the provisions of the Reference Proposal, and specially the requirement that user contacts are made directly to the beneficiary company, do not add to (nor do they reduce) the risk of irregularities as far as the granting of benefits to retired people and pensioners is concerned, in case the compliance with the provisions determined by law in this field is ensured, such provisions not being relegated by the Reference Proposal.

In this context, the responsibility of the beneficiary company should focus solely on the reception and validation of documents presented by its users. The companies of the PT Group, on their part, are liable to the State for the granting of the benefit under consideration, as this benefit depends on the approval of this application ordered by the Board of Directors of the PT Group.

Thus, in the Reference Proposal, for "The Beneficiary Company is liable to the State (and to PT Comunicações) for possible irregularities in the granting of benefits to retired people and pensioners who are their customers, and is bound to request therefrom the devolution of any benefit unduly granted. In case the Beneficiary Company is not able to recover the amount that corresponds to the unduly granted deduction, it should bear the compensation cost due to the State for any loss the latter incurred as a result of such irregularity.", read "PT Comunicações is liable to the State for any irregularities in the granting of benefits to retired people and pensioners, pursuant to Decree-Law no. 20-C/86, of 13 February, as amended by Decree-Law no. 18/2003, of 3 February." [Paragraph 4 of item 8 of the Reference Proposal].

#### *1.4 Plans for retired clients and pensioners and temporary suspension*

OniTelecom considered that the text of Paragraph 3 of point 2 of Annex 1 to the Reference Proposal should be altered so that, in compliance with the Determination dated 14/12/05, the granting of the benefit applicable to customers who are retired people and pensioners, the monthly household income of which is equal to or less than the amount of the national minimum wage, depends only on documentary evidence that users under consideration are still alive, submitted by the beneficiary company to the companies of the PT Group, in case such documents are requested by companies of the PT Group to the beneficiary company.

Tele2 considers it needs clarification concerning the payment of credit granted by the companies of the PT Group to their customers who are retired people and pensioners, which should be paid only after Tele2 had confirmed that the documents required in this scope had been verified and were deemed valid.

As the Determination of 14.12.05 establishes, the granting of the benefit applicable to customers who are retired people and pensioners, the monthly household income of which is equal to or less than the amount of the national minimum wage, depends only

on documentary evidence that users under consideration are still alive, submitted by the beneficiary company to the companies of the PT Group, in case such documents are requested by companies of the PT Group to the beneficiary company.

Thus, in the Reference Proposal, for “The referred credit shall only take place where retired people and pensioners concerned submit every year documentary evidence of being alive to the Beneficiary Company, as provided for in this Offer, being incumbent upon the Beneficiary Company to validate documents presented by the customer, and subsequently to send them to PT”, read “The referred credit shall only take place where retired people and pensioners concerned submit every year documentary evidence of being alive to the Beneficiary Company, as provided for in this Offer, being incumbent upon the Beneficiary Company to validate documents presented by the customer, and subsequently to send them to PT, where it so requires” [Paragraph 3 of item 2 of Annex 1 to the Reference Proposal].

#### *1.5 Subscriber billing and collection*

In the view of OniTelecom, the Reference Proposal should refer that: (i) the beneficiary company is free with regard to the establishment of the price for the analogue access monthly payment; (ii) in case users fail to pay their bills, beneficiary company should be able to require the service suspension from the companies of the PT Group, without prejudice to the obligation to send users a timely notice; and (iii) in case a SLRO user that continues to engage services of the companies of the PT Group and is billed by the latter fails to pay its bills, the companies of the PT Group are not entitled to disconnect the line access, a right that should be fall on the beneficiary company.

As OniTelecom refers, the view taken by ICP-ANACOM on the aspects under consideration has already been presented in the prior hearing report on the Reference Proposal’s alterations. Thus, and having regard to the fact that the Reference Proposal is not contrary to the view of ICP-ANACOM, there seems to be no advantage involved in the alteration thereof.

#### *1.6 Information and Confidentiality*

Tele2 considered that, as is the case with other wholesale offers of the companies of the PT Group, the rules on information confidentiality should not enable the circulation of information on activated SLRO accesses between wholesale areas and business services of companies of the PT Group.

