



An Coimisiún um  
**Rialáil Cumarsáide**

Commission for  
**Communications Regulation**

# COMREG ANNUAL REPORT

July 2019 – June 2020

---

**Presented to the Minister for the Environment, Climate &  
Communications in accordance with Section 32 of the  
Communications Regulation Act, 2002**

---



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

# Content

Section	Page No
1 About ComReg	5
2 Chairperson's Review	10
3 Communications Overview	13
4 Consumers	18
5 Postal Regulation	34
6 Radio Spectrum Management	40
7 Market Analysis and Wholesale Pricing	57
8 Economics, Policy and Research	62
9 Corporate Services Division	66
10 International Affairs	69

Table of Figures	Page No
<b>Figure 1:</b> Fixed Voice Telephony Market Share	13
<b>Figure 2:</b> Mobile Subscriptions Including and Excluding Mobile Broadband and M2M	14
<b>Figure 3:</b> Mobile Market Share by Subscription	15
<b>Figure 4:</b> Broadband Market by Type	15
<b>Figure 5:</b> Fixed Broadband Market Share by Subscription	16
<b>Figure 6:</b> Fixed Broadband Platform Subscription by Sold Speed	17
<b>Figure 7:</b> Household Broadband Penetration Rate Comparing Ireland and the EU-28	17
<b>Figure 8:</b> Consumer Journey	18
<b>Figure 9:</b> ComReg's Consumer Guide On Complaints and ComReg Consumer Engagement Staff Attending the National Ploughing Championships	20
<b>Figure 10:</b> Number of Consumer Contacts by Communication Channel	24
<b>Figure 11:</b> Covid-19 Temporary ECS Licences	44
<b>Figure 12:</b> Test & Trial Ireland logo	46
<b>Figure 13:</b> Live Radio Licences at Year End: 2014 – 2020	47
<b>Figure 14:</b> New Radio Licences Issued: 2014 – 2020	48
<b>Figure 15:</b> Implementation of the NGN Decision	53
<b>Figure 16:</b> Comparison of above Threshold Incidents 2018 vs. 2019	55
<b>Figure 17:</b> Photos from ComReg Conference	63

# SECTION 1: 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.

## 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. 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 sets out ComReg's regulatory responsibilities in relation to postal matters.

## 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 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 & General Counsel and a Director of Strategy and Economics. The structure is based on cross-functional teams operating in a multi-disciplinary environment.



## COMMISSIONERS



**GARRETT BLANEY**  
Chairperson



**JEREMY GODFREY**  
Commissioner



**ROBERT MOURIK**  
Commissioner

## LEADERSHIP TEAM



**JOHN EVANS**  
Director of Strategy and Economics



**CAROLINE DEE-BROWN**  
Legal Director & General Counsel



**JOE HEAVEY**  
Director of Corporate Services Division



**DONAL LEAVY**  
Director of Wholesale Division



**BARBARA DELANEY**  
Director of Retail and Consumer Services  
Division



**GEORGE MERRIGAN**  
Director of Market Framework Division

## Strategic Intents 2017 - 2021

### ComReg Strategic Framework<sup>1</sup>



1. ComReg Document 19/52 [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 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 2019 to 30 June 2020.**

## SECTION 2: CHAIRPERSON'S REVIEW

The pandemic is an unprecedented experience for modern Ireland. The disruptive impact of Covid-19 on society and the economy has clearly illustrated the critical importance of electronic communications networks and services to our country. There has never been a time when we have been so dependent on communications services to keep families, communities, businesses, and society connected. ComReg is working hard to ensure that electronic communications networks and systems continue to improve given the changed social and economic circumstances brought about by Covid-19.

In response to the effects of the pandemic, ComReg has been working closely with providers of fixed, mobile, and wireless services to ensure the electronic communications networks continue to meet our communications needs. As the National Regulatory Authority for the electronic communications sector, ComReg has taken a number of specific actions in response to the Covid-19 pandemic.



### **ComReg Covid-19 Initiatives**

In March 2020, ComReg released extra radio spectrum on a temporary basis to boost mobile phone and broadband capacity. We took this initiative in response to the steep increase in the use of mobile network by Ireland's mobile phone subscribers.

ComReg worked closely with telecoms operators to ensure that the necessary measures and plans were put in place by networks to manage and handle the surge in voice and data traffic caused by impact of Covid-19, and our analysis shows that both fixed and mobile networks have remained stable since the start of the pandemic. Customer care has been brought to the fore as the pandemic increased reliance on mobile, fixed, and broadband services. These services are now vital for all of us to stay connected and in touch. With this in mind ComReg, in conjunction with our Government Department and the main mobile and fixed providers, put in place a series of consumer welfare commitments to ensure that people could stay in contact during the pandemic and also to give added protection to consumers who were in financial difficulty.

ComReg has carried out quarterly consumer surveys to assess the impact of Covid-19 on home broadband and mobile phone use in Ireland. The surveys have shown that the majority of users are broadly satisfied with their broadband service and that Ireland's electronic communications networks and services are managing the additional demands on their respective systems. Ireland's telecoms companies, together with ComReg, have been working to ensure their networks remain resilient as pressure on networks has increased due a rise in data and voice traffic.



### **Broadband**

The Covid pandemic has illustrated the importance of broadband in the nation's economic and social life. It is imperative that Ireland has good broadband so that we can work, study, run businesses and interact with friends and families from any location.

By the end of this reporting period, there were over 1.8 million broadband subscriptions in Ireland - an increase of 3.6% over the year. The fastest growing section of the broadband sector was fibre to the premises which saw subscriptions grow by 58.8% over the period to reach 201,333 by the end of June 2020. Ireland now has over 60% of premises with Very High Capacity Networks (i.e. delivering broadband with speeds of 500Mbps and above) available. Between commercial plans and the National Broadband plan this figure should rise to over 90% of premises in the next 5 years.



## Mobile

At the end of June 2020 there were over 6.7 million subscriptions to mobile communications services - which included mobile broadband and machine to machine (M2M) which equates to a population penetration rate of 135%. In Q2 2019 total M2M subscriptions stood at 1.1 million increasing to 1.3 million in Q2 2020 representing over 20% annual growth.



## Consumers

During the period ComReg continued its work on behalf of consumers through a range of activities. We have used our website and our social media tools to keep customers informed. ComReg published consumer advice and information on Covid-19 telecoms issues. During the time of this review there were approximately 40,000 issues about which consumers contacted us. These issues are split between Electronic Communications Service (ECS) issues and Premium Rate Service (PRS) issues. Around 20,900 of the total issues raised were in relation to electronic communications issues, with a further 14,700 relating to premium rate service issues and the balance of issues were outside of ComReg's remit.

During the period ComReg undertook a number of enforcement actions which resulted in prosecutions and the award of refunds to consumers for breaches of consumer legislation. ComReg brought a number of companies to both the District and High Courts for issues such as failing to provide full information in relation to contracts and for billing customers for services that they never received. In addition, ComReg also secured refunds for customers of over €830,000 for issues relating to lack of transparency on charges and the non-provision of contracts in a durable meaning.



## Competition

ComReg has a mandate to promote competition in the marketplace. A competitive market for electronic communication service can benefit consumers through greater choice, competitive pricing and increased investment.

During the period, ComReg issued its decision in relation to the Wholesale High Quality Access Market for the provision of downstream retail leased lines services to medium and large business.



## Spectrum

ComReg continues to make Ireland's radio spectrum available efficiently to support innovation and consumer demand. This approach has enabled strong growth in the use of mobile services over recent years.

In 2017 ComReg was one of the first regulators in the EU to roll out the 3.6 GHz band, awarding 350 MHz of spectrum to providers of mobile and wireless services. The 3.6 GHz band is a pioneer band for the deployment of 5G services in the EU and is central to meeting European Commission's 5G for Europe Action Plan. ComReg plans to release more radio spectrum in the 700 MHz, 2.1 GHz, 2.3 GHz and 2.6 GHz bands – which represents a 46% increase in spectrum – assigned for 5G and wireless broadband services.

In November 2019 ComReg published the results of the 400 MHz band spectrum award. This spectrum is being used for the provision of wireless communications on Smart Grids. They 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. Smart Grids have been identified as a key enabler in the reduction of carbon emissions thereby helping to reduce the adverse effects of climate change.

ESB Networks DAC was the winning bidder will pay approximately €1.1 million for its spectrum rights of use comprising €320,000 in upfront fees and €780,000 in spectrum usage fees to be paid over the 15 year duration of the licence.

During this period ComReg also worked on developing its proposals for a multi-band spectrum award for the provision of mobile voice and broadband services.



## International

During the year ComReg was continued to actively participate in the Body of European Regulators for Electronic Communications (BEREC), which acts as an important platform for ensuring the consistent implementation of the regulatory framework for electronic communications in the European Union and allows for regulatory exchange between National Regulatory Authorities (NRAs).

During the first half of this annual reporting period, ComReg Commissioner, Jeremy Godfrey was in the role of BEREC Chair 2019, having been appointed to serve as chair during 2018. For the second half of the year, in line with the system of rotating BEREC Chairs, Mr. Godfrey took up the role of BEREC Vice-Chair with responsibility for international activities and outreach, while the Director General of the Swedish NRA became BEREC Chair for 2020.



## Conclusion

Covid-19 has had a fundamental transformational effect on societies across the world, and the impact upon Ireland has been profound. The electronic communications and postal sectors have responded well to the challenges brought about by the pandemic such as the increased use of networks to support our economic, educational, and social lives. The pandemic also underpinned the need for continued investment in very high capacity networks.

The pandemic has forced all organisations to change and adapt the way they conduct their business activities and ComReg have been no different in this regard. Since March 2020, ComReg has been functioning remotely with the vast majority of our staff working from home. I would like to thank all of my colleagues in ComReg for rising to this challenge and for continuing to deliver our regulatory functions and obligations.

I would also like to acknowledge the efforts of thousands of employees across the whole telecommunications and postal industries who have worked tirelessly during the pandemic to ensure that customers and businesses have been able to use communications systems to support our economy and society.

## SECTION 3: COMMUNICATIONS OVERVIEW

### Fixed Line Market Share

Based on operator data submitted via the ComReg Quarterly Report questionnaire, Eircom Limited, trading as Eir, accounted for 47.7% of the total fixed line market in terms of overall (retail and wholesale) revenue by June 2020, up from 46.9% in June 2019. Other Authorised Operators (OAOs) accounted for the remaining share of the market.

### Fixed Voice Telephony

There were 1.38 million fixed voice subscriptions in the Irish market as of June 2020, a decline of 4.1% since June 2019. At the end of June Eir accounted for 39.7% of the Fixed Voice market followed by Virgin Media at 23.3%. Voice traffic originating on fixed networks increased by the end of June 2020 to over 724 million minutes with the average residential subscriber having originated 118 minutes of fixed voice calls compared to 78 minutes in Q2 2019. An average business subscriber originated 504 minutes of fixed voice calls in June 2020 compared to 508 in Q2 2019.

### Fixed Voice Telephony Market Share

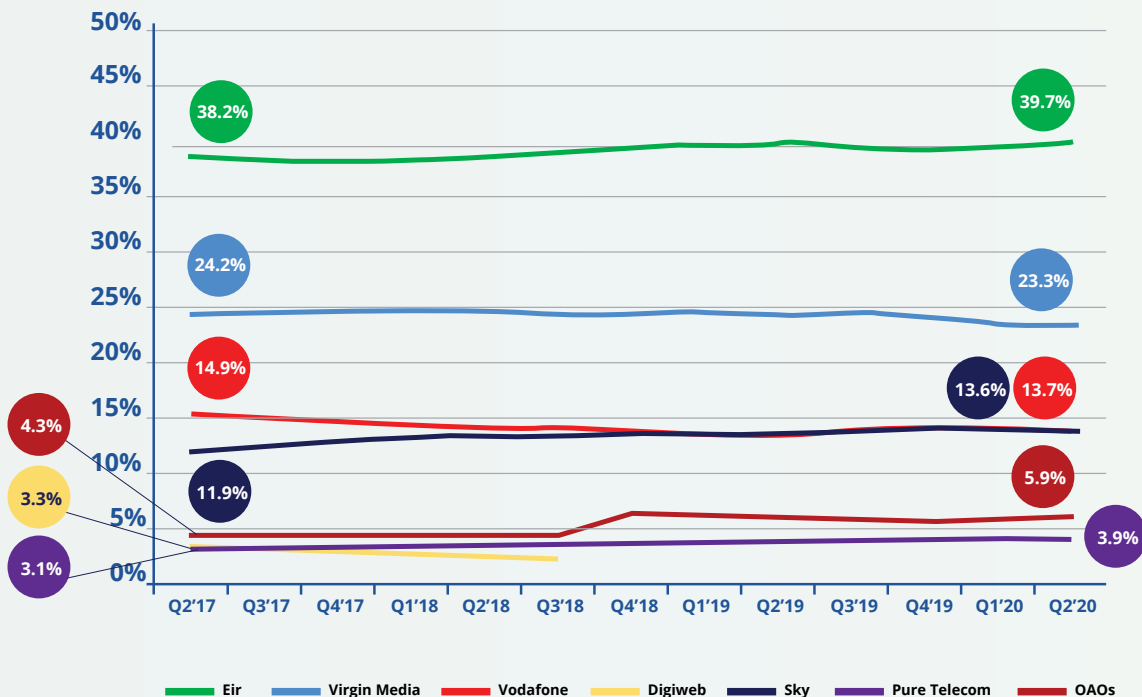
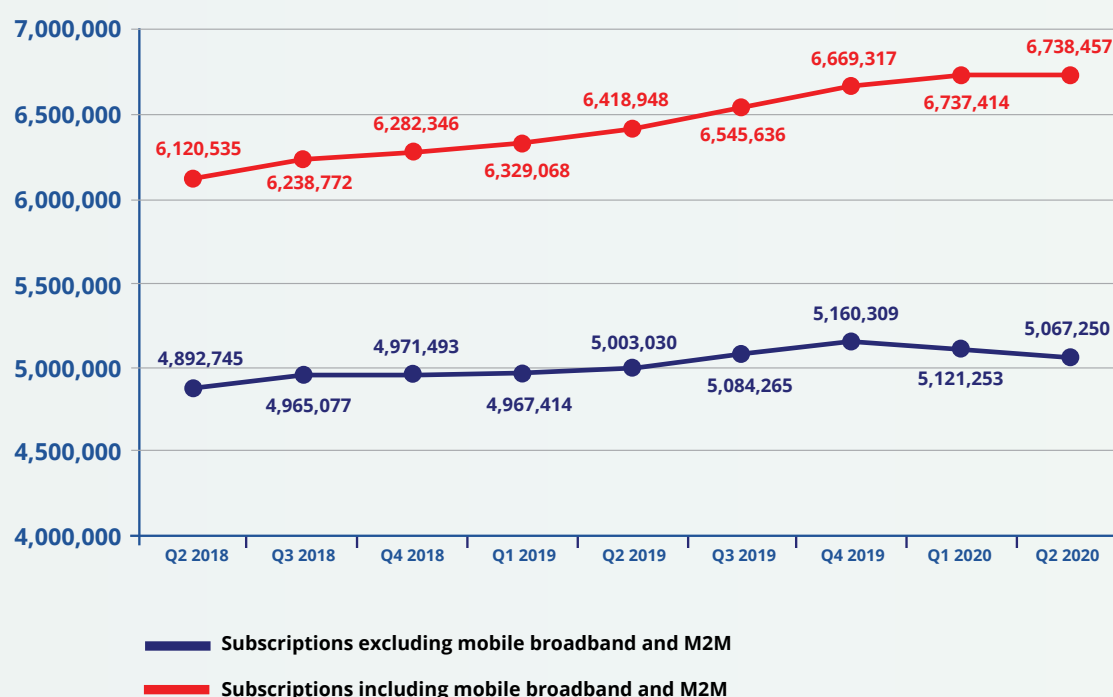


Figure 1: Fixed Voice Telephony Market Share.

## Mobile Communications Services

At the end of June 2020 there were almost 6.74 million subscriptions to mobile communications services - including mobile broadband and machine to machine (M2M) in Ireland, which equates to a population penetration rate of 135%. In June 2019 total M2M subscriptions stood at 1,112,082 increasing to 1,353,232 in June 2020 representing a 21.7% annual growth.



**Figure 2: Mobile Subscriptions Including and Excluding Mobile Broadband and M2M (Q2 2018 - Q2 2020).**

Due partly to the increasing use by consumers of instant messaging services, the volume of text messaging decreased by 32.5% in June 2020 compared to June 2019. In the three months to June 2020, the average Irish mobile subscriber sent an average of 42 messages per month, compared with an average of 62 per month in the quarter to June 2019.

Average monthly voice call minutes per mobile subscriber in Ireland increased to 216 minutes per month in June 2020, up from 208 in June 2019. Average monthly traffic per mobile subscriber using voice and data services was 9.1 GB in June 2020 compared to 6.9GB in June 2019.

Vodafone retains the largest share of subscriptions (including mobile broadband and machine to machine subscriptions) and comparing June 2019 to June 2020, Vodafone's market share decreased slightly from 39% to 38.4%. At the end of June 2020, Three Group had 35.3% of subscribers down from 35.6% in June 2019. Eir's mobile market share increased by 1.3%. Tesco Mobile's market share decreased by 0.2% while other operators' market shares remained stable.

# Market Share by Subscription (inc. MBB and M2M) Q2 2019 - Q2 2020

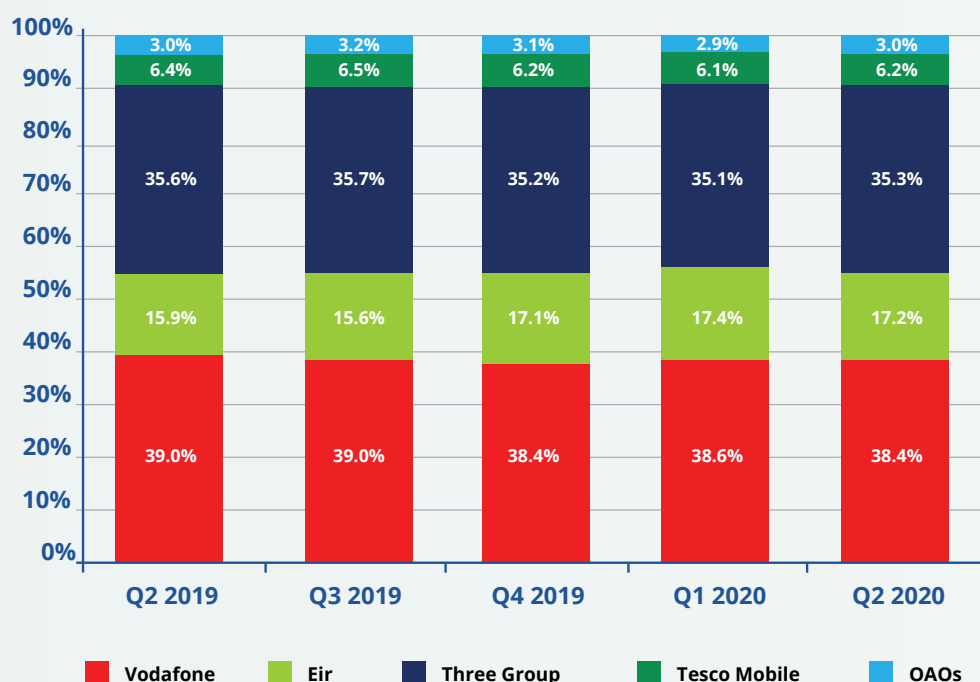


Figure 3: Mobile Market Share by Subscription.

