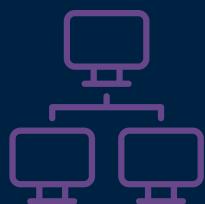




An Coimisiún um  
**Rialáil Cumarsáide**  
Commission for  
**Communications Regulation**



# Annual Report **2018 - 2019**





Commission for Communications Regulation  
**ANNUAL REPORT FOR THE PERIOD**  
**July 1, 2018 – June 30, 2019**

Presented to the Minister for Communications, Climate Action and Environment in accordance with Section 32 of the Communications Regulation Act, 2002.

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## ABOUT COMREG



ComReg is the statutory body responsible for the regulation of electronic communications (telecommunications, radio communications and broadcasting networks), postal and premium rate services. ComReg is the national regulatory authority for these sectors, in accordance with EU and Irish Law. In addition, we manage the radio frequency spectrum and the national numbering resource, among other responsibilities.

## COMMISSIONERS



**Garrett Blaney**  
Chairperson

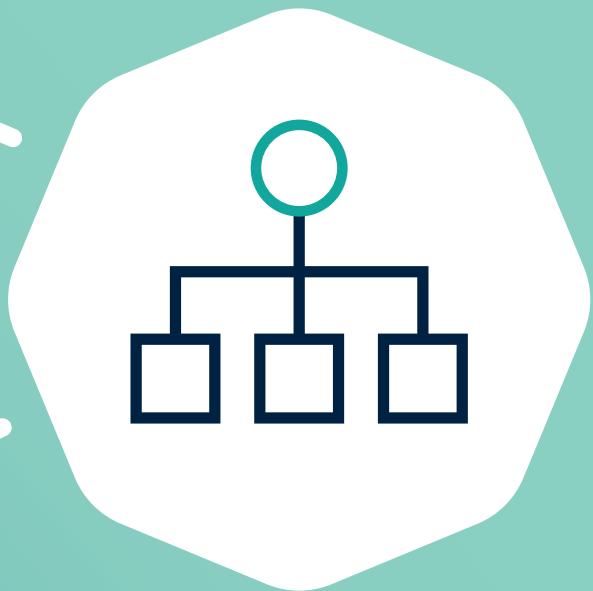


**Jeremy Godfrey**  
Commissioner



**Robert Mourik**  
Commissioner

## ORGANISATIONAL STRUCTURE



The Commission for Communications Regulation (ComReg) was established on 1 December 2002 by the Communications Regulation Act 2002 and is led by a Commission of up to three Commissioners. At the end of this reporting period the Commission had three Commissioners: Garrett Blaney (Chairperson), Jeremy Godfrey, and Robert Mourik.

The Commission, with the Leadership Team, is responsible for the strategic and operational management of the organisation. ComReg depends on the efforts of all of our staff (including lawyers, economists, engineers, accountants, business analysts and administrative specialists) to deliver on our mission and meet our regulatory objectives.

ComReg consists of four Divisions, supported by a Legal Director and a Director, Strategy & Economics. The structure is based on cross-functional teams operating in a multi-disciplinary environment.

## LEADERSHIP TEAM



John Evans  
Director  
Strategy & Economics



Caroline Dee-Brown  
Legal Director & General Counsel



Joe Heavey  
Director  
Corporate Services Division



Donal Leavy  
Director  
Wholesale Division



Barbara Delaney  
Director  
Retail & Consumer Services Division



George Merrigan  
Director  
Market Framework Division

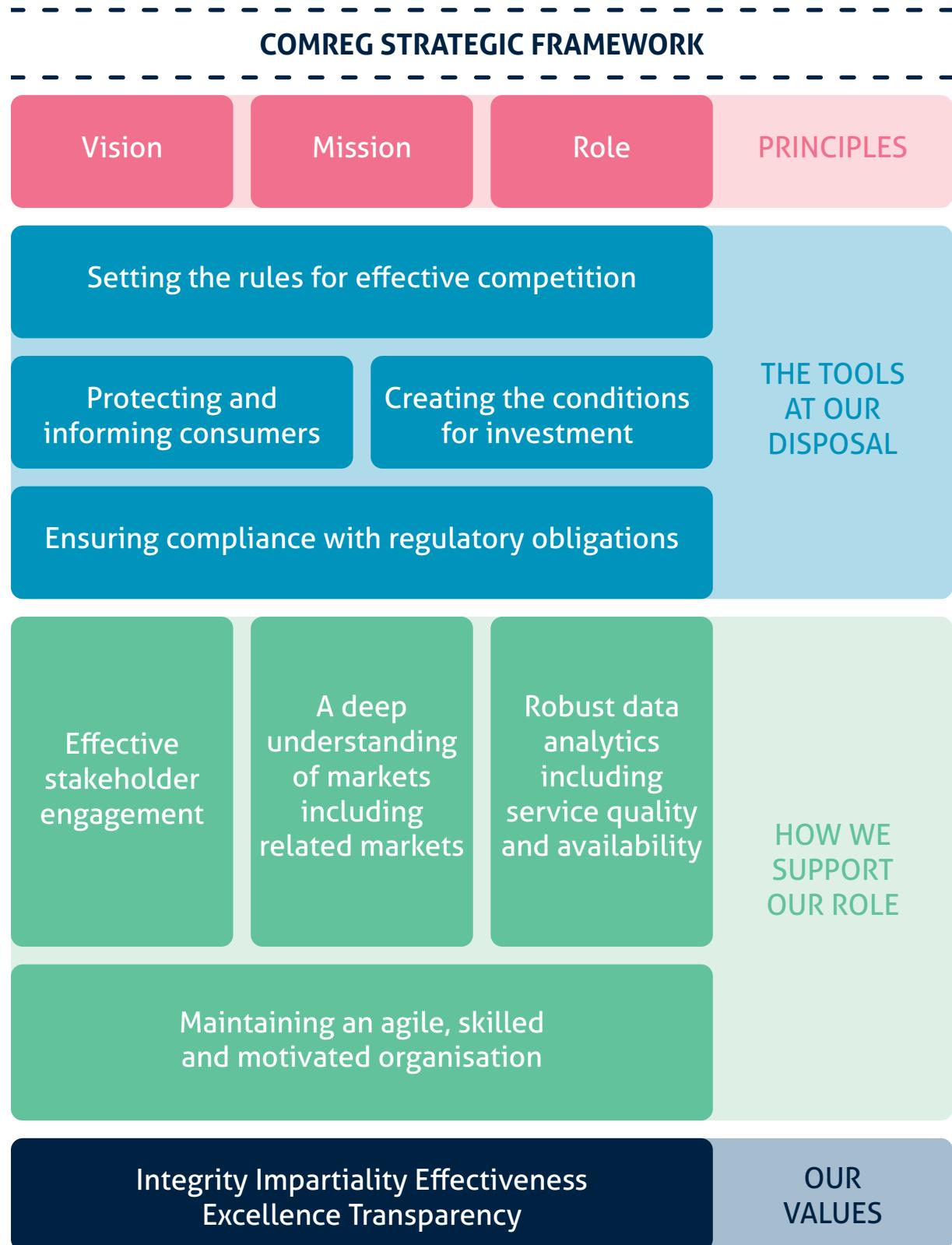
## FUNCTIONS



ComReg is responsible for promoting competition, protecting consumers and for encouraging innovation. We deal in complex issues of law, economics, accounting, regulation and technology.

Our objectives are set out in line with both primary and secondary legislation, and this legislative framework continues to evolve since the Communications (Regulation) Act of 2002. In 2007, ComReg's responsibilities and powers, as well as available enforcement measures, were augmented by the Communications Regulation (Amendment) Act 2007. In particular, ComReg was granted Competition Act powers in relation to electronic communications and services. The Communications Regulation (Premium Rate Services & Electronic Communications Infrastructure) Act 2010 transferred responsibility for the regulation of premium rate services to ComReg and ComReg commenced regulation of this area in July 2010. The Postal Act 2011, as amended, sets out ComReg's regulatory responsibilities in relation to postal matters.

Figure 1: ComReg Strategic Framework<sup>1</sup>



<sup>1</sup> ComReg Document 17/31 [www.comreg.ie/publications](http://www.comreg.ie/publications)

Under the Communications Regulation Acts 2002, as amended, ComReg has a range of functions and objectives in relation to the provision of electronic communications networks, electronic communications services and post.

**These include:**

- Ensuring compliance by operators with obligations
- Promoting competition
- Contributing to the development of the internal market
- Promoting the interests of users within the European Community
- Ensuring the efficient management and use of the radio frequency spectrum and numbers from the national numbering scheme
- Promoting the development of the postal sector and, in particular, the availability of a universal service
- Protecting the interests of end users of premium rate services

**This Annual Report covers our key activities from 1 July 2018 to 30 June 2019.**

## CHAIRPERSON'S REVIEW



The European Union has a very ambitious vision to turn Europe into a Gigabit Society by 2025. It sets a vision for Europe where availability and take-up of very high capacity networks enables the widespread use of products and services throughout the Digital Single Market.

The communications market in Ireland has reached a significant inflection point. The market and Government now have clear plans showing how the fixed broadband market and 5G mobile market investments over the next 5-7 years will achieve connectivity options for every citizen in the state with speeds of up to 1Gbs and beyond. The Government's decision on the National Broadband Plan (NBP) is a key component in ensuring that every citizen has a high speed connectivity option, but successful implementation is contingent on careful regulatory oversight.



### Broadband

Broadband is the 4th utility following water, gas and electricity. It is an essential part of our daily lives be it for use at home and in the office, and for other activities such as shopping or watching television.

Data consumption and bandwidth for both homes and businesses continues to grow in the year ending June 2019. Full fibre broadband subscriptions, Fibre To The Premises (FTTP), increased by 108% making up 7.2% of all broadband subscriptions. Very-fast Digital Subscriber Lines (VDSL) broadband subscriptions accounted for 35.9%, cable broadband 21.2%, DSL 15.3%, FWA 2.7%, and satellite 0.2% of all broadband subscriptions. Mobile broadband accounted for 17.4% of all broadband subscriptions with an estimated 303,836 subscriptions at the end of June 2019.

In May 2019 we welcomed the Government's decision to appoint a preferred bidder for the provision of high-speed broadband in rural areas under the National Broadband Plan (NBP). We will support the programme by advising the Department of Communications, Climate Action and Environment on matters where ComReg's technical and economic skills could add value, within our regulatory remit.

The NBP programme will require a significant input from us as the independent regulator of the sector, including issues such as access to poles and ducts and consumer protection.



## Mobile

The mobile sector continued to show growth during the year and at the end of June 2019 there were over 6.4 million subscriptions to mobile communications services including mobile broadband and Machine-to-Machine (M2M). 86% of Irish mobile phone subscribers had a smartphone, as of June 2019.

Our release of 3.6 GHz spectrum in May 2017 has allowed companies to begin to offer 5G services. During the period, total M2M subscriptions grew by 19.5% over the year going from 930,806 to 1,112,082. A total of 382,136 mobile numbers ported between operators in the twelve months to June 2019.

In February 2019, ComReg launched its Outdoor Mobile Coverage map on its website ([www.comreg.ie/coveragemap](http://www.comreg.ie/coveragemap)). The map allows mobile phone users to see the level of mobile coverage where they work or live and helps consumers when making choices between operators based on predicted coverage availability in their area or chosen location. It has been generated using data provided by the main mobile network operators and also includes data for the mobile virtual network operators (service providers whose services are hosted by the main mobile network operators).



## Consumers

ComReg has a statutory obligation to protect and inform consumers who are buying electronic communications services so that they may choose and use such services with confidence.

During the year ComReg's Consumer Care Team received approximately 79,000 contacts from consumers. Consumers may contact ComReg's Consumer Care Team through the following channels – telephone, email, online complaints form, letter, web chat, SMS and Irish Sign Language. 89.5% of all calls to ComReg's Consumer Care Team were answered within 20 seconds and 99% of written contacts were answered within 24 hours.

ComReg continues to publish quarterly statistics in respect of issues raised by consumers who contacted our Consumer Care Team. During the period July 2018 to June 2019 there were approximately 35,400 issues about which consumers contacted us. These issues are split between Electronic Communications Service (ECS) issues, Premium Rate Service (PRS) issues and all other issue types. Approximately 19,300 of the total issues raised were in relation to electronic communications issues, with approximately a further 12,100 relating to premium rate service issues and the balance were mainly issues not for ComReg. Of all issues raised with ComReg during the period, 14% were complaints which were escalated on behalf of the consumers to the relevant Service Providers for both ECS and PRS services.

The majority of ECS issues raised in ComReg's remit were in relation to billing, service issues, contractual matters, and switching/number portability. The majority of PRS issues raised relate to situations where consumers deny that they have engaged with the PRS or where the consumer disputes the PRS charge in question. 1,058 of the total issues were raised by business consumers and were mainly related to billing, service issues, and contractual matters.



## Competition

ComReg has a statutory duty to ensure that through competition there is a choice of provider in both wholesale and retail markets. In December 2018, ComReg and eir agreed a set of commitments which resulted in the establishment and operation of an enhanced Regulatory Governance Model in eir. As part of this agreement an Independent Oversight Body (IOB) was created which will oversee and assess eir's regulatory governance arrangements. The IOB consists of five members who will work collaboratively to deliver its mandate. The majority of its members including its Chairperson are independent and appointed by ComReg, with two further members appointed by eir.

As of 30 June 2019, the total number of new licences issued in this reporting period was 5,012, an increase of 36.3% on the previous year. This increase was due, in part, to a 44% increase the number of point-to-point link licence applications which allow mobile operators and other ECS providers to connect their bases stations and nodes.



## International

ComReg has been an active member of the Body of European Regulators of Electronic Communications. From 1 January, Commissioner Jeremy Godfrey took over the role of BEREC Chair for 2019 and we are very thankful to Jeremy for the excellent leadership he has shown in this role. BEREC continued to take measures aimed at strengthening its role as an enabler of the EU's Digital Single Market strategy. ComReg has steered BEREC's 10 permanent Working Groups to deliver on all of the projects set out in the Work Programme 2019, with emphasis on the crucial mandatory work arising from the European Electronic Communications Code.

In December 2018, the EU Directive establishing the European Electronic Communications Code came into force and the new measures must be applied in each member State from 21 December 2020. The new rules include measures to stimulate investment in and take-up of very high capacity networks in the EU as well as new spectrum rules for mobile connectivity and 5G. The Code also ensures that all citizens have access to affordable communication, including the internet. It increases consumer protection and security for users and facilitates regulatory intervention.



## Spectrum

Over the year under review, ComReg continued work on making more spectrum available to the Irish market. In June 2019, we set out our proposals to make the 700 MHz, 2.1 GHz, 2.3 GHz and the 2.6 GHz bands available. ComReg proposes to award the spectrum rights on a technology and service-neutral basis. We believe that this award will be particularly suitable for enabling advancements in mobile services and in particular the delivery of more 5G services.

Use of the radio spectrum resource helps deliver economic growth and supports numerous jobs in our modern economy and is essential to the provision of mobile communications and wireless reception of broadcast services. The wireless telecommunications sector plays an important role in the Irish economy and accounts for an estimated €4 billion Gross Value Added and an estimated total contribution of spectrum-dependent activities of €6.2 billion – amounting to 3.5% of Irish Gross National Income.

Finally, I would like to thank all of the ComReg staff who assisted myself and my fellow Commissioner Robert Mourik when we took up our roles as Commissioners in January 2019. The entire staff of ComReg have helped to equip and assist all three Commissioners to deal with the challenges of regulating Ireland's electronic communications sector.

**Garrett Blaney**  
**Chairperson of ComReg**

## COMMUNICATIONS OVERVIEW



### Number of Authorised Operators

Under the authorisation process, operators notify ComReg of their intention to provide networks or services to third parties. During this period the total number of 'active' notifications 672 of which 661 fixed and 11 mobile.

### Fixed Line Market Share

Based on operator data submitted via the Quarterly Report questionnaire, Other Authorised Operators (OAOs) accounted for 54% of the total fixed line market in terms of overall (retail and wholesale) revenue by June 2019, up from 53% in June 2018. Eircom Limited, trading as eir, accounted for the remaining share of the market.

### Fixed telecom access paths and fixed voice traffic

There were 1.26 million direct and indirect Public Switched Telephone Network (PSTN) and Integrated Switched Digital Networks (ISDN) access paths in the Irish market as of June 2019, a decline of 6.4% since June 2018..

Voice traffic originating on fixed networks continued to decline. In Q2 2019, the average residential subscriber originated 78 minutes of fixed voice calls compared to 92 minutes in Q2 2018.

### Narrowband Indirect Access Paths

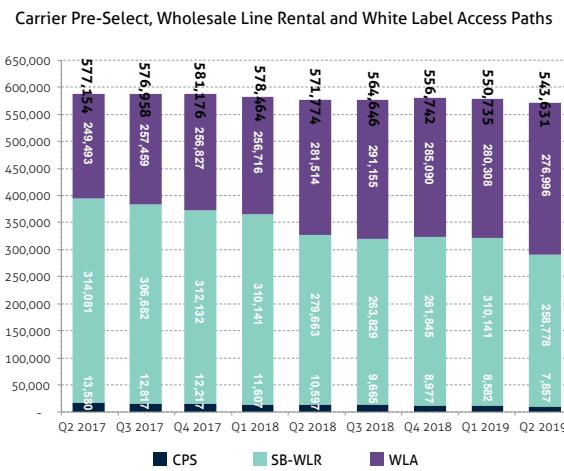
Indirect access to fixed line networks for call services can be provided Carrier Pre-Selection (CPS), where the call services are provided by an operator using the incumbent operator's network, with the customer paying line rental to the incumbent.

Through Wholesale Line Rental (WLR) an operator can provide single billing to the consumer for both their fixed line rental and fixed call usage.

White Label Access-Voice Access (WLA (Voice)) is a switchless voice service which allows an operator to purchase end-to-end call services without the need to have its own interconnection infrastructure.

By the end of June 2019, WLR accounted for 47.6% of all lines provided via indirect access, (down from 48.9% at the end of June 2018), WLA accounted for 51% (up from 49.2% and CPS accounted for 1.4% of lines (down from 1.9%). In total there were 543,631 indirect access paths at the end of Q2 2019, down by 5% since June 2018. This shows a decrease in CPS and WLR.

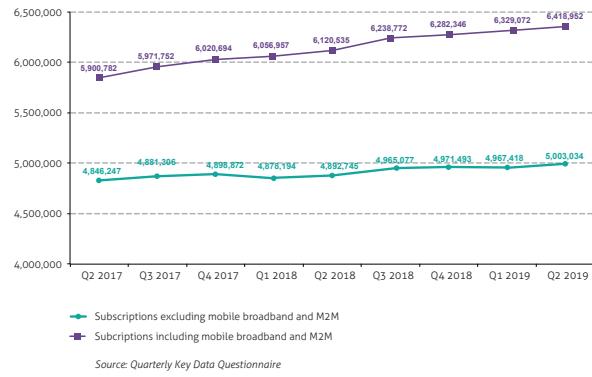
**Figure 2: Narrowband Indirect Access Paths**



## Mobile communications services

At the end of June 2019 there were over 6.4 million subscriptions to mobile communications services (including mobile broadband and M2M) in Ireland, which equates to a penetration rate of 130%. In Q2 2018 total M2M subscriptions stood at 930,806 increasing to 1,112,082 in Q2 2019 representing a 19.5% annual growth.

**Figure 3: Mobile Subscriptions**



Due partly to the increasing use by consumers of instant messaging services, the volume of text messaging decreased by 15.7% in Q2 2019 compared to Q2 2018. In the three months to June 2019, the average Irish mobile subscriber sent an average of 62 messages per month, compared with an average of 76 per month in the quarter to June 2018.

Average monthly voice call minutes per mobile subscriber in Ireland decreased to 208 minutes per month in June 2019, down from 214 in June 2018. Average monthly traffic per mobile subscriber using voice and data services was 6.7GB in June 2019 compared to 5.8GB in June 2018.

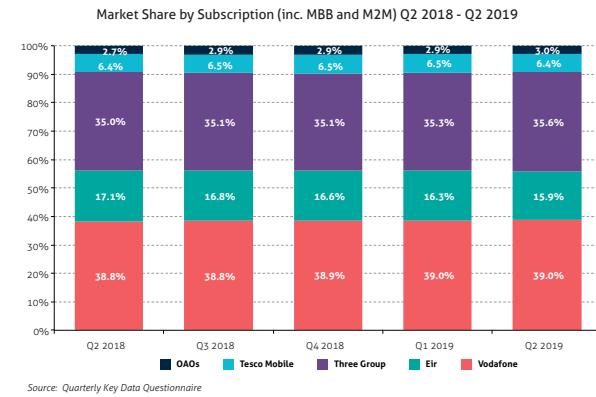
In Q2 2019 mobile Average Revenue per User (ARPU) for prepaid mobile phone subscribers was €14.36 per month while mobile ARPU for post-paid mobile phone subscribers was €36.39 per month. Mobile ARPU for prepaid mobile broadband subscribers was €15.71 per month while mobile ARPU for post-paid mobile broadband subscribers was €19.08 per month.