The provisions comprised in the Reference Proposal as regards the confidentiality of information exchanged between the companies of the PT Group and beneficiary companies in the scope of the SLRO correspond to the provisions included in the Reference Interconnection Offer (RIO), in the Reference Internet Access Offer (RIO) and in the Reference Unbundling Offer (RUO) provided by the companies of the PT Group for the same purpose (see Annex 9). Thus ANACOM fails to understand the claim presented by Tele2, which in fact is not presented as clearly as one would have desired. Without prejudice, it is acknowledged that the Reference Proposal could be more explicit as regards the obligations on confidentiality of the information exchanged between the companies of the PT Group and beneficiary companies in the scope of the SLRO, with which such companies are bound to comply.

Thus, in the Reference Proposal, for “PT and the Beneficiary Company undertake also to restrict the access and use of confidential information exchanged between them to employees who, on account of duties performed, need to be acquainted and/or use such information” read “PT and the Beneficiary Company undertake also to restrict the access and use of confidential information exchanged between them to employees who, on account of duties performed, need to be acquainted and/or use such information in the scope of the present Offer to provide the service to the beneficiary company” [Paragraph 2 of item 13.1 of the Reference Proposal].

#### *1.7 Activation Price*

OniTelecom takes the view that the Reference Proposal should clarify the relationship between the SLRO activation price and the maximum pre-selection activation price, pursuant to the Determination dated 14/12/05. In this context, OniTelecom suggests that the SLRO activation price mentioned in the Reference Proposal should be updated according to the possible alteration of the maximum pre-selection activation price, in the framework of the alterations to be introduced by PTC to the RIO for 2006.

Tele2, on its part, considered that the activation procedures connected to the SLRO and activation procedures connected to the pre-selection activation should be complementary, and thus the price applicable to the simultaneous activation of both services should correspond to the activation price of just one service.

As referred explicitly in the prior hearing report on the Reference Proposal’s alterations, the maximum SLRO activation price should correspond to the maximum pre-selection activation price.

As the prior hearing report on the Reference Proposal’s alterations refers, the definition of a maximum SLRO activation price that corresponds to the maximum pre-selection activation price is justified by the closeness between the procedures attached to the SLRO and those attached to the pre-selection, in several cases, the savings of which shall compensate for the costs involved in the deployment of a specific computer application to receive, handle and process the SLRO introduction requests. ICP-ANACOM thus took into consideration the complementarity between procedures attached to the SLRO and those attached to the pre-selection. Nevertheless, it does not follow from such a complementarity that a single activation price should be billed and collected in case the SLRO and the pre-selection are simultaneously activated.

It is thus considered that the SLRO activation price should be automatically altered according to possible alterations of the maximum pre-selection activation price; however, the explanation of such a relationship in the Reference Proposal would be empty of purpose, as it follows already from the Determination dated 14/12/05.

#### *1.8 Service activation procedure*

The Reference Proposal does not clarify the deadline for the SLRO provision in a given access, such a deadline being only referred to in the scope of the parameters of quality of service. It is deemed justified that the Reference Proposal, without prejudice to provisions comprised in that document in the scope of the quality of service, refers explicitly that the companies of the PT Group are bound to make the SLRO available at the most five working days from the date the electronic request is submitted by the

beneficiary company under the terms of this Reference Proposal, according to the provisions of the Determination dated 14/12/05.

#### *1.9 Possible reasons to terminate the service provision*

##### *- Incompatible services*

As Determination dated 14/12/05 establishes, the Reference Proposal must include the definition of services incompatible with the SLRO, which means that one of them renders technically impossible the existence of the other, as the prior hearing report on the Reference Proposal's alterations refers.

Thus, in the Reference Proposal, for "The subscriber accession to incompatible services or the migration to services not comprised" read "The subscriber accession to incompatible services (where one of them renders technically impossible the existence of the other) or the migration to services not comprised" [point 2 of paragraph 5 of item 6 of Annex 2 to the Reference Proposal].

##### *- Termination of contract for telephone service at a fixed location concluded between the user and companies of the PT Group*

According to Tele2, it would be disproportionate for companies of the PT Group to deactivate the SLRO based only on the termination of a contract for telephone service at a fixed location concluded between the user and the former, where this termination has not been motivated by any cause concerning supplementary services or services not eligible in the scope of pre-selection. Tele2 considered further that ICP-ANACOM should clarify the relationship between the SLRO termination and the local loop unbundling.

Version V1.01 of the SLRO Reference Proposal defined, among other issues, that the alteration of the holders of the contract for telephone service at a fixed location, and the termination, for any reason, of the contract for telephone service at a fixed location concluded between the user and companies of the PT Group, were grounds for the termination of the SLRO provision.

