

Opening Statement by Garrett Blaney, Chairperson of ComReg to the Joint Oireachtas Committee on Communications, Climate Action and Environment

Thursday 11 July 2019

Go raibh maith agat, a Chathaoirleach, agus tá muid buíoch as ucht an cuireadh a bheith i láthair anseo inniu arís.

Thank you Cathaoirleach and on behalf of the Commission for Communications Regulation, we are happy to appear before the Committee again, to address further queries about the National Broadband Plan (NBP) and specifically in relation to Universal Service.

I am joined today by my fellow ComReg Commissioners - Jeremy Godfrey and Robert Mourik, and also by my colleague Barbara Delaney who is the Director of Retail and Consumer Services in ComReg. As I stated when we appeared on 5th June, I have been the Chair of ComReg since January of this year. My fellow Commissioner Robert Mourik also joined at this time, while Jeremy Godfrey has now been with ComReg for almost six years.

ComReg is the National Regulatory Authority (NRA) for electronic communications. We promote competition and investment in the sector. We uphold end-user rights and we manage the radio spectrum. In our recently published strategy statement we confirmed our vision for the sector that consumers and businesses in Ireland have affordable, high-quality, and widespread access to communications services and applications that support their social and economic needs.

Our role in achieving this vision is to ensure that communications markets operate effectively in the interests of end-users and society. Over the past several years, predictable and proportionate regulation has created an environment which has led to investment in high-speed broadband networks covering three-quarters of the premises in the State; at the same time, there has been an increasing choice of service providers. Over the next few years, operators plan to make available direct fibre connections to most of these premises.

However, there are parts of the State where the population density is lower, and high-speed broadband would not be a viable commercial investment. Consumers and businesses in these areas have not benefitted equally. That is why we welcome the Government's National Broadband Plan, which will address this market failure.

ComReg has provided the Committee with a detailed submission on Universal Service, in advance of this meeting, which I will now summarise in the interest of efficient use of the Committee's time.

Universal Service is a safety net used to ensure that voice and other basic communications services are made available at an affordable price to a minority of citizens that may not be able to access those services as they are not commercially available, when the majority of citizens already have access. It also protects citizens where legacy services are in danger of being withdrawn or not provided at an acceptable quality standard when there is no affordable alternative.

With regard to Broadband, the current legislative framework does not allow for a Universal Service Obligation that includes high-speed broadband. Previous Government public policy interventions have

been used to bring basic broadband to end-users. The NBP is designed to ensure high speed broadband. The current obligations under Universal Service were put in place by ComReg to provide a safety net to ensure that end-users can access voice and other basic services.

A new framework has been adopted in EU law, which is due to be transposed into national law before the end of 2020. This makes provision for Member States to use a USO to ensure that “adequate broadband” is available to all end-users. It is for Member States to define ‘adequate broadband’, in the light of various criteria and in light of national conditions.

This mechanism is not intended to replace public policy interventions (such as the NBP), or commercial rollout. Instead the new framework permits a USO only to be used to ensure the connection of remaining unserved premises where commercial rollout and public policy interventions cannot achieve this. It does not allow a USO to replace a public policy intervention such as the NBP, which must be carried out, in advance of the consideration of any USO being required to be put in place, as necessary. If a USO were implemented, there would need to be an open process to select the universal service provider or providers, so that all interested parties could be considered and market distortion is minimised.

While transposition of this legislation is required by 21 December 2020, subsequent analysis regarding the necessity for a broadband USO and any subsequent consideration of designation of Universal Service Provider(s), if appropriate, would require additional time.

Under the new framework, where the verified net cost(s) is found to be an unfair burden, designated provider(s), could be compensated for the verified net cost(s) of providing the USO. The financing of the verified net cost(s) could be from public funds or industry or both, depending on how it is transposed by DCCAIE.

ComReg’s role under the new framework has yet to be fully determined. This will be made clear upon transposition. While there are some responsibilities set out for National Regulatory Authorities (“NRAs”) the majority of requirements contained within the new framework are firmly placed on Member States. ComReg anticipates that it may be assigned further responsibilities by the Department of Communications, Climate Action and Environment (“DCCAIE”) to carry out on behalf of the Member State (Ireland), however, the detail of such responsibilities will not be certain until transposition has been completed.

Some of the issues raised by the Committee may be the subject of court proceedings and in the circumstances it would not be appropriate for ComReg to comment on those issues.

Thank you for the opportunity to appear today and make this statement. We are happy to take any questions the Committee members may have arising from our statement.

Ends.