
Analysys Mason's opening statement

Oireachtas Committee meeting, 12 June 2019

My name is Matt Yardley and I am a Partner and Head of Analysys Mason's Manchester office. I am Analysys Mason's lead partner on the national broadband plan (NBP). Joining me today is my colleague, Pat Kidney. Pat is a Partner, head of Analysys Mason's Dublin office and our day-to-day Partner on the national broadband plan.

In this opening statement I will provide some background on Analysys Mason. I will then take the committee through the scope of our engagement, followed by commentary on some aspects of our advice.

Analysys Mason is a sector specialist in telecoms and works across three main areas: strategy, transaction support, and policy and regulation. The company was established over 30 years ago, and we now have 260 staff in 16 offices around the world with our HQ in London.

I have been with Analysys Mason for over 22 years and I have worked extensively on broadband-related projects for a wide range of clients, including operators, investors, regulators and governments. I have a particular focus on national broadband policy and implementation, and have been heavily involved in this policy area in the UK, as well as other international markets. I have also given evidence in competition tribunals and commercial arbitration cases, in the UK and Ireland, in relation to high-speed broadband networks.

My role on this project for the Department is to provide overall project direction and quality assurance to the team of technical experts working on this project. That team has expertise across fibre networks, fixed wireless access networks, network deployment, state aid, IT systems and other technical areas.

Analysys Mason was appointed in January 2015, following a competitive tendering process, as technical advisers to the Department, to work closely with the CTO, Patrick Neary. Our scope of advice was in two main phases:

- **Planning stage (ahead of the procurement):** including technical strategy, network cost modelling, developing the broadband specification, and identifying the premises in the intervention area.
- **Procurement stage:** including developing various technical specification documents and the technical evaluation criteria; interacting with the bidders during technical dialogue meetings; undertaking the technical evaluation; and providing various technical inputs to the procurement documentation, along with other *ad hoc* matters.

In addition, we have provided various inputs to PwC and Mason Hayes & Curran, for example on state aid matters, and some regulatory issues.

Analysys Mason's role in the pre-qualification of bidders was centred on assessing the technical and professional capability of the consortium with regards to the deployment, operations and maintenance of networks of similar size and scale as that envisioned in the NBP strategy. When a change to consortium membership occurred, we were part of the team that confirmed the consortium continued to meet technical and professional capability criteria in accordance with the published tender documents.

We were the lead author of all the technical-related procurement documents covering the technical solution, future proofing, products, deployment, operations and maintenance. We took a lead role in the technical 'dialogue' with the bidders, clarifying bidder responses and evaluating the responses against the procurement criteria. We also prepared technical briefing notes and made presentations on technology to various stakeholders, for example covering technology developments in fibre and wireless networks.

As the Committee is aware, eir submitted plans to expand its fibre network build to cover around 300,000 premises in the intervention area. In accordance with published criteria, we carried out an assessment of the credibility of these plans from a technical and deployment perspective, and concluded they were credible. The intervention area was changed as a result.

Another area of focus for Analysys Mason was on network costing. This took place early on in our engagement, and was updated at various points throughout the process, as more information came to light. Our costing work included both capital expenditure ('capex') and operating expenditure ('opex') elements, covering both the initial build of the network, and the long-term operation of the network. These costs were then taken by KPMG as an input into their subsidy model.

We were also involved in the technical aspects of the contract development, helping the Department manage the various technical risks that had been identified throughout the process.

The final tender was received in September 2018. We concluded that the bidder proposed a technical solution that was capable of delivering on the Government's requirements. As part of that analysis, we noted that the total cost (capex and opex) was broadly similar to our costing model, when differences in take-up were accounted for.

I am happy to take questions on the advice that we have provided.