Source: Quarterly Key Data.

## Broadband Market

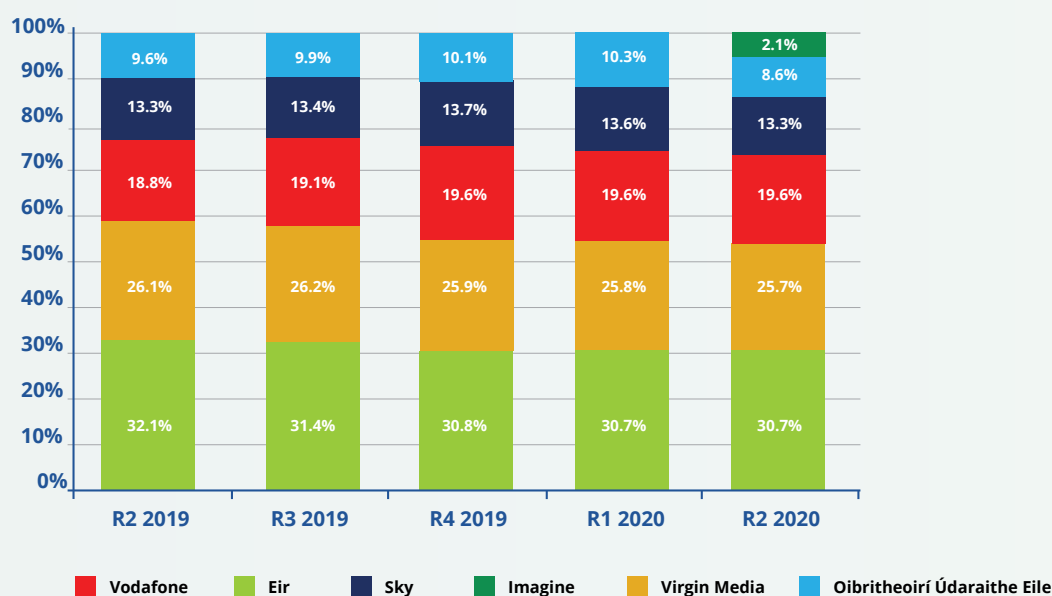
By the end of June 2020, there were 1,812,192 broadband subscriptions. This was an increase of 3.6% on Q2 2019. Fibre to the Premises (FTTP) subscriptions increased to 201,133 in June 2020 an increase of 58.8% since June 2019.

Subscription Type	Q2 2020	Quarterly Growth Q1'20 – Q2'20	Annual Growth Q2'19 – Q2'20
DSL Broadband	215,307	-5.4%	-19.6%
VDSL Broadband	643,965	0.8%	2.5%
Cable Broadband	374,326	0.4%	0.7%
FTTP Broadband	201,133	11.4%	58.8%
Satellite Broadband	3,087	-5.5%	-23.5%
FWA Broadband	56,399	5.9%	19.9%
Total Fixed Broadband	1,494,217	1.2%	3.4%
Mobile Broadband	317,975	-0.8%	4.7%
Total Broadband	1,812,192	0.8%	3.6%

Figure 4: Broadband Market by Type.

In Q2 2020, Eir had 30.7% of total retail fixed broadband subscriptions, followed by Virgin Media who had 25.7% of subscriptions. Vodafone had 19.6% (excluding mobile broadband subscriptions), while Sky Ireland and Imagine had a 13.3% and 2.1% market share respectively.

All other OAOs combined accounted for the remaining 8.6% share of retail fixed broadband subscriptions.



**Figure 5: Fixed Broadband Market Share by Subscription.**

*Source: Quarterly Key Data Questionnaire.*

At the end of this reporting period, an average fixed broadband subscriber used 306.5 GB of data per month, an increase of 70% on June 2019. The majority of traffic is generated by residential subscribers with an average monthly data usage per residential subscriber reaching 326.7 GB per month. An average business fixed broadband subscriber used 133.3 GB of data per month in Q2 2020, in terms of subscription speed. At the end of June 2020, 79.2% of all broadband subscriptions had sold speeds equal to or greater than 30Mbps. The chart below outlines the sold speeds by the various broadband platforms.



## Fixed Broadband Platform Subscription by Sold Speed Q2 2020

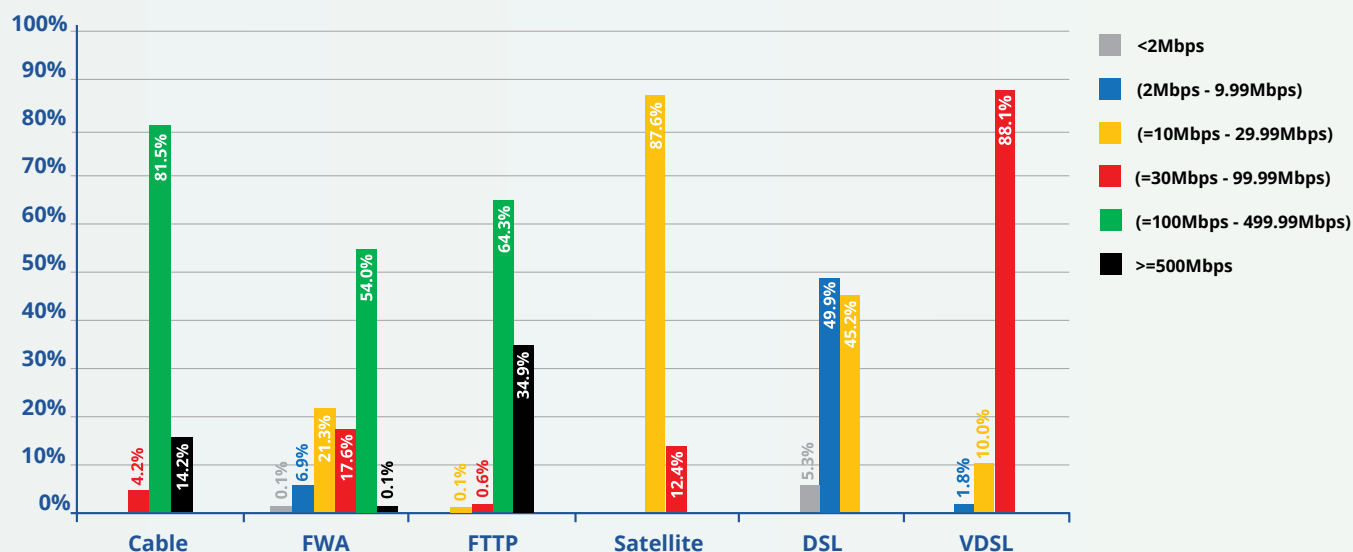


Figure 6: Fixed Broadband Platform Subscription by Sold Speed.

Source: Quarterly Key Data Questionnaire.

## Household Broadband Penetration

Figure 7 illustrates Ireland's position compared to the EU28 average in terms of fixed and mobile broadband household penetration. Ireland (90%) was above the EU28 average (89%) for household broadband (fixed and mobile) penetration in 2019.

## Household Broadband Penetration Rates, EU-28 & Ireland

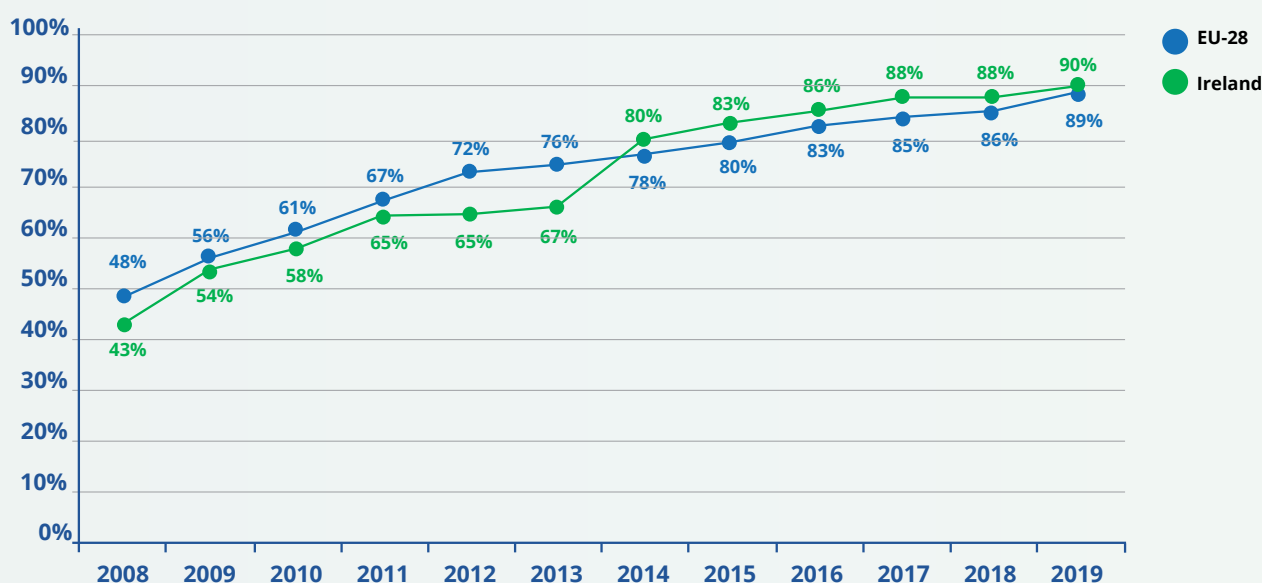


Figure 7: Household broadband penetration rate comparing Ireland and the EU 28.

Source: Eurostat, Information Society Indicators, CSO.

## SECTION 4: CONSUMERS

### Consumer and Retail Division

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

During the period, ComReg carried out several actions to deliver its associated consumer goals.

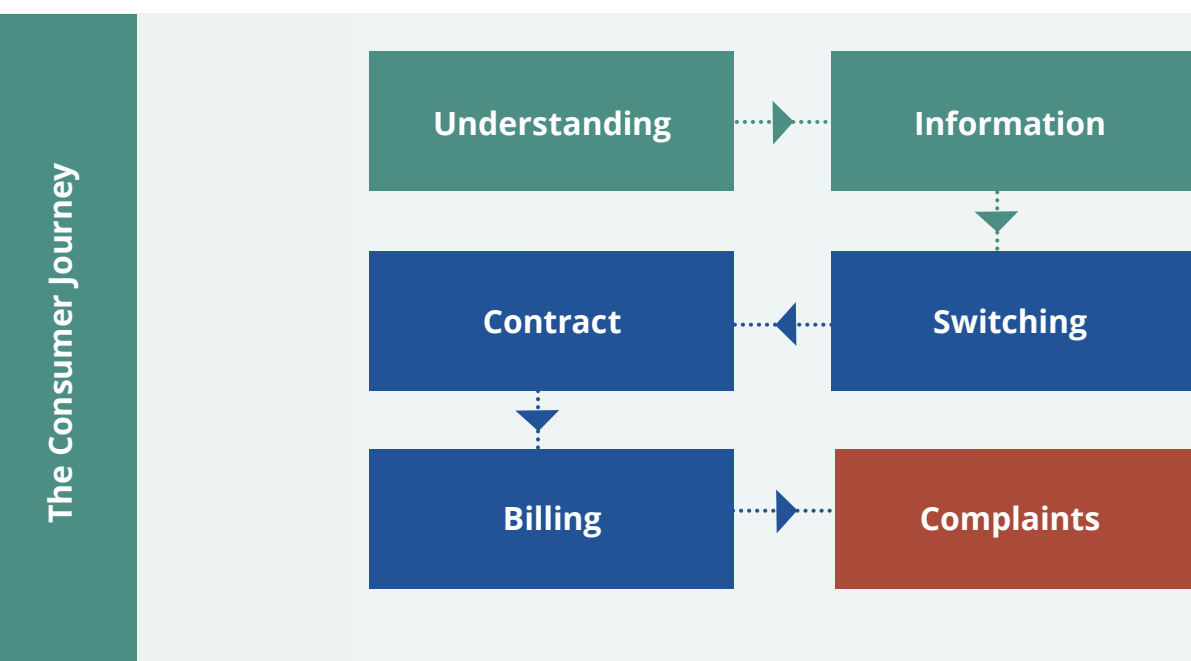


Figure 8: Consumer Journey.

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

ComReg provides 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 is updated on a periodic basis and 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 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). An application was also developed and made available for mobile phone users.

In addition to the outdoor coverage map, ComReg also 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 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 <http://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 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 online presence); the ComReg Consumer Advisory Panel; the ComReg Workshop on Electronic Communications for People with Disabilities and by carrying out relevant surveys and by gaining inputs from consumer organisations who we liaise with.

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 about choosing and using communications services.

### **Information - Consumer Engagement Programme**

ComReg continued to expand its consumer engagement reach during the period with 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 and functionality, outreach to senior citizens, trade show and national event presence and digital and traditional marketing campaigns to inform consumers. In addition, the distribution of ComReg consumer guides continued throughout the year and leaflets were made available in a network of GP surgeries, health centres and hospitals nationwide as well as several county libraries. ComReg conducted engagement activities with stakeholders including the Government's Mobile and Broadband Task Force, a Departmental Consultative Committee, Broadband Officers (Mobile and Broadband Task Force), the European Consumer Centre Ireland and the Economic Regulators Network Subgroup.

**broadband, home phone,  
mobile phone, premium rate  
services and postal services**



## GOAL

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

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. In August 2019, ComReg issued its Call for Inputs to better understand the issues around bill shock and to invite stakeholders to share their views and experiences. This Call for Inputs primarily focused on the risk of domestic bill shock as a result of consumers using their fixed, broadband and mobile telecoms services when in Ireland. Having considered responses to the Call for Inputs,<sup>2</sup> and the information gathered separately from service providers or through surveys, and taking into account the provisions of the European Electronic Communications Code (the EECC), yet to be transposed into law in Ireland,<sup>3</sup> ComReg engaged with Telecommunications Industry Ireland (TII) on voluntary commitments by service providers on principles and initiatives to help avoid a risk of bill shock and plans to issue a publication on the outcome of its review of bill shock measures.

In this period, ComReg provided input to the Advertising Standards Authority for Ireland (ASAI) new guidelines relating to the advertising of mobile phone and broadband services and also in respect of its ongoing review of the term “unlimited”.

In addition, ComReg worked with its colleagues at Body of the European Regulators of Electronic Communications (BEREC) in relation to its program on open internet in this period including the public consultation on update of the BEREC Guidelines on the Implementation of the Open Internet Regulation.<sup>4</sup>

## 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>5</sup> on mobile roaming that protect consumers consist of tariffs when they are travelling in other EU countries and transparency measures.

Since June 2017, Customers are 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.

2. ComReg publication 19/83 [www.comreg.ie/publications](http://www.comreg.ie/publications)

3. On 17 December 2018, the European Parliament adopted a new directive to replace the 2002 Common Regulatory Framework, Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code.

4. See [https://berec.europa.eu/eng/document\\_register/subject\\_matter/berec/regulatory\\_best\\_practices/guidelines/9277-berec-guidelines-on-the-implementation-of-the-open-internet-regulation](https://berec.europa.eu/eng/document_register/subject_matter/berec/regulatory_best_practices/guidelines/9277-berec-guidelines-on-the-implementation-of-the-open-internet-regulation)

5. 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.



For 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>6</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.

### Protection of Vulnerable Users

ComReg held two meetings of its Disability Workshop on Electronic Communications for People with Disabilities in Q1 2020. The composition of attendees at each Workshop event is compiled 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. One workshop topic was “Using a Text Relay Service or Third Party to Access Organisations and Services”. ComReg collaborated with other regulators to identify how service providers from other industries facilitate accessibility of services for end-users with disabilities using the Irish Text Relay Service (“ITRS”). ComReg presented an overview of and usage by end users with disabilities to create awareness of ITRS among regulators and the importance of ITRS to supporting accessibility of products and services generally, including, those of regulators. ComReg facilitated a discussion on possible obstacles to usability of ITRS facilities and accessible services and possible opportunity for action to help ensure that recipients of ITRS calls can identify legitimate calls and receive or make calls/communication via ITRS.

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 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.<sup>7</sup>

A subsequent workshop was held with those service providers to discuss the topic ‘Ensuring end-users with disabilities have equivalence of access and choice through the text relay and special directory information services.’ ComReg gave an overview of the status of ITRS including an outline of some difficulties that ITRS end users were experiencing with access to and use of the ITRS facility. ComReg discussed with Service Providers accessibility of ITRS and Special Directory Information Services and scope to improve end-users experience of the services.

An ongoing ComReg Consumer Engagement programme is underway to inform the public about ITRS and its benefits, including the publication of ITRS information during Covid-19 restrictions. ComReg published a consumer news item<sup>8</sup> on ComReg’s website and has regular stakeholder engagement. ComReg also published ITRS take-up and usage statistics in June 2020.<sup>9</sup>

---

6. This is in accordance with Regulation (EU) 2018/1971.

7. [www.itrs.ie](http://www.itrs.ie)

8. [www.comreg.ie/irish-text-relay-service-itrs](http://www.comreg.ie/irish-text-relay-service-itrs)

9. ComReg Document 20/53 [www.comreg.ie/publications](http://www.comreg.ie/publications)

There are already a number of consumer protections in place for end-users with disabilities. 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 having regard to a rapidly changing electronic communications market, technological developments, changes in end-user requirements and potential changes arising from the EECC.

ComReg may further consult on any issues identified to be addressed as part of its wider review and considering the EECC. During the period ComReg attended several Consultative Committee meetings held by the Department of the Environment, Climate and Communications (DECC) on matters relating to accessibility of products and services disabled end-users.