A total of 382,186 mobile numbers were ported between operators in the twelve months to June 2019, which equates to, on average, 31,849 mobile numbers ported every month.

Vodafone retains the largest share of subscriptions (including mobile broadband and machine to machine subscriptions) and comparing Q2 2018 to Q2 2019, Vodafone slightly increased market share from 38.8% to 39%. At the end of Q2 2019, Three Group had 35.6% of subscribers up from 35% in Q2 2018.

Eir's mobile market share decreased by 1.2% since Q2 2018. Tesco Mobile's market share remained stable while other operators' market shares increased by 0.3% since Q2 2018.

**Figure 4: Market Share – Number of Subscriptions (inc. mobile broadband and M2M)**



## Broadband

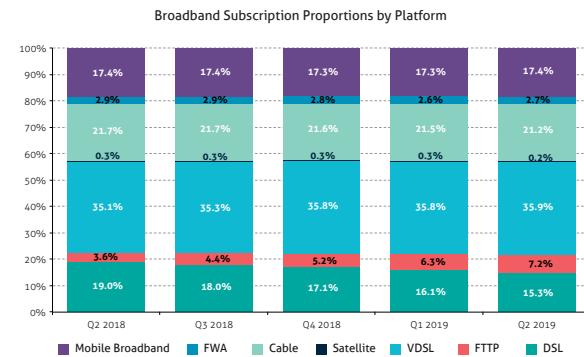
By the end of June 2019, there were 1,749,271 broadband subscriptions. Very fast Digital Subscriber Line (VDSL) account for the bulk of these subscriptions at 628,330, followed by 371,601 cable subscriptions, 267,744 Digital Subscriber Line (DSL) Broadband subscriptions, Fibre to the Premises (FTTP) broadband 126,685 subscriptions, 47,041 Fixed Wireless Access (FWA) and 4,034 Satellite.

The number of mobile broadband subscriptions was 303,836, or 17.4% of all broadband subscriptions at the end of June 2019.

In Q2 2019, VDSL broadband subscriptions accounted for 35.9%, cable broadband 21.2%, DSL 15.3%, FWA 2.7%, FTTP 7.2% and Satellite 0.2% of all broadband subscriptions.

Since Q2 2018, the number of VDSL subscriptions have increased by 5%, in contrast to a fall in DSL and satellite.

**Figure 5: Profile of Active Broadband Subscriptions by Type**



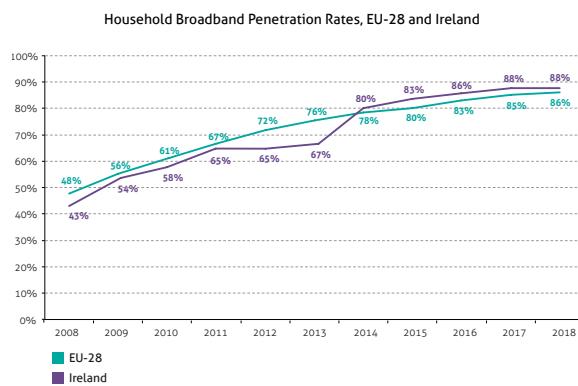
Source: Quarterly Key Data Questionnaire

**Figure 6: Broadband Subscriptions and Growth**

Subscription Type	Q2 2019	Quarterly Growth Q1'19 – Q2'19	Year-on-Year Growth Q2'18 – Q2'19
DSL Broadband	267,744	-4.8%	-17.8%
VDSL Broadband	628,330	0.6%	+4.6%
Cable Broadband	371,601	-0.7%	+0.1%
FTTP Broadband	126,685	15.2%	+108.0%
Satellite Broadband	4,034	-8.4%	-15.3%
FWA Broadband	47,041	2.4%	-5.6%
<b>Total Fixed broadband</b>	<b>1,445,435</b>	<b>0.3%</b>	<b>2.3%</b>
Mobile Broadband	303,836	0.5%	2.3%
<b>Total Broadband</b>	<b>1,749,271</b>	<b>0.4%</b>	<b>2.3%</b>

Figure 7 illustrates Ireland's position compared to the EU28 average in terms of fixed and mobile broadband household penetration. Ireland (88%) was above the EU28 average (86%) for household broadband (fixed and mobile) penetration in 2018.

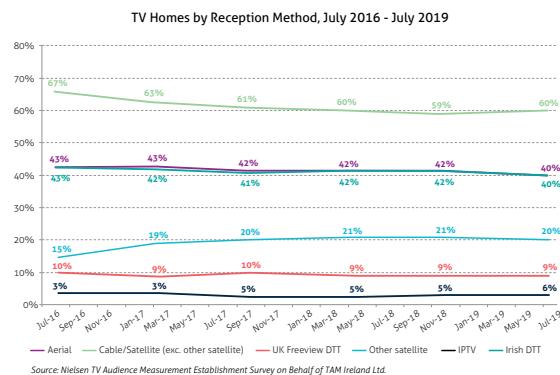
**Figure 7: European household broadband penetration comparison, 2018**



## Broadcasting

By July 2019, of 1.66 million TV households in Ireland, 60% had a subscription cable or satellite service, 40% had an aerial service, 40% had Irish DTT service and 20% had a free to air satellite service. Each home may have more than one method of TV reception.

**Figure 8: Television Homes by Reception Method**



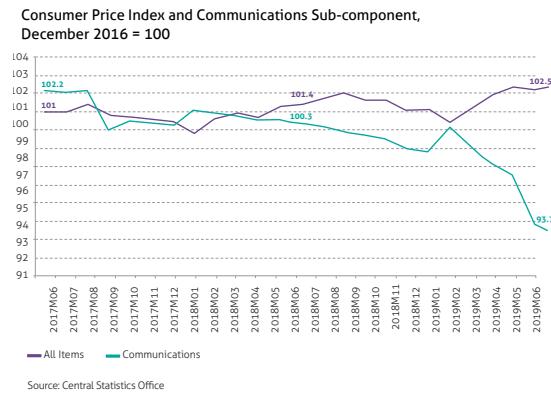
Source: Nielsen TV Audience Measurement Establishment Survey on Behalf of TAM Ireland Ltd.

## Price developments

In overall terms, figure 9 shows the change in the Consumer Price Index (CPI) and the communications sub-component. The CSO weights communications as 2.96% of the total CPI.

Using December 2016 as the base period, total CPI increased by 1.1% in the year to June 2019 while communications costs decreased by 6.6%

**Figure 9: Central Statistics Office Consumer Price Index**



Source: Central Statistics Office

## CONSUMERS

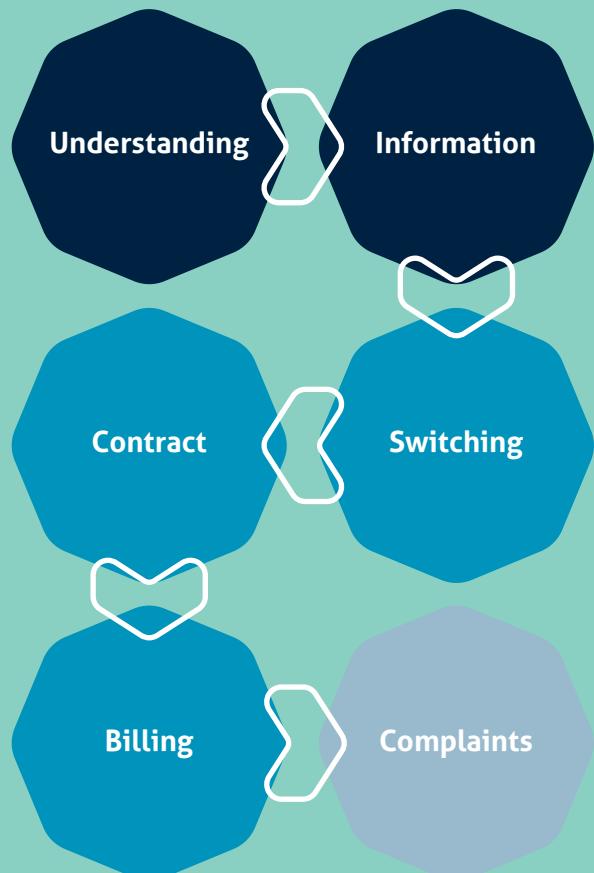


ComReg's overall strategic approach to consumers is to protect and inform consumers so that they can choose and use communications services with confidence.

During the period, ComReg carried out a number of actions to deliver its associated consumer goals.

**Figure 10: Consumer Journey**

### THE CONSUMER JOURNEY



## Information – Mobile Coverage Map, ComReg Compare and Service Checker

ComReg made available an outdoor mobile phone coverage map, at [www.comreg.ie/coveragemap](http://www.comreg.ie/coveragemap), which allows consumers to check ComReg's calculation of operator mobile phone coverage and signal levels at locations throughout the country. The map allows mobile phone users to see the level of mobile coverage where they work or live and helps consumers when making choices between operators based on predicted coverage availability in their area or chosen location. It has been generated using data provided by the main mobile network operators and also includes data for the mobile virtual network operators (service providers whose services are hosted by the main mobile network operators). The map is set out in a colour-coded format – dark brown shows very good coverage through to beige which shows fringe coverage. The map shows signal strength ranging from very good, good, fair, fringe and no coverage for 2G (Voice), 3G (Data and Voice) and 4G (Data and Voice).

ComReg works with industry to ensure that relevant, accurate information is available to consumers regarding current market offers, to assist them with their purchasing decisions. ComReg updated its value comparison tool, ComReg Compare, at [www.comreg.ie/compare](http://www.comreg.ie/compare), with new functionality. On this calculator, consumers can compare communications service providers' market offerings by handset, average monthly cost, total cost including handset costs, allowances and speed, based on the usage information entered.

To assist consumers who have questions about to Premium Rate Services (PRS) charges that have been applied to their bill or deducted from their phone credit, ComReg also offers an online facility, Service Checker, at <https://servicechecker.comreg.ie/> you can check the contact details and other details for all premium rate services. Consumers can input the service name or the five digit number of the service they have been charged for and including details are presented with details of the customer service helpline number and email.

## Information - Consumer Rights

ComReg seeks to empower consumers by ensuring the availability of appropriate and transparent information while also offering an effective complaints handling process. ComReg seeks to understand evolving consumer needs by liaising with various stakeholders using a variety of mechanisms such as our Consumer Care Team; our Consumer Engagement programme (including on-line presence); the ComReg Consumer Advisory Panel; the ComReg Workshop on Electronic Communications for People with Disabilities and by carrying out relevant surveys and by getting inputs from consumer organisations.

Consumers are informed through timely, relevant, clear and accessible information. ComReg recognises the need for consumers to be appropriately informed in order to make choices in respect of electronic communications and to assist them in their dealings with their service provider, even more so as competition intensifies. In this respect, ComReg has continued to update its consumer section of [www.comreg.ie](http://www.comreg.ie) with relevant information and news on choosing and using communications services.

## Information - Consumer Engagement Programme

ComReg continued to expand its consumer engagement reach during the period with a number of targeted campaigns to inform consumers of their rights and the information that ComReg makes available. Such initiatives include updating the ComReg website with new consumer information, outreach to senior citizens, trade show presence and social media campaigns to inform consumers about ComReg's Compare and Service Checker facilities. In addition, the distribution of ComReg's consumer guides continued throughout the year and leaflets were made available in a network of GP surgeries, health centres and hospitals nationwide.

**Figure 11: ComReg's consumer guide on complaints and ComReg Consumer Engagement staff attending events throughout Ireland.**



## Consumer Protection Measures

As part of the review of the Five Year Electronic Communications Services (ECS) Strategy Statement in 2019, ComReg added a new Goal to ensure:

**Goal:** Consumer rights and protections, including for disabled end-users, are adequate to mitigate consumer detriment.

There are already a number of consumer protections in place including, measures in relation to pricing of non-geographic numbers, measures for expenditure and cost control, itemised billing and billing mediums and selective call barring.

ComReg issued a Decision<sup>2</sup> in February 2018 requiring mobile service providers to provide a facility, from 1 January 2019, to allow their subscribers to selectively bar Premium Rate Services ("PRS") should they wish to do so. Mobile service providers were also required to inform their subscribers of this facility, and of the means whereby they could request the barring facility, by way of SMS message. The SMS message was to be issued to consumers no later than 28 days after the barring facilities became available and/or no later than 28 January 2019. During the period, ComReg monitored these requirements and mobile service providers are compliant with the obligation to inform their customers.

Consumers may incur unexpectedly high charges from their usage of electronic communications services such that bills may not match expectations ("bill shock"). Bill shock refers to the negative reaction a consumer can experience if their typical bill has unexpected charges. During the period, ComReg reviewed the potential need for measures for end-users to be able to control the cost of publicly available telephone services to end-users.

ComReg plans to issue later in 2019 a Call for Inputs to better understand the issues around bill shock and to invite stakeholders to share their views and experiences.

ComReg continues to monitor market developments and possible benefits as well as risks in relation to zero-rated products and services. In addition, ComReg worked with its colleagues at BEREC in relation to its program on open internet in this period.

ComReg understands the importance of having effective redress mechanisms in place as one way to instil confidence in consumers. With this in mind, having consulted on the introduction of formal dispute resolution procedures, in November 2018 ComReg issued its decision<sup>3</sup> regarding formal dispute resolution.

<sup>2</sup> ComReg Document 18/09 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>3</sup> ComReg Document 18/104 [www.comreg.ie/publications](http://www.comreg.ie/publications)

## ROAMING REGULATION



In accordance with its statutory function, ComReg continues its work in monitoring the implementation of the Roaming Regulation by Irish mobile companies.

The specific EU rules<sup>4</sup> on mobile roaming that protect consumers consist of tariffs when they are travelling in other EU countries and transparency measures.

### Since 15 June 2017

Customers are now charged the domestic retail price for using their mobile phone when travelling – this is referred to as Roam Like At Home (RLAH). With the introduction of RLAH, service providers cannot charge more than what would be levied if the customer was consuming those services in the home country i.e. the domestic price. However, there are exceptions. These include the ability to apply a fair usage policy for data, anti-abuse measures and sustainability provisions. In addition, there are transparency measures in place which will help roaming customers to manage their consumption and cost, notably, alerts for data at the €61.50 (inclusive VAT) default financial limit/cap, which applies in the rest of world and not only within the EU.

Consumers who are roaming continue to get a personalised SMS Message upon entry into another EEA country. This message has details such as price (ex VAT) of making and receiving calls, sending an SMS, and any usage policy and charges in excess of limits and surcharges, the free of charge phone number for more information and the number for emergency services.

<sup>4</sup> Regulation (EU) No 531/2012 of the European Parliament and of the Council of 13 June 2012 on roaming on public mobile communications networks within the Union Text with EEA relevance.

As regards data usage, consumers who are roaming receive an alert when the financial limit of €50 (ex VAT) has been reached. The financial or volume limit on data roaming consumption of €50 (ex VAT) is per monthly billing period. Consumers are then asked to confirm if they want to continue using data. In addition, consumers have the right to request and receive, free of charge, more detailed information from their roaming service provider from anywhere in the EEA.

From 15 May 2019, the cost to Irish consumers for making calls or sending SMS text messages from Ireland to a fixed or mobile number in another EU Member State is capped.<sup>5</sup> EU and Irish consumers will be charged no more than €0.19 (+VAT) per minute for calls made (including any connection charge) and €0.06 (+VAT) for each SMS sent from Ireland to any fixed or mobile number in an EU Member State, which should improve the consumer experience.

The consumer information page on ComReg's website contains most recent updates for consumers including news and advice tips on how to avoid inadvertent roaming. ComReg provides separate information on intra EU communication services on our website.

## Protection of Vulnerable Users

ComReg held a meeting of its Disability Workshop on Electronic Communications for People with Disabilities in Q1 2019. The composition of attendees at each Workshop event is designed to ensure that those in attendance (including service providers and bodies representing people with disabilities) can contribute both experience and best practice and ensure that attendees have knowledge and responsibility in respect of the topic in focus. The main Workshop topic was "Approach to dealing with Third Parties acting on behalf of Disabled Consumers". Service providers and ComReg gave their overview of third party handling processes and how things work in practice.

The Mental Health Commission presented in relation to third party decision-making supporters under the 2015 Assisted Decision-Making (Capacity) Act. ComReg also presented on the Irish Text Relay Service ("ITRS") and interaction with GDPR at the Forum on ECS for end-users with disabilities.

ITRS translates text into voice and voice into text to facilitate Deaf and Hard of Hearing people and those with speaking difficulties in making and receiving calls, including using mobile devices, in the Republic of Ireland. Calls are relayed through ITRS agents who perform this translation. The ITRS service is operated by eir serving the customers of Three, eir, Sky, Tesco Mobile, Virgin Media, and Vodafone and is funded by each of these operators. There is an official website documenting ITRS

**<https://www.itrs.ie/>**. ComReg officially launched ITRS in August 2018, including a media campaign, the publication of a consumer news item on ComReg's website, and stakeholder engagement. ComReg also published ITRS take-up and usage statistics in September 2018.

ComReg is undertaking a review of existing obligations on Service Providers, including ITRS, to ensure that measures continue to be relevant and to ensure equivalence in access and choice for disabled end-users. ComReg may further consult on any issues identified to be addressed as part of its wider review and in light of the new European Electronic Communications Code.

## The National Directory Database

The National Directory Database (NDD) is a comprehensive record of all subscribers of publicly available telephone services in the State who have not refused to have their details recorded in it. The NDD has currently two functions. It holds the directory listing details of all consumers who wish to be listed for directory enquiry purposes and it holds the details of all consumers who do not wish to be contacted by direct marketing companies.

<sup>5</sup> This is in accordance with Regulation (EU) 2018/1971.

On 15 October 2018, ComReg published the Consultation Document 18/91<sup>6</sup> in order to determine the most appropriate undertaking to manage and maintain the NDD. In December 2018, following the public consultation, in ComReg Decision D16/18<sup>7</sup> ComReg decided that Porting Access B.V. ("PortingXS")<sup>8</sup> was the appropriate undertaking to manage and maintain the NDD from 1 July 2019 and on expiry of the "Transition Period".<sup>9</sup>

In ComReg Decision D03/19 ComReg decided to continue the obligation on eir to manage and maintain the NDD to 30 June 2019 and during such extended Transition Period as may be specified by ComReg. This approach was designed to ensure that the NDD continues to be maintained and remains available to end-users until all necessary transition arrangements and transfer over of the NDD to PortingXS are completed and the PortingXS system is fully functional and in operation.

On 26 June 2019, ComReg, in accordance with section 3.3 of ComReg D16/18, confirmed its agreement in writing to the operational specification for the NDD ("Operational Specification").

Both eir and PortingXS requested an extension of the Transition Period until September 2019. ComReg considered that an extension of the Transition Period was appropriate to ensure a smooth carry over of the NDD from eir to PortingXS. On 28 June 2019, ComReg extended the Transition Period to 2 September 2019.

## Premium Rate Services

<sup>6</sup> ComReg Document 18/91 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>7</sup> ComReg Document 18/108 D16/18 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>8</sup> PortingXS" is a Dutch company, which is an "authorised undertaking" pursuant to Regulation 4 of the European Communities (Electronic Communications Networks and Services) (Authorisation) Regulations 2011. PortingXS currently provides a fixed number portability solution in Ireland.

<sup>9</sup> D16/18 provides that "Transition Period" means the period of time commencing upon the date ComReg confirms its agreement in writing to the Operational Specification in accordance with section 3.3 of this Decision Instrument and ending on 30 June 2019 unless otherwise specified by ComReg.

In June 2019, following requests from the PRS industry, ComReg published an Information Notice outlining updates to its PRS eLicensing facility. The updates were designed to make the PRS eLicensing facility more efficient and user-friendly with less need for amendments. The changes involved a time period for ComReg to satisfy itself that all of the relevant information had been submitted in the licence application prior to it being issued to the Original Applicant and notified to other parties for them to accept or reject their role. In addition, a new facility allows licensed providers to withdraw from a PRS licence if they no longer wish to provide the PRS. Full details of the step-by-step processes and changes are published in ComReg's updated PRS Registration Guide.<sup>10</sup>

## Consumer Contacts to ComReg

ComReg continues to provide a quality complaints handling service to consumers. During the year ComReg's Consumer Care Team received approximately 79,000 contacts from consumers. Consumers may contact ComReg's Consumer Care Team through the following channels – telephone, email, online complaints form, letter, web chat, SMS and Irish Sign Language. 89.5% of all calls to ComReg's Consumer Care Team were answered within 20 seconds and 99% of written contacts were answered within 24 hours.

## Publication of Consumer Statistics

ComReg continues to publish quarterly statistics in respect of issues raised by consumers who contacted our Consumer Care Team. During the period July 2018 to June 2019 there were approximately 35,400 issues about which consumers contacted us. These issues are split between Electronic Communications Service (ECS) issues, Premium Rate Service (PRS) issues and all other issue types. Approximately 19,300 of the total issues raised were in relation to electronic communications issues, with

<sup>10</sup> [www.comreg.ie/premium-rate](http://www.comreg.ie/premium-rate)

approximately a further 12,100 relating to premium rate service issues and the balance were mainly issues not for ComReg. Of all issues raised with ComReg during the period, 14% were complaints which were escalated on behalf of the consumers to the relevant Service Providers for both ECS and PRS services.

