

**Joint Committee on Social Protection, Community and Rural Development,
and the Islands**

**Opening Statement Ciarán Ó hÓbáin, Assistant Secretary
Department of the Environment, Climate and Communications**

20th October 2021

I would like to thank the Committee for the opportunity to attend here today to provide an update on the rollout of the National Broadband Plan. I am joined here today by Fergal Mulligan, Programme Director for the National Broadband Plan and Patrick Neary, Chief Technology Officer in the Department of the Environment, Climate and Communications.

Over the past year and a half, Ireland's broadband infrastructure, both fixed and mobile, has allowed hundreds of thousands of people throughout the country to continue working and learning through lockdown restrictions and social distancing. The importance of high-speed, quality, reliable broadband is now more evident than ever. Had the pandemic occurred a decade ago, Ireland's transition to remote working and remote education would not have been possible. The experience of the past eighteen months has, however, further heightened awareness of the importance of access to a reliable, quality broadband service for so many aspects of our daily lives and has also heightened awareness of the challenges faced by those who do not currently have access to such a broadband service.

The National Broadband Plan contract, which was signed in November 2019, will ensure that a future proofed high speed broadband network will be deployed by National Broadband Ireland (NBI) to the more than 1.1 million people living and working in the intervention area. The NBP intervention will ensure that in the future, decisions on where people live and work will no longer be influenced by availability of broadband. The contract is for at least 25 years and provides that the new network will be built over a seven year period, reaching every premises in the intervention area. Over the 25 years of the contract, all new builds in the intervention area will also be connected to the network, ensuring that into the future nobody is left behind.

The NBP contract is future proofed and requires NBI to upgrade the infrastructure over the 25 years of the contract to match the level of service available in our cities and major towns. The manner in which NBI has approached the deployment of the network gives a very clear indication of NBI's commitment to deliver on this aspect of the contract. The procurement process for the NBP contract provided for a minimum service of 30 Mbps download speed,

based on EU State Aid Guidelines, and the tender from NBI and the NBP contract increased this to 150Mbps. The NBP network will actually provide an initial service with a minimum standard of 500Mbps download speed to all premises in the Intervention Area, with service of up to 1Gbps available to businesses and other users on request.

For people who will be waiting until the later years of the network build for a connection, the Department recognises that today, they are more likely to be concerned about the timeline to get connected to a reliable broadband service, than to the very high speeds that will be available over the NBP network and the future proofed nature of the contract. Over time, however, the future proofed nature of the contract will ensure that people living in the intervention area do not in the future, once again find themselves on the wrong side of a digital divide.

2020, which was the first year of the NBP contract, saw a significant level of mobilisation activity by NBI, including recruitment of personnel, procurement of materials and contractors, installation of equipment in exchanges and building IT systems to support the network. Surveys and designs were progressed to inform the build programme, resulting in the first homes being connected to the new fibre network in January of this year in County Cork.

The network deployment which began in late 2020 ramped up in 2021 and is now active right across the country. Today, over 113,000 premises are under construction in 30 Deployment Areas and more than 27,000 premises can order or pre-order a connection in Counties Cork, Galway, Limerick, Cavan and Monaghan. As of 8th October more than 266,000 premises have been surveyed, with detailed designs completed for over 226,000 premises. By the end of this year, National Broadband Ireland has forecast that almost 60,000 homes will have been passed and will be able to connect to the network. There are now over 270 staff employed directly by NBI, along with more than 900 contractors across the country working on the network rollout.

NBI has installed 382 Broadband Connection Points (BCPs) which are a key element of the NBP and will provide high speed broadband in every county in advance of the roll out of the fibre to the home network. This includes 141 school BCPs and under an acceleration of this aspect of the NBP a total of 679 primary schools will be connected by the end of next year. BCPs are live on Inishboffin, Clare Island, Bere Island and Sherkin Island, for example. Agricultural marts located in the intervention area have also been contacted and 11 are now in line for connection as a BCP

The NBP contract was awarded on the basis of a capped subsidy, with National Broadband Ireland carrying the risk for any cost overrun, or shortfall in revenue. When the contract was awarded in November 2019, the total capped subsidy, including contingency and VAT was €2.9bn. As a result of a ruling by the Revenue Commissioners on VAT, the total cost is now capped at €2.7bn. At a meeting of the Joint Committee on Transport and Communications on 15 September last, NBI informed the Committee that it was confident that it could deliver the network build in under seven years and within budget.

The rollout of the national broadband plan network has been impacted by the Covid-19 pandemic. While telecommunications activity was deemed essential work under Covid-19, activities relating to network build generally involve multiple-person crews and the onset of significant Covid-19 case numbers and the implications for ‘close contacts’ severely impacted NBI’s ability to have multiple-person crews operating during certain periods in 2020 and 2021.

The Department has worked closely with NBI to put a remedial plan in place to address delays experienced to the NBP rollout. Under this plan, NBI are implementing a number of measures to help lessen the impact, including increasing the level of throughput in the eir “make-ready” programme and bringing in additional resources in NBI and its sub-contractors.

In addition to the challenges to the delivery of the NBP due to the Covid-19 pandemic, NBI has faced a range of other challenges due to the sheer scale and complexity of rolling out fibre to the home in a rural environment. These include significant tree trimming to ensure cable can be placed on overhead poles, remediation of ducting that has been in place for many decades, the co-ordination of hundreds of contracting crews and addressing the many issues arising week on week which could not have been foreseen until the build crews commenced work on the ground. We have worked closely with NBI to put in place a remedial plan under the Contract. This plan addresses delays experienced by NBI, primarily arising as a result of the Covid-19 pandemic, and re-baselining milestones for 2021. Work is underway to re-baseline milestones for 2022 and beyond. This has resulted in some changes to timeframes for connection for end users.

Exploring the potential to accelerate the network rollout is being undertaken in parallel with the measures required to mitigate delays arising as a result of Covid-19. The primary focus must be on addressing the delays which have arisen and ensure that the National Broadband Ireland build programme gets back on track and is building momentum month on month.

Publication of Ireland's NBP strategy almost a decade ago has influenced investment in very high capacity broadband infrastructure in Ireland which is on a steep upward trajectory. In terms of commercial providers, Eir is upgrading its existing fibre to the cabinet network to a fibre to the home network, for approximately 1.9 million premises. SIRO has completed the first phase of its fibre deployment which has now passed more than 400,000 premises with gigabit services. Virgin Media is offering 250Mbps as a standard offering with 500Mbps and 1Gbps available to many of its customers across the over 1 million premises it reaches. Many other network operators and telecom service providers across the State also continue to invest in their networks.

Data published by ComReg clearly demonstrates that where very high capacity networks are available, demand will follow. For example, ComReg's latest quarterly report indicates that 46% of broadband subscriptions are for services offering speeds in excess of 100Mbps and that there are over 308,000 fibre subscriptions across the country, representing a 54% increase on last year.

When the National Broadband Plan procurement process was commenced, the EU Digital Agenda had an ambition of broadband speeds of 30Mbps being available universally in the EU. Today, under the EU Digital Compass the ambition is universal access to Gigabit broadband by 2030. With the National Broadband Plan State intervention, together with the ongoing investment by commercial operators, Ireland is well positioned to be the leading EU Member State, with Gigabit connectivity available on a universal basis in the second half of this decade and well in advance of the 2030 target.

Through our governance and management of the NBP contract, the Department will work with NBI to ensure that the National Broadband Plan is delivered on time and within budget, so that the opportunities that will flow from a fully connected Ireland can be realised.

We look forward to assisting the Committee members with any questions they may have today.

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