

National Broadband Ireland Opening Statement to Joint Oireachtas Committee on Transport and Communications - 15th September 2021

I would like to thank the Chair and the Committee for the invitation to discuss the National Broadband Plan today.

I am Peter Hendrick, CEO at National Broadband Ireland. I am joined by TJ Malone, who is CEO of NBI Deployment and leads the team building the NBI network, and Tara Collins, Chief Marketing Officer, who oversees all stakeholder and community relations.

Speaking on behalf of TJ and Tara who had the opportunity to meet Committee members in person, out in the field in recent weeks, it has been a pleasure to present first-hand how the NBI Network is being deployed. I hope these sessions have been informative and helpful - as it's always hard to convey the size, scale and complexity of the National Broadband Plan without this context. For this reason, there remains an open invitation to all Committee members to experience the work of our teams out in the field.

I thought it might be helpful if I start by providing the Committee with an update on NBI's progress.

Our teams have now scaled with construction active across all 26 counties, and over 1,000 people hired, onboarded and working on the project - that includes our key sub-contractors - Actavo, Entegro, Indigo, KN Group, Secto and TLI. We're also working with infrastructure operators such as open eir and Enet. I would like to acknowledge all the hard work that's been done by everyone involved to date, and the collective commitment to bring high-speed broadband to those that need it most.

Across the project, we have made major achievements, despite operating for 19 out of 21 months in an environment where Covid-19 has caused unprecedented disruption.

- Over 251,000 premises have been surveyed, of which over 221,000 are designed or are in detailed design.

These activities are vital precursors and are continuing at pace. It's the survey and design activities that are creating the pipeline for the build works and ultimately, for premises to be passed.

- Right now, there are over 108,000 premises under construction with works underway.

- Over 20,000 premises are currently able to place their order via their preferred retail service provider and this will rise to 60,000 premises in December this year.

Since the commencement of the project, there have also been other major achievements outside of the fibre-to-the-premises build programme:

- 371 Broadband Connection Points, including schools have been installed by NBI. With respect to the Broadband Connection Points Programme, NBI met its contractual targets in full in 2020. Already, the BCP project is having a big impact and will be even more vital in a post pandemic Ireland. They will facilitate remote working by putting connectivity into the heart of communities in advance of the Fibre to the Premise roll-out.

With BCP's and schools, it's important to recognise that, taken together, we're building a network of over 900 strategic connection points for community use by end of 2023.

- We are making progress on the school's programme itself, with 140 delivered by NBI. We have already announced our commitment to accelerate installations for all primary schools in the Intervention Area. Originally, many of these would have been waiting up to seven years, so we are delighted to be able to bring this forward and bring next generation broadband to the next generation.
- We have also increased our minimum speeds from 150 megabits per second to offer 500mbps as the minimum speed.

As the CEO of NBI, I am incredibly proud of the work that our team has delivered, particularly amongst the turbulent conditions that we've seen caused by the Covid-19 pandemic.

The impact of Covid-19 has resulted in the need to introduce extensive mitigation strategies and re-baseline original rollout targets. Obviously, the original volume projections were conceived pre-Covid, and could never have predicted or accounted for the operational environment created by the global pandemic.

If we cast our minds back to the end of last year and into the beginning of 2021, which was when NBI was scaling construction work and moving into the final stages of construction for the first Deployment Areas, we saw a sudden and significant increase in Covid-19 cases. The number of active Covid-19 cases increased from 15-17,000 (which was already the highest since March 2020), and then proceeded to hit over 100,000 active cases by January 2021.

To provide the Committee with some context to the disruption to our construction programme, during this second wave of Covid-19 from December 2020 to March 2021, one of our major contractors faced having 40% of its total workforce being unable to work at a given time, due to Covid-19 cases or personnel being close contacts of confirmed cases.

The extreme number of Covid-19 cases at the start of 2021 made it impossible to predict certain elements of the rollout progress during that period and added significant risk to the programme. This was not just a factor felt by NBI, but the pressure was across every one of our subcontractors and other partners. During this second wave, the impact was arguably felt more severely than the first wave due to where we were at in our mobilisation plan.

The impact of this disruption meant that by April 2021, we had to re-baseline the plan for 2021, targeting 60,000 premises for year end.