### 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 currently has two functions. It holds the directory listing details of all consumers who wish to be listed for directory enquiry purposes and it also holds the details of all consumers who do not wish to be contacted by direct marketing companies.

ComReg's objective is to protect end-users and ensure, in particular, that the requirements of Regulation 19 of European Communities (Electronic Communications Networks and Services) (Universal Service and Users' Rights) Regulations 2011 and the European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011 are met.

ComReg decided in ComReg Decision D16/18<sup>10</sup> that Porting Access B.V. (PortingXS)<sup>11</sup> was the appropriate undertaking to manage and maintain the NDD from 1 July 2019 and on expiry of the "Transition Period".<sup>12</sup> Following a request from both Eir and PortingXS, ComReg extended the Transition Period to 2 September 2019. ComReg, in accordance with section 3.9 of ComReg D16/18, confirmed its agreement in writing to the terms and conditions specified by PortingXS for the purpose of providing reasonable access to NDD (the Terms of Access)<sup>13</sup> as contained in Direct Marketing Licence Agreement (DMLA) with direct marketers and as contained in Directory Information Licence Agreement (DILA) with other entities. The licence agreements and application form are available on PortingXS's website.

Since 2 September 2019, PortingXS manage and maintain the NDD, for a minimum period of 3 years, and up to 5 years. This followed a detailed process and engagement with the telecommunications industry which resulted in successful transfer of the management and maintenance of the NDD from Eir to PortingXS.

10. ComReg Document 18/108 D16/18 [www.comreg.ie/publications](http://www.comreg.ie/publications)

11. 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.

12. D16/18 provides that "Transition Period" means the period 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.

13. Decision D16/18 provides that "Terms of Access" means the terms and conditions specified by PortingXS for the purposes of providing reasonable access to the NDD as approved by ComReg.

## Premium Rate Services (PRS)

During this period, ComReg continued to address issues within the domestic PRS market. In March 2020, ComReg commenced working with colleagues at BEREC in relation to the BEREC project to collect data to understand what charges (both pre-paid and post-paid) are being collected on behalf of third-party providers using mobile phone bills throughout the EU. The project is examining the provisions that have existed in advance of the introduction of the EECC and those that will exist post implementation of the EECC. BEREC's aim is to report in 2021 on an assessment of the status quo and benchmark of the current practices concerning third party billing and how the European Commission's provisions are being implemented in Member States.

## Stakeholder Engagement on the EECC

ComReg has had a number of meetings with Irish Business and Employers Confederation (IBEC)/ Telecommunications Industry Ireland (TII) including a subset of Telecoms Service Providers during February, March, April and May 2020, at the request of TII regarding the implementation of end-user aspects of the New European Electronic Communications Code.

## 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 90,500 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. 90% of all calls to ComReg's Consumer Care Team were answered within 20 seconds and 98% of written contacts were answered within 24 hours.

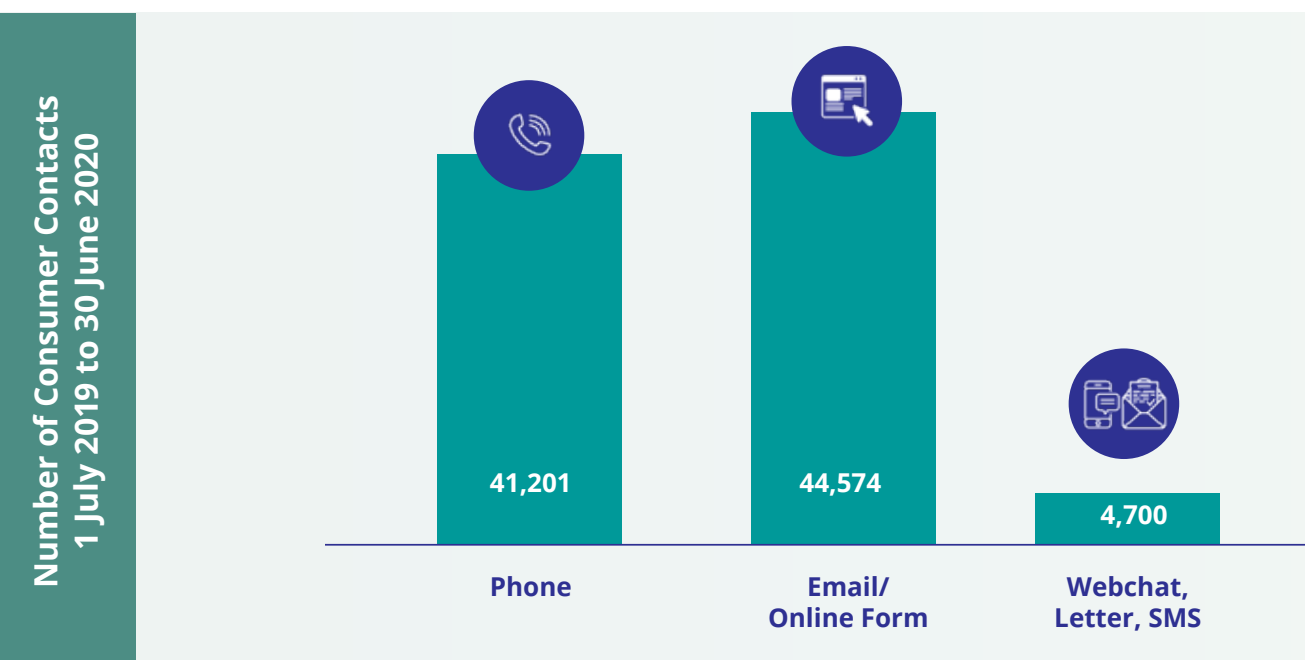


Figure 10: Number of consumer contacts by communication channel.



## Publication of Consumer Statistics

ComReg continues to publish quarterly statistics of issues raised by consumers who contacted our Consumer Care Team. During the period July 2019 to June 2020 there were approximately 40,000 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 20,900 of the total issues raised were in relation to electronic communications issues, with approximately a further 14,700 relating to premium rate service issues and the balance were mainly issues which fell outside of ComReg's remit. Of all issues raised with ComReg during the period, 17% 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. 806 of the total issues were raised by business consumers and were mainly related to billing, service issues, and contractual matters.

ComReg has evolved its quarterly statistics publications throughout the period and the quarterly report now contains details on duration of open complaints per service provider.

## 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 are 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>14</sup> and associated ComReg Decisions, The Roaming Regulations,<sup>15</sup> The Unfair Contract Terms Regulations<sup>16</sup> and the Consumer Information and Cancellation Regulations.<sup>17</sup> 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 also enforces the Open Internet Regulations<sup>18</sup> and was granted enforcement powers<sup>19</sup> pertinent to these in July 2019.

14. European Communities (Electronic Communications Networks and Services) Universal Service and User Rights' Regulations 2011.

15. 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.

16. 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.

17. S.I. No. 484/2013 European Union (Consumer Information, Cancellation and Other Rights) Regulations 2013 S.I No. 250/2014 European Union (Consumer Information, Cancellation and Other Rights) (Amendment) Regulations 2014.

18. Regulation (EU) 2015/2120 of the European Parliament and of the Council of 25 November 2015.

19. S.I. No. 343/2019 - European Union (Open Internet Access) Regulations 2019.

## ComReg Compliance Cases & Findings

In October 2019, ComReg reported that, the Dublin District Court had heard cases against Pure Telecom Limited (Pure) in relation to 25 counts of Pure failing to provide full pricing information in its customer contracts. The outcome of the prosecutions was that Pure pleaded guilty to 25 counts brought against it and that, in lieu of a conviction, Judge John Brennan required Pure to make charitable donations in the total amount of €10,000. Also, in October 2019, ComReg reported that on 2 August 2019, it had applied to the High Court for sequestration of the assets of Yourtel Limited (Yourtel), and in particular a bank account into which customers paid their monthly bills. This came on foot of an earlier High Court hearing of 11 February 2019, in which Yourtel was ordered to cease contravening section 45 of the Communications Regulation Act, 2002 (as amended),<sup>20</sup> and also made an order restraining Yourtel from contravening section 45 in the future. On 8 October 2019 Mr Justice Robert Haughton granted the orders sought by ComReg against Yourtel in the High Court – including an order of sequestration of Yourtel's assets with immediate effect. On 11 December 2019, ComReg reported that Yourtel had notified its customers by letter of its intent to leave the Irish market on 8 November 2019. ComReg stated that it had taken steps to ensure that a normal service was being provided to customers who had not already moved to an alternative provider.

On 7 November 2019, ComReg notified Roctel International Limited (Roctel) of a finding of non-compliance with its obligations under the Universal Service Regulations. In June 2018, Roctel changed its terms and conditions relating to method of calculation of the termination fee when a customer terminates their contract following the expiration of the minimum term and did not notify their customers of that change. The notification of non-compliance related to Roctel's failure to notify subscribers of that change and of their right to withdraw without penalty from the contract if they did not accept that change, not less than one month prior to the date of implementation of the proposed modifications, as required by Regulation 14(4) of the Universal Service Regulations.

On 20 November 2019, ComReg reported that, following an investigation, it had found that Vodafone Ireland Limited was not in compliance with the Consumer Information Regulations<sup>21</sup> because it did not provide customers of its "Extra" Pay as You Go ("PAYG") product with their contract on a durable medium for the period September 2016 until March 2018, contrary to Regulations 5, 10 and 12. Pursuant to Section 73 of the Consumer Protection Act 2007 (as amended) ComReg accepted from Vodafone an Undertaking which included commitments to (i) refund 72,774 customers that may, in the past, not have intended to reset their offer when they topped up, to a total amount of €416,971.79; (ii) advise customers in their contract at the point of sale that their offer will reset if the customer tops up by the amount of the offer; and (iii) amend the SMS sent to customers that top up by the amount of their offer to clearly inform the customer that their offer has been reset.

On 18 December 2019, ComReg issued 7 Notifications of Non-Compliance for breaches of Article 4 of the Open Internet Regulations.<sup>22</sup> The Notifications were issued to internet access service providers regarding transparency breaches in their consumer contracts. Since 29 November 2015, providers of internet access

20. (1) 1 An undertaking shall not impose, or purport to impose, a charge— [...]

(c) for an electronic communications service or electronic communications product that was requested by a consumer but was not supplied.

21. S.I. No. 484 of 2013 - European Union (Consumer Information, Cancellation and Other Rights) Regulations 2013.

22. S.I. No. 343/2019 - European Union (Open Internet Access) Regulations 2019.

services have been legally required to include a range of information in consumer contracts relating to (i) traffic management; (ii) minimum, normally available, maximum and advertised download and upload speed of fixed networks; (iii) estimated maximum and advertised download and upload speeds of mobile networks; and (iv) remedies available to the consumer where there is a relevant discrepancy regarding speed or other quality of service parameters. The enforcement action was taken against providers who, it appeared, had not been providing the required information in their customer contracts. Notifications of Non-Compliance relating to a range of breaches were issued to: Digiweb Limited; Imagine Communications Ireland Limited; Pure Telecom Limited; Three Ireland (Hutchison) Limited; Three Ireland Services (Hutchison) Limited; Virgin Media Ireland Limited and Vodafone Ireland Limited.

On 23 January 2020, ComReg notified Virgin Media Ireland Limited of a finding of non-compliance with Virgin's obligations under the Universal Service Regulations and ComReg Decision D13/12<sup>23</sup> on Contract Change Notifications. The non-compliance concerned numerous Contract Change Notifications issued by Virgin Media to its customers in 2017, 2018 and 2019 that failed to comply with Regulations 14(4) and (6) of the Universal Service Regulations and ComReg Decision D13/12. The notification related, amongst other things, to the format and content of Contract Change Notifications. In particular, Virgin Media customers were required to give 30 days' notice if they did not accept the proposed modifications to the contract and Virgin Media did not provide the actual date by which the customer could withdraw from their contract without penalty.

On 10 February 2020, ComReg notified Three Ireland Services (Hutchison) Limited (Three) of a finding of non-compliance with respect to its obligations under Regulation 13(6) of the ePrivacy Regulations.<sup>24</sup> The notification related to 180 individuals that were contacted by Three. The individuals received numerous calls by phone from Three in circumstances where those individuals had not consented to such communications prior to any communication taking place.

On the 27 February 2020, ComReg entered into a settlement agreement with Virgin Media. This was pursuant to a notification of a finding of non-compliance issued on 22 June 2018 relating to the manner in which tariffs associated with certain extra charges, for example late payment fee, unpaid direct debit fee, were presented and subsequently charged by Virgin Media to portions of its customers. In particular, the notification concerned the transparency and accessibility of the contractual provisions relating to those tariffs. As part of the settlement agreement, Virgin Media shall refund the sum of €421,200 to an estimated 24,000 customers who were charged all or any of the extra charges during the period from 1 September 2016 to 27 October 2017. These customer refunds are to be completed by 1 September 2020.

On 30 March 2020, ComReg reported that Three Ireland Services (Hutchison) Limited (Three) had paid a penalty of €51,000 after an investigation found that between July 2017 and November 2019, Three had failed to provide 57,147 of its "affinity plan" customers who signed up via sales agent, JV Facility Limited (JV Facility),<sup>25</sup> with a contract on a durable medium, contrary to Regulation 12 of the Consumer Information Regulations.<sup>26</sup> Three paid the penalty in full and undertook a number of remedial measures to comply with Regulations 10<sup>27</sup> and 12 of the Consumer Information Regulations and pursuant to section 73 of the Consumer Protection Act.

23. ComReg Document 12/128 [www.comreg.ie/publications](http://www.comreg.ie/publications)

24. European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011.

25. JV Facility carries out telesales activities for Three.

26. S.I. No. 484 of 2013 - European Union (Consumer Information, Cancellation and Other Rights) Regulations 2013.

27. Regulation 10 of the Consumer Information Regulations specifies the type of information that a trader must provide to a consumer prior to concluding a distance contract, including information on the right to cancel.

Three undertook to (i) communicate with its affected consumer customers under contract entered into via JV Facility during the period 30 April 2019 to 30 April 2020, and provide them with confirmation of their contract on a durable medium, including the 14 day cooling off period; (ii) re-issue to all consumer customers under contract entered into via JV Facility from 1 April 2018 to 1 June 2018 a contract on a durable medium, which will include the 14 day cooling off period; (iii) provide a direct link, in the contract on a durable medium, to the price guide for the Three affinity plans and the terms and conditions of the Three affinity plans; (iv) publish a corrective statement on its website explaining how it has contravened the 2013 Regulations and ensure that it remains on Three's website for 60 days; (v) provide an individual corrective statement to each of the affected customers; and (vi) demonstrate to ComReg's satisfaction, with independently verified (and verifiable) and audited documentary proof, that it has fully performed these remedial actions.

On 20 May 2020, ComReg issued opinions of Non-Compliance to Digiweb, Pure Telecom, Three Ireland, Virgin Media and Vodafone in respect of obligations under the Open Internet Access Regulation relating to the notifications of findings of non-compliance it issued on 18 December 2019.

### **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 2020, ComReg determined, following the review of the costs incurred by the ECAS provider to set the maximum CHF of €1.77 per call from 12 February 2020. 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.

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

During the period, ComReg also published two information notices regarding the volumes of calls to the ECAS.

## 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>28</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>29</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%)).

In May 2019, ComReg reviewed the QoS targets including "service availability" targets and re-imposed the existing annual and sub-national targets until 31 June 2021.

In May 2020, ComReg, following consultation, decided that a universal service obligation for directory of subscribers' services was not appropriate. ComReg will now consult on the future USO, if any, for public payphones and will issue a decision in due course.

28. ComReg Document 16/65 D05/16 [www.comreg.ie/publications](http://www.comreg.ie/publications)

29. ComReg Document 17/10 D03/17 [www.comreg.ie/publications](http://www.comreg.ie/publications)

## Universal Services Obligation

### Universal Service Quality of Service Compliance

Quarterly Information Notices were published by ComReg showing Eir's USO performance for each quarterly period of 2018 – 2019 and the annual performance for 2018. ComReg also published an Information Notice showing Eir's USO performance for the first quarterly period of 2020.

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

In 2011, ComReg issued a Decision<sup>30</sup> (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>31</sup>

On 18 April 2019, following the assessments of the applications received from Eir, ComReg published these 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.

30. ComReg Document 12/57 D04/11 [www.comreg.ie/publications](http://www.comreg.ie/publications)

31. ComReg Document 16/68 [www.comreg.ie/publications](http://www.comreg.ie/publications)

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.

The proceedings were due to be conducted in May 2020 however due to Covid-19 the case was delayed until October 2020. ComReg will fully defend the proceedings brought by Eir.



## Consumer Response to Covid-19

### Consumer Commitments

As part of the Government led national response to the Covid-19 pandemic, on 15 April ComReg and DECC discussed commitments<sup>32</sup> from a number of telecommunications providers in Ireland (including via Irish Business and Employers Confederation (IBEC)<sup>33</sup>, Telecommunications Industry Ireland (TII)) to a number of minimum measures to help assist consumers ensuring the continuity of their broadband and voice services as well as access to essential services enabled by ECS during the national Covid-19 restrictions (these commitments were of a limited scope and duration relevant to the circumstances).

The commitments were designed to give consumers reassurance about communications usage, while maintaining the overall stability of electronic communications networks, at a time when people were relying much more on electronic communications services and they were also facing an unprecedented degree of economic and financial uncertainty. These measures helped to ensure that consumers who are financially vulnerable as a result of the pandemic will get assistance from their service provider to agree an affordable solution for their voice and data service. Service providers could go beyond these minimum set of commitments and introduce additional measures for their customers. The commitments remained in place until 31 August 2020.

Each service provider implemented these minimum commitments individually and in accordance with their own business drivers and service providers have full commercial flexibility on how they implemented these measures. The commitments were signed up to by the following operators: BT Ireland, Eir, Pure Telecom, Sky Ireland, Tesco Mobile Ireland, Three Ireland, Virgin Media Ireland and Vodafone.

Following the operational period of the commitments and as normal commercial activity resumes, ComReg anticipated that many of the commercial offerings and policies that were developed on foot of the commitments would continue to be available and to provide ongoing benefit to consumers whose demands and financial circumstances continue to be adversely altered. In this respect, ComReg welcomed the choice of unlimited offers in the market and ComReg called on service providers to continue to ensure that offers advertised as unlimited are in fact unlimited. ComReg also urged industry to continue to be mindful of the ongoing compromised financial circumstance of some customers and to be open to making appropriate accommodations in addition to continuing the pre-existing individual agreements with consumers under the commitments.