As the 14/12/05 Determination establishes, a simple alteration of holders of the contract for telephone service at a fixed location, the new holder not having explicitly declared his/her desire to terminate the SLRO provision, must not be sufficient grounds to end the SLRO provision, a view that follows the similar procedure provided for the Pre-Selection Specification by providers of the fixed telephone service<sup>5</sup>, approved on 12/05/00, according to which, where the contractual position of the direct access user is transferred, the pre-selection contracts remain unaltered, unless the user expressly indicates to the contrary.

In this line, it should be restated that the simple alteration of holders of the contract must not be sufficient grounds to end the SLRO provision, unless the user expressly indicates to the contrary. Furthermore, the alteration is deemed to be a modification of

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<sup>5</sup> See

[http://www.anacom.pt/streaming/psosft.pdf?categoryId=1755&contentId=12530&field=ATTACHED\\_FILE](http://www.anacom.pt/streaming/psosft.pdf?categoryId=1755&contentId=12530&field=ATTACHED_FILE) (This information is available in portuguese).

the contract for telephone service at a fixed location concluded between the user and companies of the PT Group, not a means to terminate such contract, a clarification which must be included in the Reference Proposal. In fact, if the contract which supports the line provision is terminated, the payment of the price due for the provision may not be legitimately claimed, thus the right to bill does not exist. Thus, and having regard to the fact that the Reference Proposal is not contrary to the view of ICP-ANACOM, there seems to be no advantage involved in the alteration thereof.

As far as the local loop unbundling is concerned, it should be stressed that where a full local loop unbundling takes place, a company other than the companies of the PT Group shall enjoy the full frequency spectrum available over the twisted metallic pair local loop connected to the user. As a result, this user ceases to be a subscriber of the PT Group and thus, the SLRO (the right to bill the telephone access of the companies of the PT Group) may not subsist. A different situation occurs in the cases of shared access, which do not imply the termination of the contract. Thus, and having regard to the fact that the Reference Proposal is not contrary to the view of ICP-ANACOM, there seems to be no advantage involved in the alteration thereof.

#### *1.10 Possible causes for rejection of requests*

According to OniTelecom, the Reference Proposal should list all possible causes to reject the requests made in the scope of the SLRO, in compliance with the 14/12/05 Determination, in order to prevent situations where requests made by beneficiary companies are consecutively rejected without any reasons, or where such reasons are not made known.

As the Determination dated 14/12/05 refers, the Reference Proposal must present all possible causes to reject requests made in the scope of the SLRO. Thus, in the Reference Proposal, for “The following are deemed to be causes for rejection of request in the scope of the SLRO, namely:” read “The following are deemed to be causes for rejection of request in the scope of the SLRO:” [Item 6 of Annex 2 to the Reference Proposal].

#### *1.11 Possibility of simultaneously activating the SLRO, the pre-selection and the broadband Internet access*

According to OniTelecom, the Reference Proposal should include a form to be filled in case the beneficiary company intended to activate both the SLRO and the “PT ADSL Network”, or to activate simultaneously the SLRO, the “PT ADSL Network” and the pre-selection.

It is considered that it does not follow from the possibility of a simultaneous activation of the SLRO and pre-selection and the broadband Internet access, with which ICP-ANACOM agrees, that there should be a single form for this purpose.

Thus, at present, it does not seem to be proportional to demand that the Reference Proposal includes a single form that enables the simultaneous activation of the three wholesale offers under consideration, or only the SLRO and the “PT ADSL Network”, which would lead to a undesirable and possibly confusing situation of duplication of forms. In any event, it should be noted that the Reference Proposal provides for a single form for cases where beneficiary companies intend the simultaneous activation of the



SLRO and pre-selection. Without prejudice, ICP-ANACOM shall continue the monitoring of this issue.

#### *1.12 Planning and forecasts*

Having regard to the Determination dated 14/12/05 and to the early stage of the SLRO, OniTelecom took the view that beneficiary companies should submit to companies of the PT Group their forecasts on the number of SLRO accesses for 2007 by the last week of December 2006.

The forecast plan on the number of SLRO accesses for a given year must be presented by beneficiary companies to companies of the PT Group by the last week of December of the previous year, as the Reference Proposal determines. Thus, beneficiary companies should submit their forecast plans on the number of SLRO accesses for 2007 by the last week of December 2006.

Without prejudice, as expressed in the prior hearing report on the Reference Proposal's alterations, in the specific case of the forecast plan concerning 2006, it must be submitted by beneficiary companies to companies of the PT Group by the first quarter of 2006, by virtue of the SLRO introduction date.