The majority of ECS issues raised in ComReg's remit were in relation to billing, service issues, contractual matters, and switching/number portability. The majority of PRS issues raised relate to situations where consumers deny that they have engaged with the PRS or where the consumer disputes the PRS charge in question. 1,058 of the total issues were raised by business consumers and were mainly related to billing, service issues, and contractual matters.

## Compliance and Enforcement

ComReg recognises it is important to ensure that a culture of compliance is engendered so that consumers' rights are upheld by their service provider. Effective compliance and enforcement is important in achieving this.

In respect of consumer rights, ComReg monitors compliance by PRS and ECS providers with relevant obligations including the PRS Code of Practice, the Universal Service Regulations<sup>11</sup> and associated ComReg Decisions, The Roaming Regulations<sup>12</sup>, The Unfair Contract Terms Regulations<sup>13</sup> and the Consumer Information and Cancellation Regulations<sup>14</sup>.

<sup>11</sup> European Communities ( Electronic Communications Networks and Services) Universal Service and User Rights' Regulations 2011

<sup>12</sup> S.I. 228/2013 –Communications ( Mobile Telephone Roaming) Regulations 2013 REGULATION (EU) No 531/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 13 June 2012 on roaming on public mobile communications networks within the Union. S. I. No 240/2017 Communications (Mobile Telephone Roaming) Regulations 2013 (Amendment) Regulations 2017

<sup>13</sup> S.I. 27/1995 – European Communities ( Unfair Terms) in Consumer Contracts, Regulations 1995 S.I 336/2014 – European Communities (Unfair Terms in Consumer Contracts) (Amendment) Regulations 2014. S.I. No. 160/2013 - European Communities (Unfair Terms in Consumer Contracts) (Amendment) Regulations 2013.

<sup>14</sup> S.I. No. 484/2013 European Union (Consumer Information,

ComReg has a co-operation agreement with the Competition and Consumer Protection Commission (CCPC).

With respect to the revised Roaming Regulations, ComReg actively monitors how service providers are implementing the 'Roam like at Home' regime.

## ComReg Compliance Cases & Findings

In July 2018, ComReg reported that on 25 June 2018, the Dublin District Court had heard five cases taken by ComReg against Eircom Ltd. (trading as eir) in relation to 10 counts of incorrect charging of customers for electronic communications services. The outcome of this case was that: a) eir pleaded guilty to 10 counts brought against it; b) Judge Brennan imposed criminal convictions for each of the 10 counts and ordered eir to pay a total of €23,500 in fines; c) eir stated that it is continuously working on upskilling its staff and that it had recently introduced process improvements with respect to complaint handling; and d) eir expressed its regret at its breaches and paid ComReg an agreed amount by a way of contribution to ComReg's legal costs.

On 16 July 2018, ComReg notified Three Ireland Services (Hutchison) Limited ("Three Services") of a finding of non-compliance with its obligations under the Universal Service Regulations. The notification related to contractual transparency and accessibility obligations contained at Regulations 14(1) and 14(2)(d) and, in particular, to the failure on the part of Three Services to provide customers with a contract that specified the amount of its failed direct debit fee and the circumstances in which it would be applied in a clear, comprehensive and easily accessible form.

Cancellation and Other Rights) Regulations 2013 S.I. No. 250/2014 European Union (Consumer Information, Cancellation and Other Rights)(Amendment) Regulations 2014

On 13 September 2018, ComReg reported Sky Ireland Limited ("Sky") had paid ComReg a penalty of €117,000 after an investigation found that between September 2015 and September 2018, Sky had failed to provide 79,000 of its customers with a contract on a durable medium, and 41,282 of those customers were not afforded their right to a cooling off period contrary to Regulations 10 and 12 of the Consumer (Information and Cancellation) Regulations 2013. ComReg imposed this penalty in the form of Fixed Payment Notices, pursuant to Section 85 of the Consumer Protection Act 2007. Sky accepted that it breached the 2013 Regulations and paid the penalty in full. ComReg also required Sky to take remedial measures as follows: a) to communicate with its affected customers individually and provide them with confirmation of their contract on a durable form; b) to inform those customers of their right to a "cooling off" period of 14 days from receipt of the communication allowing affected customers to cancel their contracts if they wish; c) to publish a corrective statement on its website explaining how it has contravened the 2013 Regulations; d) to demonstrate to ComReg's satisfaction, with independently verified (and verifiable) and audited documentary proof, that it has fully performed the above remedial actions; and e) to confirm to ComReg that it has put in place the necessary measures to ensure that there will be no repetition of what has occurred.

On 28 November 2018, ComReg reported that with respect to Three Ireland Services (Hutchison) Limited ("Three Services") it had formed an opinion that Three Services was non-compliant with its obligations under the Universal Service Regulations. Since the notification of non-compliance regarding these same matters on 16 July 2018, Three Services had identified affected customers and initiated refunds amounting to a total of €405,719 pertaining to unique customers that were charged the €12.50 fee. Three services also remedied the non-compliance and ceased

charging customers for its failed direct debit fee. Having formed the Opinion that Three Services was non-compliant with its obligations with Regulations 14(1) and 14(2)(d) of the Universal Service Regulations ComReg, taking account of Three Services' response and its remedial measures, decided to take no further action in respect of this matter.

On 11 December 2018, ComReg notified Yourtel Limited ("Yourtel") of a finding of non-compliance by Yourtel with its obligations under the Universal Service Regulations. The non-compliance related to prior notification requirements imposed on certain Yourtel customers who wished to cancel their contracts and to Yourtel's related practice of 'rolling over' customer contracts for a further 12 month period against their wishes. ComReg found that Yourtel's procedures for contract termination acted as a disincentive to the affected customers changing service provider and terminating their contracts with Yourtel in contravention of Regulation 25(6).

On 6 March 2019, ComReg notified eir of a finding of non-compliance with respect to obligations under the Universal Service Regulations and ComReg Decision D13/12 and that, in relation to certain Contract Change Notifications, eir had failed to comply with Regulation 14 (4) of the Regulations and ComReg Decision D13/. Eircom Ltd. (trading as eir) failed to provide full information regarding proposed contract modifications in the relevant Contact Change Notifications.

On 19 January 2019, ComReg applied to the High Court for a restraining order in relation to Yourtel charging its customers for services it had not supplied to them. Such charging is in contravention of Section 45(1) (b) and (c) of the Communications Regulation Act, 2002 (as amended) ("the Act"). ComReg sought the restraining order as Yourtel had 89 prior convictions for breaches of Section 45(1) of the Act and ComReg believed that Yourtel was continuing to act in breach of that provision.

Previous convictions were imposed by the District Court pursuant to prosecutions brought by ComReg on foot of previous investigations into Yourtel's billing practices. In January 2018 ComReg commenced a further investigation into Yourtel's billing practices and whether Yourtel was providing services to certain customers it purported to charge. Pursuant to this investigation, and using information provided by eir, ComReg was satisfied that Yourtel was continuing to breach Section 45(1) of the Act by charging certain of its customers for services in circumstances where Yourtel was not actually providing any service to those customers. On the 11 February 2019, the High Court ordered Yourtel to cease contravening section 45 and made an order restraining Yourtel from contravening section 45 in the future. The High Court also granted ComReg liberty to apply to the court again for the purpose of enforcing the orders should Yourtel fail to comply with them.

On 1 April 2019, ComReg reported that it formed an Opinion of Non-compliance that Meteor was non-compliant with its obligations under Regulations 14(1) and 14(2)(d) of the Universal Service Regulations. ComReg had previously, on 26 April 2018, notified Meteor Mobile Communications Limited ("Meteor") of a Finding of Non-compliance with its obligations under the Universal Service Regulations related to the manner in which tariffs and charges associated with out of bundle data usage were presented and subsequently charged to customers by Meteor; and notified Meteor of a finding that, in relation to contracts, it had failed to comply with Regulations 14(1) and 14(2)(d) of the Universal Service Regulations. Having formed that Opinion, ComReg may now proceed to bring an application to the High Court seeking orders to ensure Meteor's compliance with its obligations and orders for appropriate refunds pursuant to Regulation 31 of the Universal Service Regulations. ComReg may also seek an order pursuant to Regulation 31 of the Universal Service Regulations for the payment of an appropriate financial penalty.

On 6 June 2019, ComReg notified Pure Telecom Limited ("Pure") of a finding of non-compliance with its obligations under the Universal Service Regulations and ComReg Decision D13/12 on Contract Change Notifications, issued pursuant to Regulation 14(5) of the Universal Service Regulations. The non-compliance concerned a Contract Change Notification issued to Pure customers, that failed to comply with Regulation 14(4) of the Universal Service Regulations and ComReg Decision D13/12 and related amongst other things to the format and content of Contract Change Notifications including the inappropriate placement of marketing material therein.

On 13 June 2019, ComReg notified eir of a finding of non-compliance by eir with its obligations under ComReg Decision D03/17, imposed pursuant to Regulations 3 and 10(5) of the Universal Service Regulations. ComReg monitored and assessed compliance by eir with the performance targets set out in ComReg Decision D03/17 for 2017 and found that eir has not complied with its obligations to achieve and fully comply with the annual quality of service performance targets set out in ComReg Decision D03/17 for 2017.

On 13 June 2019, ComReg notified eir of a finding of non-compliance by eir with its obligations under ComReg Decision D03/17, imposed pursuant to Regulations 3 and 10(5) of the Universal Service Regulations. ComReg monitored and assessed compliance by eir with the performance targets set out in ComReg Decision D03/17 for 2018 and found that eir has not complied with its obligations to achieve and fully comply with the annual quality of service performance targets set out in ComReg Decision D03/17 for 2018.

## EMERGENCY CALL ANSWERING SERVICE

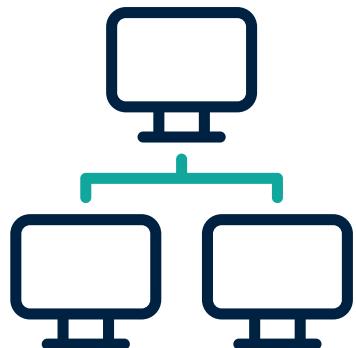


ComReg is statutorily responsible for monitoring the quality of service of the Emergency Call Answering Service (ECAS) provider and for reviewing the Call Handling Fee (CHF) that the ECAS provider may charge.

In January 2018, ComReg determined, following the review of the costs incurred by the ECAS provider to set the maximum CHF of €3.07 per call from 12 February 2018. This CHF continued to apply until 28 February 2019. From 1 March 2019 the applicable CHF was €3.93 as per a new contract for the supply of the ECAS agreed between the Minister for Communications, Climate Action and Environment and the service provider on 12 February 2018. Given the date of the new contract, and pursuant to Section 58D of the Communications Regulation Act, ComReg was not required to review the CHF in 2018-19.

The consumer is not charged for calls to 999 or 112 as this cost is borne by the presenting telecommunications network.

## UNIVERSAL SERVICE FOR ELECTRONIC COMMUNICATIONS



A central aspect of our work on consumer protection is to ensure availability of a universal electronic communications service.

In July 2016, following a series of public consultations, eir was designated as the Universal Service Provider (USP), in accordance with the European Communities (Electronic Communications Networks and Services) (Universal Service and Users' Rights) Regulations 2011, to provide Access at a Fixed Location for five years until 30 June 2021 (D05/16).<sup>15</sup> D05/16 deferred a final decision on Quality of Service (QoS) pending further consideration.

In February 2017, ComReg introduced "service availability" targets which combine the two previous metrics of fault occurrence and fault repair. These targets are stated in terms of "maximum of working days outage per line" instead of as a "percentage" value (D03/17<sup>16</sup>) which are annual targets both national (maximum of 0.237 working days outage per line (99.935%)) and sub-national (maximum of 0.607 working days outage per line (99.834%)).

### Universal Services Obligation

An Information Notice (ComReg Document 18/62) was published by ComReg showing eir USO performance for each quarterly period of 2017 and the annual performance for 2017. ComReg also published an Information Notice (ComReg Document 18/71) showing eir's USO performance for the first quarterly period of 2018.

<sup>15</sup> ComReg Document 16/65 D05/16  
[www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>16</sup> ComReg Document 17/10 D03/17  
[www.comreg.ie/publications](http://www.comreg.ie/publications)

## Cost of the USO - USO Funding Applications 2010-2015

In 2011, ComReg issued a Decision (ComReg Document D04/11) about the principles and methodologies for establishing the net cost of providing the universal service. This decision provided the basis upon which the net cost of providing the universal service is calculated and will enable ComReg to determine if the net cost, if any, constitutes an unfair burden on the universal service provider.

ComReg commenced a process of consultation (in Q4 2017) on the assessment of eir's applications for funding for the periods 2010-2011, 2011-2012, 2012-2013, 2013-2014, and 2014-2015, which were resubmitted by eir between September 2014 and March 2017<sup>17</sup>.

On 18 April 2019, following the assessments of the applications received from eir, the Commission for Communications Regulation ("ComReg") published ComReg Decisions:

- D05/19 "Assessment of eir's 2010-2011 Universal Service Fund Application  
Assessment of the net cost and unfair burden for the period 2010-2011"
- D06/19 "Assessment of eir's 2011-2012 Universal Service Fund Application  
Assessment of the net cost and unfair burden for the period 2011-2012"
- D07/19 "Assessment of eir's 2012-2013 Universal Service Fund Application  
Assessment of the net cost and unfair burden for the period 2012-2013"
- D08/19 "Assessment of eir's 2013-2014 Universal Service Fund Application  
Assessment of the net cost and unfair burden for the period 2013-2014"
- D09/19 "Assessment of eir's 2014-2015 Universal Service Fund Application  
Assessment of the net cost and unfair burden for the period 2014-2015"

ComReg Decision D05/19 determined that for the year 2010-2011 there was a positive net cost of €7.5m in respect of eir's provision of the Universal Service Obligation and that this positive net cost does not represent an unfair burden on eir.

ComReg Decision D06/19 determined that for the year 2011-2012 there was a positive net cost of €6.7m in respect of eir's provision of the Universal Service Obligation and that this positive net cost does not represent an unfair burden on eir.

ComReg Decision D07/19 determined that for the year 2012-2013 there was a positive net cost of €7.7m in respect of eir's provision of the Universal Service Obligation and that this positive net cost does not represent an unfair burden on eir.

ComReg Decision D08/19 determined that for the year 2013-2014 there was a positive net cost of €9.5m in respect of eir's provision of the Universal Service Obligation and that this positive net cost does not represent an unfair burden on eir.

ComReg Decision D09/19 determined that for the year 2014-2015 there was a positive net cost of €11.5m in respect of eir's provision of the Universal Service Obligation and that this positive net cost does not represent an unfair burden on eir.

On 15 May 2019, eir appealed to the High Court against ComReg Decisions D05/19; D06/19; D07/19; D08/19; and D09/19.

ComReg will fully defend the proceedings brought by eir.

## POSTAL REGULATION



ComReg's statutory functions are to ensure the provision of a universal postal service that meets the reasonable needs of postal service users and to monitor and ensure compliance by postal service providers with the obligations imposed on them.

ComReg's statutory objectives are to:

- promote the development of the postal sector and, in particular, the availability of a universal postal service within, to and from the State at an affordable price for the benefit of all users;
- promote the interests of postal service users;
- facilitate the development of competition and innovation in the market for postal service provision.

The Communications Regulation (Postal Services) Act 2011 designated An Post as the universal postal service provider (USP) until 2023, subject to a review by ComReg after 1 August 2018. Specific functions of ComReg include monitoring compliance of the USP with directions issued by ComReg.

## Review of the universal postal service specification

Section 16 of the 2011 Act sets out a general description of the “universal postal service” that the designated “universal postal service provider” is required to provide. ComReg is required by section 16(9) to “make regulations specifying the services to be provided by a universal postal service provider relating to the provision of a universal postal service”. In 2012 ComReg set the universal postal service specification in the Communication Regulation (Universal Postal Service) Regulations 2012 (S.I. 280 of 2012). In making these Regulations, ComReg specified a minimal set of universal postal services that meets the needs of postal service users, while also limiting the regulatory burden on An Post as the universal service provider.

In 2018 ComReg reviewed the universal postal service specification and following a number of public consultations ComReg decided to amend the Regulations to reduce the maximum weight of the basic parcel service in the universal postal service from 20kg to 10kg and to amend the universal postal service specification for the certain domestic bulk mail services in order to prescribe in a more detailed way the minimum requirements to avail of these bulk mail services, to the benefit of Small and Medium Enterprises.

## Review of the Universal Service Provider Designation

An Post is designated as the USP until 2023, subject to a review by ComReg after 1 August 2018 by the 2011 Act. Prior to conducting this review of the USP designation ComReg is required to first put procedures in place for conducting these reviews and making decisions on USP designations. Therefore, ComReg has following public consultation, now put in place such USP Designation Procedures (ComReg Document 19/64a) for the purpose of conducting the review required by the 2011 Act.

## Quality of Service

One of the fundamental objectives of the European Postal Directives is to secure improvements in quality of service for universal postal service and ComReg is obliged by law to set a quality of service target for the USP for its provision of universal postal service.

ComReg has directed the USP to achieve a next-day delivery standard of 94% for single piece priority mail delivered within the State. ComReg monitors An Post’s performance against that 94% standard, in accordance with CEN, the European Committee for Standardisation, and international measurement standards, and ComReg publishes annual performance reports on its website. ComReg first introduced independent monitoring of the quality of the universal postal service in 2003 and at that time just 71% of single piece priority mail was being delivered on the next working day.

The annual performance report for the calendar year 2018 was published<sup>18</sup> in June 2019 and included the following key findings:

- An Post delivered 89% of single piece priority mail on the next working day following the day of posting throughout the State. This result is 5% below the 94% regulatory standard and is a 1% decline on the 2017 result. This is the second consecutive year where the quality of the universal postal service has fallen;
- An Post delivered 99.0% of single piece priority mail within three working days following the day of posting, marginally above the 2017 result (98.9%) and below the 99.5% regulatory standard.

In addition to the annual performance against the regulatory standards as set out above, the report also noted the following key findings:

- Packets performance declined by a significant 9% in 2018, down to 79% and stood 12% below the performance for Standard Letters (90%) and 9% below Large Envelopes (88%) during the full 2018 calendar year.
- In the period January 2018 to November 2018 (excluding the month of December), An Post delivered 91% of single piece priority mail on the next working day which was also 1% below the 2017 result for this period.
- In December 2018, the overall next-day delivery performance fell a further 2% to 71%, which was mainly related to the poor performance (59%) of mail posted Outside Dublin for delivery in Dublin County. December's performance has declined by 6% since 2016.

Dublin performance further declined as follows:

- For the full 2018 calendar year, performance declined by 1% to 88% for mail posted in Dublin County to Anywhere in the State and performance for mail posted in Dublin County for delivery in Dublin County declined 2% to 88% compared to 2017;
- The performance of mail posted Outside Dublin County for delivery in Dublin County declined 3% to 87% for the full 2018 calendar year compared to 2017. This appears to have been mainly due to a significant decline of 12% for this mail flow down to 59% during December 2018 compared to 2017.

## Postal service users disputes – independent dispute resolution

Section 43(3) of the 2011 Act gives ComReg, or an appointee of ComReg, a discretionary power to resolve postal service users' disputes which remain unresolved after due completion of all the procedures of a postal service provider's code of practice. During the year ComReg received twenty requests from postal service users for independent dispute resolution.

## Review of the Price Cap Repeal

The Communications Regulation (Postal Services) (Amendment) Act 2017 ("the Repeal Act") requires ComReg to undertake a review of any consequences of the repeal of the price cap. That review commenced during the year. As required by the Repeal Act a report will be provided to the Minister for Communications, Climate Action and Environment by 21 September 2019 at the latest. The Repeal Act stipulates that this report will then be laid by the Minister before both houses of the Oireachtas as soon as practicable after it is furnished to the Minister by ComReg.

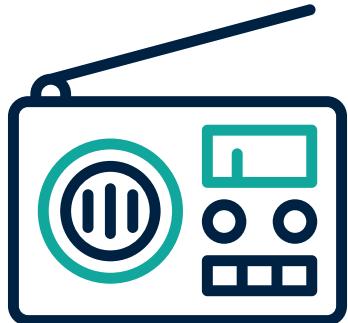
The Repeal Act also noted that an optional public consultation could be conducted by ComReg to seek the views of interested parties on the consequences following the repeal of the price cap.

By public Consultation Document No. 19/43, issued 16 May 2019, ComReg sought the views of interested parties on the consequences following the repeal of the price cap. ComReg allowed its usual consultation period of 28 days to facilitate responses to Consultation 19/43. ComReg published the response to consultation, Document No. 19/62, issued 21 June 2019 and met the 42 days limit on the optional consultation set by the Repeal Act. The responses received to the public consultation will be considered in the report to the Minister.