ComReg will continue to monitor consumer issues arising and will liaise with service providers as necessary.

---

32. And ComReg website:

<https://www.comreg.ie/publication/comreg-welcomes-telecoms-industry-commitments-to-assist-customers-during-covid-19>

33. See press release: <https://www.ibec.ie/connect-and-learn/media/2020/04/15/telecoms-industry-announces-covid-consumer-response-initiative>



## Other ComReg Actions

ComReg monitored the implementation of these commitments and any consumer who was in contact with their service provider and remained concerned that their service provider was not treating them in accordance with these Commitments could contact ComReg's consumer care team to assist the consumer with the issue. ComReg also monitored service providers' customer operations during the pandemic through regular meetings and ComReg also introduced a new customer care process regarding outages in circumstances where customers were particularly vulnerable.

ComReg created a new Covid-19 information section on its consumer website, containing information of particular relevance for consumers under the circumstances including – remote top-ups, consumer line operation hours, using Irish Text Relay Service, protecting your business phone system when working remotely, difficulty paying your bill, market research on use of electronic communications during the pandemic.



## SECTION 5: 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 ("2011 Act") designated An Post as the universal postal service provider (USP) until 2023. Specific functions of ComReg include monitoring compliance of the USP with directions issued by ComReg.

### Postal Strategy Statement 2020 - 2022

ComReg, following a public consultation process, set its strategy for postal regulation in the period 2020 – 2022<sup>34</sup>. The strategy identified 4 principal trends that will continue to shape the postal sector:



34. ComReg Document 19/113 [www.comreg.ie/publications](http://www.comreg.ie/publications)

Given these trends, ComReg identified the following 7 principal challenges:

**1** The continued liquidity challenges for An Post, given its statutory designation as the sole universal postal service provider.

**2** Limited scope for further significant price increases.

**3** Need to reduce costs to reflect decline in letter mail volumes.

**4** Need to reduce losses (by negotiating better Terminal Dues agreements) on International Inbound mail.

**5** Responding to the changing demand dynamics of the postal sector.

**6** Responding to the delivery challenges resulting from "Brexit".

**7** Responding to the delivery challenges resulting from climate change actions.

In light of the above, and given ComReg's legislative mandate, ComReg's strategic intents and goals for the period of 2020 – 2022 are as follows:



## STRATEGIC INTENTION 1

**Seek to ensure the provision of a universal postal service**

ComReg's statutory function includes ensuring the provision of a universal postal service that meets the reasonable needs of postal service users. With regard to this strategic intention, ComReg's strategic goals are to:

- ✚ **Goal 1:** Continue to understand the reasonable needs of postal service users.
- ✚ **Goal 2:** Consider the designation of universal postal service provider(s)
- ✚ **Goal 3:** Monitor for compliance with the requirements of providing the universal postal service.



## STRATEGIC INTENTION 2

**Promote the interests of postal service users**

ComReg's second strategic intention is that postal service users (both senders and receivers) can choose and use postal service with confidence. Our strategy emphasises the role of informed decision-making by postal service users, and has the following strategic goals;

- ✚ **Goal 4:** Empower postal service users by ensuring the availability of accurate and appropriate information on postal services and cross border parcel services.
- ✚ **Goal 5:** Empower postal service users by ensuring the availability of complaints and redress procedures.
- ✚ **Goal 6:** Protect postal service users by ensuring postal service users, both senders and receivers, derive maximum benefit in terms of choice, price and quality.
- ✚ **Goal 7:** Consult and co-operate with the Competition and Consumer Protection Commission.
- ✚ **Goal 8:** Resolve disputes between postal service users and postal service providers.



## STRATEGIC INTENTION 3

**Facilitate the development of competition and innovation**

ComReg's third strategic intention is to facilitate the development of competition and innovation in the provision of postal services and has the following strategic goals;

- ✚ **Goal 9:** Facilitate the development of the postal service sector by delivering on our legal remit.
- ✚ **Goal 10:** Promote the development of the postal sector by continuing to provide information regarding the provision of postal services in Ireland.

## Review of the Universal Service Provider Designation

An Post is designated as the USP until 2023, subject to a review by ComReg. ComReg has, following public consultation, established its USP Designation Procedures<sup>35</sup> for the purpose of conducting the review required by the 2011 Act. During the period 2019 – 2020, ComReg decided that there is a need to continue with a USP designation<sup>36</sup>, and ComReg is currently consulting on its proposal, to continue with An Post as the designated USP until 2023.<sup>37</sup>

## 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 2019 was published<sup>38</sup> in June 2020 and included the following key findings:

- An Post delivered 90% of single piece priority mail on the next working day following the day of posting throughout the State. This result is 4% below the 94% regulatory standard and is a 1% improvement on the 2018 result;
- An Post delivered 99.1% of single piece priority mail within three working days following the day of posting, marginally above the 2018 result (99.0%) and below the 99.5% regulatory standard.

---

35. ComReg Document 19/64a [www.comreg.ie/publications](http://www.comreg.ie/publications)

36. ComReg Document 20/26 [www.comreg.ie/publications](http://www.comreg.ie/publications)

37. ComReg Document 20/49 [www.comreg.ie/publications](http://www.comreg.ie/publications)

38. ComReg Document 20/50a [www.comreg.ie/publications](http://www.comreg.ie/publications)

## Postal service user 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. ComReg continued to resolve such disputes during the year.

## Review of the Price Cap Repeal

The Communications Regulation (Postal Services) (Amendment) Act 2017 ("the Repeal Act") required ComReg to undertake a review of any consequences of the repeal of the price cap on certain universal postal services. As required by the Repeal Act, that review by ComReg was completed in September 2019 and a report was provided to the Minister for Communications, Climate Action and Environment. A non-confidential version of this report was then laid by the Minister before both houses of the Oireachtas.<sup>39</sup>

## 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 second year 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 is assessing whether An Post's (as designated USP) cross-border single piece parcel tariffs are unreasonably high and will submit that assessment to the European Commission.

## Research study of Irish postal users

ComReg commissioned and published research on Irish postal users conducted by the research firms, Behaviour and Attitudes<sup>40</sup> and The Research Perspective<sup>41</sup>.

The research fieldwork was face-to-face interviewing with 1,500 residential consumers<sup>42</sup> and 500 Small and Medium Enterprises.<sup>43</sup> For the residential consumers the sample was split across three distinct segments, based on population density. Three key insights were as follows:

39. See non-confidential version of report at [https://ptfs-oireachtas.s3.amazonaws.com/DriveH/AWDData/Library3/Documents%20Laid/pdf/CCAEdoclaid310320\\_310320\\_122010.pdf](https://ptfs-oireachtas.s3.amazonaws.com/DriveH/AWDData/Library3/Documents%20Laid/pdf/CCAEdoclaid310320_310320_122010.pdf)

40. <https://banda.ie/>

41. <http://theresearchperspective.com/>

42. ComReg Document 19/84a [www.comreg.ie/publications](http://www.comreg.ie/publications)

43. ComReg Document 19/84b [www.comreg.ie/publications](http://www.comreg.ie/publications)

# IRISH POSTAL USERS

ComReg reports on study of Irish postal users - face to face interview of 1,500 residential consumers and 500 Small and Medium Enterprises.

## 3 KEY INSIGHTS



1

### Letter post use and satisfaction with price of posting letters

POSTING LETTERS	LETTERS PER MONTH	SATISFACTION WITH PRICE OF POSTING LETTERS
Residential consumers	3	
SMEs overall	68	
SMEs who use bulk mail	395	
SMEs who use meter mail	435	

More letters are posted by SME's who use bulk and meter mail.

Only 1 out of 10 SMEs who use bulk and meter mail are satisfied with price.



Price satisfaction decreases the more you post

2

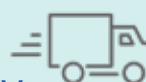
### Parcel post use and satisfaction with price of posting parcels

POSTING PARCELS	PARCELS PER MONTH	SATISFACTION WITH PRICE OF POSTING PARCELS
Residential consumers	1	
SMEs overall	39	



3

### Awareness levels low of next working day delivery



2  
DAYS

5 in 10 assume it takes 2 working days or more for post to be delivered nationally.



## SECTION 6: RADIO SPECTRUM MANAGEMENT

### Radio Spectrum Management

ComReg manages Ireland's radio frequency spectrum (radio spectrum or spectrum) and the national numbering resource.

Radio spectrum is the medium by which information may be transmitted wirelessly over distances ranging from a few centimetres to thousands of kilometres. It is a valuable national resource as it underpins much of the communications services in the State. These communication services include mobile telephony, wireless broadband, radio and television broadcasting and radio communications used by commercial business and within air and maritime transport. Many services rely on wireless connectivity as part of the backbone linking mobile base stations, providing feeds to broadcast transmitters and telemetry links that allow the monitoring of remote equipment e.g. water levels and status of power transformers.

Radio spectrum is also fundamental in the day-to-day operation of the emergency services and defence forces. It also is a vital input to many other services including important scientific applications, such as weather forecasting and monitoring the Earth's environment.

Radio Spectrum makes a vital contribution to the Irish economy and wider society. The wireless communications sector is estimated to account for approximately 17,000 full time equivalent Irish jobs. Spectrum-dependent activities are estimated to contribute €6.2 billion to the economy which is 3.5% of Irish Gross National Income.<sup>44</sup>

As it underpins much of the communications services in the State and as the radio spectrum is a finite national resource with competing uses and users, it needs careful management to ensure it is being used effectively and efficiently.

To assist ComReg's management of the radio spectrum, ComReg regularly sets out and updates its strategy. The current Radio Spectrum Management Strategy<sup>45</sup> for the period 2019 to 2021, outlines ComReg's work plan and priorities for these two years in relation to ComReg's role as Ireland's spectrum manager and complements ComReg's Electronic Communications Strategy Statement.<sup>46</sup>

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

44. ComReg Document 18/111 [www.comreg.ie/publications](http://www.comreg.ie/publications)

45. ComReg Document 18/118 [www.comreg.ie/publications](http://www.comreg.ie/publications)

46. ComReg Document 19/52 [www.comreg.ie/publications](http://www.comreg.ie/publications)



## The 3.6 GHz band

### Transition

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 in excess of twenty-one thousand 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 customers who were at risk of losing their service while winning bidders in the 3.6 GHz award prepared for the deployment of their services (including trials), ComReg developed a Transition licensing framework which it consulted upon extensively and implemented by way of the rules of the award, which all participants agreed to be bound by. These rules are contained in the 3.6 GHz Band Spectrum Award Information Memorandum.<sup>47</sup>

Essentially, this Transition licensing framework allows existing operators to continue to provide services to their customers until such time that the new licensees 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.

Considerable progress has been made in the orderly transition of the 3.6 GHz Band with 519 of the 594 spectrum lots commenced for the new licensees. This progress has facilitated the new 3.6 GHz Band licensees<sup>48</sup> to roll out services in the 3.6 GHz Band across the country. In addition, four of the seven previous operators that were granted Transition Protected or Unprotected Licences have now transitioned from the 3.6 GHz band.

ComReg continues to engage with both new licensees and remaining operators to complete their transition and, where required, to develop and implement appropriate Transition Plans, which can then be progressed and prioritised where new licensees have sufficiently developed plans to roll-out new services. ComReg is pleased that the approach used in these circumstances provided for regulatory predictability as well as a smooth transition given the inherent complexities.

---

47. ComReg Document 16/71 [www.comreg.ie/publications](http://www.comreg.ie/publications)

48. [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/)

## Spectrum Leasing

In its consultation on the Covid-19 Temporary Spectrum Management Measures,<sup>49</sup> ComReg noted that:

- Operators may have existing rights of use that are not being used and that this spectrum could be utilised by other operators that have equipment readily available;
- In the 3.6 GHz band there are licensees that currently have none or very limited deployments using their respective spectrum rights currently;
- This spectrum could therefore be used by operators during the Temporary Situation for the greater benefit of consumers;
- It would encourage and look very favourably on any lease arrangement that would be put in place during the period of Temporary Spectrum Management Measures; and
- The key elements of the Temporary ECS Licence as set out in Document 20/21 (for example, 6-month licences for a nominal fee) could be used as a reasonable proxy for any such lease.

In the response to consultation and decision<sup>50</sup>, ComReg welcomed the positive views of respondents to provide solutions to improve the services for consumers during the Temporary Situation and in relation to the potential leasing of spectrum rights in the 3.6 GHz band.

On 29 April 2020, Imagine Communications Ireland Limited, ("Imagine") submitted to ComReg three separate notifications regarding its proposals to lease spectrum rights in the 3.6 GHz band from each of Meteor Mobile Communications Limited (trading as "Eir") ("Meteor"), Three Ireland (Hutchison) Limited (trading as "3") ("3IRL") and Vodafone Ireland Limited (trading as Vodafone) ("Vodafone") for a period of three months.

Having considered the information provided by the notifying parties, in accordance with Document 14/11R, the Commission formed the opinion that the result of the leases would not distort competition and determined that the leases may be put into effect for a period of three months from 22 June 2020.

## Licence Exemptions for Terminals for Satellite Services

In its Radio Spectrum Management Strategy Statement for 2019 – 2021, ComReg committed to undertake a review of the existing exemption orders for Terminals for Satellite Services (TSS), and to update, amend and/or implement new exemption orders as appropriate.

ComReg reviewed the existing exemption orders for TSS and decided to adopt a single exemption order (Wireless Telegraphy Act 1926 (Section 3) (Exemption of Terminals for Satellite Services) Order 2020)<sup>51</sup> to cover all TSS equipment that is the subject of an Electronic Communications Committee (ECC) Decision as long as the equipment did not raise concerns about harmful interference in Ireland.

- Six of the eight existing exemption orders were superseded by the new exemption order. ComReg also published a separate technical document<sup>52</sup> that specifies the technical and operational characteristics of TSS equipment, as set out in the relevant ECC Decisions, eligible for exemption under the new exemption order.

49. ComReg Document 20/21 [www.comreg.ie/publications](http://www.comreg.ie/publications)

50. ComReg Document 20/27 [www.comreg.ie/publications](http://www.comreg.ie/publications)

51. <http://www.irishstatutebook.ie/eli/2020/si/226/made/en/print>

52. ComReg Document 20/47 [www.comreg.ie/publications](http://www.comreg.ie/publications)

- ComReg will continue to engage with and monitor the development of ECC Decisions for TSS. In addition, ComReg will consider the appropriate implementation of any future ECC Decisions regarding the risk of harmful interference to, and protection of, existing communication services and networks in Ireland.

### Covid-19: Temporary Spectrum Management Measures

Given the temporary and extraordinary situation presented by Covid-19 and the measures taken by the Irish Government<sup>53</sup>, the provision of voice and data services as regards electronic communications networks (ECNs) became even more important in the day to day life and working arrangements of many people, as these services were used extensively to stay in contact with relatives and friends and to remote work from home.

The swiftness and impact of the Government measures put in place in March 2020 resulted in significant changes to the normal traffic levels and patterns of certain ECNs in Ireland, with overall voice traffic increasing by 30-60% while data traffic grew by 20-25% at that time.

Arising from these circumstances, each of the three Mobile Network Operators (MNOs), Meteor, Three and Vodafone, submitted a joint letter to ComReg, together requesting the assignment of additional spectrum rights of use, on a temporary basis, in the 700 MHz Duplex, 2.1 GHz and 2.6 GHz bands in order to facilitate additional network capacity. In requesting these spectrum rights, the MNOs noted that:

*“New infrastructure cannot be built at short notice, so operators must look to whatever tools they have available to optimise networks to the current situation. We all have already adjusted network configuration to the extent that we can (e.g. adjustments to capacity). We now need to look to other options that are available to us to increase network capacity.”*

In response to this temporary and extraordinary situation, ComReg consulted upon<sup>54</sup> and put in place within a very short period of time a licensing framework<sup>55</sup> (with the consent of the Minister for Communications, Climate Action and Environment) for the temporary assignment for an overall period of up to 6 months of:

- Additional spectrum rights of use in the 700 MHz Duplex and 2.6 GHz Band; and
- Liberalised spectrum rights of use in the 2.1 GHz Band, as this band is otherwise currently licensed for 3G-use only.

53. In March 2020 the Irish Government announced (see <https://www.gov.ie/en/news/72ecf5-government-agrees-next-phase-of-irelands-covid-19-response/>) a suite of measures to tackle the extraordinary situation arising from the spread of Covid-19 in Ireland.

54. ComReg Documents 20/21, 20/23 and 20/27 [www.comreg.ie/publications](http://www.comreg.ie/publications)

55. See the Wireless Telegraphy (Temporary Electronic Communications Services Licences) Regulations 2020 (S.I. No. 122 of 2020).

ComReg stressed that this temporary licensing framework was intended solely to address the exceptional and extraordinary situation presented by Covid-19 and that it is entirely without prejudice to the award of long-term rights of use in these spectrum bands in its proposed multi-band spectrum award.<sup>56</sup>

Following receipt of applications from each of the MNOs for a three-month licence<sup>57</sup> Temporary Electronic Communications Services (ECS) Licences were issued to the Three MNOs. Details of the Temporary ECS licences are as set out below.<sup>58</sup>

## Covid-19 Temporary ECS Licences

Operator	Commencement Date	Expiry Date	Spectrum Bands
<b>Meteor</b>	9 April 2020	7 October 2020	700 MHz and 2.1 GHz bands
<b>Three</b>	9 April 2020	7 October 2020	700 MHz and 2.1 GHz bands
<b>Vodafone</b>	22 April 2020	7 October 2020	700 MHz and 2.1 GHz bands

**Figure 11: Covid-19 Temporary ECS Licences**

The delivery of this temporary licensing framework in such a short timeframe in challenging circumstances is a testament to the strong collaboration between the State, ComReg and industry as well as to the commitment of the staff of ComReg, DECC and the MNOs to provide the extra network capacity required.

56. All respondents to the consultation agreed with this key principle (See paragraphs 3.3 to 3.6 of ComReg Document 20/27) and it was subsequently incorporated into the Application Declaration Form (See ComReg Document 20/27a) [www.comreg.ie/publications](http://www.comreg.ie/publications)

57. Under the 2020 Temporary ECS Licence Regulations (S.I. No. 122 of 2020), initial licences can be granted for a maximum period of 3 months with the potential for a renewal of up to a further 3 months, with renewed rights of use expiring no later than 6 months from the date of these regulations (i.e. on 7 October 2020 or earlier).

58. Following the initial 3-month period the licences were renewed for the maximum duration (up to 7 October 2020) allowed under the existing licensing framework.