The team is as frustrated as anyone with the fact that the pandemic has disrupted our original plans. The principal objective on which our entire team remains focused is delivering high-speed broadband to homes, farms, schools and businesses as quickly as possible, and as we head into 2022, this means finding ways to recover delays to the programme and to increase the volume of our completions.

In fact, in areas where we were affected by Covid-19, we have already recovered and are ahead of the plan, such as in survey.

To underpin all of this, we have contracted with open eir to increase the volume of pole replacement and duct repair commencing from 1st October 2021. We have also been working closely with our many tree-trimming contractors to significantly increase the volume of their work, as completion of these two areas of work is required before we can begin to install the NBI network.

I would also like to assure the Committee that the management team of NBI, as well as our board and shareholders, are very positively disposed to bringing forward the overall completion of the project, a goal that we believe is achievable. This principally involves bringing forward the completion timescales for premises currently scheduled to be passed in years 2025 and 2026.

Extensive work is already underway, which includes the procurement of additional contractor resources to commence in Q4 this year to meet the increased output of the eir “make ready” programme. Other operational efficiencies and experiences gathered from the initial deployment areas can be industrialised to assist with project acceleration, as can the new Section 254 licensing processes with the support of the Local Authorities.

These plans to catch up and ultimately bring forward completion of the roll-out will continue to mature over the coming 6-9 months.

I would also like to provide an update on some specific matters that we've been progressing further to requests from the Committee.

Firstly, with regard to premises in the amber area that are located adjacent to commercial operator's networks in the blue area of the map.

NBI is consulting with the market, via a tender process, to identify alternative wholesale solutions. If suitable solutions are identified, they will be provided by 3rd party operators but would be provisioned, activated and assured by NBI and would be subject to the same contractual SLAs as the rest of the NBI Network.

The prequalification process has been completed and we are moving to the next stage of the tender process. We expect frameworks to be in place by the end of the year and pilot implementations to be done during Q1 2022.

Secondly, we are acutely aware for the need to engage with, communicate with and inform all relevant stakeholders. Central to our marketing activities are two core themes – addressing any information deficit, whilst also managing expectations of the end users.

A range of marketing, communications and stakeholder engagement initiatives are being deployed. For example, targeted door drops, ezine updates, local press releases, local advertising, our social media channels, in-person information events and county council presentations to name a few.

Specific to the website, NBI's website is an "Always-On" development and its evolution is built with best-in-class user experience principles, based on research, experience and testing. In particular, recent focus has been on:

- Simplified menu structure and site navigation
- Simplified FAQ categorisation to make information easier to find
- Increased use of graphics and iconography
- Animated videos to explain and demystify some topics
- New interactive rollout map – displaying anticipated roll out date ranges for all end users.

We also operate a contact centre with dedicated communication channels to assist with queries from end-users and political stakeholders. The team strive to provide seamless experiences across all touch points, which includes phone, email and social networks. The role of the contact centre is to provide information on the rollout of the programme and to register stakeholders for email updates, so that we can keep them informed as the programme progresses and share updates specific to their premises.

Ireland's NBP is part of a much broader pathway set out by the European Commission, to ensure every household has access to high-speed broadband by 2025 and Gigabit connectivity for all by 2030. Ireland, thanks to the commercial investments from eir, Siro and Virgin Media, as well NBI's deployment to 544,000 premises is placing Ireland at the forefront of European nations in terms of providing high speed broadband to 100% of the population.

The migration from legacy broadband to fibre broadband is already well underway. Latest ComReg data shows that, at end-Q2 2021, there were almost 309,000 fibre connections in place, out of a total of 2.2 million fixed line subscriptions - showing annual growth of 54%.

A report published in May 2021, by the Fibre to the Home Council Europe states that almost 56% of homes in Ireland have access to full fibre, compared with the EU27+UK average of 44%. The same report cites Ireland as the fastest growing market (in volume and in %) in terms of Fibre to the Premise subscribers.

I would like to conclude by saying that at NBI, we are acutely aware of how vital reliable, high-speed broadband has become to our lives. We believe that despite the extreme and turbulent conditions faced throughout the past 19 months due to Covid-19, the work of our team provides a platform and gives us confidence to deliver the project on time – or earlier - and on budget.

We welcome the opportunity to take questions from the Committee.

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