



ALTERATIONS TO THE REFERENCE INTERCONNECTION OFFER FOR 2001

In accordance with the provisions of nº1 of article 13º of Decree-Law n.º 415/98, and without prejudice to the provisions of nº2 of the above-mentioned article, the following alterations should be made to the Reference Interconnection Offer for 2001 (RIO 2001) in order to bring it into line with the document called "Set of items to be included in the RIO 2001" (hereafter referred to as "Set of items")¹.

1. INTERCONNECTION PRICES

Revision of the interconnection prices established in the RIO 2001 is considered necessary, bearing in mind the application of the principle of cost orientation, which could now be consolidated by alignment with current European Union practices, in conformity with point IV.B.1.3 of the "Set of items".

In particular, the establishment of interconnection prices on fair, proportional and non-discriminatory terms, is recognised as an important factor in the development and promotion of open competition in the liberalised telecommunications market, encouraging efficient and sustained entry and the interoperability of the services, and reflecting the social and economic welfare of its users.

Therefore, the maximum interconnection prices to be in force from 01/01/2001 (prices per minute, chargeable to the second from the beginning of the call), are as follows:

Price per minute, based on a 3-minute call, (amounts in Escudos not including VAT)

	Termination		Origination		Transit	
	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
Local	1\$80	1\$32	2\$07	1\$52	1\$30	0\$96
Single Tandem	2\$75	2\$15	3\$15	2\$44	2\$01	1\$55
Double Tandem	4\$30	3\$20	5\$20	3\$86	2\$67	1\$98

For the services of call termination, call origination and call transit, the maximum price for call setup should be 1\$60 for local interconnection,

¹ See at <http://www2.icp.pt:8081/interligacao/uk/pdf/pri2001.pdf>

1\$80 for Single Tandem interconnection and 2\$00 for Double Tandeminterconnection.

2. OUTGOING INTERNATIONAL TRAFFIC

On 24/11/00 PT Comunicações presented a proposal applicable to this segment, which produced a considerable price increase in comparison to the RIO 2000 (particularly in the termination of international traffic in mobile networks).

Given that the above-mentioned proposal could be consolidated in a unilateral alteration of the relevant agreements, it is considered that this represents the beginning of a negotiation process. Therefore this process will not produce effects as long as it is not concluded and as long as PT Comunicações does not provide detailed justification and data that enable the suitability of the conditions and prices in question to be gauged, particularly in consideration of the principle of cost orientation.

Within this context, the conditions applicable to the service of transport of outgoing international traffic will in the future be resolved (along the lines of the ICP's definitions in relation to the hearing on the "Set of items") within the scope of an investigation, to be carried out by ICP. This investigation will be on the competitive structure in this segment of the market, and in the same way, will put into perspective backhaul supply conditions for access to underwater cables and the possible dynamization of alternative supply, as well as the evaluation of the effective costs and prices practiced in light of the relevant regulatory principles. It will also heed to the prevailing conditions in incoming international traffic, considering the close interdependence of these flows.

3. PRICES FOR MANAGEMENT, MAINTENANCE AND OPERATING SERVICES

As regards the services mentioned in point 3.2 of appendix 4 – Management, Operation and Maintenance Manual, and mentioned in point 17 of appendix 5 – Prices of Interconnection Services, no prices applicable to these services have yet been provided.

Within this context, PT Comunicações should provide ICP with a proposal regarding these prices. This proposal should include estimates of the value of these services carried out in 2000, for the level of services provided in that year.

4. SPECIAL SERVICES

The conditions of interconnection applicable to access to special services in 2000 were the object of resolution by ICP on 07/07/2000, when a set of rules was approved to be followed by interconnection parties for the access of the customers of a certain party to the special services provided by a second party. Considering that the prerequisites remain valid, interconnection conditions applied for access to special services should follow the provisions of the above-mentioned ICP resolution.

5. CALLS ORIGINATED IN PUBLIC TELEPHONES

Bearing in mind particularly and in comparison, the promotion of diversification of services which can be accessed from public telephones and the appropriate compensation of costs effectively incurred by PT Comunicações, the price of interconnection applicable to calls originating in PT Comunicações public telephones should be, at most, equal to 150% of the price stipulated for the service of call origination.

6. ACCESS TO THE INTERNET

Bearing in mind the evolution taking place in the market, particularly as regards the supply of flat rates for Internet access in the retail and wholesale market (and especially regarding the supply of flat rates for interconnection for Internet access), conditions of Internet access, including, among others, the problem associated with the prices and conditions of supply of primary ISDN access, should soon be the object of posterior resolution.