## The Awarding of Spectrum in the 400 MHz Band

On 5 November 2019 ComReg published an Information Notice<sup>59</sup> setting out the results of the 400 MHz band spectrum award.

The newly awarded spectrum rights of use were offered in two parts:

- Part A consisted of one 2 × 3 MHz Lot (410 – 413 MHz / 420 – 423 MHz) for the provision of wireless communications for Smart Grids; and
- Part B consisted of ten Lots of 2 × 100 kHz on a technology and service neutral basis. These Lots may be used to support Smart Grids, or for a range of other uses including Business Radio type applications.

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.

Smart Grids have been identified by international bodies such as the United Nations and the International Telecommunications Union as a key enabler in the reduction of carbon emissions thereby helping to reduce the adverse effects of climate change.

ESB Networks DAC, the winning bidder of both the Part A and Part B spectrum lots, will pay approximately €1.1 million for its spectrum rights of use comprising €320,000 in upfront fees and €780,000 in spectrum usage fees to be paid over the 15 year duration of the licence.

## Proposed Award of Spectrum for Wireless Broadband

In December 2019, ComReg issued its response to consultation<sup>60</sup> and draft decision on a Proposed 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>61</sup> all of which are harmonised at a European level for the provision of WBB services.

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.

---

59. ComReg Document 19/99 [www.comreg.ie/publications](http://www.comreg.ie/publications)

60. ComReg Document 19/124 [www.comreg.ie/publications](http://www.comreg.ie/publications)

61. 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 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 keeping with the EU principle of technological neutrality, ComReg proposes to award the spectrum rights on a technology neutral 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.

In May 2020, ComReg published a Draft Information Memorandum and Draft Regulations<sup>62</sup> on the Proposed Multi Band Spectrum Award for the 700 MHz Duplex, 2.1 GHz, 2.3 GHz and 2.6 GHz bands. ComReg is continuing to engage with stakeholders to advance and finalise the award proposals.

### 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 usable 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 15 Test licences and 4 Trial licences. Further details are set out on the Test & Trial Ireland website which includes a short video promoting this initiative.<sup>63</sup>

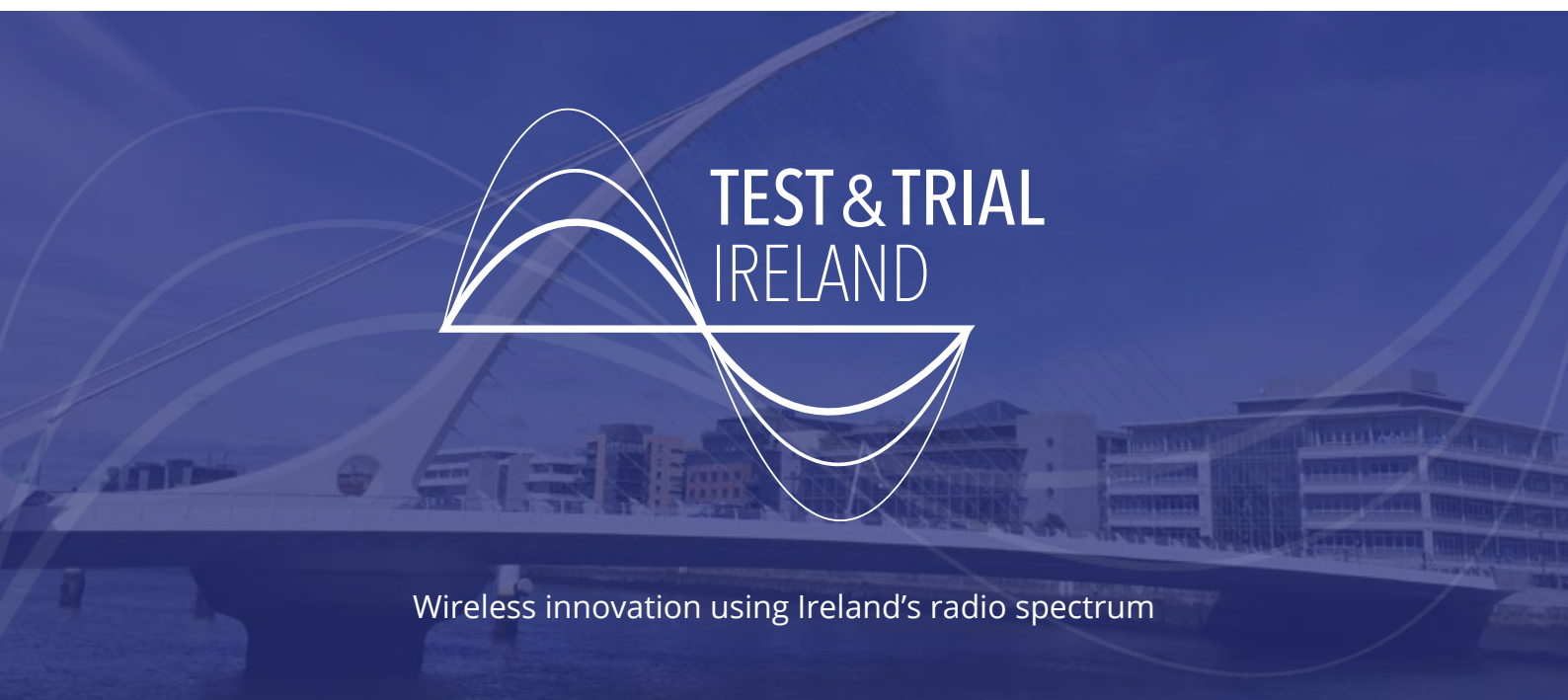


Figure 12: Test & Trial Ireland logo

62. ComReg Document 20/32 [www.comreg.ie/publications](http://www.comreg.ie/publications)

63. [www.testandtrial.ie](http://www.testandtrial.ie)

## 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 2020, the total number of live radio licences was 19,463, an increase of 3.6% over the previous reporting period.

Figure 11. Live Radio Licences at Year End: 2014 – 2020 shows the total number of live radio licences at year end from 2014 to 2020.

The total number of new licences issued in this reporting period was 6,151, an increase of 22.73% on the previous year. This increase arose as a result of:

- An increase of 179% in the number of temporary DTT broadcasting licences issued to RTÉ; and
- An increase of 49.8% 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.

Live Radio Licences at Year End:  
2014 - 2020

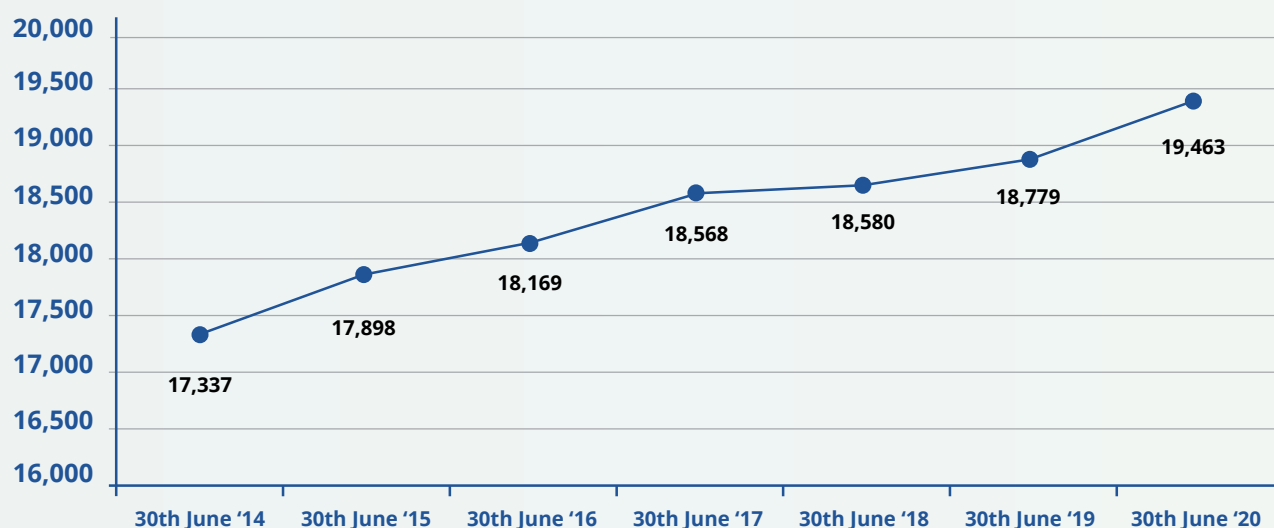


Figure 13: Live Radio Licences at Year End: 2014 – 2020.

New Radio Licences at Year End:  
2014 - 2020

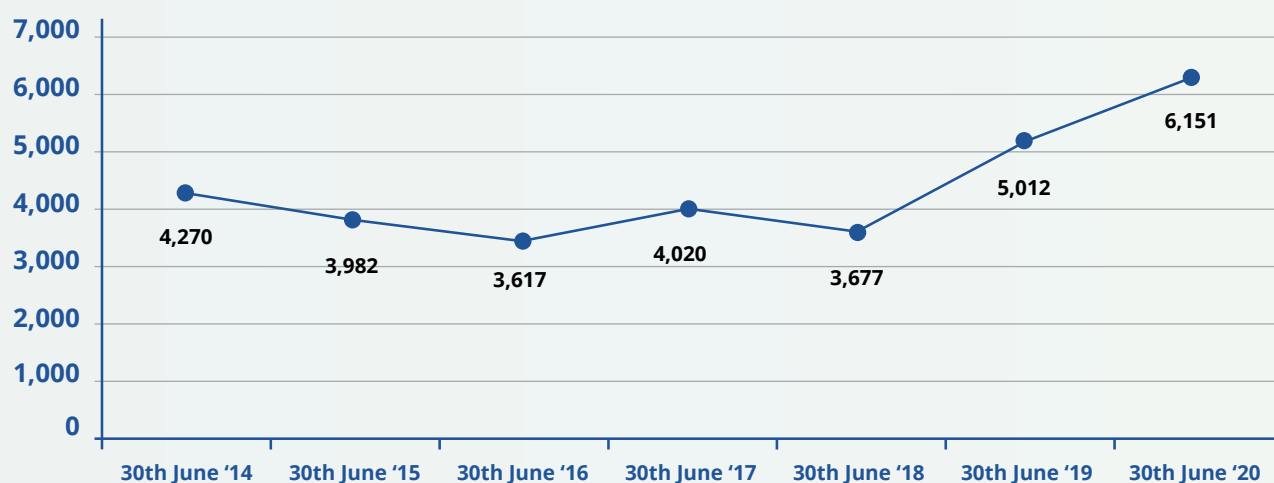


Figure 14: New Radio Licences Issued: 2014 – 2020.

## Market surveillance of products

ComReg has established a good working relationship with online platforms such as Amazon, Google, DoneDeal, eBay and Facebook in order to prevent non-compliant radio and electronic equipment from being imported into Ireland when purchased through these online platforms. This liaison has resulted in a systematic approach which enables the rapid removal of non-compliant products and has led to increased efficiency in the removal of certain website adverts and devices from these platforms.

In this reporting year ComReg arranged the removal of 58 non-compliant devices from online platforms representing a significant increase on the previous year.

Further developments and strengthening of ComReg's relationship with the Customs division of the Office of the Revenue Commissioners have been made again this year.

Since July 1st, 2019 ComReg seized a total of 695 non-compliant products with the assistance of Customs officials. This represents a 172% increase on the previous reporting period when 255 non-compliant products were seized and illustrates the value in this growing collaboration.



## Radio Frequency Interference Investigations

During the current reporting year ComReg received 120 complaints of Radio Frequency Interference (RFI), representing a 23% year on year increase. Of these 120 complaints, 112 were related to public mobile networks. ComReg also set out proposals for the revision of the current RFI complaint classification process. This was undertaken to ensure that ComReg responds to radio interference complaints in the most effective possible manner, bearing in mind ComReg's limited resources.<sup>64</sup> There has been a proliferation of wireless devices which have brought with them a greater complexity in their use of spectrum and ComReg seeks to further improve its processes to ensure it is better equipped to reflect today's radio environment.

The outcome of this consultation will be reported in the next period of review.



64. ComReg Document 19/108 [www.comreg.ie/publications](http://www.comreg.ie/publications)

## ComReg and the Mobile Phone Taskforce

As part of the Government Mobile Phone Taskforce programme<sup>65</sup> for 2019, ComReg was tasked with establishing a quarterly forum with providers of key electronic communications services. The aim of which is to deepen engagement, increase knowledge sharing, and foster greater collaboration, by:

- Providing the opportunity to discuss and consider forward-looking topics – this will help to ensure that ComReg’s work on radio interference and product surveillance is well prepared to ensure the continuing and effective use of the radio spectrum on a continuing basis;
- Considering appropriate protocols and supporting procedures for the effective reporting and subsequent investigation, as appropriate, of radio spectrum interference matters;
- Identifying and considering emerging trends and issues of common interest; and
- Conducting 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 in June 2019 and had two subsequent meetings in September and December 2019. These meetings have proven very useful and ComReg had looked forward to the ongoing engagement and participation of the members. However, Government restrictions imposed as a result of the Covid-19 pandemic resulted in the cancellation of the meetings scheduled for March and June 2020. ComReg expects to recommence these meetings shortly, either in a virtual or physical format, as circumstances allow.

## Non-Ionising Radiation

It is a condition of the General Authorisation<sup>66</sup> for the provision of an electronic communications network and/or service as well as of various Wireless Telegraphy licenses 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>67</sup> These guidelines are endorsed by the World Health Organisation, the European Commission and the Environmental Protection Agency.

Revised ICNIRP guidelines were published in March 2020 and, on foot of the new guidelines, ComReg revised the methodologies by which it conducts NIR surveys to take account of the new guidelines.<sup>68</sup>

In this reporting period ninety-one surveys of sites were carried out. Eighty of the sites surveyed were selected the basis of population distribution and the other eleven were selected, for example, to check on new technologies and as a check of sites of more particular interest.<sup>69</sup>

Further information regarding NIR, ComReg’s role in relation to NIR, along with information on the roles of other public bodies, can be found on ComReg’s website<sup>70</sup> and the repository for all the reports since 2003 can be found at: [www.comreg.ie/nir-reports-2/](http://www.comreg.ie/nir-reports-2/)

65. [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)

66. [www.comreg.ie/industry/licensing/general-authorisation/](http://www.comreg.ie/industry/licensing/general-authorisation/)

67. [www.icnirp.org](http://www.icnirp.org)

68. ComReg Document 08/51R4 [www.comreg.ie/publications](http://www.comreg.ie/publications)

69. Such sites for example may include new transmitter sites, the higher utilisation of existing sites and sites covering areas which were public access may be cause for concern and need to be evaluated.

70. <https://www.comreg.ie/industry/radio-spectrum/site-viewer/non-ionising-radiation-information/>

## Mobile Network Operator Licence Compliance – Drive Testing

ComReg continued its six-monthly drive test regime<sup>71</sup> which, is designed to assess compliance<sup>72</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 roads in the State including, the towns thereon and motorway sections.

During the review period ComReg published a summary report<sup>73</sup> of its national drive test and will continue to publish these summary reports on its website, following each drive test. The results found that all mobile network operators are meeting their licence conditions.

---

71. This resulted from a Request for Tender ("RFT") process, RFT 135426, published on both the Irish Government's e-tenders website 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.

72. It should be emphasised that the drive test does not assess user experience but licence compliance.

73. ComReg Document 20/16 [www.comreg.ie/publications](http://www.comreg.ie/publications)

## Managing the National Numbering Scheme

ComReg manages the National Numbering Scheme in Ireland. The Scheme includes geographic numbers, non-geographic numbers, mobile numbers, premium rate service numbers, short codes, and network codes. These telephone numbers and codes are essential to the provision of electronic communications services. They enable the effective routing of national and international communications and support the proper functioning of 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 in some cases. ComReg is committed to effective number management, to ensure the efficient use of numbers by operators and the continued availability of numbers for end users.

ComReg's Numbering Conditions<sup>74</sup> detail the rules for number use and eligibility criteria for number holders. These conditions and eligibility criteria protect consumers and promote competition by ensuring operators have equal access to numbering resources.

The Numbering Conditions are updated regularly to take account of the latest market and legislative developments. The most recent review was completed in November 2019,<sup>75</sup> following a public consultation. This update incorporated new conditions of use for Machine to Machine numbers and updates to support the Non-Geographic Numbers (NGN) implementation project. A further consultation on the numbering conditions is planned for early 2021.

### Non-Geographic Number Review

Non-Geographic Numbers (NGNs) are phone numbers starting with 1800, 1850, 1890, 0818 and 076, and are used by organisations to provide services such as helplines, public services and banking. A key ComReg project in the past 12 months has been the implementation of ComReg's 2018 NGN Decision.<sup>76</sup>

The NGN Decision addresses the widespread confusion on the cost of calling NGNs and the differences between the NGN ranges. The overarching purpose is to restore trust and confidence in NGNs by improving the NGN platform for consumers and organisations alike.

Implementation of the NGN Decision is now well underway. ComReg facilitates a Working Group (WG) with industry, the NGN WG, which continues post-Covid to meet monthly to discuss the practical implementation of the NGN Decision.

Two measures were set out in the NGN Decision: (i) Geo Linking Condition and (ii) NGN Consolidation.

- (i) The Geo-Linking Condition was implemented on 1 December 2019 and means that calls to any 1850, 1890, 0818 or 076 NGNs are now included in customer call bundles that include calls to landline numbers. When not in a bundle, these calls cost no more than calling a landline.
- (ii) The NGN Consolidation measure will reduce the number of NGN ranges from five (1800, 1850, 1890, 0818 and 076) to two (1800 and 0818) by 31 December 2021.

