



11 August 2021

Mr Pat Fannin,
Secretariat
Committee of Public Accounts
Leinster House
Dublin 2
D02 A272

Department of the Environment, Climate and Communications (Vote 29)

Ref: S0497 PAC33

Dear Mr Fannin,

I refer to your letter dated 28 July last following discussions at the Public Accounts Committee meeting on 6 July 2021 on previous correspondence received from this Department in relation to the National Broadband Plan.

The information requested in the aforementioned letter is set out below.

Update on the number of connections under the National Broadband Plan

Despite the ongoing challenges associated with Covid-19, significant progress has been made in the delivery of the National Broadband Plan with a number of key milestones achieved. Of particular note is:

- the first homes were connected to the NBP network in Carrigaline, Co Cork in January;
- the first farm was connected to the NBP network in Drumfore, Co Cavan in April;
- a remedial plan to address the delays arising associated with the Covid-19 pandemic was approved by the Department in May and National Broadband Ireland (NBI) expect to have some 60,000 premises passed and available for connection by the end of this year;
- the 200th Broadband Connection Point (BCP) was connected in Drumhowan Community Centre, Co Monaghan in June; and
- over 1,000 direct and indirect skilled jobs have been created across Ireland under the NBP.

Momentum is building on the project and as of 30 July over 12,000 premises are passed and available for connection; this compares to the 4,000 referenced in my letter of 7 July. 45 Retail Service Providers (RSPs) will be offering services on the NBI network to customers across Ireland, creating greater competition, choice and value for consumers. Currently, 19 RSPs are actively selling on the NBP Network with over 19,000 premises (across Cavan, Clare, Cork,

Galway, Limerick, Monaghan and Roscommon) now available for order and pre-order through local broadband service providers.

In parallel, the Department is actively engaging with NBI to explore the feasibility of accelerating aspects of the NBP rollout to establish the possibility of bringing forward premises which are currently scheduled in years 6 and 7 of the current plan to an earlier date. Any change requires detailed technical, commercial and financial analysis. Government and NBI have agreed to accelerate the rollout of high speed broadband to 679 primary schools across the State by the end of 2022, ensuring that by that time all schools across the State will have the necessary infrastructure to carry out their critical day to day educational activities.

NBI has established a dedicated team to investigate acceleration of the fibre network rollout from its current contracted schedule of seven years. Substantial work has been completed by this team to date, with further actions scheduled over coming months. This includes positive engagement with current build partners which is a key element of being able to deliver the programme faster.

Penalty clauses in the contract

The contract with NBI contains a comprehensive set of protections and legally binding obligations. The contract requires significant monthly, quarterly and annual reporting of costs and revenues to the Department, with the subsidy released only on achievement of contract milestones which are verified through an independent certification process. This means that NBI are only paid subsidy when milestones have been met and verified.

The contract makes provision for dealing with delays to delivery of the network arising from unprecedented events such as the Covid-19 pandemic and NBI can seek additional time to meet contract milestones in those circumstances; no penalties would apply. In other circumstances, the contract provides that penalty provisions relating to delays to delivery of the network are applicable with respect to any delays that occur from the end of contract year 2 (i.e. from 1 February 2022). Should NBI miss milestones from that date, penalties will apply for the duration of the build period. As indicated in response to a supplementary question during Oral Parliamentary Questions on 1 June last, at the present time no penalties are applicable in relation to delays to the build programme.

Information on the use of existing Infrastructure

The National Broadband Strategy statement published in 2015 acknowledged the significant amount of existing passive infrastructure across the State (poles /ducting /masts /towers /exchange buildings etc) and a list was published by the Department of companies that could make this infrastructure available to the successful bidder to the NBP tender process. It is also a prerequisite of the State Aid Guidelines for Broadband that Member States maximise the use of existing infrastructure thus minimising any duplication of network build, reducing the build cost and the amount of State Aid required.

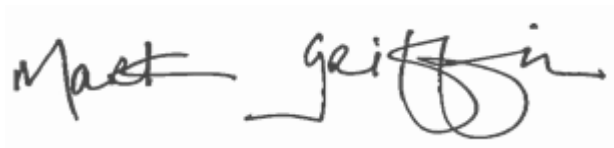
In 2019 NBI entered into binding twenty five year agreements to use the existing eir pole and duct network together. Agreements are also in place in relation to co-location sites and ducting

provided through the Government's Metropolitan Area Networks. The pole and duct network access terms and conditions, including the price charged by eir, is regulated by ComReg. ComReg is currently carrying out a detailed review of the pole and duct pricing applicable to the NBP.

NBI may also use other infrastructure providers and it is understood that they are engaged with potential alternative network infrastructure providers where they could bring more efficiencies and speed to the rollout. Where NBI propose to use other providers to the eir and the MANs the Department will have an oversight role to ensure all such networks will meet the minimum standards required by the Contract.

Should you require any clarification or additional information, please do not hesitate to contact Ms. Catherine McGinty in my Department, by email at Catherine.McGinty@DECC.gov.ie or by phone at (01) 6782423.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mark Griffin', written in a cursive style.

Mark Griffin
Secretary General