EU Digital Progress Report — 2017

Telecoms chapter

Ireland

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1. Competitive environment

Coverage	IE-2015	IE-2016	EU-2016
Fixed broadband coverage (total)	96%	96%	98%
Fixed broadband coverage (rural)	93%	93%	93%
Fixed NGA coverage (total)	80%	82%	76%
Fixed NGA coverage (rural)	45%	50%	40%
4G coverage (average of operators)	no data	94%	84%

Source: Broadband Coverage Study (IHS and Point Topic). Data as of October 2015 and October 2016.

Fixed broadband market

Next Generation Access (NGA) coverage slightly increased over the last year (to 82% of households, well above the EU average of 76%). Rural NGA coverage increased to 50 % (by five percentage points), well above the EU average of 40%. At the same time, total fixed coverage of rural areas remained at 93%, matching the EU average, while fixed broadband coverage did not improve either, and is now below the EU average. Subscriptions to fast broadband (at least 30 Mbps) have again increased significantly over the last year to 60% of total fixed broadband subscriptions, from 51% in 2015. Prices for fixed broadband in Ireland fell by about 10%, but still remained almost double the EU average, when measured as a proportion of income.

The incumbent Eir has moved ahead with its fibre-to-the cabinet (FTTC) roll-out reaching 1.6 million premises by 2016, relying on VDSL technologies. A vectoring agreement between operators is in place. As for the coming years, Eir announced plans to roll out a fibre-to-the-home (FTTH) network to cover 300,000 premises by 2020, with the first 100 000 to be covered by 2017. Cable operators did not publish mid-term plans for network roll-out.

In July 2014, the national electricity company ESB (Electricity Supply Board) and Vodafone Ireland established a joint venture company SIRO, to build an FTTH network on the ESB's existing overhead and underground infrastructure that would offer download speeds up to one gigabit. SIRO itself remains a wholesale only operator, while Vodafone began offering retail broadband services over the SIRO network in December 2015 (other operators followed). In September 2016, SIRO announced its mid-term roll-out strategy. In phase one, SIRO aims to reach 500,000 premises in 51 towns by the end of 2018.

Fixed broadband market shares	IE-2015	IE-2016	EU-2016
Incumbent market share in fixed broadband	35.5%	33.7%	40.7%
Technology market shares			
DSL	65.9%	67.7%	66.8%
Cable	28.5%	27.2%	19.1%
FTTH/B	0.3%	0.4%	10.7%
Other	5.2%	4.7%	3.4%

Source: Communications Committee. Data as of July 2015 and July 2016.

The market share of the incumbent in total fixed broadband further decreased to 33.7% (from 35.5%), clearly below the EU average, while cable subscriptions also lost some ground (27.2% in 2016, down from 28.5%).

New entrants' DSL subscriptions by type of access (VDSL excluded)	IE-2015	IE-2016	EU-2016
Own network	-	-	0.7%
Full LLU	4.0%	3.8%	75.3%
Shared Access	20.6%	18.6%	4.1%
Bitstream	75.4%	77.6%	13.4%
Resale	-	-	6.6%

Source: Communications Committee. Data as of July 2015 and July 2016.

The lowest fixed broadband price (12-30 Mbps or above) is 31.76 EUR/PPP, considerably higher than the average EU price of 21.33 EUR/PPP[1].

Charges of Local Loop Unbundling (monthly average total cost in €)	IE-2015	IE-2016	EU-2016
Full LLU	10.5	9.9	9.2
Shared Access	1.3	1.3	2.4

Source: Communications Committee. Data as of October 2015 and October 2016.

Mobile Market

In 2016 the Commission for Communications Regulation (ComReg) reported over 5.97 million mobile subscriptions in Ireland, with a penetration rate of 127%. 4G coverage stands at nearly 94%, well above the EU average. Mobile broadband take-up has continued to increase, now standing at 96%.

Mobile broadband prices	IE-2015	IE-2016	EU-2016
Least expensive offer for handset (1 GB + 300 calls basket)	20	29	30
Least expensive offer for tablet and laptop (5 GB basket)	18	18	18

Source: Mobile Broadband Price Study (Van Dijk). Prices expressed in EUR/PPP, VAT included. Data as of February 2015 and February 2016.

Mobile market	IE-2015	IE-2016	EU-2016
Market share of market leader	38%	38%	34%
Market share of second largest operator	35%	35%	28%
Number of MNOs	3	3	-
Number of MVNOs	6	6	-
Market share of MVNO (SIM cards)	8%	9%	-

Source: Communications Committee. Data as of October 2015 and October 2016.