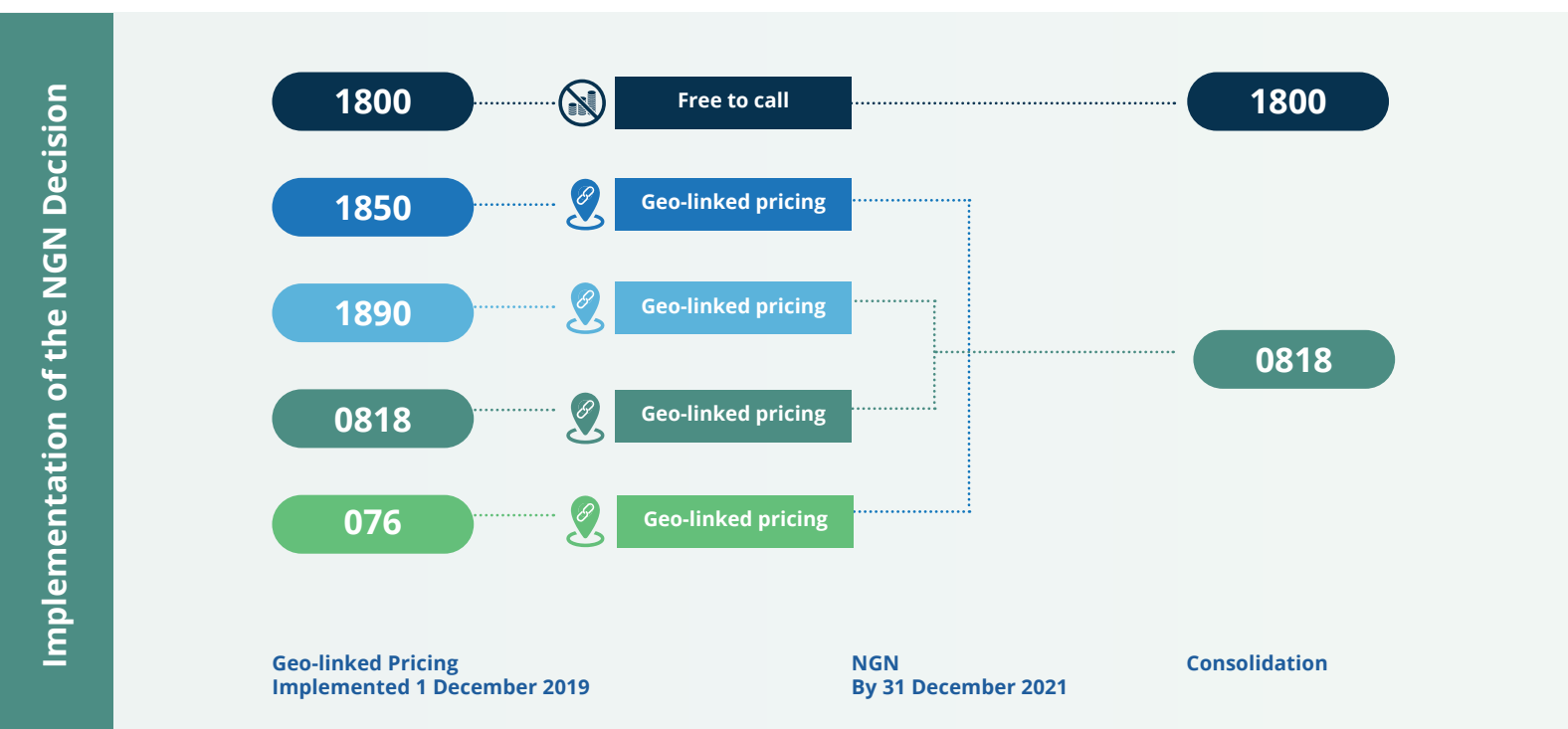
From 1 January 2022, only the 1800 Freephone and 0818 Standard Rate NGN ranges will operate.

74. ComReg Document 15/136R2 [www.comreg.ie/publications](http://www.comreg.ie/publications)

75. ComReg Document 19/104 <https://www.comreg.ie/publications>

76. ComReg 18/106 and D15/18 [www.comreg.ie/publications](http://www.comreg.ie/publications)

To inform consumers and organisations of the implementation of Geo-Linking, ComReg ran a communications campaign across digital media in Q4 2019. ComReg published infographics, animations and launched dedicated NGN webpages<sup>77</sup> to explain the NGN changes to consumers and organisations. Feedback from consumers and the media coverage around the implementation of the Geo-Linking Condition was positive, with commentators fully appreciating the benefits for both consumers and organisations that use NGNs.



**Figure 15: Implementation of the NGN Decision.**

To support the number changes needed for the NGN Consolidation measure, a core and essential implementation task for 2019 was the development and deployment of an Individual Number Assignment (INA) system. This solution facilitates fast migrations from 1850, 1890 and 076 numbers to new 1800 or 0818 numbers. ComReg and industry closely co-operated to optimise the design and deployment of the INA system, which went live in October 2019.

The INA system allows operators to apply for individual 1800 and 0818 numbers, have those numbers assigned automatically and go live on networks within just one working day. The INA system is a world-class number assignment solution and its successful deployment is testament to the strong collaboration between ComReg and industry on the NGN project.

ComReg continues to progress the implementation of NGN Consolidation with industry and will shortly commence another communications campaign to remind organisations that use 1850, 1890 and 076 as contact numbers that they should switch to new numbers as soon as possible. This campaign will also inform organisations that the 1800 Freephone range is now a cost-effective option for them, since the cost of maintaining 1800 numbers significantly reduced from 1 May 2020 when new wholesale (operator-to-operator) charges came into effect.

77. See [www.comreg.ie/ngn](http://www.comreg.ie/ngn)

## Network Operations

ComReg's Network Operations Unit (NOU)<sup>78</sup> is a specialised unit and is a centre of expertise on technical network issues. The NOU sits within ComReg's Market Framework Division but its remit entails supporting the activities of ComReg across all its functions.

In the event of an incident, which impacts on fixed and mobile telecommunications networks in Ireland, and that results in a significant breach of security or integrity, the undertaking concerned must notify ComReg, who in turn must inform the Minister. With the agreement of the Minister and where appropriate, ComReg must also inform national regulatory authorities in other EU Member States and the European Union Agency for Cybersecurity (ENISA).

### Network Incidents, Reporting and the 2019 ENISA Report for Ireland

All incidents reported to ENISA are drawn from notifications made to ComReg using a ComReg reporting form<sup>79</sup> and sent to ComReg at [incident@comreg.ie](mailto:incident@comreg.ie). Since October 2019, it is possible to report incidents via the new incident reporting portal accessible, for registered undertakings, via ComReg's e-licensing platform.<sup>80</sup> The guide to using this portal was published by ComReg in 2019.<sup>81</sup>

The portal uses two-factor authentication, with only registered undertakings able to use it and it enables the modification of submitted information while an incident is still in progress. If an incident no longer presents a concern and if the cause analysis has been satisfactorily completed, then the incident report can be closed by ComReg. A summary of the major incidents is presented below.

Many of the reported incidents relate to power outages, mostly caused by adverse weather events. Mobile and radio networks tend to be more prone to the effects of adverse weather, (wind damage, ice, and heavy rain) while fixed underground plants tend generally to be more vulnerable to flooding, caused by storm surges and heavy rain.

Other causes of operator incidents during this reporting period included software bugs and notably poorly implemented software updates, resulting from policy and procedural flaws.

---

78. ComReg Document 20/22 [www.comreg.ie/publications](http://www.comreg.ie/publications)

79. Annex 1 of ComReg Document 14/02 [www.comreg.ie/publications](http://www.comreg.ie/publications)

80. [www.elicensing.comreg.ie/](http://www.elicensing.comreg.ie/)

81. ComReg Document 19/98 [www.comreg.ie/publications](http://www.comreg.ie/publications)

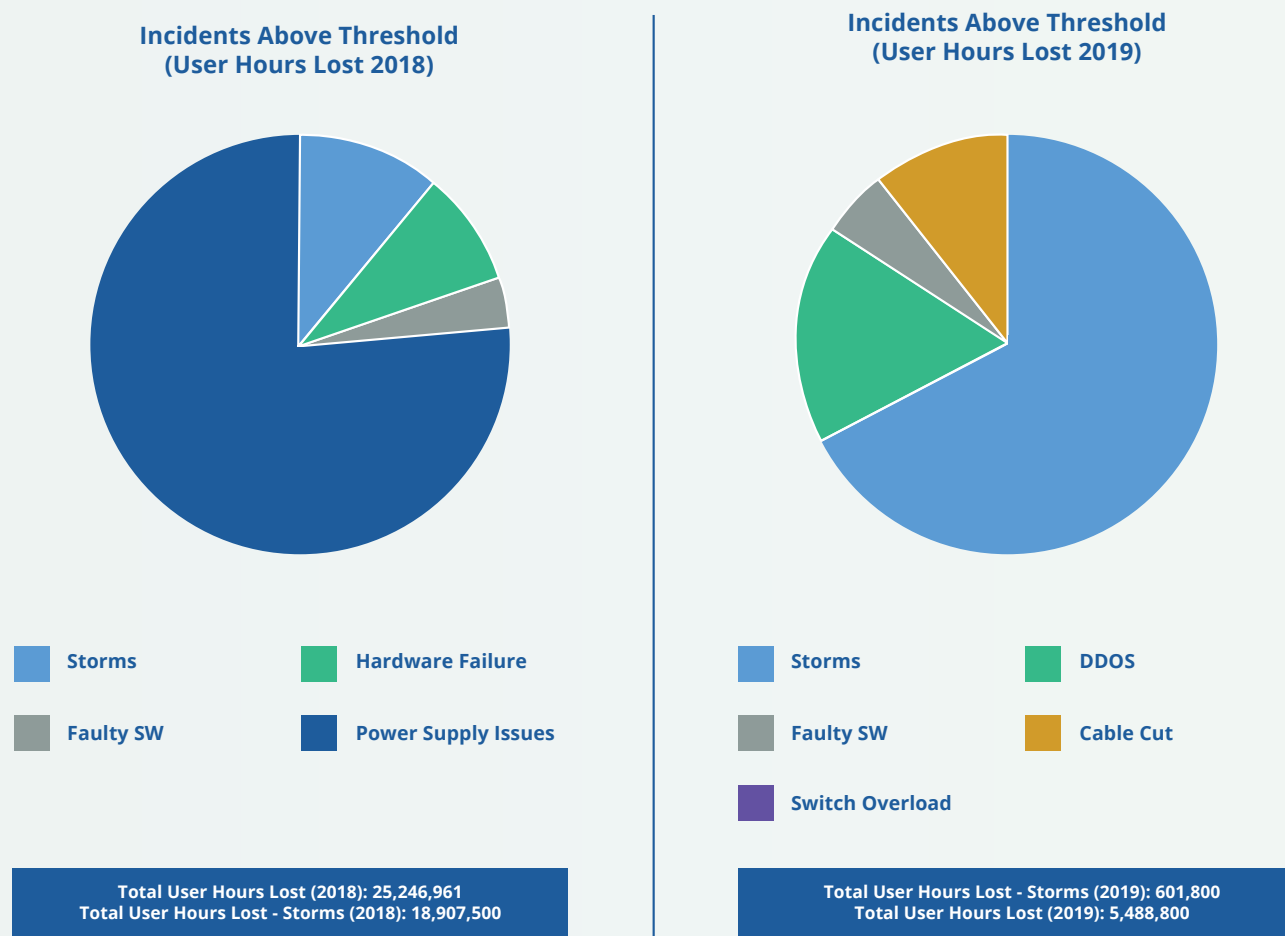


Figure 16: Comparison of above Threshold Incidents 2018 vs. 2019.

## Special Events

As part of its function, ComReg took proactive steps with fixed and mobile telecommunications operators for the purposes of ensuring network resilience. This included engagement with network operators prior to special events and the monitoring of network resilience during such events. Special events supported by ComReg during this reporting period included international sporting events and State visits with high media interest, for example the 2019 visits of the President and Vice President of the United States of America on the 5–7 June and 6–7 September 2019, respectively.

Staff from across ComReg work together to consider any issues that might arise and to ensure that appropriate actions are put into place for the purposes of such special events.

## Network Monitoring

ComReg's bi-annual drive testing programme was most recently conducted during the Winter of 2019. During 2019, ComReg issued two drive testing programme reports.<sup>82</sup>

## Handset Testing

Several factors such as terrain, network density and the spectrum band being used can affect the quality of a mobile service at any given location. While most of these factors vary over time and by location (as can be seen from the results of the drive testing programme) the one factor that is relatively constant, from the mobile user's perspective, is the mobile handset.

ComReg has independently acquired mobile handsets available on the Irish market from various sources and measured their antenna performances in a manner that replicates mobile user experience. This programme has given ComReg a better insight as to the factors that affect the experience of users of mobile services, in making voice calls or in streaming data.

ComReg published two Handset Testing Reports during 2019.<sup>83</sup>

## Cybersecurity of networks

On 26 March 2019, the European Union published the Commission Recommendation on Cybersecurity of 5G networks C(2019) 2335 final (Rec. 2335).<sup>84</sup> Since then, ComReg has been working in close collaboration with the National Cyber Security Centre (NCSC) to assist with the deliverables from this Recommendation. During 2019, this included assisting with an NCSC-led risk assessment of 5G networks in Ireland.

Further to this, ComReg provided input into the relevant EU, ENISA and The Body of European Regulators for Electronic Communications working groups and subsequent output documents. This has culminated in the publication by Member States, the European Commission and the European Agency for Cybersecurity of a report on the EU coordinated risk assessment on cybersecurity in Fifth Generation (5G) networks on 9 October 2019,<sup>85</sup> and the European Toolbox on the security of 5G networks (the Toolbox), on 29 January 2020.<sup>86</sup> ComReg will continue to collaborate with the NCSC to assist with the implementation of the Toolbox in the coming year.

The NCSC published its National Cyber Security Strategy 2019 – 2024 in December 2019.<sup>87</sup> The Strategy lists ComReg as a stakeholder in two of its measures relating to the cybersecurity of telecommunications networks:

- **Measure 4:** The NCSC, with the assistance of the Defence Forces and An Garda Síochána, will perform an updated detailed risk assessment of the current vulnerability of all Critical National Infrastructure and services to cyber-attack.
- **Measure 7:** Government will introduce a further set of compliance standards to support the cyber security of telecommunications infrastructure in the State.

ComReg will continue to work with the NCSC to assist them in the delivery of these measures.

82. ComReg Documents 19/26 and 19/87 [www.comreg.ie/publications](http://www.comreg.ie/publications)

83. ComReg Document 19/110 [www.comreg.ie/publications](http://www.comreg.ie/publications)

84. Available at <https://ec.europa.eu/digital-single-market/en/news/cybersecurity-5g-networks>

85. Available at [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_19\\_6049](https://ec.europa.eu/commission/presscorner/detail/en/ip_19_6049)

86. Available at [https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_20\\_127](https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_127)

87. The National Cyber Security Strategy, 2019 – 2024 [https://www.ncsc.gov.ie/pdfs/National\\_Cyber\\_Security\\_Strategy.pdf](https://www.ncsc.gov.ie/pdfs/National_Cyber_Security_Strategy.pdf), published in December 2019.



## SECTION 7:

# MARKET ANALYSIS AND WHOLESALE 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 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 insufficient 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 and ComReg has proposed publicly to remove this existing regulation.

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

1

The Wholesale High Quality Access (WHQA) market involves operators purchasing wholesale high speed symmetric broadband services used as inputs in the provision of downstream/retail leased line services to medium and large businesses, and to extend the boundaries of their networks. ComReg issued a decision<sup>88</sup> on its analysis of the WHQA market in January 2020 in which it identified an Urban WHQA Market and a Regional WHQA Market. Regulation was removed from the Urban WHQA Markets and maintained in the Regional WHQA Markets.

2

The Fixed Voice Call Termination (FVCT) and Mobile Voice Call Termination (MVCT) markets are two wholesale markets which provide operators with wholesale services used for the completion of calls on the networks of called parties. Following on from May 2019 decisions concerning these markets<sup>89</sup>, in April 2020 ComReg also published a further FVCT consultation on expanding the scope of FVCT regulation to include call termination to an additional 0818 telephone number range, as well as imposing regulation on newly identified FVCT operators.<sup>90</sup> This further FVCT review is expected to be completed in Q4 2020.

88. ComReg Document 20/06 [www.comreg.ie/publications](http://www.comreg.ie/publications)

89. ComReg Documents 19/47 and 19/48 [www.comreg.ie/publications](http://www.comreg.ie/publications)

3

The Wholesale Broadcasting Transmission Services (BTS) and Digital Terrestrial Television (DTT) Multiplexing Services markets, are two wholesale markets enabling the provision of free-to-air retail DTT and quasi-national radio services. In May 2020, ComReg issued a consultation<sup>91</sup> in which it set out its preliminary views that the continuation of regulation in the BTS and DTT Multiplexing markets is warranted. A decision on the reviews of these markets is expected to be completed in Q1 2021.

4

The Retail Fixed Voice Access (RFVA) and Wholesale Fixed Access and Call Origination (FACO) markets, are two markets relating to the provision of retail fixed telephony services. In June 2020 ComReg issued a consultation<sup>92</sup> setting out its preliminary views on the analysis of the RFVA and FACO markets. ComReg has proposed removing regulation in the national RFVA market and an Urban FACO market, while regulation is proposed to be maintained in the Regional FACO market.

For the purposes of its market reviews and other regulatory functions, ComReg continues to engage in the gathering of information from service providers using its statutory information gathering powers. ComReg is engaged in a major multi-annual data gathering transformation project which is seeking to improve the systems and procedures between it and operators in order to enable the more effective and efficient gathering of granular information. While much progress has been made, the depth and quality of information provided by some operators with respect to certain communications services remains an issue.

In October 2019 ComReg and Sky Ireland Limited (Sky) reached a settlement<sup>93</sup> on proceedings issued by Sky in December 2018 relating to an appeal against aspects of ComReg Decisions D10/18<sup>94</sup> and ComReg Decision D11/18<sup>95</sup>, as well as an Information Notice published by ComReg on 27 November 2018.<sup>96</sup>

Following on from a 2019 consultation<sup>97</sup>, ComReg published a Decision<sup>98</sup> in January 2020 to address wholesale operator-to-operator aspects of the provision of Non-Geographic Numbers.

Following on from a 2019 Consultation<sup>99</sup>, in June 2020 ComReg notified<sup>100</sup> to the European Commission (EC) a Draft Decision on the Weighted Average Cost of Capital (WACC) in the mobile, fixed line and broadcasting sectors to be used for the purpose of price control obligations imposed on SMP operators. The timing of the publication of the resulting WACC decision is set out on ComReg's publicly available work programme.

90. ComReg Document 20/19 [www.comreg.ie/publications](http://www.comreg.ie/publications)

91. ComReg Document 20/31 [www.comreg.ie/publications](http://www.comreg.ie/publications)

92. ComReg Document 20/46 [www.comreg.ie/publications](http://www.comreg.ie/publications)

93. ComReg Document 19/92 [www.comreg.ie/publications](http://www.comreg.ie/publications)

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

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

96. ComReg Document 18/101 [www.comreg.ie/publications](http://www.comreg.ie/publications)

97. ComReg Document 19/46 [www.comreg.ie/publications](http://www.comreg.ie/publications)

98. ComReg Document 20/04R [www.comreg.ie/publications](http://www.comreg.ie/publications)

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

100. Available at <https://circabc.europa.eu/ui/group/2328c58f-1fed-4402-a6cc-0f0237699dc3/library/2024b13b-b58a-45b3-a083-b3544ba974d5/details>

## 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:*

- 14 cases opened
- 4 cases closed
- 17 active cases

### *Misuse of Irish numbers:*

- 24 cases opened
- 36 cases closed

Associated with the regulatory compliance cases, ComReg carried out 19 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.

