

eir Opening Statement to Joint Committee on Transport & Communications Networks

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Introduction

I would like to thank the committee for inviting me to attend today's meeting to discuss eir's continued investment in broadband infrastructure in Ireland, together with our continued support for the National Broadband Plan and also the challenges we have faced in operating our call centres during Covid-19 and the progress we have made in resolving delays in customer care wait times.

The Covid-19 pandemic has had a dramatic impact on all our lives and has made very clear the fundamental importance of reliable connectivity for work, education, security and many other elements of life.

Since April of this year, eir has connected 150,000 new customers to fibre broadband and repaired 200,000 faults. eir's team of approximately 1,000 field engineers have worked continuously throughout lockdowns and travel restrictions, following rigorous safety guidelines and without losing a single day in the field.

Given the challenging wider circumstances - we are extremely proud of our field force, we are proud of their commitment to carrying out their essential roles and those milestones they have achieved, which has so vastly improved the lives of many who, as a result of COVID-19, depend on eir's essential services.

Regional Access to Broadband

eir completed its rural fibre broadband programme during the summer of 2019, delivering Fibre to the Home (FTTH) to approximately 340,000 rural homes and businesses on time and on budget. eir invested €250 million to deliver rural fibre and as a result of this investment, 40% of rural premises in Ireland entered the pandemic with the opportunity to access high-speed fibre broadband at no cost to the taxpayer. In recent months we have seen a significant increase in uptake on this network which means, as a result of our investment, thousands of rural homes and businesses were able to connect and continue to work and learn from home throughout this crisis. The pandemic has reinforced to us all how vitally important this connectivity is.

In July, open eir reduced the wholesale cost of a standard FTTH connection on this network by €70 and reduced rental charges by a further €5 per month, which has led to increased affordability of these packages for customers.

We know Members get representations from their constituents who have homes or businesses close to, but not included in the eir rural fibre network, and many of those people are desperate to be connected. I too receive those representations and given the world we find ourselves in today, I sincerely wish we could connect them.

However, as a private company, we had a budget of €250 million to invest and we developed the programme in a way that connected the most people possible. We extended the programme from 300,000 to more than 340,000 homes and premises ensuring we could connect as many as possible, but that programme is now complete.

Since then the baton has been handed over to NBI and our teams have moved on to our next fibre rollout programme, which is the build of Ireland's Fibre Network (IFN). The IFN programme is bringing the same FTTH gigabit fibre broadband to thousands of households every month in other parts of the country. We are also supporting NBI fully in delivering the National Broadband Plan and we are confident that they will deliver fibre broadband to rural homes in the fastest possible way.

For those households within the NBP intervention area that have longer to wait for fibre broadband we are investing €150 million to upgrade and expand our mobile network and we continued to do so throughout the pandemic, to maximise the connectivity we can offer to customers. While not as reliable as fixed broadband, our 4G mobile data coverage enables speeds fast enough for most office-based workers to work remotely and we have seen data usage increase by 80% over this time last year, as more people use this network for high-speed data connectivity. We have been increasing coverage week-by-week throughout the pandemic as we push towards our target of outdoor coverage for 99% of the geography of Ireland.

Rollout of eir fibre

Following the completion of eir's rural FTTH programme last year, our networks team immediately turned to the €500 million IFN urban and suburban FTTH programme. Once this programme is completed, within the next 4 years, eir's gigabit FTTH network will extend to 1.8m homes and business or approximately 75% of the total in Ireland. The total fibre footprint including fibre to the cabinet will be approximately 85%.

In total eir has now passed 690,000 premises with FTTH broadband and is currently passing 60,000 premises per quarter, delivering gigabit fibre to enough people in those homes to fill Croke Park every month.

As is the case with the National Broadband Plan, eir's FTTH network is future proofed and once completed will push Ireland towards the top of the international leaderboard for broadband connectivity, making the country an even more attractive place to live, learn, work or to open a business. While Ireland competes with other countries for telecoms investment, our shareholders have committed to continuing to invest in the highest quality networks for as long as the regulatory environment ensures a fair return on that investment. The future regulatory challenge will be to ensure that there is a clear, cohesive policy developed that provides a clear path to allow legacy services to move to those more modern networks for the benefit of all users.

Now let me talk about customer care...

Customer Care

Every business in Ireland has been challenged profoundly by the pandemic. eir's challenge has not been in managing our network, or keeping customers connected. Our challenge has been providing a quality care service to our customers at a time when our retail stores were closed, we moved hundreds of care agents to remote working overnight, we had an effective freeze on new hiring and training because of health regulations and we saw a 30% increase in call volume versus the same time last year.