## Cross border parcel regulation

Under Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on cross-border parcel delivery services, there is an obligation on some “parcel delivery service providers” to provide certain information to ComReg which is then passed to the European Commission. This is the first year of this Regulation. Therefore, ComReg issued an Information Notice and put information on its website to make “parcel delivery service providers” aware of this regulation. As required by the regulation, ComReg passed the information it received from “parcel delivery service providers” to the European Commission. As required by the regulation, ComReg assessed whether An Post’s (as designated USP) cross- border single piece parcel tariffs are unreasonably high and submitted that assessment to the European Commission.

## RADIO SPECTRUM MANAGEMENT



Radio spectrum is a medium by which information may be transmitted wirelessly over distances ranging from a few metres to thousands of kilometres. It is a valuable national resource underpinning important economic, social and communications activities. These include widely used services, such as mobile/fixed wireless communications and broadband, radio and TV broadcasting, and the safe operation of air and maritime transport.

Use of the radio spectrum resource helps deliver economic growth and supports numerous jobs in our modern economy and is essential to the provision of mobile communications and wireless reception of broadcast services. The wireless telecommunications sector plays an important role in the Irish economy and accounts for around 17,000 full time equivalent jobs, €4 billion Gross Value Added and an estimated total contribution of spectrum-dependent activities of €6.2 billion – amounting to 3.5% of Irish Gross National Income.

Radio spectrum is also fundamental in the day-to-day operation of the emergency services and defence forces and is a vital input to many other services including important scientific applications, such as weather forecasting and monitoring the Earth's environment. However, it is a finite natural resource with competing uses and users and so it must be managed effectively and efficiently used.

During the year in review, several key spectrum management projects were completed or commenced as detailed below.

## Updated Radio Management Strategy Statement

To assist ComReg's management of the radio spectrum, ComReg regularly sets out and updates its strategy for same. ComReg's Spectrum Management Strategy Statement 2016 to 2018 (Document 16/50 ) ("2016-2018 Strategy Statement") was finalised in 2016 and set out, among other things, its work plan priorities for the two year period ending during this annual report review period.

In August 2018 ComReg published a consultation<sup>19</sup> which among other things, reviewed the previous strategy period (2016 to 2018) and set out its draft radio spectrum work plan for the period 2019 to 2021, while also being reflective of ComReg's current ECS Strategy Statement<sup>20</sup>. Twelve interested parties responded to the consultation and having carefully considered same, along with other relevant information, ComReg published a response to consultation document<sup>21</sup> which sets out ComReg's assessment of, and views in relation to, the matters raised.

These responses informed the final Radio Spectrum Management Strategy<sup>22</sup> for the period 2019 to 2021, which sets out ComReg's work plan and priorities for the next two years in relation to ComReg's role as Ireland spectrum manager and complements ComReg's Electronic Communications Strategy Statement.

## The 3.6 GHz band – transition work

Prior to the 2017 Spectrum Award, the 3.6 GHz Band was used to provide wireless broadband services (and phone services in some cases) to 21,665 existing customers, predominantly in rural areas. In those areas the existing operators may have been the only available provider of broadband services to homes and schools.

In order to ensure continued services for those existing customers who were at risk of losing their service while winning bidders prepared for the deployment of their services (e.g. trials), ComReg developed a Transition licensing framework which it consulted upon extensively with interested parties and implemented by way of the rules of the Award, which all participants to the Award agreed to be bound by. These rules are contained in the 3.6 GHz Band Spectrum Award Information Memorandum (Document 16/71).

Essentially, this Transition licensing framework allows existing operators to continue to provide services to their customers until such time that winning bidders are ready to roll-out commercial services. The principles underpinning this framework can be summarised as follows:

- minimise the potential for disruption to existing consumer services;
- introduce liberalised licences as soon as possible not unnecessarily delaying the delivery of future liberalised services;
- maximise benefits to end users; and
- ensure the efficient use of spectrum during the Transition period.

ComReg is engaging with winning bidders and existing operators to develop and implement appropriate transition plans, which are progressed and prioritised where winning bidders have sufficiently-developed plans to roll-out new services.

<sup>19</sup> ComReg 18/74 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>20</sup> ComReg 17/31 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>21</sup> ComReg 18/117 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>22</sup> ComReg 18/118 [www.comreg.ie/publications](http://www.comreg.ie/publications)

Considerable progress has been made in the orderly transition of the 3.6 GHz Band and this progress has facilitated the commencement, to varying degrees, of spectrum rights for all new 3.6 GHz Band licensees<sup>23</sup>.

## Towards the award of the 400 MHz band.

Noting the interest in this band, ComReg considered that there is sufficient justification to further develop the proposed award of spectrum rights of use in the 400 MHz band. Therefore, in October 2018, ComReg published a second consultation<sup>24</sup> on the proposed release of the 400 MHz band to set out ComReg's further proposals and preliminary views on the proposed process for granting new spectrum rights of use in this band, and the conditions that may be attached to any future licences.

Eight interested parties responded to this consultation and the subsequent response to consultation and a draft decision<sup>25</sup> was published in March 2019. This response to consultation and draft decision set out ComReg's response to the submissions received as well as its Draft Decision on the award format, spectrum fees and licence conditions for new spectrum rights of use in the band at issue, for consultation.

In June 2019 ComReg published its response<sup>26</sup> to all the input received on the Draft Decision as well as its final Decision. In summary ComReg has decided to award this spectrum via two sequential Simple Clock Auctions ("SCA") with exit bids and combinatorial closing rules, where the spectrum will be made available as follows:

- 410 – 413 MHz / 420 – 423 MHz ("Part A") will be made available to Network Utility Operators for the provision of wireless connectivity for Smart Grid; and
- 413 – 414 MHz / 423 – 424 MHz ("Part B") will be made available to any interested party on a service and technology neutral basis.

Smart Grids are advanced delivery systems for utility services (electricity, gas and water) from sources of generation and production to key elements in the grid networks and includes all supervisory and control necessary for their effective management. This is not to be confused with smart metering, which consists of devices located at premises that record energy, water and gas usage and provide two-way electronic communication between consumers and the grid.

ComReg notes that Smart Grids are a key component of government efforts to meet the demand for energy in a cost effective and secure way while also reducing the environmental impact (including carbon emissions). A national Smart Grid, using new technology, could result in substantial reductions in energy use and carbon emissions and could make renewable energy and efficiency programs more affordable and accessible.

In the next review period ComReg will review all submissions and other relevant material received in response to the Draft Information Memorandum and Draft Regulations<sup>27</sup>, publish<sup>28</sup> a final version of the Information Memorandum and Regulations as appropriate and carry out the award itself.

<sup>23</sup> See [www.comreg.ie/industry/radio-spectrum/spectrum-awards/3-6-ghz-band-transition/](http://www.comreg.ie/industry/radio-spectrum/spectrum-awards/3-6-ghz-band-transition/)

<sup>24</sup> ComReg 18/92 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>25</sup> ComReg 19/23 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>26</sup> ComReg 19/69 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>27</sup> ComReg 19/56 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>28</sup> See [www.comreg.ie/industry/radio-spectrum/spectrum-awards/400mhz-band-spectrum/](http://www.comreg.ie/industry/radio-spectrum/spectrum-awards/400mhz-band-spectrum/) for further details

## Connectivity in Ireland

To assist ComReg in its development of award proposals for its forthcoming spectrum award for wireless broadband, and in particular, its consideration of appropriate coverage obligations, ComReg commissioned three studies to provide advice on some of the challenges, solutions and actions to improving connectivity in Ireland.

In November 2018, ComReg published the results of these connectivity studies which considered how best to meet consumers' connectivity needs<sup>29</sup>, estimating future mobile connectivity network costings<sup>30</sup> and the implications for spectrum awards and coverage obligations<sup>31</sup>. In addition, ComReg published an Information Notice which summarises the key messages and recommendations in these studies<sup>32</sup>.

Of particular note from these studies is that:

- Connectivity (both fixed and wireless) is understood as being the ability of users and their devices to connect and communicate with each other and their networks. This can take different forms, with many different networks (both fixed and wireless) and devices being used, increasingly seamlessly, to communicate and consume content and applications.
- Good solutions for indoor connectivity include the use of Wi-Fi and native Wi-Fi calling on a fixed broadband connection, and the use of licence-exempt mobile phone repeaters. By ensuring widespread access to high-speed fixed broadband connectivity, the NBP is clearly critical to the penetration and uptake of Wi-Fi and Native Wi-Fi calling services;

- It seems feasible for the market by itself to increase the 30 Mbps mobile broadband coverage from current levels to at least 90% of the population (where people live) in the period up to 2025. Achieving this coverage level would also provide significant incidental coverage improvements for other coverage dimensions (geographic, motorway, primary roads) and for the 3 Mbps and voice services, increasing this service to above 99% population and above 90% geographic coverage;

- Very high levels of 30 Mbps mobile broadband coverage on a geographic basis would not be achieved by the market itself as this would require networks to have two to four times as many cell sites as exist today. This would take many years to achieve and the overall cost to stakeholders would likely be substantial;
- Policy or regulatory interventions could be used to secure more extensive coverage outcomes than would result from marketplace competition alone. These would, however, need to be carefully designed, and based on an assessment of the costs and benefits to society of the additional coverage sought.

## Proposed award of spectrum for wireless broadband

In June 2019, ComReg issued a document<sup>33</sup> containing its response to consultation 18/60<sup>34</sup> and its consultation on its detailed proposals for a multi-band spectrum award to assign rights of use in four spectrum bands which are suitable for mobile and wireless broadband (WBB) services.

These spectrum bands are the 700 MHz, 2.1 GHz, 2.3 GHz and the 2.6 GHz bands<sup>35</sup>, all of which are harmonised at a European level for the provision of WBB services.

29 ComReg 18/103a and 18/103b [www.comreg.ie/publications](http://www.comreg.ie/publications)

30 ComReg 18/103c [www.comreg.ie/publications](http://www.comreg.ie/publications)

31 ComReg 18/103d [www.comreg.ie/publications](http://www.comreg.ie/publications)

32 ComReg 18/103 [www.comreg.ie/publications](http://www.comreg.ie/publications)

33 ComReg 19/59R [www.comreg.ie/publications](http://www.comreg.ie/publications)

34 ComReg 18/60 [www.comreg.ie/publications](http://www.comreg.ie/publications)

35 The 700 MHz band (703-733 / 758-788 MHz); The 2.1 GHz band (1920-1980 / 2110 – 2170 MHz); The 2.3 GHz band (2300 -2400 MHz); and The 2.6 GHz band (2500 -2690 MHz).

In total, ComReg proposes to award 470 MHz of harmonised spectrum rights. This would represent a 46% increase in the harmonised spectrum assigned for the provision of WBB services in Ireland and would significantly enable the market to provide improved services to meet increasing consumer demand for mobile data and new services.

In line with its obligation to promote competition, ComReg proposes to award rights to these bands by way of an open, competitive award process where existing operators and potential new entrants can compete for these spectrum rights. Further, and in line with European obligations, ComReg proposes to award the spectrum rights on a technology- and service-neutral basis, meaning that new licensees would be free to deploy equipment that complies with the applicable harmonised standard, be that the 3G, 4G or 5G technologies for mobile, fixed wireless or other uses.

ComReg would expect this award to be particularly suitable for enabling advancements in current 4G services and the delivery of new 5G services.

## Review of RTÉ's Radio and Television Broadcasting Licences

In July 2018, ComReg published a consultation<sup>36</sup> proposing to grant new licences to Raidió Teilifís Éireann ("RTÉ") in respect of its radio and television broadcasting networks and services listed below, once its current licences expire<sup>37</sup>:

- Analogue Sound Broadcasting ("ASB");
- Digital Sound Broadcasting ("DSB"); and
- Digital Terrestrial Television ("DTT").

ComReg received one submission to its consultation, from RTÉ, and in November 2018, ComReg published its response to consultation<sup>38</sup> setting out ComReg's assessment and final position on the matters raised in its earlier consultation. In May 2019, a statutory instrument<sup>39</sup> to reflect ComReg's position was adopted, and new ASB and DSB licences were issued to RTÉ.

## Test & Trial Ireland

Ireland's geographic position on the western edge of Europe and its low population density provides a key natural advantage, namely, a relative abundance of unused spectrum. Test & Trial Ireland is a service which entrepreneurs, researchers and developers may use to test or trial wireless technologies in a wide variety of frequency bands, including parts of the mobile and broadcasting bands. During the year in review ComReg issued 34 Test & Trial licences. Further details are set out at Test & Trial Ireland [www.testandtrial.ie](http://www.testandtrial.ie).

<sup>36</sup> ComReg 18/64 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>37</sup> RTÉ's ASB licence and DSB licence both expire on 13 May 2019 and its two DTT licences expire on 13 December 2019

<sup>38</sup> Document 18/97, "Review of RTÉ's Radio and Television Broadcasting Licences, Response to ComReg Consultation Document 18/64", published 20 November 2018

<sup>39</sup> Statutory Instrument 197 of 2019, Wireless Telegraphy (Public Service Television and Sound Broadcasting Licences) Regulations 2019c

## Licensing Operations

The possession and use of radio equipment in Ireland requires authorisation from ComReg. This authorisation may take the form of either a licence or a licence exemption. Licences may be issued in accordance with the following legislation:

- Wireless Telegraphy Act 1926 (as amended); and
- Broadcasting Act 2009

As of 30 June 2019, the total number of live radio licences on our database was 18,778, an increase of 1.1%.

The total number of new licences issued in this reporting period was 5,012, an increase of 36.3% on the previous year. This increase arose as a result of:

- an increase of 221% in the number of FM/ Radio Data System ("RDS") broadcasting licences issued. This increase is a result of the issuing new FM/RDS licences to RTÉ and additional new and temporary FM licences; and
- an increase of 44% in the number of point to point link licence applications as a result of mobile operators and other ECS providers linking their bases stations and nodes.

## Mobile User Experience

As part of its ongoing work to produce reliable facts and data and making this information readily available in order to help inform and protect consumers on the factors affecting mobile coverage ComReg;

- published three further reports (ComReg Documents 18/82, 18/109 and 19/67) in respect of the performance of all new makes and models of mobile handsets that became available on the Irish market for both voice and data;
- published on its website a composite outdoor mobile coverable map generated from data provided by the mobile network operators; and

- launched a public information campaign to raise awareness amongst manufacturers, distributors, suppliers, installers and consumers of ComReg's Decision (ComReg Document 18/58) to authorise the use of certain mobile phone repeaters to improve indoor mobile phones reception (see [www.comreg.ie/repeaters](http://www.comreg.ie/repeaters) ).

## Market surveillance of products

During the reporting period ComReg has established working relationships with major online platforms such as Facebook, Google, and DoneDeal in order to prevent non-compliant radio and electronic equipment from being imported into Ireland through purchase on their websites. An area of particular attention has been illegal phone boosters. ComReg's Decision in the last reporting period to authorise the use of certain mobile phone repeaters to improve indoor mobile phones reception has been significant as repeaters provide a safe and legal alternative for consumers.

ComReg is also assisted in this area by Customs & Excise and since July 2018, 283 non-compliant devices have been seized various mail centres and have been handed over to ComReg. Of these circa 80% were found to be non-compliant with the relevant regulations. This is a 66% increase on the previous reporting period, when 170 devices were seized.

## Radio Frequency Interference Investigations

Radio Frequency Interference (RFI) describes radio frequency signals that disrupt legitimate electronic communications services, whether altogether or temporarily or partially. RFI can affect any service including but not limited to emergency services, air traffic control, mobile phone services, business radio, microwave links and broadcast services.

The focus of this work is reacting to complaints of RFI, approximately 100 of which are received each year and analysis reveals that:

- more than half of all RFI complaints concern alleged interference to mobile networks; and
- 14% of complaints concern alleged interference to land mobile (PMR), two-way radio and telemetry systems (this includes priority Class 1 complaints where interference is allegedly being caused to safety-of-life and/or aeronautical services.)
- During the 2018-2019 period, ComReg's Spectrum Intelligence & Investigations Unit (SII) responded to a number of reports of interference to safety-of-life services, including Air Traffic Control, Gardaí, and Dublin Fire Brigade.

During the period under review, ComReg published its first Spectrum Intelligence & Investigations Annual Report 2017 – 2018 (ComReg Document 18/86).

## ComReg and the Mobile Phone Taskforce

As part of the Government's Mobile Phone Taskforce programme<sup>40</sup> for 2019, ComReg was charged with establishing a quarterly forum with providers of key electronic communications services. The forum aims to deepen engagement, increase knowledge sharing, and foster greater collaboration, by facilitating the following:

- provide an opportunity to discuss and consider forward-looking topics – this will help to ensure that ComReg's work on radio interference and product surveillance is best prepared to ensure the continuing and effective use of the radio spectrum on a continuing basis;
- consider appropriate protocols and supporting procedures for the effective reporting and subsequent investigation, as appropriate, of radio spectrum interference matters;

<sup>40</sup> See [www.dccae.gov.ie/en-ie/communications/topics/Broadband/mobile-phone-and-broadband-taskforce/Pages/Mobile-Phone-and-Broadband-Taskforce.aspx](http://www.dccae.gov.ie/en-ie/communications/topics/Broadband/mobile-phone-and-broadband-taskforce/Pages/Mobile-Phone-and-Broadband-Taskforce.aspx)

- identify, discuss and consider emerging trends and issues of common interest; and
- conduct an interim review within 12 months of its first meeting to review the success of the forum and identify any recommendations for its future development.

The forum first met on 18 June 2019 and enjoyed high level and positive engagement from all in attendance. Further meetings are scheduled to take place on a quarterly basis.

## Non-Ionising Radiation

It is a condition of the General Authorisation<sup>41</sup> for the provision of an electronic communications network and/or service as well as of various Wireless Telegraphy licences issued by ComReg that authorised/licensed operators must ensure that public exposure to non-ionising radiation (NIR) emissions from transmitters must be within the limits set down in the guidelines published by the International Commission on Non-Ionising Radiation Protection (ICNIRP)<sup>42</sup>.

In this reporting period ninety-one surveys were carried out. Eighty of the sites surveyed were selected on the basis of population distribution and the other eleven were selected, for example, to check on new technologies and sites of more particular interest<sup>43</sup>.

Further information and the repository for all the reports since 2003 can be found here – [www.comreg.ie/nir-reports-2/](http://www.comreg.ie/nir-reports-2/)

<sup>41</sup> ComReg 03/81R6 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>42</sup> See: [www.icnirp.org](http://www.icnirp.org)

<sup>43</sup> Such sites for example may include new transmitter sites, the higher utilisation of existing sites and sites covering areas where public access may be cause for concern and need to be evaluated.

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## Mobile Network Operator Licence Compliance – Drive Testing

ComReg has renewed its six-monthly drive test regime<sup>44</sup>, which, is designed to assess compliance<sup>45</sup> with the obligations set down in both the 3G and Liberalised Use Licences. The route taken covers in excess of 5,000km encompassing all primary and secondary National ("N") roads in the State including, the towns thereon and motorway sections.

During the review period ComReg published a summary report<sup>46</sup> of its national drive test and will continue to publish these summary reports on its website **www.comreg.ie**, following each drive test. The results found that all mobile network operators are in compliance with their licence conditions.

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<sup>44</sup> This resulted from a Request for Tender ("RFT") process, RFT 135426, published on both the Irish Government's e-tenders website(<https://www.etenders.gov.ie/>) and in the Official Journal of the European Union ("OJEU"). The contractor appointed to carry out the drive test on ComReg's behalf, was Advanced Wireless Technologies Group ("AWTG") of London, United Kingdom.

<sup>45</sup> It should be emphasised that the drive test does not assess user experience but licence compliance.

<sup>46</sup> ComReg 19/26 [www.comreg.ie/publications](http://www.comreg.ie/publications)

## NUMBERING



### Managing the National Numbering Scheme

ComReg's numbering unit performs ongoing operational and strategic management of the National Numbering Scheme, which comprises all geographic numbers, mobile numbers, non-geographic numbers, premium rate service numbers, short codes, and network codes.

Telephone numbers and codes are essential to the provision of electronic communications services. They enable effective routing of national and international communications and support the proper functioning of fixed and mobile billing and settlement regimes. They also provide information to the caller on the service called, the price of the call, and the location of the called party.

Numbers are managed by ComReg in accordance with ITU<sup>47</sup> International Recommendations and subject to specific national and EU legislation. ComReg's management of the numbering resource ensures efficient and effective usage, and thereby continued availability of numbers. ComReg also sets conditions (i.e. rules) for operators' use of numbers and defines who is eligible to hold numbers.

These conditions and eligibility criteria are designed to protect consumers and to provide operators with equal access to Irish numbering resources in order to promote competition. The numbering conditions are updated as required to take account of market developments, legislative changes and any other requirements. The most recent update was completed in June 2018<sup>48</sup>, following a public consultation. A further update of the numbering conditions is planned for Q4 2019.

## Review of Non-Geographic Numbers

In December 2018, ComReg completed its review of the functioning of five different types of non-geographic numbers (NGNs) - 1800, 1850, 1890, 0818 and 076. These NGNs are used to provide a wide range of telephone services to consumers, such as charity helplines, telephone banking and customer services. Although NGNs provide a useful platform for the delivery of services, ComReg had concerns about the retail tariffs for some NGNs and the level of transparency of NGN costs for consumers.