As a result of the 2014 takeover of O2 Ireland by Hutchison Ireland ('3'), two new mobile virtual network operators (MVNOs) Virgin Media and iD Mobile, entered the market in August 2015, bringing the total number of MVNOs to 6. In accordance with the Commission's Merger decision, Hutchison had entered a new network-sharing agreement

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[1] Source: Fixed broadband prices in Europe in 2016 (Empirica). Prices expressed in EUR/PPP, VAT included. Data as of autumn 2016.

with Meteor. In 2016, both operators continued to consolidate their sites and will also jointly build new sites.

The merger resulted in a rebalancing of market shares between mobile operators — Vodafone remained the largest mobile operator with 38%, followed by '3' with 36.3% while the incumbent's subsidiary Meteor is third with 18.5% (the remaining share being split among MVNOs).

Bundles continue to feature increasingly in the Irish market. In 2016, the single play subscriptions continued to decline, while the share of bundles increased. By the last quarter of 2016 37.4% of fixed market retail subscriptions were single play compared to 39.5% in the fourth quarter of 2015. Similarly, 37.4% of subscriptions were double play (a bundle of two services compared to 36.1% in 2015 and 25.2% were a combination of triple play (a bundle of three services) and quadruple play (a bundle of four services) compared to 24.4% in 2015..TV services being offered within bundles are also increasing in the Irish market, with several service providers now offering such services.

2. Supporting measures for deployment and investment in high speed networks

a. Spectrum

Harmonised band	MHz spectrum assigned[2]	% of the harmonised band assigned
700 MHz	0	0%
800 MHz	60	100%
900 MHz	70	100%
1500 MHz	0	0%
1800 MHz	150	100%
2000 MHz paired	120	100%
2600 MHz	0	0%
3400-3600 MHz	160	80%
3600-3800 MHz	200	100%

Ireland assigned 70% of the spectrum harmonised at EU level for wireless broadband. This is slightly above the EU average of 68% due to increased usage in the higher frequency band.

In June 2016, ComReg published its 2016-2018 spectrum strategy. The strategy aims to complete the assignment process for the 3.6 GHz band and to actively engage with stakeholders in the repurposing of the 700 MHz band. In addition, ComReg is planning to

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[2] Including guard bands.

award proposals in relation to the 700 MHz, 1.4 GHz, 2.3 GHz, and 2.6 GHz bands within the timeframe of the strategy.

b. EU and national investments in broadband

While NGA coverage in rural areas is considerably above the EU average, a key challenge remains to cover the sparsely populated areas, where the 'digital divide' remains significant.

The 2015 National Broadband Plan (NBP) Intervention Strategy provides for a minimum download of 30 mbps and a minimum upload of 6 mbps to be delivered to all premises via a mix of private and public intervention. The National Broadband plan is eligible for €75 million under the European Regional Development Fund (ERDF) programme for 2016-2020. The investment model chosen is gap-funding, whereby the winning bidder(s) will provide a wholesale service. The scheme is currently being discussed informally with the European Commission. The ongoing procurement process allows for the contracts to be awarded in two separate lots to separate bidders or in a combined third lot in a national scheme. The contract aims to build a fixed open access network within five years, for a 25-year operational concession. The infrastructure built by the winning bidder will be owned by that bidder from the outset..

In July 2015 Ireland launched a new postcode system called Eircode that enables addresses to be identified much more precisely. Eircode can identify individual apartments in urban areas or houses in rural areas, and has helped improve the precision of broadband mapping and planning for the current national broadband plan.

In implementing the Programme for a Partnership Government, the Irish Government established a Mobile Phone and Broadband Taskforce in 2016 to coordinate activities across government departments , identify short term solutions to improve regulatory conditions and to implement public measures to address broadband/mobile phone coverage deficits.

The Taskforce also aims to investigate how to ensure that better services are provided to consumers prior to full build and roll-out of the network that was planned under the National Broadband Plan State intervention.

c. State of transposition of the Broadband Cost Reduction Directive

Following the expiry of the deadline for the transposition of the Broadband Cost Reduction Directive (BB CRD) on 1 January 2016, the Commission opened infringement proceedings against Ireland for failing to notify transposition measures. Ireland enacted the Broadband Cost Reduction Regulations (S.I. 391 of 2016) effective from 20 July 2016, which transposed the BB CRD into Irish law, resulting in the infringement procedure being closed. ComReg published the relevant dispute resolution procedures, and was also designated as the single information point.

3. Regulatory function

ComReg is responsible for the main tasks assigned to national regulatory authorities under the regulatory framework since 2002. It is led by up to three Commissioners, following the reappointment of a Commissioner in 2015. All three Commissioner positions are in use.