7. CO-LOCATION OF INTERCONNECTION EQUIPMENT

Prices for each of the items, supplies and functions available should be identified in the RIO 2001, within a reasonable period of time. When it is not possible to provide such prices PT Comunicações should provide due justification, identifying the conditions for formation of prices in this case. Deadlines and procedures associated with requests for access for co-location should also be specified in the RIO 2001.

In cases where an agreement is made between several OLOs and whenever possible, conditions should also be foreseen in order that the space demarcated as a “safety cage” may be shared by operators.

8. INTERCONNECTION CIRCUITS

As regards interconnection circuits the RIO 2001 does not explicitly mention the conditions applicable to the interconnection of SMPO circuits, especially local ends, with the circuits of the other operators, so as to allow the latter more complete provision of leased lines to end users.

This matter is foreseen in point III.A.4.4 of the document “Set of items”, and the inclusion of conditions has been requested, particularly in terms of prices, quality of service, useable interfaces and principles underlying co-location.

In the RIO 2001, PT Comunicações should therefore clarify the above-mentioned conditions of supply of interconnection of the SMPO's local ends with the circuits of the other operators.

Furthermore, PT Comunicações should alter the prices mentioned in the RIO 2001 referring to CAM circuits, in conformity with the prices currently in practice, which are a result of ICP's recommendation on 27/07/00.

9. POINTS OF INTERCONNECTION

Any restrictions raised by PT Comunicações should be duly justified in the RIO 2001, indicating the anticipated dates for the duration of these restrictions, particularly those relating to the “exception status” of the Azores and Madeira Network Group Centres, as regards the non-geographic numeration services.

As for the conditions associated with Double Tandem, it is considered that, although the RIO 2001 is recognisably evolving positively due to the widening of the National POIs to include the NGC of the Azores (Ponta Delgada) and Madeira (Funchal), there could be further evolution of the same, if it is to be brought in line with the current practice of most European countries.

In this context, within a period of 4 months, PT Comunicações should submit to ICP a proposal to revise the interconnection structure and the list of POIs. This proposal should be with a view to promoting efficiency in the interconnection economy which should also heed current European practices, particularly as regards the diffusion, hierarchy, networking and cover of local and transit switches.

10. PLANNING OF WORK TO BE CARRIED OUT

With the exception of duly justified extenuating conditions and without prejudice to the execution of all actions that may minimise adverse impacts on the quality of service, the rule about giving prior Notice must be respected regardless of the duration of the actions to be carried out. Sufficient notice should be given to avoid affecting the service offered by other operators and providers of services, and this Notice should provide due justification.

The RIO 2001 should also explicitly mention that viable alternatives will be ensured by the operator responsible for the temporary unavailability of the interconnection services, particularly by means of alternative re-routing via another POI, in accordance with the stipulations of point I.B.2.1 of the document “Set of items”.

11. INFORMATION AND CONFIDENTIALITY

Regarding the confidentiality of information exchanged between the parties within the scope of RIO 2001 it should be explicitly mentioned that any information obtained is confidential and may only be passed among and used by the areas of PT Comunicações that need this information in order to ensure the supply of services mentioned in the RIO 2001.

12. TRANSIT SERVICE WITH “CASCADE INVOICING”

In cases where there is agreement between the party where the call is originated and the party that terminates the call, the transit service provided by PT Comunicações should include “cascade invoicing”. Thus, unless there is an agreement to the contrary between the said parties, PT Comunicações should provide the transit service with “cascade invoicing” from the outset:

- a) by invoicing the operator where the call is originated (or the indirect access operator) for the transit service, plus the price for the termination in the network of the operator where the call is terminated;
- b) by paying the operator where the call is terminated for the service of call termination, under the terms agreed for the termination of calls originated in the PT Comunicações network.

The maximum amounts to be charged for the transit service are those indicated in point 1. It is considered that there is insufficient prior justification for the eventual application of a further sum (in relation to the prices stipulated in point 1), particularly in view of the cost orientation principle.

13. ACCESS TO AUDIOTEXT SERVICES

It is considered that PT Comunicações should ensure direct access for customers of other licenced operators to audiotext services offered by providers of services on the PT Comunicações network.

Within this context, on joining this service, and when there is an agreement between the party that originates the call and the audiotext service provider, and in the absence of an agreement to the contrary between the above-mentioned parties, PT Comunicações should:

- a) Invoice the operator where the call is originated for the call termination service, plus the amount to be paid to the audiotext service provider;

b) Pay the audiotext service provider.

The maximum amounts to be charged for the termination service are those indicated in point 1. It is considered that there is insufficient prior justification for the eventual application of a further sum (in relation to the prices stipulated in point 1), particularly in view of the cost orientation principle.