ComReg's Response to Consultation and further Consultation (ComReg Document 18/65<sup>49</sup>), in response to its previous consultation (ComReg Document 17/70) conducted during the previous reporting period, set out ComReg's assessment of the submissions received, its position at that time, and how ComReg intended to advance its review of NGNs. ComReg remained of the view that the proposed regulatory measures are needed to address to the observed consumer harm and are justified and proportionate.

The measures proposed included the introduction of new retail tariff condition for 1850, 1890, 0818 and 076 NGNs and a reduction in the number of NGN types from five (1800, 1850, 1890, 0818 and 076) to two (1800 and 0818).

## ComReg's Decision

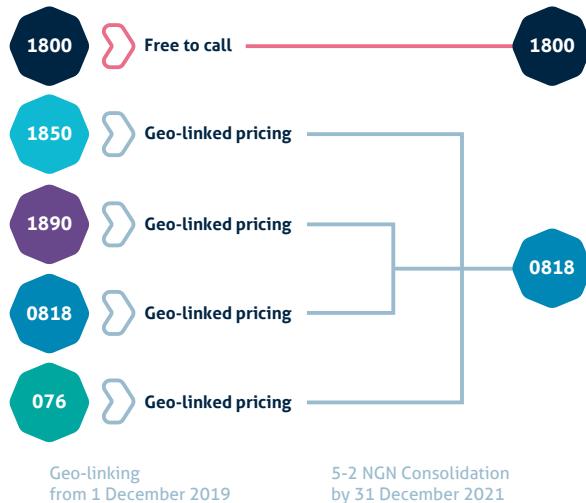
ComReg's final Response to Consultation 18/65 and Decision (ComReg18/106 including Decision No. D15/18) describes the submissions to Consultation 18/65 and sets out ComReg's assessment of same, its final positions, and its decision. Nothing in the responses to Consultations 17/70 or 18/65 have caused ComReg to significantly alter its original preliminary views, as set out in Consultation 17/70. In particular, no respondent provided any countervailing facts or arguments to convince ComReg not to take any or all of the identified measures. ComReg's position is thus essentially unchanged, although it did extend the time allowed to reduce the number of ranges from 5 to 2.

ComReg's NGN Decision (ComReg D15/18) introduced two measures as described and shown in Figure 12:

- Geo-linking Condition: this measure is intended to address the retail cost of using NGNs. From 1 December 2019, a call to an 1850, 1890, 0818 or 076 NGN will cost no more than the cost of calling a landline number. This means that if landline calls are included in your "bundle of call minutes" then NGN calls will also be "in bundle". No separate charge will apply for any NGN call (unless you have used up your bundle of call minutes).
- NGN Consolidation: this measure is intended to address widespread confusion among consumers about differences between the five NGN ranges. From January 1 2022, the five NGN ranges will be reduced to two. The 1850, 1890, 076 ranges will be withdrawn and the 1800 (Freephone) and 0818 range will remain. The 3 year period was set down to allow organisations that use NGNs time to prepare.

<sup>48</sup> ComReg 15/136R1 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>49</sup> ComReg 18/65 [www.comreg.ie/publications](http://www.comreg.ie/publications)

**Figure 12: Improvements to the NGN Platform**

## Implementation

Following its Decision, ComReg published an Information Notice<sup>50</sup> which provided ComReg's preliminary proposals for how ComReg and industry can co-ordinate the successful implementation of improvements to the NGN platform. ComReg indicated that it would form an industry 'NGN Working Group' (NGN WG) in early 2019 in order to develop and agree a detailed implementation and communications plan and to oversee its execution.

The NGN WG was established in March 2019 and meets on a regular basis. An Implementation and Communications Plan<sup>51</sup> was developed in agreement with the NGN WG and published in June 2019. This Plan identifies the tasks that must be carried out in order to implement the NGN Decision, the parties who must carry out each task, and the timeline for completing each task.

ComReg is also jointly developing a new Individual Number Assignment (INA) system with industry, to allow for individual assignment of 1800 and 0818 NGNs, that can be live on networks within 1 day. The INA system facilitates the migration by organisations which use NGNs in any of the three ranges to be withdrawn (1850, 1890 and 076) to new 1800 or 0818 numbers. More than 95% of these numbers are still available. The INA system is scheduled for launch in Autumn 2019.

## Numbering for Machine to Machine (M2M) Communications

In June 2018, following a review of mobile numbering resources, ComReg decided<sup>52</sup> to introduce a new M2M numbering range. This M2M range uses the 088 prefix with 10 subscriber digits (i.e. +353 88 + 10 digits). In recognition of the demands from industry as well as the requirements of Article 93 of the European Electronic Communications Code<sup>53</sup>, ComReg also decided to allow the extraterritorial use of this M2M range. In its Response to Consultation (ComReg document 18/46), ComReg set out a number of steps to implement the new 088 number range on networks.

Since then, ComReg has made number blocks in the 088 range available for assignment to operators and M2M service providers. A total of 11 million 088 numbers have been assigned to date. ComReg continues to meet with operators and other national regulatory authorities to ensure the timely opening of the 088 range on all national and international networks.

<sup>50</sup> ComReg 19/01 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>51</sup> ComReg 19/65 and 19/65a [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>52</sup> ComReg 18/46 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>53</sup> Directive 2018/1972 of the European Parliament and of the Council of 11 Dec 2018 establishing the European Electronic Communications Code (EECC)

## MARKET ANALYSIS & PRICING



In Ireland the scope and nature of electronic communications regulation is determined by a market analysis process as set out under the European common regulatory framework for electronic communications networks and services.

Under this framework ComReg must firstly define what markets are potentially within the scope of regulation having regard to the European Commission's 2014 Recommendation, which identifies those markets which are susceptible to ex ante regulation. Having defined the relevant market, ComReg must assess whether any company has Significant Market Power (SMP) within that market, a concept akin to that of dominance under competition law. If it is concluded that a company does have SMP, ComReg must impose at least one remedy (or obligation) to ameliorate the likely effect of identified competition problems having regard to their impact on competition and consumers. For example, ComReg may require an SMP operator to open up access to its network to competitors at the wholesale level, with such access subject to price controls. ComReg is required by European law to notify the European Commission of its draft decisions with respect to its market analysis. Regulated markets are reviewed from time to time under this market analysis process.

It is a guiding principle of the common regulatory framework that SMP obligations are imposed at the wholesale level, and that obligations are imposed at the retail level only where obligations at the wholesale level are not sufficient to address competition issues on retail markets.

At the end of June 2019 only one retail market (with three sub-segments) in Ireland was subject to regulation, namely the market for retail access to the public telephone network at a fixed location (line rental). However, regulation within these retail markets has been gradually reduced over time.

During the year, ComReg completed its analysis of a number of wholesale markets, as well as continuing/commencing a number of other reviews, as follows:

- 1.** The Wholesale Local Access (WLA) and Wholesale Central Access (WCA) markets, being two wholesale markets which provide operators with wholesale services used in the provision of downstream/retail broadband and telephony services (among others). Following on from a 2016 Consultation, in November 2018 ComReg published its decisions<sup>54</sup> with respect to its analysis of the WLA and WCA markets. In parallel, in November 2018 ComReg also published related decisions on price control<sup>55</sup> and bundling remedies<sup>56</sup> in the WLA and WCA markets, following on from previous consultations issued in April and June 2017. Aspects of the decisions were appealed to the High Court by Sky Ireland Limited on 14 December 2018.
- 2.** The Fixed Voice Call Termination (FVCT) and Mobile Voice Call Termination (MVCT) markets, being two wholesale markets which provide operators with wholesale services used for the completion of calls on the networks of called parties. Following on from a 2017 consultation, in May 2019 ComReg issued its decisions<sup>57</sup> on its analysis of the FVCT and MVCT markets. In parallel, in May 2019 ComReg also published related decisions<sup>58</sup> on price control obligations relating to the charges for FVCT and MVCT services, following on from a previous consultation in March 2018.
- 3.** The Wholesale High Quality Access (WHA) market, where operators purchase wholesale high speed symmetric broadband wholesale services used as inputs in the provision of downstream/retail broadband services to medium and large businesses, and to extend the boundaries of their networks. ComReg issued a further consultation<sup>59</sup> on its analysis of the wholesale HQA market in February 2018.
- 4.** The Retail Fixed Voice Access (RFVA) and Wholesale Fixed Access and Call Origination (FACO) markets, being two markets involving the provision of retail fixed telephony services. ComReg has commenced internal work on the analysis of these markets (last reviewed in 2014 and 2015 respectively), as well as engaging with service providers to gather information to support the analyses. ComReg will issue a consultation setting out its preliminary views on the analysis of the RFVA and FACO markets, with the timing of this published in ComReg's publicly available annual action plan.<sup>60</sup>
- 5.** The Wholesale Broadcasting Transmission Services (BTS) and Digital Terrestrial Television (DTT) Multiplexing Services markets, being two wholesale markets enabling the provision of free-to-air retail DTT and quasi-national radio services. ComReg has commenced internal work on the analysis of these markets (last reviewed in 2013), as well as engaging with service providers to gather information to support the analyses. In due course, ComReg will issue a consultation setting out its preliminary views on the analysis of the BTS and DTT Multiplexing markets, with the timing of this published in ComReg's publicly available annual action plan.
- 6.** ComReg has been engaged in the gathering of information from service providers using its statutory information gathering powers.

<sup>54</sup> ComReg Document 18/94 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>55</sup> ComReg Document 18/95 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>56</sup> ComReg Document 18/96 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>57</sup> ComReg Document 19/47 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>58</sup> ComReg Document 19/48 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>59</sup> ComReg Document 18/08 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>60</sup> <https://www.comreg.ie/about/what-we-do/corporate-governance/>

In May 2019 ComReg published a consultation<sup>61</sup> estimating the Weighted Average Cost of Capital (WACC) in the mobile, fixed line and broadcasting sectors which is then used for the purpose of price control remedies imposed on SMP operators. Work is ongoing following receipt of responses to the WACC consultation.

## Market Commentary

As of June 2019, approximately 1.9m premises were passed by eir NGA networks including FTTC (Fibre to the Cabinet) and FTTB (Fibre to the Premises) based technologies.<sup>62</sup> In total, 702k subscribers were using these services. Virgin Media also continued to be a significant player in the market, advertising download speeds in excess of 300Mbps. According to public filings<sup>63</sup> Virgin Media's network addressed 941,400 premises and had 376,200 broadband subscribers as at end June 2019.

SIRO, a joint venture between ESB and Vodafone, has also been rolling out FTTB to households and businesses in a number of selected towns across the country. As of July 2019, SIRO had passed 250,000 premises.<sup>64</sup>

Average fixed broadband speeds continued to increase. As at end June 2019, approximately 89% of all fixed broadband subscriptions were equal to or greater than 10Mbps up from 86% in June 2018. While at the end of this review period 79.6% of all fixed broadband subscriptions were equal to or greater than 30Mbps, up from 74.6% in Q2 2018.

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61 ComReg Document 19/54 [www.comreg.ie/publications](http://www.comreg.ie/publications)

62 <https://www.eir.ie/pressroom/eir-FY19-Full-Year-Results-Announcement/>

63 <https://2zn23x1nwzzj494slw48aylw-wpengine.netdna-ssl.com/wp-content/uploads/2019/08/Fixed-Income-Q2-2019-Report.pdf>

64 <https://siro.ie/siro-now-a-serious-challenger-to-eir-in-fibre-arms-race/>

## WHOLESALE REVIEW



### Compliance

The Wholesale Compliance Section investigates breaches of regulatory obligations by telecoms operators, incidents associated with misuse of Irish numbers and reports of significant network incidents.

When dealing with investigators into compliance with regulatory obligations the conclusion of the case may result in:

- a formal opinion of non-compliance being issued to an operator,
- an administrative payment by an operator,
- court proceedings or
- the closure of a case where no issue is identified or following remediation by an operator where ComReg considers further action is not warranted.

During the period, ComReg's telecoms compliance activities included:

Regulatory compliance:

- 9 cases opened
- 14 cases closed
- 11 active cases

Misuse of Irish numbers:

- 33 cases opened
- 37 cases closed

Network incident reports:

- 15 incidents reported

Associated with the regulatory compliance cases, ComReg carried out 8 active compliance investigations into the incumbent fixed line operator and 1 active compliance investigation into mobile operators.

In January 2019 ComReg notified eir that, under the settlement agreement of 10 December 2018, resulting from the settling of litigation between eir and ComReg, 6 Compliance cases were closed without further action and a further 2 cases would be closed when eir provided confirmation that all requirements, which were part of these cases, were met. eir also agreed to pay ComReg €3 million in respect of the compliance litigation and certain open compliance cases. The first of three instalments of €1 million was paid on 1 July 2019.

## Regulatory Governance

During the second half of 2018 ComReg and eir entered into discussions on a possible agreed resolution of litigation relating to proceedings taken by eir against the State in 2017 challenging the validity of the legislation relied upon by ComReg in applications to the High Court for the imposition of financial penalties.<sup>65</sup>

As a result of these discussions, in December 2018<sup>66</sup> ComReg and eir agreed a set of commitments which, when fully implemented, will result in the establishment and operation of an enhanced Regulatory Governance Model ("RGM") in eir. Those commitments implementing the RGM are referred to as the RGM Undertakings and are detailed in the Settlement Agreement.<sup>67</sup>

Under the Settlement Agreement, eir committed to implement a number of important measures to improve eir's internal governance in respect of regulatory matters. Important elements include:

- (a) The creation of an Independent Oversight Body ("IOB") with majority independent membership.

This body will be charged inter alia with overseeing and assessing eir's regulatory governance arrangements. The IOB will consist of 5 members, the majority of its members including its Chairperson will be independent and appointed by ComReg with two further members appointed by eir from its board;

- (b) Improved internal governance arrangements in eir and detailed reporting to the IOB;
- (c) eir will increase the independence of its Wholesale arm from the rest of eir's business with increased transparency over internal decision making; and
- (d) Measures to remediate eir's IT systems and associated controls to ensure that access to IT systems is appropriately governed.

A number of the key RGM Undertakings ("Performance Milestones") were underpinned by a cash amount of €9 million placed in escrow by eir, which can be drawn down by ComReg in the event of late or non-delivery of the Performance Milestones by eir.

As set out in the Performance Agreement<sup>68</sup> eir was required to meet a number of Performance Milestones referred to as the Early Milestones by certain dates. Thereafter, ComReg would come to a determination as to whether eir had met such Early Milestones.

On 24 January 2019, eir appointed two members to the Independent Oversight Body ("IOB") which fulfilled the requirement of the Performance Milestone due by 31 January 2019. The IOB was formed on 24 May 2019.<sup>69</sup>

<sup>65</sup> In June 2017, ComReg made findings of five breaches of wholesale related regulatory obligations against Eir and applied to the High Court with a view to obtaining orders for financial penalties in each case.

<sup>66</sup> ComReg 18/110 [www.comreg.ie/publications](http://www.comreg.ie/publications)

<sup>67</sup> Settlement Agreement, dated 10 December 2018.

<sup>68</sup> Annex 2 to the Settlement Agreement.

<sup>69</sup> ComReg 19/49 [www.comreg.ie/publications](http://www.comreg.ie/publications)

By 31 May 2019, eir was required to meet the nine other Performance Milestones<sup>70</sup> and in this regard eir submitted documentation to ComReg.<sup>71</sup> ComReg reviewed the documentation provided and, after seeking a number of clarifications from eir, determined that eir had met all the Performance Milestones.

The Independent Oversight Body (IOB) has been established and is currently preparing its work-plan and, as required by the settlement, eir has provided a number of submissions to the IOB which it will review and consider as part of its mandate to oversee eir's governance structures. After an annual review the IOB is due to publish a report with an opinion regarding the implementation and effectiveness of eir's RGM.

ComReg is continuing its project to identify whether any regulatory measures would be appropriate, having regard to its objectives and functions, including those under the Access Regulations, in particular under Regulations 8 to 15. ComReg may consult on proposals in this regard.

## Wholesale Products

This section covers the work programme undertaken by the Products and Competition Team. The Products team is responsible for the Strategy and Operational elements of the Wholesale Division's work plan and the technical specification of remedies on the basis of analysis provided by the Market Analysis team.

In the year ending June 2019, following the publication of ComReg Decisions on the regulation of the Wholesale Local Access (WLA) and Wholesale Central Access (WCA) markets in November 2018, and the related obligations which came into effect in a period from November 2019 to May 2019, with further crystallisation upcoming later in 2019.

The Products team have put in place the mechanisms for actively monitoring the implementation of the remedies as mandated by the Decision. Working closely with our colleagues in Compliance and Regulatory Governance Unit, we analyse and follow up on potential issues arising from market engagements. Work continued in respect of the remedies proposed for the market for Wholesale High Quality Access (WQA) following consultation.

A key element of Products work is market engagement – maintaining extensive contacts with the industry and in particular with the access seeker community and 'open eir' (eir's wholesale arm). This is effected through bi-lateral contacts, the hosting and chairing of the monthly Industry Engagement Forum, and participation at the open eir hosted monthly Product Development Workshop.

The Products team continued to prepare for technical and market evolution by developing draft frameworks for network developments – including the evolution of the copper and fibre networks and the impacts these may have on services and end users.

<sup>70</sup> One of the nine remaining Early Milestone was due on 31 March 2019 and the remainder were due by 31 May 2019 or the first meeting of the IOB.

<sup>71</sup> Some Performance Milestones required Eir to make a submission to the IOB.

## CORPORATE SERVICES



### Governance

It is the objective of the Commission to ensure compliance, at all times, with best practice in Corporate Governance.

It is ComReg's policy to comply with the 2016 Code of Practice for the Governance of State Bodies and it has reported on its compliance with relevant sections of the Code either in this Annual Report or separately by way of a letter to the Minister for Communications, Climate Action and Environment.

ComReg has an extensive audit programme in place, overseen by the Audit Committee which met 4 times during the year. The internal audit function is outsourced. An independent trustee of the pension scheme is also in place, in keeping with best practice.

As a public body operating in a difficult environment, an ongoing challenge is to continue to add value while working within resource constraints. We continuously review and amend policies and procedures in relation to expenditure, procurement and risk management. ComReg is accountable to the Oireachtas through Oireachtas Committees.

The ongoing implementation of the procurement plan aims to achieve value for money, to provide a quality service to the public and arrange procurement in a compliant manner. During the current year we have followed European Procurement Directives for larger contracts. The Office of Government Procurement Framework Agreements have been used where feasible.

We aim to pay all valid invoices within 15 days and we publish on our web-site the number and value of payments made quarterly. We continue to improve work processing cycle times, aided by the co-operation of all staff and the new technological initiatives developed internally to improve processing. In the year to 30 June 2019 87% of payments have been made within the requisite time period.

## Human Resources and Operational Excellence 2019

ComReg is a knowledge based organisation where the specialist skills of the people who work together collaboratively enable the organisation to deliver the mandate. The emphasis on attracting, hiring, developing, engaging and retaining continues to be a key priority for the organisation.

We are privileged to have a competent workforce dedicated to fulfilling ComReg's remit. The skill of the people who work here is a key part of the organisation's ability to achieve our objectives regarding promoting competition, protecting customers and encouraging innovation. ComReg endeavours to provide an environment where everyone who works here is given the supports to empower them to do their best work thereby enabling the organisation to make an impactful contribution to society.

In December 2018, we were given consent to increase our numbers to 144. Over the past year, recruiting to fill these vacancies was a key priority. The additional resources will be of significant benefit as we deal with new responsibilities, additional complexity and higher demands. However, as a high proportion of our roles require specialised skills – Engineers, Economists, Accountants, Lawyers and Analysts – it can be challenging in the current buoyant market to quickly fill our vacancies with the required talent.

Attrition across a number of critical roles resulted in loss of intellectual capital, requiring an investment of substantial time to upskill new hires to a level where they match the contribution of the previous incumbent.

We realise that recruitment is only the first step in the employment relationship and that a positive on-boarding and induction must follow. Focus on the on-boarding experience and on using the probation period to coach and upskill new recruits thereby helping them to acclimatise and contribute quickly was a significant area of focus.

In keeping with our ethos of lifelong learning, we launched an enhanced ComReg mentoring programme. The programme is designed to be beneficial for both the mentor, the mentee and the organisation. It is particularly useful for new starters as it helps to develop new skills and a larger network. We continue to invest in enabling people to hone their technical and professional skills through on the job training, peer to peer learning, internal courses and formal education. Last year, our calendar of organisational programmes included management development, professional, technical and regulatory programmes as well as lunch time sessions designed to encourage collaboration and information sharing. We continue to sponsor education and ComReg staff have achieved excellent results as they augment their knowledge and ability.

Over the past 12 months, we rolled out a new performance management process, the Performance and Development Dialogue (PDD). The PDD links the Competency Framework to performance and thereby expands the focus to include both what is achieved and how it is achieved.

The emphasis is on setting goals linked to strategy and business plans and having frequent, scheduled conversations between reviewer and reviewee. Over the past year, we have put emphasis on each stage of this new cycle and provided training and at each phase.