The markets included in the 2014 Recommendation on Relevant Markets are all subject to regulation in Ireland, along with a few legacy markets from earlier recommendations (for example, access to PSTN for residential and non-residential, and call origination on fixed network from 2007 broadcasting transmission afrom 2003). Apart from pricing decisions (inter alia concerning pricing of a range of Eir wholesale access products and MTRs), ComReg also engaged in a number of public consultations. In particular ComReg issued a public consultation on wholesale high-quality access in August 2016 and on wholesale local access and wholesale central access in November 2016. The respective decisions are due during the course of 2017.

In the light of the above consultations, ComReg made some progress, in 2016, towards renewing market analyses in the three regulated markets on which the Commission had launched investigations in 2015 due to the three year review period having elapsed. The markets concerned correspond to the market for wholesale local access provided at a fixed location (Market 3a), market for wholesale central access provided at a fixed location for mass-market products (Market 3b), the market for wholesale central access for high-quality business grade products provided at a fixed location/wholesale leased lines terminating segments (Market 4). In 2016 ComReg also commenced work with respect to its analysis of the market for wholesale call termination on individual public telephone networks provided at a fixed location (Market 1) and the market for wholesale voice call termination on individual mobile networks (Market 2), with consultations on these markets expected to issue in 2017.

Despite ComReg's efforts, market participants continued to express concerns about the duration of and delays in administrative procedures, such as market reviews. However, at the same time, ComReg noted difficulties in obtaining the information necessary for market reviews. The Commission is looking into these matters.

Currently, a full set of remedies has been imposed on Eir (as the designated operator with significant market power (SMP)) with respect to NGA wholesale local access (WLA) and NGA wholesale central access (WCA). Regarding NGA several specific access products are mandated, such as WCA-based 'Bitstream Plus' products and WCA-based 'virtual unbundled access' (VUA) products. As of the first quarter of 2016, Eir sold 161,819 Bitstream wholesale products and 38,316 VUA products to operators (excluding Eircom's own self-supply).

Concerning voice telephony, in its 2015 analysis of the FACO (fixed access and call origination) market ComReg found that mobile services were not an effective substitute for fixed telephony services. In addition, ComReg studied the impact of managed VoIP (such as those offered by cable operators) and over-the-top (OTT) services on fixed telephony services. While ComReg included managed VoIP services in its definition of FACO markets and recognised the constraints imposed by such services, ComReg concluded that OTT voice services were not in the same market, owing to the lack of effective competitive constraints they impose on traditional voice services.

As of 1 September 2016, the three MNOs (Vodafone, 3 and Meteor) reduced their mobile termination rates to €0.84 per minute. The two regulated MVNOs (Tesco and Lycamobile) made the same adjustment in line with the change to a cost-based pure LRIC (long run incremental cost) MTR in September 2016. Of the two new entrant MVNOs not subject to this price control, Virgin Mobile kept its MTR at €0.0026 per minute while ID Mobile reduced its MTR on 1 September by 68% from €0.006 per minute to €0.00194 per minute in line with the percentage reduction by the regulated 'mobile service providers, and by a further

2.57% on 1 January 2017 to 1.89 cent per minute, approximately in line with the 2.38% reduction by the regulated MSPs.

In 2016 ComReg initiated investigations of the incumbent, following a December 2015 compliance report published by Eir, regarding certain practices that may lead to discriminatory business activity (fault-repair times being one example), but as of 2016, no sanctions have been imposed.

A party can appeal against a ComReg regulatory decision to the High Court within 28 days of the decision. An aggrieved party can also call for a judicial review to challenge a ComReg decision (including regulatory and competition decisions). Such a challenge would be heard and determined by the High Court. Under Irish law, ComReg is not vested with powers to impose fines, which is the courts' prerogative. Because of this, ComReg is out of step with other NRAs, and this appears to present obstacles to timely and effective intervention.

4. Consumer issues

According to data provided by the NRA, approximately 23,000 issues were received in 2016. The main sources of consumer issues in 2016 were Premium Rate Services, Billing and Disputed Charges (which together, on average on a quarterly basis through 2016, accounted for approximately 50% of all consumer issues), Service Issues, and Contractual Matters (which together, on average on a quarterly basis through 2016, accounted for approximately 30% of all consumer issues). ComReg has taken 33 separate enforcement actions during the period January 2016 to Q1 2017[3].

Number portability

While no new measures were implemented by ComReg, compliance actions have been taken to ensure consumer rights are upheld. In particular, ComReg took note of issues concerning minimum contract periods and minimum notice periods. As a follow-up, service providers are implementing the 'Credit Insights' database of customers with debt issues, that ComReg is currently reviewing.