Two of the three instalments due have been paid by Eir to ComReg within the period 1st July 2019 to 30th June 2020, under the settlement agreement. The final instalment was due and paid in July 2020.

## Regulatory Governance

ComReg has continued to monitor the implementation of the Settlement Agreement (SA)<sup>101</sup> and associated performance milestones agreed with Eir in December 2018. The SA sets out the regulatory governance measures Eir will put in place, referred to as the Regulatory Governance Model (RGM) Undertakings, in order to ensure its compliance with its regulatory obligations. Eir agreed to enter into a Performance Agreement and achieve performance milestones related to the implementation of the RGM Undertakings which were underpinned by a deposit, by Eir of €9M into an escrow account. The SA required ComReg to assess each milestone completed by Eir and refund or withhold payment to Eir depending on the outcome of ComReg's assessment of each milestone. In this context the following milestones were due for delivery and evaluation by ComReg in the second half of 2019:

- **Milestone 4:** Eir to provide a reviewed and updated risk and control matrix (RACM) with all risks (operational, non-operational and system)
- **Milestone 10:** Eir to carry out a comprehensive analysis, and preparation of a written report, to be provided to the Independent Oversight Body (IOB)<sup>102</sup> and ComReg, on the risks associated with the use of unstructured data as set out in paragraph 61 of the RGM Undertakings.
- **Milestone 11:** by the 1 December 2019, Eir would prepare and have executed a remediation plan in order to remediate risks associated with unstructured data as set out in paragraph 61 of the RGM Undertakings.

The total aggregate milestone sum for these three milestones was €2,250,000 which was to be refunded to Eir by 20 December 2019 from the escrow account if the milestones were achieved.

Eir provided ComReg with documentation, and clarifications, in respect of the work it had completed in respect of these milestones. ComReg decided that, although Eir had completed a significant body of work, the milestones had not been achieved. Accordingly, no amounts were refunded to Eir. Eir did not agree with ComReg's view and as allowed for in the Settlement Agreement the parties agreed to make a good-faith effort to settle the dispute.

The following is a summary of the outcome of the discussions between Eir and ComReg which resulted in amendments to the SA.

- a) The fourth, tenth and eleventh milestones in the Performance Agreement were further specified with revised delivery dates. These milestones were to be completed in 2020.
- b) Eir and ComReg agreed the risk analysis process to be used by Eir in order to complete milestones 4 and 10.
- c) Eir would not be penalised on foot of the original due dates for these milestones.
- d) ComReg agreed to transfer, by close of business on 14 February 2020, €1m from the escrow account to Eir in recognition of work done to date.

101. ComReg Document 18/110 [www.comreg.ie/publications](http://www.comreg.ie/publications)

102. The Independent Oversight Body (IOB) was set up under the SA in order to oversee Eir's regulatory governance structures.

Following this, Eir submitted documentation to ComReg on Milestone 10 on the 1 May 2020 and on Milestone 12 on 31 March 2020. ComReg reviewed the documentation provided and, after seeking a number of clarifications from Eir, determined that Eir had met both Performance Milestones.

ComReg made a refund payment of €1m to Eir with respect to these milestones. ComReg notes that there are a number of Performance Milestones to be achieved later in 2020.

Furthermore, 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.

The IOB has continued to meet and will report separately on its findings in due course.

## Wholesale Products

ComReg's work in this area focuses on the strategic and operational specification and implementation of regulatory obligations imposed as a result of a finding of Significant Market Power (SMP) through a market analysis.

Throughout the year ComReg continued the process of industry engagement concerning the provision of key wholesale broadband and other services provided by Eir to other operators.

A key element of Products work is market engagement – maintaining extensive contacts with the industry and in particular with the operator community and 'Open Eir' (Eir's wholesale arm). This is affected through bi-lateral contacts, the hosting and chairing of a 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 frameworks for network developments – including products used in and leveraging on the deployment of Eir's fibre rollout and the evolution of copper networks. This work is key to the regulation of Wholesale markets as it ultimately impacts on services used by residential and business users.

## SECTION 8: ECONOMICS, POLICY AND RESEARCH

### ComReg Conference

The “ComReg Conference 2019: The Digital Society” was held on 6 September 2019 as part of ComReg’s ongoing engagement with external stakeholders. The conference took place in Croke Park, Dublin and was attended by representatives from public bodies, operators, civil society, and consumer groups.

The event focused on how digitalisation has been a main driver of development and growth in many sectors and on the challenges and implications it has brought for the electronic communications sector. New digital platforms, business models and products have emerged as the digital economy has developed, which has impacted businesses and consumers alike. The two main sessions addressed the following topics:

- Consumer protection in the digital era – covering topics such as net neutrality, consumer protection, data protection, and cyber security.
- Safeguarding Innovation in the Digital Society – which addressed topics such as the data economy, OTT players, platform competition.

Key speakers included Richard Bruton TD - Minister for Communications, Climate Action and Environment, Isolde Goggin - Chairperson of the Competition and Consumer Protection Commission and Anthony Whelan, Director for Electronic Communications Networks & Services, DG Connect.





Figure 17: Photos from ComReg Conference

## The Mobile Consumer Experience Survey

In the summer of 2019, ComReg commissioned a consumer survey to better understand the experience of Irish consumers with their mobile services. The survey covered topics relating to the mobile experience including ownership of services and devices, usage, coverage, and satisfaction.

The survey included more than 2,800 adults from throughout the country split into five distinct segments based on population density measures from the Central Statistics Office.

Some of the key findings of the survey are:

- There is almost universal ownership of mobile phones in Ireland, with a high level of smartphone penetration.
- Prepay is the predominant type of contract and its choice is highly correlated with demographic factors such as age and socioeconomic groups.
- The majority of people have been with their service provider for over 3 years, with only 26% of respondents having ever switched operator.
- 4 out of 5 now use data on their mobile and everyday usage of it has increased across all locations since 2017.
- Satisfaction levels with mobile coverage remain relatively the same as from 2017.

The data collected from this survey is being used in combination with data collected from other research projects to conduct further in-depth analysis on the Irish Mobile market. A follow-up survey on the Broadband Consumer Survey is planned for 2020.



## Impact of Covid-19 on Consumer Use and Perception of Telecommunication Services

Following the onset of the global Covid-19 pandemic, ComReg commissioned online surveys to gather information on the impact of the restrictions and changes in lifestyles associated with the pandemic on people's use and perception of their home broadband and mobile services. The survey took place in April 2020 and was carried out a second time in June 2020. Some of the results gathered include:

- Three quarters of respondents considered that their use of their home broadband had increased since the start of the pandemic. This included an increase across all online activities (shopping online, video conferencing, video calling, online schooling).
  - Over 90% felt they valued being able to access and use broadband while at home during the pandemic.
  - Half of respondents would be willing to spend more on their broadband service if it would improve its quality, as the pandemic has increased people's reliance on it.
  - 4 in 5 broadband users consider their home broadband to be adequate to meet their household's needs.
  - One quarter of respondents consider that their broadband service has worsened since the start of the pandemic.
  - Home broadband services were the most important service for working from home during the pandemic, with 67% saying they use it for their work-related activities.
- ComReg will continue to gather information to better understand the implications of Covid-19 on the telecommunications industry and consumers.

ComReg will continue to gather information to better understand the implications of Covid-19 on the telecommunications industry and consumers.

## SECTION 9: CORPORATE SERVICES DIVISION

### 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 Environment, Climate and Communications.

ComReg has an extensive internal audit programme in place, overseen by the Audit and Risk Committee which met 5 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.

ComReg has put in place a Corporate Procurement Plan and the ongoing implementation of the 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 arranged competitive tendering in respect of internal audit and other outsourced services. 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 website 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 2020 89% of payments have been made within the requisite time period.

### Communications and Public Affairs

In keeping with ComReg's strategy, a key goal for ComReg is to engage 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 as a regulatory authority. Like many things in 2020, our communications channels and planned events pivoted online.

On-going engagement with members of the Oireachtas is an important part of ComReg's role. On 11 July 2019 ComReg was invited to appear in front of the Joint Oireachtas Committee on Communications, Climate Action and Environment. ComReg addressed queries in relation to the National Broadband Plan, and specifically in relation to universal service.

## Human Resources and Operational Excellence 2020

Since 11 March 2020, as a result of the outbreak of Covid-19 pandemic, our workforce has been delivering remotely and we have responded by putting structures and practices in place to protect the safety of staff, suppliers and stakeholders. Providing a fulfilling environment where all staff are given the supports to empower them to do their best work continues to be a key driver. We have put in place Covid-19 policies, procedures and protocols, provided ergonomic assessments as part of our temporary remote working policy and built people capability to better position the organization to continue to manage and deliver virtually. This has helped us to safeguard health and safety while equipping people to work towards delivery of their objectives and, in turn, achieve organisational objectives of promoting competition, protecting customers and encouraging innovation.

Our workforce consists mainly of dedicated, multi-disciplinary professionals. It is the specialist skills of the people who work collaboratively which allow ComReg to deliver our mandate. During the year, we have expanded the ComReg workforce by adding talented resources who will contribute to deliver existing and new organisational responsibilities against a backdrop of increasing levels of complexity and a generally more demanding regulatory environment. Attracting, hiring, developing, engaging and retaining people continue to be key priorities for the organisation. We are in on-going conversation with our parent Department regarding our need for additional resources.

We continue to make positive enhancements to how we on-board and induct new recruits – both into the organisation and into specific divisions. We have tailored our recruitment, induction and on-boarding to be effective in a virtual environment, thus ensuring those new to ComReg have a consistent experience and access to the information they need to allow them to start contributing quickly.

At ComReg, the importance of developing people, enhancing competence and providing opportunities for lifelong learning has always been important. We continue to invest in enabling people to hone their technical and professional skills through on-the-job training, coaching and mentoring, bespoke courses and formal education. Last year, our calendar of organisational programmes included leadership 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 strongly encourage our staff to supplement their existing knowledge and qualifications.

We have designed and delivered further training around our performance model, the Performance and Development Dialogue (PDD). This process links the Competency Framework to performance and 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 where monthly conversations take place between reviewer and reviewee. This year, we have moved the process to an e-platform thereby enhancing security, affording greater oversight and providing a more efficient process while retaining the core emphasis on structured dialogue.

As an employer, we continue to be committed to sustaining an inclusive and fair working environment where all colleagues are treated with dignity and respect. Our values of Integrity, Impartiality, Transparency, Excellence and Effectiveness - and the behaviours associated with these values - are woven into all our interactions and decisions. Over the past year, through a collaborate process, we produced our ComReg Respect Charter. This charter has its foundation in discussions involving the whole organisation where we agreed how we should aspire to interact with each other. We identified four Attitudes – Be Kind, Be Brave, Be Fair and Be Committed – and specified the respectful behaviours associated with each attitude. This Charter is supported by messages and training on Diversity and Inclusion and Unconscious Bias and our celebration of events such as International Women's Day and the LGBTQ+ Pride Festival.

We establish forums whereby people have an opportunity for two-way communication. This year, we have run two surveys which provide the foundation for us to take positive steps to evolve our culture, change how we do things and provide support in the required areas.

Our Wellness Programme, underlines the importance of taking care of mental and physical wellbeing. This year, guest speakers talked to us about components of mental health such as Anxiety, Happiness, Relationships, Parenting and Caring. We arranged a pedometer challenge to encourage increased physical activity. ComReg is committed to helping all colleagues achieve a healthy and happy work life blend.

ComReg is 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 also accessible to people with disabilities.

The achievements of ComReg are built on the quality, commitment and professional standards of the people who work here.

## **Information Technology**

ComReg has continued to develop its Information Technology services in line with current eGovernment policy. ComReg enhanced its consumer and industry facing services significantly over the period with major improvements in the area of licensing and numbering management as well as online consumer resources & information services. Significant developments have also been achieved in relation to ComReg's market data gathering and analysis systems and processes.

IT resources and attention have been directed to the implementation of modern secure collaborative platforms, supporting process improvements and control of cyber security & data management threats.

ComReg has been able to leverage its modern and secure IT environment to support the necessary move to staff remote working during the Covid-19 pandemic.

## SECTION 10: INTERNATIONAL AFFAIRS

### Body of European Regulators for Electronic Communications

ComReg continued to actively participate during the year in the Body of European Regulators for Electronic Communications (BEREC)<sup>103</sup>, which acts as an important platform for ensuring the consistent implementation of the regulatory framework for electronic communications in the European Union and allows for regulatory exchange between National Regulatory Authorities (NRAs) on telecommunications issues. BEREC's membership includes each of the NRAs<sup>104</sup> from the 27 Member States of the European Union, the 3 European Free Trade Association (EFTA) states, the 4 official candidate countries of the European Union, the 3 potential candidate countries of the European Union and the European Commission.

During the first half of this reporting period, ComReg Commissioner, Jeremy Godfrey was in the role of BEREC Chair for 2019, having been appointed in 2018. For the second half of the year, in line with the system of rotating BEREC Chairs, Mr. Godfrey took up the role of BEREC Vice-Chair with responsibility for international activities and outreach, while the Director General of the Swedish NRA became BEREC Chair for 2020.

In the first part of the year, ComReg's international activities were predominantly focused on meeting BEREC's obligations set out in the European Electronic Communications Code (the Code<sup>105</sup>), in which BEREC was entrusted by the co-legislators to develop ten separate sets of guidelines spanning a broad range of thematic areas; such as on geographical surveys for network deployments, the identification of the network termination point, and on how to assess the effectiveness of public warning systems transmitted by different means.

This necessitated active participation by ComReg experts in BEREC Working Groups as well as ComReg chairing the BEREC Contact Network meetings, which served as the preparatory meetings held in advance of each of the BEREC Plenary meetings chaired by ComReg, in 2019. In addition, ComReg experts co-chaired BEREC's End User, Ad Hoc Communications and, towards the end of this reporting year, Wireless Network Evolution Working Groups.

As a result, ComReg was to the fore in ensuring BEREC delivered on all of its commitments set out in the BEREC Work Programme 2019.<sup>106</sup> Of note, ComReg assisted BEREC in completing forward looking projects such as cataloguing the regulatory factors that might impact the roll-out of 5G networks and studying aspects of the

103. 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.

104. The full list of BEREC members and participants without voting rights are available at: [https://berec.europa.eu/eng/about\\_berec/links/](https://berec.europa.eu/eng/about_berec/links/)

105. Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code.

106. [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)

data economy that may influence telecoms markets, which is becoming increasingly important in a converged world. ComReg also hosted a workshop in Dublin for the Heads of the NRAs on the topic of determinants of investment in very high capacity networks using a systems dynamic approach, which was informed by an independent consultant study that was subsequently adopted and published by BEREC after the final Plenary of 2019.

During this year BEREC was required to provide opinions and submissions to the Commission on several legislative initiatives, namely on:

- The Commission's implementing act on a contract summary template for consumer contracts (Sept 2019)
- The Commission's evaluation of the roaming market (June 2020), and
- Calculation of WACC parameters according to the Commission's Notice (June 2020).

With the support of ComReg during the year, BEREC also continued to participate in high-level bi-lateral meetings with other advisory bodies and international agencies including, for example, with the United Nations International Telecommunications Union (ITU)<sup>107</sup> and with the Radio Spectrum Policy Group (RSPG)<sup>108</sup>. In addition, as part of the tenth anniversary of the foundation of BEREC, BEREC held a joint conference with the Institute of International Communications (IIC)<sup>109</sup> entitled "Competing continents – The pursuit of excellence in electronic communications". The joint Conference was attended by over 250 industry practitioners and senior regulators who shared perspectives on 5G, Open Internet and efficient investment in infrastructure.

In the latter part of this reporting period, BEREC's and ComReg's international affairs activities were overshadowed by the Covid-19 pandemic. Some of BEREC's work in this period reflected the unprecedented need for special regulatory measures to be implemented by NRAs across the continent. In this regard, there were many notable supporting strategies that BEREC and its constituent NRAs set out in order to protect the European telecoms regulatory environment for the benefit of consumers, as highlighted below.

As mentioned, during the second part of the reporting year ComReg's activities supported Mr. Godfrey's role in the capacity of Vice-Chair with responsibility for BEREC's international activities and outreach. ComReg successfully organised BEREC's International Study Trip 2020 to the West Coast of the United States to meet with senior policy makers, technical and project leads from global industry stakeholders as well as academics who are leading research into self-programming networks.

107. International Telecommunications Union is the United Nations specialised agency for information and communication technologies <http://www.itu.int>

108. Radio Spectrum Policy Group; <http://rspg-spectrum.eu/>

109. International Institute of Communications; <http://www.iicom.org>

## **BEREC's supportive strategies during Covid-19 pandemic**

BEREC gathered important information on the different steps being taken by regulators to enable and support emergency communications, sustain connectivity, protect consumers and guide internet service providers about open internet rules in order to reduce the risks and impacts on telecoms markets in Europe. For example, given the increased demand for internet capacity that the crisis necessitated, on 19 March 2020 BEREC jointly released a statement with the European Commission, establishing a special reporting mechanism to ensure close monitoring of the situation by individual NRAs, who reported twice weekly to BEREC and passed this information on to the Commission. At the height of this monitoring exercise 32 European NRAs were sharing data with BEREC. Clear guidance to operators on the approach to be taken in cases of potential network congestion was also set out by BEREC, so as to ensure no breach of EU Open Internet rules, and BEREC joined EU-level calls on content providers/streaming platforms to temporarily offer standard rather than high definition services as a precautionary measure to avoid potential network congestion. Individual NRAs including ComReg also took measures at national level. Although overall internet traffic increased sharply during the Covid-19 crisis, no major congestion issues occurred.

## **The Independent Regulators Group**

ComReg continued to actively participate in the Independent Regulators Group (IRG), which works in close cooperation with BEREC and was established in 1997 by a group of European NRAs. IRG assists NRAs in capacity building, sharing of experiences, and intelligence gathering on important issues relating not only to the regulation of the European telecommunications market but also to the emergence and new issues, such as potential digital platform regulation. In 2019, ComReg experts attended IRG workshops on Artificial Intelligence, Fibre to the Home deployment, and IRG the next decade charter.