#### *1.13 Fault management*

In the view of OniTelecom, the Reference Proposal, where it defines a deadline for the period of time between the contact made by the user to the beneficiary company and from the latter to the companies of the PT Group, in case of problems with the quality of service attached to services covered by the SLRO, for a given network line, is outside the frame of any Determination issued by ICP-ANACOM. Moreover, such a provision is deemed to be excessive and disproportionate, companies of the PT Group not being entitled in the scope of the SLRO to determine time limits attached to the relationship between the beneficiary company and its users.

One of the parameters of quality of service defined in the scope of the SLRO is the "Fault Repair Time" (PQS1), which is intended to measure the time duration, in consecutive hours, from the instant a valid fault has been reported by the beneficiary company to the services of the companies of the PT Group to the instant where the service has been restored to full normal working order. Thus, the period of time between the contact made by the user to the beneficiary company and by the latter to the companies of the PT Group does not injure the companies of the PT Group as far the respective obligations in the scope of the SLRO are concerned. In fact, the beneficiary company is liable for any delays as regards the fault repairs resulting exclusively from an extended period of time between the notification of the fault by the user to the beneficiary company and from the latter to the companies of the PT Group.

Thus, the definition in the Reference Proposal of a deadline for the period of time between the contact made by the user to the beneficiary company and from the latter to the companies of the PT Group is not considered to be proportional, in case of problems with the quality of service attached to services covered by the SLRO.

Thus, the following provision must be withdrawn from the Reference Proposal: "The beneficiary company shall ensure that the period of time between the contact made by

the subscriber to the beneficiary company and by the latter to PT does not exceed 30 minutes” [Paragraph 1 of point a) of Item 3 of Annex 3 to the Reference Proposal].

#### *1.14 Network work planning*

Onitelecom is of the opinion that ICP-ANACOM should clarify that, as the prior hearing report on the Reference Proposal’s alterations refers, maintenance activities or operations in the PT Group company network which may cause temporary interruption or suspension of services under the SLRO must be performed under all circumstances on a date agreed in advance between companies of the PT Group and the beneficiary company, and not whenever possible, there laying a contradiction between the Determination dated 14/12/05 and the prior hearing report on the Reference Proposal’s alterations.

There may be exceptional and unpredictable circumstances the swift resolution of which is not compatible with the scheduling of a date agreed between the companies of the PT Group and the beneficiary company. Without prejudice, it is considered that such cases must be duly substantiated, as the Reference Proposal already secures. Thus the position included in the 14/12/05 Determination is maintained.

#### *1.15 Performance target applicable to the “Fault Repair Time” and respective compensation for non-compliance*

OniTelecom referred that paragraph 2 of point b) of item 1.1 of Annex 4 to the Reference Proposal should be altered in order to be made clearer, and namely, to be stated in a similar fashion to paragraph 2 of point b) of item 1.6 of Annex 4 to the Reference Proposal, concerning the parameter of quality of service “Response time for billing claims” (PQS6).

Furthermore, OniTelecom noted that the 14/12/05 Determination and Table 3 of the prior hearing report on the Reference Proposal’s alterations differed from the text of the prior hearing report on the Reference Proposal’s alterations. In this regard, it considered that the adoption of a performance target applicable to PQS1 exceeding forty-eight hours was excessive.

PTC considered that ICP-ANACOM should bring the forty-eight hour performance target applicable to PQS1 closer to the performance target applicable to the respective parameter of quality of service of the universal service, for the following reasons: (i) the “Fault repair time in the local access network which corresponds to 95% of the swifter repairs” proposed in the Draft Decision on parameters of universal service quality of service and performance targets applicable thereto<sup>6</sup>, approved on 14/12/05, of a hundred and sixty-five hours, was three times higher than the performance target applicable to PQS1; (ii) the difference between the performance target applicable to PQS1 and the performance target applicable to the respective parameter of quality of service of the universal service should result solely from possible differences at the level of the period of time necessary to confirm the full normal working order, such confirmation, in case of the SLRO, being carried out by the beneficiary company, and in the case of the universal service, by PTC; (iii) in 2004, 80% and 95% of faults of the telephone line at a

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<sup>6</sup> See <http://www.anacom.pt/template20.jsp?categoryId=175544&contentId=320305>.

retail fixed location were repaired in or in less than seventy-one hours or a hundred and sixty-nine hours, respectively, as referred in the prior hearing report on the Reference Proposal's alterations; and (iv) action taken to maintain access would not differ whether the SLRO has been introduced or not.