Number portability		2015	2016
Fixed	Number of transactions[1]	65,136	74,368
	Transactions as a % of total numbers[1]	4.4%	8.5%
	Maximum wholesale price[2]	4	4
	Maximum time under regulation (number of working days) [2]	1	1
Mobile	Number of transactions[1]	268,898	268,169
	Transactions as a % of total numbers[1]	5.5%	5.5%
	Maximum wholesale price[2]	2	2
	Maximum time under regulation (number of working days) [2]	1	1

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[3] https://www.comreg.ie/enforcement/page/2/?date_from=01&date_to=2017-04-01&orderby=date__desc&query&category%5B0%5D=532&category%5B1%5D=557&start-year=2016&end-month=04&end-year=2017

Bundles

In 2016 ComReg adapted its price comparison tool[4] to reflect the market needs in the context of bundles and terminal equipment. With more complex products (double, triple, quadruple play as well as traffic bundles) becoming increasingly prominent in the Irish market, it has become more important than ever that consumers think their contracts are clear and transparent. The 2015 Eurobarometer survey shows that Ireland is the country where respondents are most likely to say they considered switching, but they ranked top in terms of satisfaction with the service they were getting[5].

Transparency

ComReg did not adopt new instruments for 2016. However, it is planning to introduce a new price comparison tool in 2017 that would enable consumers to compare communication services based on price. This tool will offer tariffs on mobile, fixed voice, broadband and television services and will provide details on upfront costs associated with terminal equipment in addition to average monthly and total costs.

Roaming

Based on price levels from the first quarter of 2016, the average retail Eurotariff price for roaming customers of Irish mobile operators was €0.141 per minute for outgoing calls (above the EEA average of €0.112 euro cents per minute), €0.017 per minute for incoming calls (below the EEA average €0.026 per minute) and €0.052 per text message (above the EEA average of €0.047 per text message). Regarding data, the price was €0.027 per Mb (well below the EEA average of €0.047 per Mb). ComReg noted that the overall volumes of text messages have declined over the past few years, which may be due to the impact of emerging OTT messaging services on traditional text messaging services.

From 30 April 2016, the EU's Roaming Regulation (EU) No 531/2012 as amended in 2015 provided for a default reduced transition retail price (Roam Like At Home+', or 'RLAH+'). In the absence of national measures vesting the NRA with the relevant competences, no new measures have been adopted by ComReg to sanction infringement to those rules.

Net neutrality

With the adoption of Regulation (EU) 2015/2120, net neutrality is fully harmonised at EU level with directly applicable rules which do not need to be transposed. In 2016, ComReg did not carry out any enforcement actions regarding net neutrality.

Article 6 of the Regulation states that EU countries shall lay down the rules on penalties applicable to infringements of Articles 3.4 and 5 and take all the measures necessary to ensure that they are implemented. They must notify the Commission of those rules and measures by 30 April 2016 and inform it without delay of any subsequent amendment affecting them.

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[4] https://www.comreg.ie/price-comparison/combined/calculator/
[5] Source: Special Eurobarometer 438. October 2015.

Ireland has not yet laid down the rules on the penalties referred to in Article 6. Therefore the Commission is looking into the matter.

Universal service

Following a detailed review in 2016, ComReg has designated Eir to provide access at a fixed location for a period of 5 years (with a clause for renewal). Among other aspects, ComReg has overhauled the criteria for reasonable requests. ComReg's Decision was appealed against by Eir. The associated quality of the service regime is under review.

112 and access for disabled end-users to emergency services

According to the last Communications Committee (COCOM) 112 Implementation Report, calls to the emergency number 112 are answered within 0.78 seconds. Access to disabled callers is provided via text messaging and Minicom terminals. According to the latest E-communications household and telecom single market survey, 44% of Irish citizens know they can use 112 throughout the EU.

As of 1 January 2016, every service provider is obliged to maintain and provide an accessibility statement containing information about accessible products and services, accessible contact methods, as well as an approach and a policy on providing services and information to disabled end-users.

As of 2017, every service provider with more than 100,000 subscribers (including over 90% of landline providers and more than 95% of mobile providers) must provide access to a Text Relay Service (TRS). This is a technology-neutral service available for use by Minicom, fixed-line, mobile, personal computer, tablet, or another equivalent electronic device.

5. Conclusion

The key public policy challenge to achieving the targets of 2022 is to overcome the geographic divide affecting sparsely populated rural areas. To this end, the Irish national broadband plan was considerably reshaped in 2016 to ensure access to high-speed broadband, as markets may fail to deliver. Aside from emerging infrastructure-based competition posed by the ESB's joint venture with Vodafone, the Irish national broadband plan allocates substantial government support to network deployment. There are also several demand-side measures, including the connection of public service facilities.