The result was longer than acceptable wait times for our customers and I apologise unreservedly for that. I also welcome the opportunity today to explain why this has happened, what we have done, and what we will do, to address these longer wait times; and to give my personal commitment that this is being resolved.

When I was appointed CEO of eir in 2018 I was determined to make customer care a point of difference for the company. Like most large telecoms operators, eir had long before followed the trend of outsourcing its customer care to specialist operators. This led to a continued high turnover of staff and customer service that was not up to standard.

Two years ago we decided to take those jobs back in-house to improve the experience for eir's customers. We opened a new multi-million euro care hub in Sligo creating hundreds of new jobs, and expanded our regional centres in Cork and Limerick adding additional jobs in both those locations. Bringing these jobs back in-house was challenging, it took time, but it did deliver a better experience for our customers by this time last year. We believe it is the right long term strategy for eir and for our customers. The insourcing programmes across

care and other customer-facing roles has brought hundreds of staff directly into long-term, sustainable, pensionable jobs, with good career prospects, in regional locations.

When the pandemic hit and the lockdown restrictions were put into operation, eir was first to move all care centre staff to remote working to ensure their own safety. As a result we also did not lose a single day of service because of the pandemic.

This time last year our care agents, many of them only new to their roles, and used to the onsite support of their colleagues, trainers, IT and team leaders, were delivering call wait times for customers at 5 minutes or lower and handling on average 40 calls a day. Today, working from home, they no longer have that on site support network, and so we have seen increased wait times and a reduction in the average number of calls handled to 30. For example, if an agent faces a systems issue today, we have to courier their computer back to our IT team meaning an issue that could have been resolved in a few minutes pre-COVID, now could take a day.

Working from home can be challenging for care centre staff, most of them are younger and often working from a shared apartment or a busy home with young children. Working in a bedroom or at a kitchen table is not the job that our staff signed up for and we have lost 80 staff between March and July when we were unable to recruit due to lockdown restrictions.

On top of this, during the period that our retail stores were closed, queries that would have been generally managed in store now have to be managed by our care agents, for example sim card replacement. And with more people working from home and relying on our service for meetings, homeschooling and entertainment, queries have increased dramatically. This initially led to a 30% increase in calls to our centres versus the same time last year.

From March to July the restrictions meant we were unable to hire and train new staff to replace leavers and manage the increased demand. To account for the increase in calls, and the lower productivity of working from home we needed to add 70 new staff and instead we lost agents during the lockdowns. When you add all these factors up, the result has been unacceptable wait times.

The protection of jobs throughout this challenging year is an absolute priority for eir. Roles that couldn't continue as usual during lockdown, such as retail, were redeployed to support care. We introduced a wide range of additional routes to support customers, including online forms for logging faults and requesting refunds. When we reopened our retail stores we extended the customer care services we offer in-store and introduced special hours for vulnerable customers, but as you know, footfall in retail is down across all businesses.

Once restrictions began to lift we launched a national recruitment drive and we have been hiring and training staff across Sligo, Limerick and Cork, efficiently and while adhering to safety guidelines. Travel restrictions, social distancing and the requirement for initial on-site

technical training limits the pace of hiring. These are real challenges facing all businesses, as restrictions continue for longer than anyone anticipated. By the end of this month we will have hired and trained almost 120 new staff; this is something we are proud of, particularly in light of the economic shock and job losses COVID has brought to Ireland. Today we continue to hire throughout the country.

Our average call wait times have decreased as a result of these measures. From an average of 30 minutes during the early stages of the pandemic to below 10 minutes today, for our main Care line. There are some variations to those times, depending on the service required but general care is the main point of customer contact. With new hires starting all the time, we expect the wait times on our main Care line to average 5 minutes before Christmas.

This is still not where we would like it to be, but resolving care wait times has been our number one priority and we have worked hard in an environment where every call centre in the country has longer than acceptable wait times because of Covid-19.

I do understand Members' frustrations, as constituents contact them regarding eir. We know the service we provide is essential and for many, particularly the most at risk, their phone and broadband is a lifeline to their loved ones and the outside world.

We have more than 3,200 people working in eir and every person working at eir, from the 1000 field engineers through to our retail staff and care agents in Sligo, Cork and Limerick, hears these stories from friends, family and neighbours and we are all disappointed at the service levels we have had. We are determined to rectify this and return wait times to acceptable levels and continue to improve from there.

Once again, I thank the Chairman and the Members for the opportunity to address some of these points here today and look forward to answering your questions.