Our values of Integrity, Impartiality, Transparency, Excellence and Effectiveness are emphasised to ensure the behaviours associated with these values are woven into all our interactions and decisions. We are committed to providing an environment where all colleagues in our diverse workforce are treated fairly and with respect and are aware of what is and is not acceptable behaviour. Over the past year, we have communicated this in various ways, including unconscious bias training.

ComReg is committed to helping all who work here to achieve a healthy and happy work life blend. We have an active wellness programme called Mind, Body and Spirit, the objective of which is to emphasise the importance of taking care of physical and mental health. The ComReg pedometer challenge encouraged increased physical activity and, together with the provision of medical screening, empowers people to make informed decisions to safeguard their wellbeing.

ComReg has responsibilities in relation to sustainability. To meet these responsibilities, the organisation has undertaken a number of green initiatives such as promoting the use of public transport by staff under the tax-saver scheme, encouraging staff access to the cycle-to-work initiative, providing keep-cups and water bottles, using recycling bins and energy efficient measures including sensory-activated lights in offices and other locations, and timers on water heaters. ComReg will continue to put in place necessary measures, where possible, in order to reduce our carbon footprint.

ComReg is also required to comply with sections 25, 26, 27 and 28 of the Disability Act 2005.

Under the Act, ComReg ensures that the public areas of our building are accessible to people with disabilities and that our public services are accessible to people with disabilities. ComReg has appointed an access officer who can be contacted at [access@comreg.ie](mailto:access@comreg.ie)

The achievements of ComReg are built on the quality, commitment and professional standards of the people who work here. We look forward to continuing to build on this through the future introduction of new and refreshed initiatives.

## Information Technology

In line with current eGovernment policy, ComReg continues to enhance its Information Technology services. ComReg continued to develop its web services and its bespoke systems to improve processes both internally and in relation to licensing and consumer engagement. During this period there has also been continual improvements in terms of ComReg's security environment to mitigate against the increase in cyber security threats and to improve our operational managed IT services.

## Communications and Public Affairs

In keeping with ComReg's strategy, a key goal for ComReg is interacting proactively with our many stakeholders. ComReg has a wide array of stakeholders ranging from consumers and their representative groups, to authorised operators, industry representative groups as well as domestic and international government bodies and departments, among others. We believe that open engagement with all stakeholders assists ComReg in its work.

During the year under review we issued 213 publications and we conducted Regulatory Impact Assessments (RIAs) where appropriate, to ensure excessive regulatory burdens were mitigated.

## STRATEGY & ECONOMICS



### Stakeholder Breakfast

In October 2018, ComReg held a stakeholder breakfast in order to elicit options in advance of the drafting of the 2019-2021 Electronic Communication Services (ECS) Strategy.

This breakfast was attended by over 100 representatives from public bodies, operators, civil society and consumer groups.

Helen Shaw moderated a discussion on topics including:

- recent developments in the Irish telecommunications markets
- trends and challenges with the potential to affect the ECS sector over the lifetime of the Strategy
- whether or not consumers are seeing the benefits of a changing competitive landscape
- the key priorities of ComReg under the new European Electronic Communications Code

Dr Dan Maldoom from DotEcon presented on potential business models for 5G applications drawing on research undertaken for BEREC. His presentation considered potential regulatory issues and some challenges likely to arise in monetising 5G. This event yielded interesting insights and feedback which were considered during the Strategy Statement drafting process.

## Publication of the 2019-2021 Strategy Statement

In May 2019, ComReg published its 2019-2021 ECS Strategy Statement. This document is a midyear review of the 2017-2021 Strategy, and provides an opportunity to both reflect on progress made over the past two years and to set out priorities up to 2021.

The Strategy Statement sets out five strategic intents for the organisation:

- Competition – The market delivers innovation and the greatest possible choice of wholesale and retail operators.
- Consumer Protection – Consumers can choose and use communications services with confidence.
- Investment – Efficient investment has enabled affordable, high-quality and widespread access to communications services and applications.
- Enforcement and Compliance – Regulated entities comply with regulatory obligations.
- Organisation – We are an effective and relevant regulator.

These strategic intents are underpinned by 30 Goals.

Over the two years of this strategy, ComReg will work to progress the organisation's vision – that consumers and businesses in Ireland have affordable, high-quality, and widespread access to communications services and applications that support their social and economic needs.

The Strategy Statement is available, in both English and Irish, at [www.comreg.ie/strategy](http://www.comreg.ie/strategy).

## INTERNATIONAL AFFAIRS



Body of European Regulators for Electronic Communications

ComReg has been an active participant in the Body of European Regulators for Electronic Communications (BEREC<sup>72</sup>) since its foundation. BEREC's membership includes each of the national regulatory authorities (NRAs) from the 28 Member States of the European Union, three of the European Free Trade Association (EFTA) states, the four official candidate countries of the European Union and the three potential candidate countries of the European Union.

From January to December 2018, ComReg Commissioner Jeremy Godfrey, was a Vice-Chair of BEREC 2018. Beginning on 1 January 2019, Mr. Godfrey took over the role of BEREC Chair for 2019. In the second half of 2018 and into 2019 particularly, BEREC continued to take measures aimed at strengthening its role as an enabler of the EU's Digital Single Market strategy.

<sup>72</sup> The Body of European Regulators for Electronic Communications (BEREC) was established by Regulation (EU) 2018/1971 of the European Parliament and of the Council of 11 December 2018. The new Regulation replaces the previous one - Regulation (EC) No 1211/2009 which was part of the Telecom Reform package. It replaced the European Regulators Group for electronic communications networks and services which was established as an advisory group to the Commission in 2002.

For its part, and in the present period, given ComReg's stewardship role in BEREC, ComReg has taken leadership roles on the following tasks:

- managing processes to deliver BEREC's Work Programme 2019<sup>73</sup> (developed through 2018), noting the significant influence of the European Commission proposals for a European Electronic Communications Code (EECC) on this work; and
- organising and delivering the 6th BEREC Stakeholder Forum<sup>74</sup> in Brussels on 17 October 2018, an event where BEREC showcased work on its effectiveness and stakeholder engagement as well as on efficient investment in the European telecoms sector (for example Very High Capacity Networks).

In addition, through 2018 BEREC continued to participate in the delivery of the Work Programme 2018 (under the leadership of the BEREC Chair 2018<sup>75</sup>), which consisted of circa 30 individual projects. Since January 2019, as Mr. Godfrey assumed the chairing of BEREC, ComReg has steered BEREC's 10 permanent Working Groups<sup>76</sup> to deliver on all of the projects set out in the Work Programme 2019, with emphasis on the crucial mandatory work arising from the EECC, particularly the 12 Guidelines documents that BEREC has been tasked to deliver over the next two years, for example:

- BEREC Guidelines on the minimum criteria for a reference offer relating to obligations of transparency (due for delivery by December 2019)
- BEREC Guidelines on common criteria for the assessment of the ability of undertakings other than ECN or ECS to manage numbering resources (due for delivery by March 2020)

• BEREC Guidelines to assist NRAs on the consistent application of geographical surveys of network deployments (due for delivery by March 2020)

• BEREC Guidelines on very high capacity networks (due for delivery by December 2020)

• BEREC Guidelines to foster the consistent application of the criteria for assessing co-investments in very high capacity network elements (due for delivery by December 2020)

During the period, ComReg continued to provide national experts to Co-chair the End Users, Statistics & Indicators, and the Ad Hoc Communications Working Groups. In 2019, as part of its chairing of BEREC, ComReg also assumed the role of Chair of the BEREC Contact Network, which is the preparatory meeting held in advance of each of BEREC's Plenary meetings during the year.

In addition to its annual Work Programme, BEREC provides Opinions and other technical advice to the European legislative institutions (the European Commission, the Council and the Parliament) on an ad hoc basis. Furthermore, to protect the interests of European citizens and to promote competition generally, BEREC co-operates with other advisory bodies, such as the Radio Spectrum Policy Group ("RSPG") and European Union Agency for Network and Information Security ("ENISA").

## BEREC Plenary Meetings

The Board of Regulators meets four times per year and in the period July 2018 – June 2019 a number of key documents were adopted and approved for publication, covering topics including, among others:

- Issues that BEREC should consider in relation to the data economy, given the increasing relevance of data to the telecommunications sector particularly with respect to the growing interactions with other sectors that are at the core of the data economy (online platforms, audio-visual content providers, sensors collecting data, etc.).

<sup>73</sup> [https://berec.europa.eu/eng/document\\_register/subject\\_matter/berec/annual\\_work\\_programmes/8337-berec-work-programme-2019](https://berec.europa.eu/eng/document_register/subject_matter/berec/annual_work_programmes/8337-berec-work-programme-2019)

<sup>74</sup> [https://berec.europa.eu/eng/events/berec\\_events\\_2018/173-6th-berec-stakeholder-forum](https://berec.europa.eu/eng/events/berec_events_2018/173-6th-berec-stakeholder-forum)

<sup>75</sup> Johannes Gunzl, RTR – Austria.

<sup>76</sup> [https://berec.europa.eu/eng/about\\_berec/working\\_groups/](https://berec.europa.eu/eng/about_berec/working_groups/) - includes two ad hoc working groups on issues of stakeholder communications and cybersecurity.

- Market shaping aspects of spectrum authorization, award procedures and coverage obligations with a view to considering their suitability for 5G; this work also includes information on existing coverage obligations for challenging areas.
- The regulation of prices of intra-EU communications, as BEREC was tasked by the EECC to develop Guidelines on this matter, which included a benchmark that allows an assessment of the relevant objective factors to determine if one operator is significantly more affected than most other providers in the Union and a test to be used for the assessment of whether that impact would significantly weaken that provider's capacity to maintain its domestic charging model.

## Consistency in Regulation across Europe

In order to achieve a greater consistency in regulatory processes, the European Commission has oversight powers in respect of measures which NRAs may take regarding the competitive state of markets at national level (referred to as "Article 7 cases" after the provisions of Article 7 and 7a of the Framework Directive (Directive 2002/21/EC, (as amended)). When the Commission expresses serious doubts about an NRA's analysis of the market and remedies to address competitive failures, it opens a so-called "Phase II investigation" and must take utmost account of BEREC Opinions before exercising its powers. In such instances, BEREC has a procedure to establish a Working Group, which assumes responsibility for drafting an Opinion on the case.

In recent years, ComReg has provided experts across a number of such cases, including as Rapporteur (to lead cases). However, given ComReg's human resource commitment to the chairmanship of BEREC, as well as the limited number of Phase II investigations between July 2018 and June 2019 (indeed only 3 cases were opened), ComReg has not participated in any such cases in the last 12 months. All BEREC Opinions adopted by the Board of Regulators are published on the BEREC website.

## The Independent Regulators Group (the IRG)

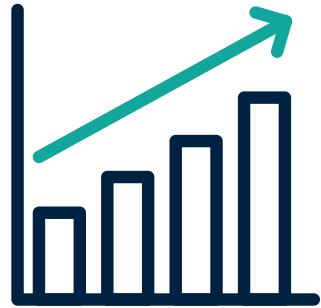
ComReg is also an active participant in the Independent Regulators Group (IRG), which works in close cooperation with BEREC and was established in 1997 by a group of European NRAs, to assist in sharing experiences and points of view among its members on important issues relating to the regulation and development of the European telecommunications market.

Between July 2018 and June 2019, ComReg issued 3 questionnaires to other IRG Members for their inputs, analysed more than 55 submissions received to those questionnaires issued and circulated summaries to all IRG Members. In addition, ComReg responded to more than 40 individual questionnaires circulated by other IRG Members. ComReg's ongoing participation in IRG is an important activity, as it helps to promote information sharing and peer learning between NRAs which can help to improve the harmonisation of regulation across Europe.

## The Communications Committee (CoCom)

CoCom was established in 2002 under the Framework Directive (Directive 2002/21/EC, as amended)) as an advisory committee to the European Commission. CoCom is composed of Member State representatives and its main role is to provide opinions on draft measures that the Commission intends to adopt. Along with representatives of the Department of Communications, Climate Action and Environment, ComReg participates as part of the Irish delegation.

## FINANCIAL STATEMENTS



### COMMISSION MEMBERS AND OTHER INFORMATION FOR THE YEAR ENDED 30 JUNE 2019

#### Commission

As at 30 June 2019 the Commission comprised of 3 Commissioners

- Garrett Blaney - Chairperson
- Jeremy Godfrey - Commissioner
- Robert Mourik - Commissioner

#### Offices

1 Dockland Central  
Guild Street  
Dublin 1

#### Auditors

Comptroller & Auditor General  
3A Mayor Street Upper  
Dublin 1

#### Bankers

Bank of Ireland  
6 – 7 O'Connell Street Lower  
Dublin 1

# GOVERNANCE STATEMENT AND COMMISSION MEMBERS' REPORT

## FOR THE YEAR ENDED 30 JUNE 2019

### Governance

The Commission for Communications Regulation (ComReg) was established on 1 December 2002. The functions of the Commission are specified in the Communications Regulation Act, 2002, and the Communications Regulation (Amendment) Act, 2007. These functions relate to the regulation and licensing of the electronic communications industry (including radio and broadcasting transmission), the regulation of postal services, the regulation of premium rate services and the regulation of the .ie domain name. The Commission is funded wholly by income received from the electronic communications, postal and premium rate services industries.

Section 11 of the 2002 Act states that, subject to the 2002 Act, the Commission shall be independent in the exercise of its functions. Section 14 of this Act states that the Commission shall consist of at least 1 and not more than 3 Commissioners and subject to this Act, the Commission may regulate its own procedure. The Commission is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of ComReg are the responsibility of the Commission and the Leadership Team. The Leadership team must follow the broad strategic direction set by the Commission, and must ensure that all Commission members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise.

### Commission Responsibilities

The work and responsibilities of the Commission were originally set out in the 2002 Act. Our objectives are set out in line with both primary and secondary legislation, and this legislative framework continues to evolve since the 2002 Act and the Communications (Regulation) Act of 2007. In 2007, ComReg's responsibilities and powers, as well as available enforcement measures, were augmented by the Communications Regulation (Amendment) Act 2007.

Section 21 of the 2002 Act provides that 'the exercise of functions of the Commission may be carried out by or through any member of staff or authorised officer of the Commission as the Commission shall deem proper'. The Commission has delegated certain functions but there are other matters specifically reserved for Commission decision. Items considered by the Commission include

- reports from the Audit Committee / working groups
- financial reports / management accounts
- performance reports, and
- reserved matters.

Section 32 of the Communications Regulation Act, 2002, requires the Commission to keep in such form as may be approved by the Minister for Communications, Climate Action and Environment, with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of moneys received or expended by it, including an income and expenditure account and a balance sheet, distinguishing between:

- a. its functions relating to electronic communications,
- b. its functions relating to postal matters and
- c. its functions relating to premium rate services.

In preparing financial statements, the Commission is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Commission will continue in operation;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The Commission is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, the financial position of the Commission and which enable the Commission to ensure that financial statements comply with the requirements of Section 32 of the Communications Regulation Act. The maintenance and integrity of the corporate and financial information on the Commission's website is the responsibility of the Commission.

The Commission is responsible for approving the annual action plan and budget. An evaluation of the performance of the Commission by reference to the annual plan and budget was carried out in July 2019.

The Commission is responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Commission considers that its financial statements give a true and fair view of the financial performance and the financial position of the Commission at 30 June 2019.

## Commission Structure

Section 14 of the Communications Regulation Act, 2002 states that the Commission shall consist of at least 1 and not more than 3 Commissioners. Section 15 of the Act states that a Commissioner shall be appointed on a full-time basis for a period of not less than 3 years and not more than 5 years. The Act also provides that where there is more than one Commissioner, the Minister shall appoint one of them to be the chairperson of the Commission.

Under Section 17 of the Communications Regulation Act, 2002 the Commission shall, where there is not more than one Commissioner appointed under Section 15, designate a member of its staff as a deputy member of the Commission ("deputy commissioner") who shall assume and carry out with the authority of the Commission all of the functions of the Commission in the absence of the Commissioner.

As at 30 June 2019 The Commission comprised three Commissioners all of whom were appointed by the Minister for Communications, Climate Action and Environment. The table below details the members of the Commission and their appointment, or re-appointment dates (Commission members cannot serve more than 2 terms of office as a Commissioner). The Commission meets regularly to discuss regulatory and operational issues.

Commission Member	Date Appointed
Garrett Blaney – Chairperson*	7 January 2019
Jeremy Godfrey **	2 September 2013
Robert Mourik	7 January 2019

\*Chairperson from 7 January 2019

\*\* Jeremy Godfrey was the sole Commissioner from August 2018 until 6 January 2019.

Gerry Fahy and Kevin O'Brien left in August 2019. The Minister for Communications, Climate Action and Environment, in January 2019 appointed Garrett Blaney as Chairperson and Robert Mourik as Commissioner following an open competition run by the Public Appointments Service.

## Audit and Risk Committee

The Commission has established an Audit and Risk Committee (ARC). The members of the ARC are appointed by the Commission and consist of not more than five people:

- two Commissioners (Note: The Chairperson is the Accounting Officer and hence is not appointed to the Audit and Risk Committee);
- three independent external members.

The ARC is chaired by one of the external members.

The role of the ARC is to support the Commission in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular the ARC ensures that the internal controls systems including audit activities are monitored actively and independently. The ARC reports formally in writing to the Commission annually.

Commissioners Jeremy Godfrey and Robert Mourik were members of the ARC in the year ended 30 June 2019. The external members of the Audit and Risk Committee are: Martin Higgins (Chairperson), Patricia Byron and Marie Collins. There were 4 meetings of the ARC in the year ended 30 June 2019.

## Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Audit Committee meetings for 2019 is set out below including the fees received by each member. There were no expenses paid in 2019.

## Audit Committee Members

Name	Role	Number of Meetings Attended	Fees 2019 €
Martin Higgins - Chairperson	External Member	4	8,000
Patricia Byron	External Member	3	3,600
Marie Collins	External Member	4	4,800
Jeremy Godfrey	Commissioner	3	N/a
Robert Mourik	Commissioner	2	N/a

## Key Personnel Changes

Commissioners Gerry Fahy and Kevin O'Brien left in August 2019. In accordance with the 2002 Communications Regulation Act the Minister in January 2019 appointed Garrett Blaney as Chairperson and Robert Mourik as Commissioner.

## Disclosures required by Code of Practice for the Governance of State Bodies (2016)

The Commission is responsible for ensuring that ComReg has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code.

## Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range €'000	30 June 2019 Number	30 June 2018 Number
60 - 70	18	8
70 - 80	12	17
80 - 90	24	13
90 - 100	5	3
100 - 110	10	14
110 - 120	5	4
120 - 130	9	7
130 - 140	2	1
140 - 150	0	2
150 - 160	1	0
160 - 170	0	1
170 - 180	1	0
180 - 190	1	1
190 - 200	1	0
200 - 210	0	1
210 - 220	1	1
220 - 230	1	0

Note: For the purpose of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, performance related pay and benefit-in-kind in respect of medical insurance payments made on behalf of the employee, but exclude employer's PRSI.

## Technical Advice Costs

Technical Advice costs include the cost of external advice to management and includes outsourced 'business-as-usual' functions.

	2019 €'000	2018 €'000
Professional & Technical Advice	7,319	6,824
Contact Management	764	502
Market Research	178	222
Quality of Service Monitoring	551	532
Staff Training and Professional Development	375	409
	<b>9,187</b>	<b>8,489</b>

## Legal Costs

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs.

	2019 €'000	2018 €'000
Legal Advice	1,062	911
Legal Costs relating to Legal Proceedings	1,435	917
	<b>2,497</b>	<b>1,828</b>

Legal expenses are stated net of costs recovered from third parties.

## Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2019 €'000	2018 €'000
Domestic Travel	23	29
International Travel	364	227
	<b>387</b>	<b>256</b>

## Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2019 €'000	2018 €'000
Staff Hospitality Costs	20	15
Contribution to Sports and Social Club	11	5
	<b>31</b>	<b>20</b>

ComReg does not engage in Client Hospitality. The above amounts do not include expenditure on refreshments/hospitality associated with business operations such as conference hosting, events and meetings.

## Statement of Compliance

The Commission is committed to maintaining the highest standards of corporate governance. The Code of Practice for the Governance of State Bodies published by the Department of Public Expenditure and Reform is the foundation on which our corporate governance policies are based.

Section 33 of the Communications Regulation Act, 2002, requires the Commission to adopt, with the approval of the Minister for Communications, Climate Action and Environment and the Minister for Public Expenditure and Reform, a code of financial management and to arrange for its publication following such approval. In addition the Commission is required to review periodically its code of financial management and revise and republish the code as appropriate. There is also a requirement on the Commission to comment in the annual report on adherence to the code.

Our code of financial management (which is based on the Code of Practice for the Governance of State Bodies (2009) published by the Department of Public Expenditure and Reform) has been approved by the Minister for Communications, Climate Action and Environment and the Minister for Public

Expenditure and Reform. The code is published on our website, and it is our intention to update the Code to reflect the requirements of the 2016 Code. It is the policy of the Commission to ensure compliance with the Code.