PTC also pointed out that compensation for non-compliance applicable in the scope of PQS1 should be calculated based on consecutive hours, not in working hours, in order to be compatible with the definition of PQS1.

The text of paragraph 2 of point b) of item 1.1 of Annex 4 to the Reference Proposal complies with the 14/12/05 Determination, the wording thereof being deemed perfectly clear, thus there seem to be no grounds for an alteration.

The text of the prior hearing report on the Reference Proposal's alterations is mistakenly not in accordance with Table 3 thereof as well as with the 14/12/05 Determination. Thus, in the text of the prior hearing report on the Reference Proposal's alterations, for [...] PQS1 should be sixty-two consecutive hours [...] read "[...]PQS1 should be forty-eight consecutive hours [...]", an amendment which already has been carried out, in accordance with a fax sent by ICP-ANACOM, on 05/01/06 to the companies of the PT Group.

It should also be noted that the Reference Proposal has already been altered, and is thus in accordance with the 14/12/05 Determination.

It should be reiterated that the grounds for the performance target applicable to PQS1 have been stated in the prior hearing report on the Reference Proposal's alterations, concerning namely the minimization of the period of time the telephone service is unavailable and the fact that the SLRO is a wholesale offer (which implies the definition of different and, particularly, more demanding, targets compared to the performance targets applicable to the parameters of quality of service of the universal service), a situation which had already been taken into consideration in the Determination dated 29/04/05.

As regards compensation for non-compliance applicable in the scope of PQS1, the 14/12/05 Determination requested that companies of the PT Group altered the Reference Proposal so that the definition of PQS1 complied with the Determination dated 29/04/05, and thus the corresponding alteration to the calculation method of the respective compensation for non-compliance should have taken place at the same time. In fact, the compensation for non-compliance applicable in the scope of PQS1 should be calculated based on consecutive hours, not in working hours, in order to be compatible with the definition of PQS1.

Thus, in the Reference Proposal, for "“H” corresponds to the difference, in working hours, between the actual delay and the target of the Parameter of Quality of Service” read “H” corresponds to the difference, in consecutive hours, between the actual delay and the target of the Parameter of Quality of Service” [point 1 of paragraph 2 of item 3 of Annex 4 to the Reference Proposal].

*I.16 Information to be conveyed to the “118” information service and to be comprised in telephone directories*

According to OniTelecom, ICP-ANACOM should make clear which is the entity responsible for providing and updating information regarding the user to be comprised in the “118” information service and telephone directories and which entity should manage the level of confidentiality of such information.

Pursuant to paragraph 4 of article 50 of Law no. 5/2004, companies that assign telephone numbers to subscribers must meet all reasonable requests to make available the relevant information on the respective subscribers, for the purposes of the provision of publicly available directory enquiry services. Furthermore, point i) of article 48 of Law no. 5/2004 provides that one of the elements which must be compulsorily specified in the contract for the provision of services for the connection and/or access to the public telephone network is the explicit indication of the subscriber’s will on the inclusion or not of the respective personal information in a public directory and on its disclosure through the directory enquiry service, whether or not the transfer thereof to third parties is involved.

Thus, it is incumbent upon the companies of the PT Group, as companies that assign telephone numbers to subscribers, to obtain from their users the necessary authorization to provide the information to be comprised in directory enquiry services and directories. In SLRO accesses in general, this indication of will shall be made to companies of the PT Group, when the contract for the provision of services for the connection and/or access to the public telephone network is concluded.

Without prejudice, the beneficiary company should gather indications of will on the part of users that alter the will made known initially, concerning the inclusion of the respective personal information in a directory enquiry service, conveying them to companies of the PT Group, as companies that assign telephone numbers to subscribers, in view of the fact that the 14/12/05 Determination states that any contact of the subscriber with the companies of the PT Group, concerning the subscriber line and alteration of services provided in the scope of the SLRO, must be made through the beneficiary company.

*I.17 Format of information to be submitted by companies of the PT Group to the beneficiary company for the purpose of billing and collection of supplementary services*

Tele2 deems that the Reference Proposal should define the format of call detail records, and provide that such records be submitted by companies of the PT Group to the beneficiary company so that the latter could process information under consideration directly in bills.

Tele2 did not raise previously any questions concerning the format of information to be submitted by companies of the PT Group to the beneficiary company for the purpose of billing and collection of supplementary services. In this context, it is expected that the companies of the PT Group cooperate with the beneficiary companies, defining the applicable technical requirements swiftly and effectively. In case no agreement is reached, ICP-ANACOM may reassess this subject, and for this purpose operators must be heard, possible in the scope of a prior hearing.

## **II - Determination**

In the light of grounds presented in the analysis which is an integral part of this process, in the scope of assignments provided for in points b) and f) of paragraph 1 of article of the Statutes of ICP-ANACOM, approved by Decree-Law no. 309/2001, of 7 December, in the pursue of powers provided for in points b) and g) of article 9 of the referred Statutes, and taking into consideration the regulation objectives provided for in points a) of paragraph 1 and b) of paragraph 2 of article 5 of Law no. 5/2004, of 10 February, the Board of Directors of ICP-ANACOM, hereby approves this determination as follows, in accordance with paragraph 1 and point a) of paragraph 3 of article 68 of Law no. 5/2004:

**Companies of the PT Group must amend and publish within a ten-working-day time limit, the Subscriber Line Resale Offer (SLRO) Reference Proposal in accordance with the changes outlined below:**

1. For “The Beneficiary Company is liable to the State (and to PT Comunicações) for possible irregularities in the granting of benefits to retired people and pensioners who are their customers, and is bound to request therefrom the devolution of any benefit unduly granted. In case the Beneficiary Company is not able to recover the amount that corresponds to the unduly granted deduction, it should bear the compensation cost due to the State for any loss the latter incurred as a result of such irregularity.”, read “PT Comunicações is liable to the State for any irregularities in the granting of benefits to retired people and pensioners, pursuant to Decree-Law no. 20-C/86, of 13 February, as amended by Decree-Law no. 18/2003, of 3 February.” [Paragraph 4 of item 8 of the Reference Proposal].
2. For “The referred credit shall only take place where retired people and pensioners concerned submit every year documentary evidence of being alive to the Beneficiary Company, as provided for in this Offer, being incumbent upon the Beneficiary Company to validate documents presented by the customer, and subsequently to send them to PT”, read “The referred credit shall only take place where retired people and pensioners concerned submit every year documentary evidence of being alive to the Beneficiary Company, as provided for in this Offer, being incumbent upon the Beneficiary Company to validate documents presented by the customer, and subsequently to send them to PT, where it so requires” [Paragraph 3 of item 2 of Annex 1 to the Reference Proposal].
3. For “PT and the Beneficiary Company undertake also to restrict the access and use of confidential information exchanged between them to employees who, on account of duties performed, need to be acquainted and/or use such information” read “PT and the Beneficiary Company undertake also to restrict the access and use of confidential information exchanged between them to employees who, on account of duties performed, need to be acquainted and/or use such information in the scope of the present Offer to provide the service to the beneficiary company” [Paragraph 2 of item 13.1 of the Reference Proposal].
4. The Reference Proposal, without prejudice to provisions comprised in that document in the scope of the quality of service, should refer explicitly that the

companies of the PT Group are bound to make the SLRO available at the most five working days from the date the electronic request is submitted by the beneficiary company under the terms of this Reference Proposal, according to the provisions of the Determination dated 14/12/05.

5. For “The subscriber accession to incompatible services or the migration to services not comprised” read “The subscriber accession to incompatible services (where one of them renders technically impossible the existence of the other) or the migration to services not comprised” [point 2 of paragraph 5 of item 6 of Annex 2 to the Reference Proposal].
6. For “The following are deemed to be causes for rejection of request in the scope of the SLRO, namely:” read “The following are deemed to be causes for rejection of request in the scope of the SLRO:” [Item 6 of Annex 2 to the Reference Proposal].
7. The following provision must be withdrawn: “The beneficiary company shall ensure that the period of time between the contact made by the subscriber to the beneficiary company and by the latter to PT does not exceed 30 minutes” [Paragraph 1 of point a) of Item 3 of Annex 3 to the Reference Proposal].
8. Following the inclusion of the alteration in the Reference Proposal concerning the definition of the parameter of quality of service “Fault repair time” (PQS1), requested in the 14/12/05 Determination, for ““H” corresponds to the difference, in working hours, between the actual delay and the target of the Parameter of Quality of Service” read “H” corresponds to the difference, in consecutive hours, between the actual delay and the target of the Parameter of Quality of Service” [point 1 of paragraph 2 of item 3 of Annex 4 to the Reference Proposal]