On behalf of the Commission

**Garrett Blaney**  
**Chairperson**

Date: 12 March 2020

## **STATEMENT ON INTERNAL CONTROL**

### **FOR THE YEAR ENDED 30 JUNE 2019**

#### **Responsibility for Internal Control**

On behalf of ComReg I acknowledge the Commission's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

#### **Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in ComReg for the year ended 30 June 2019 and up to the date of approval of the financial statements.

#### **Capacity to Handle Risk**

ComReg has an Audit and Risk Committee (ARC) comprising two members of the Commission and three external members, with financial and audit expertise, one of whom is the Chair. The ARC met four times in the year ended 30 June 2019.

ComReg has also established an outsourced internal audit function which is adequately resourced and conducts a programme of work agreed with the ARC.

The Commission has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within ComReg's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

#### **Risk and Control Framework**

ComReg has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible mitigate those risks.

A risk register is in place which identifies the key risks facing ComReg and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Commission on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented,
- financial responsibilities have been assigned at management level with corresponding accountability,
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- there are systems aimed at ensuring the security of the information and communication technology systems, and
- there are systems in place to safeguard the assets.

## Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Commission, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

## Procurement

ComReg has developed a Corporate Procurement Plan which was approved by the Commission. In addition it has put procedures and policies in place to ensure compliance with current procurement rules and guidelines. The nature of ComReg activities mean that in a certain small number of instances it may not be possible or appropriate to comply with the appropriate procurement rules and guidelines. The Commission has put in place an appropriate governance policy to follow in such circumstances.

During 2019 expenditure of €40,000 (2018: €403,000) was incurred in respect of 1 (2018: 2) contracts for IT services where our operational needs deemed it necessary to roll over the existing contract pending conclusion of a competitive tender process.

There was also a contract for professional advice where it was also deemed appropriate to roll over the existing contract pending conclusion (scheduled for later this year) of a competitive tender process. The spend on this contract was €81,000 in 2019 (2018: €156,000). There was one contract for a value of €46,000 for specialist consultancy advice where due to the urgent and unforeseen circumstance it was deemed appropriate not to go to tender. We are satisfied that no alternative supplier would have been in a position to meet our requirements.

## Review of Effectiveness

I confirm that ComReg has procedures to monitor the effectiveness of its risk management and control procedures. ComReg's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management within ComReg responsible for the development and maintenance of the internal financial control framework.

I confirm that the Commission conducted an annual review of the effectiveness of the internal controls for the year ended 30 June 2019.

## Internal Control Issues

No weaknesses in internal control were identified in relation to 2019 that require disclosure in the financial statements.

On behalf of the Commission

**Garrett Blaney**  
**Chairperson**

Date: 12 March 2020



## Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas Commission for Communications Regulation

#### Opinion on the financial statements

I have audited the financial statements of the Commission for Communications Regulation for the year ended 30 June 2019 as required under the provisions of section 32 of the Communications Regulation Act 2002. The financial statements comprise

- the statement of income and expenditure and appropriation account
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Commission at 30 June 2019 and of its income and expenditure for the year then ended in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

#### *Basis of opinion*

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Commission and I have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Report on information other than the financial statements, and on other matters

The Commission has presented certain other information together with the financial statements. This comprises the annual report, the governance statement and Commission members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

*Seamus McCarthy*  
Seamus McCarthy  
Comptroller and Auditor General

19 March 2020

## Appendix to the report

### Responsibilities of the Commission

As detailed in the governance statement and Commission members' report, the Commission is responsible for

- the preparation of financial statements in the form prescribed under section 32 of the Communications Regulation Act 2002
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under section 32 of the Communications Regulation Act 2002 to audit the financial statements of the Commission and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

#### *Information other than the financial statements*

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

#### *Reporting on other matters*

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

## Statement of Income and Expenditure and Appropriation Account for the year ended 30 June 2019

	Notes	Year to 30 June				Year to 30 June
		2019				2018
		Electronic Communications	Post	Premium Rate Services		
		Levy €'000	Other €'000	Levy €'000	Levy €'000	Total €'000
<b>Income</b>						
Levy		6,708		1,959	475	9,142
Licensing Fees	2		43,063			43,063
Spectrum Income	2		7,600			7,600
Other Income	2		173			173
<b>Gross Income</b>		<b>6,708</b>	<b>50,836</b>	<b>1,959</b>	<b>475</b>	<b>59,978</b>
Transfer from Capital Reserve	12		1,481			1,481
<b>Net Income</b>		<b>6,708</b>	<b>52,317</b>	<b>1,959</b>	<b>475</b>	<b>61,459</b>
<b>Expenditure</b>						
Staff Costs	3	7,575	3,610	607	265	12,057
Retirement Benefit Costs	17(b)	1,988	948	159	70	3,165
Technical Advice	4	4,628	3,107	1,185	267	9,187
Legal Expenses	5	1,720	730	28	19	2,497
Advertising		51	42			93
Administrative Expenses	6	1,213	1,078	81	64	2,436
Auditors' Remuneration		11	6	1	1	19
Premises and Related Expenses		1,464	837	95	95	2,491
Depreciation	7	1,703	907	111	111	2,832
(Profit) on Disposal of Assets			(2)			(2)
Subscriptions to International Organisations	15	688				688
		<b>21,041</b>	<b>11,263</b>	<b>2,267</b>	<b>892</b>	<b>35,463</b>
<b>Surplus / (Deficit) before Appropriations</b>		<b>(14,333)</b>	<b>41,054</b>	<b>(308)</b>	<b>(417)</b>	<b>25,996</b>
						<b>53,737</b>
Less: Appropriations						
Payable to Central Fund	13					(27,106)
Pension Reserve adjustment	13					1,110
<b>Surplus after Appropriations</b>					<b>0</b>	<b>0</b>

The Statement of Cash Flows and Notes 1 to 22 form part of these financial statements.

On behalf of the Commission

**Garrett Blaney**

**Chairperson**

Date: 12 March 2020

## Statement of Comprehensive Income for the year ended 30 June 2019

		Year to 30 June	Year to 30 June
		2019	2018
	Notes	Total	Total
<b>Surplus after Appropriations</b>		<b>0</b>	<b>0</b>
<b>ComReg Defined Benefit Scheme</b>			
Actual return less expected return on scheme assets	17(f)	747	2,311
Experience gains on retirement benefit obligations	17(f)	904	533
Changes in assumptions underlying the present value of Retirement benefit obligations		(9,263)	1,181
Transfers in for prior service	17(g)	-	-
<b>Actuarial (loss) / gain in the year</b>		<b>(7,612)</b>	<b>4,025</b>
<b>Single Public Sector Pension Scheme</b>			
Experience (losses) / gains on retirement benefit obligations		(28)	10
Changes in assumptions underlying the present value of Retirement benefit obligations		(340)	64
Adjustment to Deferred Funding		368	(74)
<b>Actuarial (loss) / gain in the year</b>		-	-
<b>Total actuarial (loss) / gain in the year</b>		<b>(7,612)</b>	<b>4,025</b>
<b>Movement in Retirement Benefit Reserve</b>			
Balance at 1 July		(7,305)	(10,098)
Total Recognised Gains in the year		(7,612)	4,025
Pension Reserve adjustment	13	(1,110)	(1,232)
<b>Balance at 30 June</b>		<b>(16,027)</b>	<b>(7,305)</b>

The Retirement Benefit Pension Reserve represents the difference between the cumulative cost of retirement benefits less amounts paid out to date.

The Statement of Cash Flows and Notes 1 to 22 form part of these financial statements.

On behalf of the Commission

**Garrett Blaney**

**Chairperson**

Date: 12 March 2020

## Statement of Financial Position as at 30 June 2019

		<b>30 June</b>	<b>30 June</b>
		<b>2019</b>	<b>2018</b>
	Notes	€'000	€'000
<b>Fixed Assets</b>			
Property, Plant & Equipment	7	7,185	8,666
<b>Current Assets</b>			
Receivables	8	3,957	4,450
Short-Term Investments	9	48,500	78,500
Cash and Cash Equivalents		9,594	8,898
		<b>62,051</b>	<b>91,848</b>
<b>Current Liabilities (Amounts falling due within one year)</b>			
Payables	11	(62,051)	(91,848)
<b>Net Current Assets</b>			
<b>Total Assets less Current Liabilities</b>		<b>7,185</b>	<b>8,666</b>
<b>Total Net Assets excluding Retirement Benefits (Liability)</b>		<b>7,185</b>	<b>8,666</b>
<b>Retirement Benefits</b>			
Deferred Funding Asset for SPSPS Pensions	17c(i)	2,540	1,540
Single Public Sector Pension Scheme (Liability)	17c(iv)	(2,540)	(1,540)
ComReg Scheme (Liability)	17c(i)	(16,027)	(7,305)
<b>Total Net Assets / (Liabilities) including Retirement Benefits (Liability)</b>		<b>(8,842)</b>	<b>1,361</b>
<b>Representing</b>			
Capital Reserves	12	7,185	8,666
Retirement Benefit Reserve		(16,027)	(7,305)
		<b>(8,842)</b>	<b>1,361</b>

The Statement of Cash Flows and Notes 1 to 22 form part of these financial statements.

On behalf of the Commission

**Garrett Blaney**

**Chairperson**

Date: 12 March 2020

## Statement of Cash Flows for the year ended 30 June 2019

		Year to 30 June	Year to 30 June
		2019	2018
	Notes	€'000	€'000
<b>Net Cash Flows from Operating Activities</b>			
Excess Income over Expenditure (before Appropriations)		25,996	53,737
Difference between pension charge and contributions		1,110	1,232
Depreciation	7	2,832	2,670
(Profit) on Disposal of Asset		(2)	-
Bank interest	2	-	-
Capital reserve transfer	12	(1,481)	(585)
Decrease in Receivables		493	5,207
(Decrease)/ Increase in Payables (excluding Central Fund)		(2,254)	(10,431)
<b>Net Cash Inflow from Operating Activities</b>		<b>26,694</b>	<b>51,830</b>
<b>Cash Flows from Investing Activities</b>			
Payments to acquire Property, Plant & Equipment	7	(1,358)	(2,085)
<b>Cash Flows from Financing Activities</b>			
Receipt from sale of Asset		9	-
Payment to Central Fund		(54,649)	(99,048)
<b>Net (Decrease) Cash and Cash Equivalents</b>		<b>(29,304)</b>	<b>(49,303)</b>

## Notes to the Financial Statements for the year ended 30 June 2019

1.	<b>Accounting Policies</b>
	<p>The basis of accounting and significant accounting policies adopted by the Commission are set out below. They have all been applied consistently throughout the year and for the preceding year</p> <p><b>a) General Information</b>  The Commission was set up under the Communications Regulation Act, 2002 and has offices at One Dockland Central, Guild Street, Dublin 1.</p> <p>The functions of the Commission are specified in the Communications Regulation Act, 2002, and the Communications Regulation (Amendment) Act, 2007. These functions relate to the regulation and licensing of the electronic communications industry (including radio and broadcasting transmission), the regulation of postal services, the regulation of premium rate services and the regulation of the .ie domain name.</p> <p>The Commission is a Public Benefit Entity (PBE).</p>
	<p><b>b) Statement of Compliance</b>  The financial statements of the Commission for the year ended 30 June 2019 have been prepared in accordance with FRS102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.</p> <p>The Code of Practice for the Governance of State Bodies (2016) was effective in relation to financial reporting periods beginning on or after 1st September 2016 and it has been adopted in these Financial Statements.</p>
	<p><b>c) Basis of Preparation</b>  The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Communications, Climate Action and Environment with the consent of the Minister for Public Expenditure and Reform under the Communications Regulation Act 2002. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Commission's financial statements.</p>
	<p><b>1.1 Income Recognition</b>  The Commission receives income from a number of sources</p> <ul style="list-style-type: none"> <li>• Levies on certain providers to fund the costs of regulation. The relevant levies are as follows: <ul style="list-style-type: none"> <li>i. Electronic Communication levy - The Levy is imposed on providers of electronic communications services. The levy payment due from an individual service provider for any particular year is calculated based on their annual turnover during the financial year ending in the levy year and is payable in four instalments. Income is recognised on a receivable basis.</li> <li>ii. Postal Levy - The Levy is imposed on postal service providers providing postal services within the scope of the universal postal service. Income is recognised on a receivable basis.</li> <li>iii. Premium Rate Services (PRS) are goods and services that you can buy by using your landline, mobile phone, the Internet, interactive digital TV or fax. The PRS Levy is paid equally by PRS services providers and network operators. The levy is invoiced one month in arrears and income is recognised on a receivable basis.</li> </ul> </li> <li>• Licencing Fees - The main area this covers is the Radio Communication licensing.</li> <li>• Spectrum Income - Income represents fee income paid to the Commission for the right to use radio spectrum. This income is brought to account in the period when it falls due. In circumstances where the commencement of the related licences is delayed, ComReg makes a provision for the amount potentially repayable based on its estimate of the length of the delay. This is not recognised as income and is included as a creditor (See Note 11). The amount of the provision is reassessed at the end of each accounting period.</li> <li>• Other income - Other income includes bank and NTMA interest on deposits and amounts payable to the Commission on foot of compliance and enforcement activities.</li> </ul>
	<p><b>1.2 Appropriation of Operating Surplus</b>  The surplus generated in the year net of the pension reserve adjustment is payable to the Exchequer. Amounts are paid over to the Central Fund by direction of the Minister for Communications, Climate Action and Environment (See Note 13).</p>

	<p><b>1.3 Fixed Assets and Depreciation</b>  Property plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment at rates estimated to write off the cost less the estimated residual value of each asset on a straight line basis over their estimated useful lives, as follows:</p> <table> <tbody> <tr> <td>Technical equipment</td> <td>-15% per annum</td> </tr> <tr> <td>Computer equipment</td> <td>-33 1/3% per annum</td> </tr> <tr> <td>Fixtures &amp; fittings</td> <td>-9% per annum</td> </tr> <tr> <td>Office Furniture &amp; office equipment</td> <td>-15% per annum</td> </tr> <tr> <td>Motor vehicles</td> <td>-20% per annum</td> </tr> </tbody> </table> <p>Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life. The Commission adopts a minimum capitalisation threshold of €1,000.</p> <p>If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure in the year.</p>	Technical equipment	-15% per annum	Computer equipment	-33 1/3% per annum	Fixtures & fittings	-9% per annum	Office Furniture & office equipment	-15% per annum	Motor vehicles	-20% per annum
Technical equipment	-15% per annum										
Computer equipment	-33 1/3% per annum										
Fixtures & fittings	-9% per annum										
Office Furniture & office equipment	-15% per annum										
Motor vehicles	-20% per annum										
	<p><b>1.4 Receivables</b>  Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that the Commission will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure.</p>										
	<p><b>1.5 Capital Reserve</b>  The capital reserve represents the unamortised amount of income used to purchase fixed assets.</p>										
	<p><b>1.6 Foreign Currencies</b>  Transactions denominated in foreign currencies relating to revenues and costs are translated into euro translated at the rates of exchange ruling on the dates on which the transactions occurred.</p> <p>Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at the Statement of Financial Position date.</p>										
	<p><b>1.7 Short Term Benefits</b>  Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.</p>										
	<p><b>1.8 Retirement Benefits</b></p> <p><b>a) Main Scheme</b>  The Commission is staffed by Commissioners and directly recruited employees. A defined benefit pension scheme is in place for Commissioners and employees of the Commission. The scheme is funded by contributions from Commissioners, employees and the Commission, which are transferred to a separate trustee administered fund.</p> <p>The Commission has adopted FRS 102 which has impacted on the calculation of Retirement Benefits. Pension scheme assets are measured at fair value. Pension scheme liabilities are measured on an actuarial basis using the projected units method. An excess of scheme liabilities over scheme assets is presented on the Statement of Financial Position as a liability.</p> <p>The pension charge in the Statement of Income and Expenditure comprises the current service cost plus the difference between the expected return on defined benefit scheme assets and the interest cost of scheme liabilities</p>										
	<p><b>b) Single Public Sector Pension Scheme</b>  The Commission also operates the Single Public Services Pension Scheme ("Single Scheme"), which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform (DPER). In addition, the Commission is liable to pay an employer contribution to DPER in accordance with DPER Circular 28/2016.</p> <p>To the extent that a material liability arises, the liability in respect of the Single Scheme members is matched by a deferred funding asset on the basis of the provisions of Section 44 of the Public Service Pensions (Single Scheme and other Provisions) Act 2012.</p> <p>The pension charge in the Statement of Income and Expenditure comprises the employer contribution. The current service cost plus interest on the SPSPS liability is offset by an equivalent amount of deferred funding. The SPSPS liability is calculated on the same basis as the main scheme set out above.</p> <p>Actuarial gains and losses arising from changes in actuarial assumptions and from experienced surpluses and deficits are recognised in the Statement of Comprehensive Income for the year in which they occur.</p> <p>The financial statements reflect, at fair value, the assets and liabilities arising from the Commission's defined benefit pension obligations and any related funding, and recognises the cost of providing pension benefits in the accounting period in which they are earned by employees. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.</p>										

	<p><b>1.9 Taxation</b> The Commission is not liable for Corporation Tax. Income raised by the Commission is not subject to VAT. Provision is made for taxation on deposit interest received.</p>
	<p><b>1.10 Allocation of Costs</b> The Commission is required under Section 32 of the Communications Regulation Act, 2002, to distinguish between its functions relating to electronic communications, its functions relating to postal matters and its functions relating to the premium rate services. Revenues and expenses directly related to each function are identified separately in the accounts. Shared overhead costs are allocated to each function in proportion to the staff numbers engaged in each function.</p>
	<p><b>1.11 Critical Accounting Judgements and Estimates</b> The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates and may be material. The following judgements have had the most significant effect on amounts recognised in the financial statements.</p> <p>a. <b>Depreciation and Residual Values</b> The Commission have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.</p> <p>b. <b>Retirement Benefit obligation</b> The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels and mortality rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the retirement benefit and post-retirement plans.</p> <p>The assumptions can be affected by:</p> <ul style="list-style-type: none"> <li>i. the discount rate, changes in the rate of return on high-quality corporate bonds</li> <li>ii. future compensation levels, future labour market conditions.</li> </ul>

		Year to 30 June	Year to 30 June
		2019	2018
		€'000	€'000
<b>2.</b>	<b>Non Levy Income</b>		
	<b>Electronic Communications Licensing Fee</b>		
	2G & 3G Radio Licensing Fees	7,936	7,936
	Liberalised Use Licensing Fees	22,300	22,478
	Other Radio Licensing Fees	12,827	13,803
		<b>43,063</b>	<b>44,217</b>
	<b>Electronic Communications Spectrum Income</b>		
	3G Spectrum Income	7,600	30,900
	26GHz Spectrum Income	-	1,250
		<b>7,600</b>	<b>32,150</b>
	3G Spectrum Income of €7.6m (2018: €30.9m) was earned in 2019 in respect of a 3G licences issued in 2007 (2018 amount was earned in respect of licences issued in 2002 and 2007).		
	A 26GHz Multi Band Spectrum Auction was conducted during 2018 and the auction result was announced in June 2018. Final upfront fees received amounted to €1.25m and was recognised as Income in 2018.		
	<b>Other Income</b>		
	Sundry Income	173	858
	<b>Sundry Non Levy Income in 2019 includes:</b> A payment in July 2018 by Sky Ireland Limited ("Sky") of €117,000 after an investigation found that between September 2015 and September 2018, Sky had failed to provide 79,000 of its customers with a contract on a durable medium, and 41,282 of those customers were not afforded their right to a cooling off period contrary to Regulations 10 and 12 of the Consumer (Information and Cancellation) Regulations 2013.		
	<b>Sundry Non Levy Income in 2018 includes:</b> (a) A payment of €250,000 in July 2017 by Vodafone Ireland Limited ("Vodafone") after an investigation found that the manner in which Vodafone had signed up Pay As You Go ("PAYG") customers to its "Red Roaming" package was in breach of Regulation 14(4) of the Universal Service Regulations and ComReg Decision D13/12 on Contract Change Notifications.  (b) A payment of €575,000 in October 2017 by Three Ireland (Hutchison) Limited ("Three") to ComReg following investigations into the manner in which Three implemented contract changes in March and April 2017, and into conditions and procedures put in place by Three in respect of proposed contract changes that had the effect of disincentivising customers from changing service provider.		
	Sundry Income also includes various amounts payable to the Commission on foot of compliance and enforcement activities conducted in the period. Where such activities were concluded by legal settlement, they may be subject to a confidentiality clause.		

						<b>Year to 30 June</b>	<b>Year to 30 June</b>
						<b>2019</b>	<b>2018</b>
		<b>Electronic Communications</b>		<b>Post</b>	<b>PRS</b>		
		Levy €'000	Other €'000	Levy €'000	Levy €'000	Total €'000	Total €'000
<b>3.</b>	<b>Staff Costs</b>						
	Employee Short-term benefits	6,910	3,293	554	242	10,999	10,273
	Employer's contribution to social welfare	665	317	53	23	1,058	988
		<b>7,575</b>	<b>3,610</b>	<b>607</b>	<b>265</b>	<b>12,057</b>	<b>11,261</b>
	The average number of staff employed by the Commission during the year, analysed by category, was as follows:	77	41	5	5	128	118
	<b>Employee Short term benefits</b>						
	Basic Pay					9,995	9,360
	Performance related pay#					993	898
	Allowances					11	15
						<b>10,999</b>	<b>10,273</b>
	#The Commission operates a performance related remuneration scheme (which was originally established by the Office of the Director of Telecommunications Regulation). The scheme is based on individual performance and the Commission approves all payments made under the scheme. Of the total Employee Short-term benefits cost, €993,000 (or 9%) of the total represents payments to staff in accordance with the provisions of the performance related remuneration scheme and the terms of their contracts of employment (2018: €898,000 (9%)).						
	<b>Key Management Personnel</b>						
	Key Management Personnel in ComReg consists of the members of the Commission. Details of the remuneration of the members of the Commission (excluding the value of retirement benefits earned in the period) are shown below. They are members of the Single Public Service Pension Scheme or the model public service pension scheme and their entitlements in that regard do not extend beyond the terms of the model public service pension scheme.						
						<b>Total Remuneration</b>	
							€'000
	Garrett Blaney* – Chairperson – joined January 2019						86
	Jeremy Godfrey – Commissioner						159
	Robert Mourik – Commissioner – joined January 2019						78
	Gerry Fahy – Chairperson – left August 2018						38
	Kevin O'Brien – Commissioner – left August 2018						6
	*Chairperson from 7 January 2019						

			30 June	30 June		
			2019	2018		
			€'000	€'000		
<b>4.</b>	<b>Technical Advice</b>					
	Professional/Technical Advice and other Advice/Services		8,812	8,080		
	Staff Training and Professional Development		375	409		
			<b>9,187</b>	<b>8,489</b>		
<b>5.</b>	<b>Legal Expenses</b>		<b>2,497</b>	<b>1,828</b>		
	Legal expenses are stated net of costs recovered from third parties					
<b>6.</b>	<b>Administrative Expenses</b>					
	Equipment and IT Maintenance		733	770		
	Subscriptions to Databases/Research Reports		350	330		
	Travel and Subsistence		387	256		
	Conferences/Meetings		246	187		
	Postal and Telecommunications		144	105		
	Stationery		33	35		
	Publishing and Promotion		68	102		
	Recruitment		32	63		
	Light, Heat and Cleaning		115	121		
	Insurance		43	48		
	Other Administrative Costs		285	263		
			<b>2,436</b>	<b>2,280</b>		
<b>7.</b>	<b>Property, Plant and Equipment</b>					
		<b>Technical Equipment</b>	<b>Computer Equipment</b>	<b>Fixtures, Fittings &amp; Office Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
		€'000	€'000	€'000	€'000	€'000
	<b>Cost</b>					
	At 30 June 2018	2,937	8,259	4,359	269	15,824
	Additions	41	1,089	162	66	1,358
	Disposals	-	-	-	(23)	(23)
	<b>At 30 June 2019</b>	<b>2,978</b>	<b>9,348</b>	<b>4,521</b>	<b>312</b>	<b>17,159</b>
	<b>Accumulated Depreciation</b>					
	At 30 June 2018	1,573	4,905	597	83	7,158
	Disposals	-	-	-	(16)	(16)
	Charge for period	385	1,968	435	44	2,832
	<b>At 30 June 2019</b>	<b>1,958</b>	<b>6,873</b>	<b>1,032</b>	<b>111</b>	<b>9,974</b>
	<b>Net Book Value</b>					
	<b>30 June 2019</b>	<b>1,020</b>	<b>2,475</b>	<b>3,489</b>	<b>201</b>	<b>7,185</b>
	<b>30 June 2018</b>	<b>1,364</b>	<b>3,354</b>	<b>3,762</b>	<b>186</b>	<b>8,666</b>
	Computer Equipment Additions in 2019 includes €0.907m of IT Development Costs (2018: €1.332m).					

		<b>30 June</b>	<b>30 June</b>
		<b>2019</b>	<b>2018</b>
		€'000	€'000
<b>8.</b>	<b>Receivables</b>		
	<b>Due within one year:</b>		
	Electronic Communications administration levy	168	354
	Radio Licence Income	2,514	2,906
	Accrued Income	58	41
	Pre-payments & Recoverable expenses	1,217	1,149
		<b>3,957</b>	<b>4,450</b>
<b>9.</b>	<b>Short Term Investments</b>		
	Short Term Investments	48,500	78,500
	Short Term Investments comprise Exchequer Notes purchased from the National Treasury Management Agency Limited. The Commission places excess cash holdings in short term investments. These cash holdings mainly represent surpluses generated by the Commission which are payable to the Exchequer (as disclosed in Note 11) and monies held in trust in relation to commitments made by third parties to the Commission and potential refunds in respect of the delayed commencement of certain licences (also disclosed in Note 11).		
<b>10.</b>	<b>Reconciliation of Net Increase in Cash and Cash Equivalents to Movement in Net Funds</b>		
	(Decrease) in Cash and Cash Equivalents in the period	696	(2,216)
	Increase / (Decrease) in Short Term Investments	(30,000)	(47,087)
	Change in Cash and Cash Equivalents	(29,304)	(49,303)
	Opening Cash and Cash Equivalents	87,398	136,701
	<b>Closing Cash and Cash Equivalents</b>	<b>58,094</b>	<b>87,398</b>
<b>11.</b>	<b>Payables</b>		
	<b>Amounts falling due within one year</b>		
	Trade Creditors	3,302	1,502
	Other Creditors	6,876	9,207
	Value-added tax	258	170
	Accruals	891	1,767
	Deferred income (see analysis below)	24,673	24,646
	Payroll	1,065	1,086
	DPER SPSPS Employer Contributions	-	941
	Payable to Central Fund (see Note 13)	24,986	52,529
		<b>62,051</b>	<b>91,848</b>
	Other Creditors includes potential refunds of €6.7m (2018: €9.1m) in respect of delayed commencement of 3.6GHz Band Liberalised Use licences. The corresponding amounts are included in the Commission's year end Short Term Investments balance.		
	<b>Analysis of Deferred Income</b>		
	Radio Licence Income	24,248	24,179
	Other	425	467
		<b>24,673</b>	<b>24,646</b>
	Where licences are renewed for a period which extends beyond the end of the financial year, a proportion of that income is deferred to meet expenditure in the following year.		

		<b>30 June</b>	<b>30 June</b>	
		<b>2019</b>	<b>2018</b>	
		€'000	€'000	
<b>12.</b>	<b>Capital Reserves</b>			
	Opening Balance	8,666	9,251	
	Transfer (to) / from Income and Expenditure Account:			
	Additions to fixed assets	1,358	2,085	
	Amortisation in line with fixed asset depreciation	(2,832)	(2,670)	
	Amount released on disposal of Fixed Assets	(7)		
	Net Amount from Income and Expenditure Account	(1,481)	(585)	
	<b>Closing Balance</b>	<b>7,185</b>	<b>8,666</b>	
<b>13.</b>	<b>Appropriation of Surplus</b>			
	Section 30 of the Communications Regulation Act 2002 provides that the Minister may, with the consent of the Minister for Public Expenditure and Reform direct the Commission to pay sums to the Exchequer. The amount to be paid over is decided by the Minister after consultation with the Commission. The Commission is awaiting direction from the Department in relation to the final determination of the amount payable to the Central Fund for the year ending 30 June 2019.			
	The amount owed to the Exchequer is determined by reference to the surplus recorded by the Commission in the period, adjusted for a number of items as set out below.			
		<b>Gross Amount Due</b>	<b>Pension Adjustment(b)</b>	<b>Net Amount Due</b>
		€'000	€'000	€'000
	Balance due to Exchequer at 30 June 2018	54,969	(2,440)	52,529
	Surplus for 2019	25,996		25,996
	Paid in 2019	(54,649)		(54,649)
	Pension reserve adjustment (a)	1,110		1,110
	Pension fund payment clawback (b)	(320)	320	-
	<b>Balance at 30 June 2019</b>	<b>27,106</b>	<b>(2,120)</b>	<b>24,986</b>
	The comparative figures in respect of the amount owed to the Exchequer as at 30 June 2018 are shown below.			
	Balance due to Exchequer at 30 June 2017	99,368	(2,760)	96,608
	Surplus for 2018	53,737		53,737
	Paid in 2018	(99,048)		(99,048)
	Pension reserve adjustment (a)	1,232		1,232
	Pension fund payment clawback (b)	(320)	320	-
	<b>Balance at 30 June 2018</b>	<b>54,969</b>	<b>(2,440)</b>	<b>52,529</b>
	(a) The pension reserve adjustment represents the difference between the pension amount charged to the Income and Expenditure Account in 2019 of €3,165,000 (2018: €3,677,000) and the employer contributions in the period of €2,055,000 (2018: €2,445,000).			
	(b) The Commission made a total contribution of €5m to its pension fund (€2.5m in 2008 and €2.5m in 2009, a total of €5m). The amount owed to the Exchequer is shown net of this contribution which is being recovered at €320,000 per annum as payments to the Exchequer are made. In 2019 one year of payments was made resulting in a clawback of €320,000 (2018: €320,000).			

<b>14. Premises and Accommodation</b>			
The Commission moved to new lease premises located at One Dockland Central, Guild Street, Dublin 1 on 6 June 2017. The premises are rented at a cost of €1.6m (excluding VAT) per annum.			
The total of future minimum operating lease payments (excluding VAT) under non-cancellable operating leases in respect of premises occupied by the Commission are as follows:			
	<b>30 June</b>	<b>30 June</b>	
	<b>2019</b>	<b>2018</b>	
	€'000	€'000	
<b>Payable:</b>			
Within one year	1,662	1,649	
Between one and five years	6,648	6,596	
More than five years	3,561	8,157	
	<b>11,871</b>	<b>16,402</b>	
<b>15. Membership of International Telecommunications Organisations</b>			
Certain payments to International Telecommunications Organisations are met by the Department of Communications, Climate Action and Environment (DCCAE) out of the proceeds of the Electronic Communication Administrative Levy. The charge to the Income and Expenditure Account includes €688,000 (2018: €691,000) for that purpose. Such charges are invoiced to DCCAE who are subsequently reimbursed by ComReg.			
<b>16. Commissioners, Staff and Advisors/Consultants – Disclosure of Interests</b>			
The Commissioners and staff complied with the requirements of Section 25 (Disclosure of Interests) of the Communications Regulation Act, 2002. There were no transactions in the year in relation to the Commission's activities in which the Commissioners or any advisor or consultant had any interest.			
<b>17. Retirement Benefits</b>			
<b>a. Description of Scheme</b>			
The Commission is a national regulatory authority established under the Communications Regulation Act, 2002. Sections 26 and 27 of the Act provide that the Commission shall make schemes for granting of superannuation benefits to and in respect of Commissioners and staff members, subject to Ministerial approval.			
A funded defined-benefit scheme is being operated for the employees of the Commission. The benefits are defined by reference to the current 'model' public sector scheme regulations. Employer contribution rates are set having regard to actuarial advice and periodic review on the funding rate required for the scheme. The scheme provides a retirement benefit (one eightieth per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's retirement benefits. Normal retirement age is a member's 65th birthday. Retirement benefits in payment (and deferment) normally increase in line with general public sector salary inflation.			
The Commission also operates the Single Public Service Pension Scheme ("Single Scheme") for those staff who joined the Single Scheme on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform (DPER). In addition, the Commission is liable to pay an employer contribution to DPER in accordance with DPER Circular 28/2018. The Commission has accounted for its costs and liabilities under the single public services pension scheme (since 1 July 2017) on an incurred basis.			
For the purposes of reporting in accordance with Financial Reporting Standard 102 – (FRS 102), an update of the actuarial review (in respect of the funded defined benefit scheme) was completed as at 30 June 2019.			

17.	<b>Retirement Benefits (Continued)</b>		
		<b>30 June</b>	<b>30 June</b>
		<b>2019</b>	<b>2018</b>
		€'000	€'000
<b>b.</b>	<b>Retirement Benefit Costs</b> <b>Made up of:</b>		
	<b>Defined Benefit Scheme</b>		
	Current service cost	2,932	2,886
	Interest cost	1,413	1,368
	Expected return on Scheme Assets	(1,261)	(1,146)
	Less: Employees' Contributions	(385)	(372)
		<b>2,699</b>	<b>2,736</b>
	<b>Single Public Service Pension Scheme (SPSPS)</b>		
	Employer Contribution	466	941
	Current Service Cost*	604	499
	Interest Cost	37	27
	Adjustment to deferred Exchequer Pension funding	(641)	(526)
		<b>466</b>	<b>941</b>
	<b>Total Retirement Benefit Costs</b>	<b>3,165</b>	<b>3,677</b>
	*Employee contributions of €155,000 remitted to DPER, have been included in the calculation of the current service cost.		
<b>c.</b>	<b>Net Retirement Benefit Liability (Defined Benefit Scheme)</b>		
<b>i.</b>	<b>Made up of:</b>		
	Fair value of Scheme Assets	55,359	51,695
	Present Value of Retirement benefit obligations	(71,386)	(59,000)
	<b>Net (Liability)</b>	<b>(16,027)</b>	<b>(7,305)</b>
	Note: The Balance Sheet Liability in respect of Single Scheme Retirement Benefits in 2019 comprises a Deferred Funding Asset of €2.54m (2018: €1.54m) to match the Single Scheme Liability of €2.54m (2018: €1.54m) giving a nil Net Liability.		
<b>ii.</b>	<b>Present Value of Retirement Benefit Obligations at beginning of year (Defined Benefit Scheme)</b>	59,000	57,448
	Current Service Cost	2,932	2,886
	Interest Cost	1,413	1,368
	Actuarial Loss / (Gain)	8,359	(1,714)
	Benefits Paid	(255)	(932)
	Premiums Paid	(63)	(56)
	<b>Present Value of Retirement Benefit Obligations at end of year (Defined Benefit Scheme)</b>	<b>71,386</b>	<b>59,000</b>

<b>17. Retirement Benefits (Continued)</b>		<b>30 June</b>	<b>30 June</b>
		<b>2019</b>	<b>2018</b>
		€'000	€'000
<b>iii. Change in Scheme Assets (Defined Benefit Scheme)</b>			
<b>Fair Value of Scheme Assets at beginning of year</b>		51,695	47,350
Expected return on Scheme Assets		1,261	1,146
Actuarial Gain		747	2,311
Employer Contributions		1,589	1,504
Members' Contributions		385	372
Benefits Paid		(255)	(932)
Premiums Paid		(63)	(56)
<b>Fair Value of Scheme Assets at end of year</b>		<b>55,359</b>	<b>51,695</b>
The current practice of increasing retirement benefits in line with public sector salary inflation is taken into account in measuring the defined retirement benefit obligation.			
<b>iv. Retirement Benefits Liability (SPSPS)</b>			
<b>Present Value as at 1 July 2018</b>		1,540	1,105
Current Service Cost		604	499
Interest Cost		37	27
Actuarial (Gain)		368	(74)
Benefits Paid		(9)	(17)
<b>Present Value as at 30 June 2019</b>		<b>2,540</b>	<b>1,540</b>
<b>d. Scheme Asset Composition (Defined Benefit Scheme)</b>			
The scheme assets at the year end were composed of:			
Equities		27,967	26,544
Bonds		22,360	21,059
Property		670	623
Cash and Other liquid assets		4,362	3,469
		<b>55,359</b>	<b>51,695</b>
The scheme assets at the year end expressed in % terms comprised			
Equities		50.5%	51.3%
Bonds		40.4%	40.7%
Property		1.2%	1.2%
Cash and Other assets*		7.9%	6.8%
		100.0%	100.0%
*consists of alternative strategies and enhanced yield funds			
<b>Weighted average assumptions used to determine benefit obligations (Defined Benefit Scheme)</b>			
Discount Rate		1.60%	2.40%
Rate of compensation increase		3.00%	3.40%
<b>Weighted average assumptions used to determine pension expense (Defined Benefit Scheme)</b>			
Discount Rate		2.40%	2.40%
Expected long-term return on scheme assets		1.60%	2.40%

17. Retirement Benefits (Continued)		30 June	30 June
		2019	2018
		€'000	€'000
<b>e. Principal Actuarial, Financial &amp; Demographic Assumptions (Defined Benefit Scheme)</b>			
<b>The financial assumptions used were as follows:</b>			
Discount rate		1.60%	2.40%
Salary increases		3.00%	3.40%
Pension increases		2.50%	2.90%
Inflation increases		1.50%	1.90%
<b>The Demographic assumptions used were as follows</b>			
		2019	2018
Mortality Pre-Retirement & Post-Retirement		S2PMA with CMI 2016 (1.5%) improvements for all members	S2PMA with CMI 2016 (1.5%) improvements for all members
Retirements		It is assumed that all members who joined prior to 1 April 2004 retire at age 60 and all other members retire at 65	It is assumed that all members who joined prior to 1 April 2004 retire at age 60 and all other members retire at 65
Ill Health Retirement		No allowance	No allowance
Early Retirement		No allowance	No allowance
Withdrawals		No allowance	No allowance
Percentage married		It is assumed that 90% of members are married.	It is assumed that 90% of members are married.
Age Difference between spouses		A male is assumed to be 3 years older than his spouse	A male is assumed to be 3 years older than his spouse
<p>* The mortality assumptions chosen are based on standard tables reflecting typical pensioner mortality and they allow for increasing life expectancy over time.</p> <p>The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels and mortality rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the retirement benefit and post-retirement plans.</p> <p>The assumptions can be affected by:</p> <ul style="list-style-type: none"> <li>(a) the discount rate, changes in the rate of return on high-quality corporate bonds</li> <li>(b) future compensation levels, future labour market conditions</li> </ul>			

<b>17. Retirement Benefits (Continued)</b>		<b>30 June</b>				
		<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
		€'000	€'000	€'000	€'000	€'000
<b>f.</b>	<b>History of defined benefit obligations, assets and experience gains and losses</b>					
	Defined benefit obligations	71,386	59,000	57,448	57,101	45,053
	Fair value of Scheme Assets	(55,359)	(51,695)	(47,350)	(43,341)	(40,979)
	Deficit / (Surplus) for funded Scheme	16,027	7,305	10,098	13,760	4,074
	Experience Adjustment on Scheme Assets	747	2,311	1,661	(93)	1,821
	percentage of scheme assets	1.3%	4.5%	3.5%	0.2%	4.4%
	Experience gains / (losses) on ComReg Scheme Liabilities					
	amount	904	533	823	1,226	1,828
	percentage of Scheme Liabilities	1.3%	0.9%	1.4%	2.1%	4.1%
	Experience gains / (losses) on Single Public Sector Pension Scheme Liabilities					
	amount	(28)	10			
	percentage of Scheme Liabilities	1.1%	0.6%			
<b>g.</b>	<b>Prior Pensionable Service</b>					
	The liabilities of the pension scheme relate to retirement benefits arising from service with the Commission and service with other public bodies prior to joining the Commission where such service is known to the Commission. The Commission is entitled to seek to recover the cost of funding the prior service from other public bodies under the terms of its membership of the Public Service Transfer Network.					
	For service transferred by members prior to 30 June 2019, the total value of such payments received in the year to 30 June 2019 was Nil (2018: Nil).					
	Payments in respect of transferred in service (when received) are shown as a separate item in the Statement of Comprehensive Income.					
<b>h.</b>	<b>Funding of retirements benefits</b>					
	A triennial actuarial valuation of the scheme was carried out as at 1 January 2019 and the recommended contribution rate was subsequently agreed. The next triennial actuarial valuation is due to be carried out as at 1 January 2022.					
<b>i.</b>	<b>Deferred Funding Asset for Pensions (Single Public Service Pension Scheme)</b>					
	In compliance with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, the Commission as the "Relevant Authority" has calculated the retirement benefit applicable to the Single Public Service Pension Scheme at the 30 June 2019. The deferred funding asset for pensions relates to the creation of an asset equal to the defined benefit liability of this scheme. The liability in respect of the Single Scheme members is matched by a deferred funding asset on the basis of the provisions of Section 44 of the Public Service Pensions (Single Scheme and other Provisions) Act 2012.					

<b>18.</b>	<b>Contingent Liabilities</b>
	Legal costs incurred to date have been fully provided for in these financial statements. However, the Commission is involved in a number of legal cases, the outcome of which is uncertain. Potential future costs in relation to these cases have not been provided for due to the uncertainty around the outcome and the potential costs that may be incurred.
<b>19.</b>	<b>Related Party Transactions</b>
	As part of the ordinary course of business, the Commission has had transactions with other government departments and other state bodies. Key Management Remuneration is disclosed in Note 3.
<b>20.</b>	<b>Pension Related Deduction</b>
	An amount of €719,000 (2018: €630,000) deducted from salaries in respect of the Pension Related Deduction was paid to the Department of Communications, Climate Action and Environment in the year ended 30 June 2019.
<b>21.</b>	<b>Post Balance Sheet Events</b>
	There were no events after the year end which could have a material impact on any information in these financial statements.
<b>22.</b>	<b>Approval Of Financial Statements</b>
	These financial statements were approved by Garrett Blaney, Chairperson, for the Commission, on the 12 March 2020.

**Commission for Communications Regulation**

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