In relation to the IRG's experience sharing function, ComReg sought the views of IRG Members on their experiences on six different matters being studied by ComReg experts in the period, namely; fixed radio links licensing, Weighted Average Cost of Capital (WACC) calculations, Universal Service Obligations, NRA's investigation powers, and also on duct and pole pricing. 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 improves levels of harmonisation of regulation across Europe.



## The Communications Committee

The Communications Committee (CoCom) is a high-level advisory committee to the European Commission that was established in 2002 under the Framework Directive (Directive 2002/21/EC, as amended). 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 the Environment, Climate and Communications, ComReg participated as part of the Irish delegation to CoCom. Among the draft measures / regulations discussed this year were the Commission's implementing acts on a contract summary template for consumer contracts and the Commission implementing Regulation on specifying the characteristics of small-area wireless access points pursuant to Article 57 paragraph 2 of the Code.

## Other programmatic duties carried by the International Affairs unit

The International Affairs unit also continued to participate in other ad-hoc and external programmatic workstreams affecting ComReg. For example, it coordinated ComReg's response to the European Commission's Digital Economy and Society Index (DESI) 2019, by filing relevant telecoms market data with the Commission.<sup>110</sup> In another similar example, the unit coordinated ComReg's input to BEREC's Opinion on the views of the European Commission<sup>111</sup> in accordance with Article 7 of the Framework Directive (Directive 2002/21/EC, as amended)<sup>112</sup> on a draft market analysis set out in Sweden; Case SE/2019/2216 – Sweden.<sup>113</sup>

Following the UK's formal withdrawal of its membership from the European Union on 31 January 2020, engagements between ComReg and Ofcom (the UK's communications regulator) at BEREC meetings ceased. As a result, both regulators have empowered their respective international affairs units to develop flexible and appropriate bi-lateral working arrangements for experts in both organisations, and this body of work is expected to continue into the next period.

110. The Digital Economy and Society Index (DESI) is a composite index that summarises relevant indicators on Europe's digital performance and tracks the evolution of EU Member States in digital competitiveness.

111. The European Commission holds oversight powers in respect of regulatory 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)). Should the European Commission express serious doubts about an NRA's analysis of a 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.

112. Directive 2002/21/EC is transposed into Irish Law by Statutory Instrument No. 333/2011 - European Communities (Electronic Communications Networks and Services) (Framework) Regulations 2011

113. See also [https://berec.europa.eu/eng/article\\_7\\_procedures/article\\_7\\_cases/](https://berec.europa.eu/eng/article_7_procedures/article_7_cases/). ComReg participated in Case SE/2019/2216 – Sweden (Jan 20). Given human resource commitments to the chairmanship of BEREC, ComReg did not participate in the three other notified cases in the year: Case EL/2019/2190 – Greece; Case PL/2019/2156 – Poland; and Case DE/2019/2153-2154 – Germany.



# FINANCIAL STATEMENTS

---

Of The Commission For Communications Regulation  
For The Year Ended 30 June 2020

# Content

Section	Page No
1 Commission Members and Other Information	75
2 Governance Statement and Commission Members' Report	76
3 Statement on Internal Control	83
4 Report of The Comptroller And Auditor General For Presentation to The Houses Of The Oireachtas	86
5 Statement of Income and Expenditure and Appropriation Account	88
6 Statement of Comprehensive Income	90
7 Statement of Financial Position	91
8 Statement of Cash Flows	92
9 Notes to the Financial Statements	93

## SECTION 1: COMMISSION MEMBERS AND OTHER INFORMATION

### Commission

**As at 30 June 2020 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

## SECTION 2: GOVERNANCE STATEMENT AND COMMISSION MEMBERS' REPORT

### 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.

## Commission Responsibilities (cont'd)

Section 32 of the Communications Regulation Act, 2002, requires the Commission to keep in such form as may be approved by the Minister for the Environment, Climate and Communications, 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 2020.

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 2020.

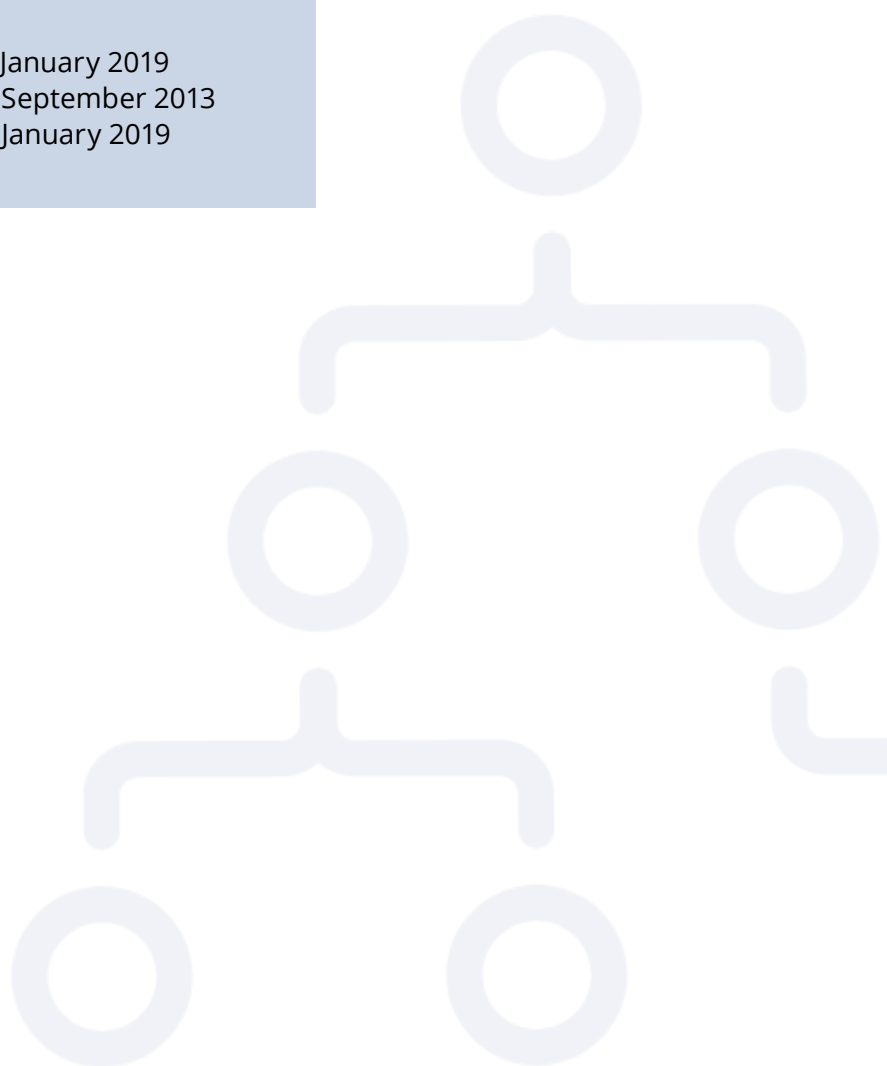
## Commission Structure

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 2020 the Commission comprised three Commissioners all of whom were appointed by the Minister for the Environment, Climate and Communications. 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 Jeremy Godfrey Robert Mourik	7 January 2019 2 September 2013 7 January 2019



## 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 2020. The external members of the Audit and Risk Committee at 30 June 2020 were: Martin Higgins (Chairperson), Patricia Byron and Marie Collins. There were 5 meetings of the ARC in the year ended 30 June 2020.

## Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Audit Committee meetings for 2020 is set out below including the fees received by each member. There were no expenses paid in 2020.

### Audit Committee Members

Name	Role	Number of Meetings Attended	Fees 2020 €
Martin Higgins - Chairperson	External Member	5	10,000
Patricia Byron	External Member	5	6,000
Marie Collins	External Member	5	6,000
Jeremy Godfrey	Commissioner	3	N/a
Robert Mourik	Commissioner	5	N/a

## 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 2020 Number	30 June 2019 Number
60 - 70	17	18
70 - 80	12	12
80 - 90	25	24
90 - 100	7	5
100 - 110	6	10
110 - 120	7	5
120 - 130	9	9
130 - 140	5	2
140 - 150	1	0
150 - 160	1	1
160 - 170	0	0
170 - 180	1	1
180 - 190	0	1
190 - 200	0	1
200 - 210	2	0
210 - 220	0	1
220 - 230	0	1
230 - 240	2	-

#### 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. Legal Advice costs of €1.2m (2019: €1.1m) are shown separately as part of Legal Costs below.

	2020 €'000	2019 €'000
Professional & Technical Advice	8,662	7,319
Contact Management	888	764
Market Research	119	178
Quality of Service Monitoring	527	551
Staff Training and Professional Development	601	375
	<b>10,797</b>	<b>9,187</b>

## Legal Costs

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

	2020 €'000	2019 €'000
Legal Advice	1,229	1,062
Legal Costs relating to Legal Proceedings	992	1,435
	<b>2,221</b>	<b>2,497</b>

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

## Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2020 €'000	2019 €'000
Domestic Travel	16	23
International Travel	190	364
	<b>206</b>	<b>387</b>

## Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2020 €'000	2019 €'000
Staff Hospitality Costs	7	20
Contribution to Sports and Social Club	10	11
	17	31

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 the Environment, Climate and Communications 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 (2016) published by the Department of Public Expenditure and Reform) has been approved by the Minister for the Environment, Climate and Communications and the Minister for Public Expenditure and Reform. The code is published on our website. It is the policy of the Commission to ensure compliance with the Code.

On behalf of the Commission

Garrett Blaney  
Chairperson  
Date: 30 March 2021

## SECTION 3: STATEMENT ON INTERNAL CONTROL

### 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 2020 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 five times in the year ended 30 June 2020.

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 2020 expenditure of €39,000 (2019: €40,000) was incurred in respect of 1 (2019: 1) contract for IT services where our operational needs deemed it necessary to roll over the existing contract pending conclusion of a competitive tender process. The service provider is no longer used and the professional services contract was tendered as part of a competitive dialogue process which concluded in 2018. There was also a contract for professional services where it was also deemed appropriate to roll over the existing contract pending conclusion of a competitive tender process. The spend on this contract was €250,000 in 2020 (2019: €81,000). The total value of non-compliant procurement was €289,000 (2019: €121,000).

### 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 2020.

### Internal Control Issues

No weaknesses in internal control were identified in relation to 2020 that require disclosure in the financial statements.

### Covid 19

The Covid-19 pandemic emerged in the third quarter of our financial year as a significant challenge for the organisation and the industries we regulate. In March 2020, in accordance with Government guidelines we moved to a situation where, the vast majority of staff worked remotely. Appropriate social distancing and other safety measures were introduced in our offices where an on-site presence was required (for a small number of staff) to ensure essential services were maintained for those we regulate.

ComReg was fortunate that its Business Continuity Plan and infrastructure provided technically for full organisation remote working. Staff were provided with the necessary support from our IT colleagues regarding the move to remote working and the use of virtual conference facilities etc. Demonstrations and user guides have been developed for staff for using the various communication tools. In addition, ComReg's IT team regularly monitored for vulnerabilities or intrusions in the ICT environment. Existing practices for remote working were leveraged and reported & monitored more frequently.

The Commission considered emerging risks in March 2020 and established a separate Covid 19 Risk Register to monitor these risks. Since March 2020 the Commission continued to actively review and respond to the risks and uncertainties arising from the rapidly changing environment. Preventative measures have been implemented and are being regularly re-assessed to ensure the safety of our employees and stakeholders. The Commission has taken a number of measures to ensure the health, safety and well-being of our staff. One such step was the introduction of specific training for remote working, There was also training for managers on the practical aspects of managing staff in a remote environment. In addition, there was also investment in employee communications and well-being.

The Commission assessed the impact of Covid-19 on the control environment, including the impact on the financial day to day operations. Appropriate procedures were put in place for the remote working environment to ensure that segregation of duties and all financial controls were maintained. Where challenges were identified, appropriate action was taken and these were mitigated and there was no adverse impact on the control environment. There was no diminution in the control environment as a consequence of Covid 19. We have confirmed in this statement that there were no weaknesses identified in internal control that require disclosure in the financial statements. During this time, we have confirmed to the Audit and Risk Committee that we were maintaining our existing control environment and there was no diminution in the control environment.

On behalf of the Commission

Garrett Blaney  
Chairperson  
Date: 30 March 2021

# SECTION 4: REPORT OF THE COMPTROLLER AND AUDITOR GENERAL FOR PRESENTATION TO THE HOUSES OF THE OIREACHTAS



## **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 2020 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 2020 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.

**Andrew Harkness**  
**For and on behalf of the**  
**Comptroller and Auditor General**  
**31 March 2021**

## 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.

## SECTION 5: STATEMENT OF INCOME AND EXPENDITURE AND APPROPRIATION ACCOUNT FOR YEAR ENDED 30 JUNE 2020

	Notes	Year to 30 June 2020				Year to 30 June 2019	
		Electronic Communications		Post	Premium Rate Services	Total	Total
		Levy €'000	Other €'000	Levy €'000	Levy €'000	€'000	€'000
<b>Income</b>							
Levy		7,145		2,122	525	9,792	9,142
Licensing Fees	2		44,834			44,834	43,063
Spectrum Income	2		7,920			7,920	7,600
Other Income	2		2,052			2,052	173
<b>Total Income</b>		<b>7,145</b>	<b>54,806</b>	<b>2,122</b>	<b>525</b>	<b>64,598</b>	<b>59,978</b>
<b>Expenditure</b>							
Staff Costs	3	8,252	3,982	637	290	13,161	12,057
Retirement Benefit Costs	17(b)	1,831	883	141	64	2,919	3,165
Technical Advice	4	5,964	3,460	1,097	276	10,797	9,187
Legal Expenses	5	1,349	825	28	19	2,221	2,497
Advertising		178	46			224	93
Administrative Expenses	6	1,532	1,185	115	83	2,915	2,436
Auditors' Remuneration		12	7	1	1	21	19
Premises and Related Expenses		1,437	846	88	88	2,459	2,491
Depreciation	7	1,523	818	93	93	2,527	2,832
(Profit) on Disposal of Assets							(2)
Subscriptions to International Organisations	15	699				699	688
		<u>22,777</u>	<u>12,052</u>	<u>2,200</u>	<u>914</u>	<u>37,943</u>	<u>35,463</u>
<b>Surplus / (Deficit) before Appropriations</b>		<b>(15,632)</b>	<b>42,754</b>	<b>(78)</b>	<b>(389)</b>	<b>26,655</b>	<b>24,515</b>
Less: Appropriations							
Transfer from Capital Reserve	12					966	1,481
Payable to Central Fund	13					(27,668)	(27,106)
Pension Reserve adjustment	13					47	1,110
<b>Surplus after Appropriations</b>						<b>0</b>	<b>0</b>



The Statement of Cash Flows and Notes 1 to 23 form part of these financial statements.

On behalf of the Commission

Garrett Blaney  
Chairperson  
Date: 30 March 2021

## SECTION 6: STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2020

		Year to 30 June 2020	Year to 30 June 2019
	Notes	Total €'000	Total €'000
<b>Surplus after Appropriations</b>		0	0
<b>ComReg Defined Benefit Scheme</b>			
Actual return less expected return on scheme assets	17 (f)	(378)	747
Experience (losses) / gains on retirement benefit obligations	17 (f)	(17)	904
Changes in assumptions underlying the present value of retirement benefit obligations		7,428	(9,263)
Transfers in for prior service	17 (g)	-	-
<b>Actuarial (loss) / gain in the year</b>		<b>7,033</b>	<b>(7,612)</b>
<b>Single Public Sector Pension Scheme</b>			
Experience (losses) on retirement benefit obligations		(299)	(28)
Changes in assumptions underlying the present value of retirement benefit obligations		483	(340)
Adjustment to Deferred Funding		(184)	368
<b>Actuarial (loss) / gain in the year</b>		<b>-</b>	<b>-</b>
<b>Total actuarial gain / (loss) in the year</b>		<b>7,033</b>	<b>(7,612)</b>
<b>Movement in Retirement Benefit Reserve</b>	13		
Balance at 1 July		(16,027)	(7,305)
Total Recognised Gains in the year		7,033	(7,612)
Pension Reserve adjustment		(47)	(1,110)
<b>Balance at 30 June</b>		<b>(9,041)</b>	<b>(16,027)</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 23 form part of these financial statements.

On behalf of the Commission

Garrett Blaney  
Chairperson  
Date: 30 March 2021

## SECTION 7: STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

		30 June 2020	30 June 2019
	Notes	€'000	€'000
<b>Fixed Assets</b>			
Property, Plant & Equipment	7	6,219	7,185
		-----	-----
<b>Current Assets</b>			
Receivables	8	5,127	3,957
Short-Term Investments	9	73,500	48,500
Cash and Cash Equivalents		8,847	9,594
		<b>87,474</b>	<b>62,051</b>
<b>Current Liabilities (Amounts falling due within one year)</b>			
Payables	11	(87,474)	(62,051)
<b>Net Current Assets</b>		<b>0</b>	<b>0</b>
<b>Total Assets less Current Liabilities</b>		<b>6,219</b>	<b>7,185</b>
<b>Total Net Assets excluding Retirement Benefits (Liability)</b>		<b>6,219</b>	<b>7,185</b>
<b>Retirement Benefits</b>			
Deferred Funding Asset for SPSPS Pensions	17c(i)	3,317	2,540
Single Public Sector Pension Scheme (Liability)	17c(iv)	(3,317)	(2,540)
ComReg Scheme (Liability)	17c(i)	(9,041)	(16,027)
<b>Total Net Assets / (Liabilities) including Retirement Benefits (Liability)</b>		<b>(2,822)</b>	<b>(8,842)</b>
<b>Representing</b>			
Capital Reserves	12	6,219	7,185
Retirement Benefit Reserve		(9,041)	(16,027)
		<b>(2,882)</b>	<b>(8,842)</b>

The Statement of Cash Flows and Notes 1 to 23 form part of these financial statements.

On behalf of the Commission

Garrett Blaney  
Chairperson  
Date: 30 March 2021

## SECTION 8: STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

		Year to 30 June 2020	Year to 30 June 2019
	Notes	€'000	€'000
<b>Net Cash Flows from Operating Activities</b>			
Excess Income over Expenditure (before Appropriations)		27,621	25,996
Difference between pension charge and contributions		47	1,110
Depreciation	7	2,527	2,832
(Profit) on Disposal of Asset		-	(2)
Bank interest	2	-	-
Capital reserve transfer	12	(966)	(1,481)
(Increase) / Decrease in Receivables		(1,170)	493
(Decrease) / Increase in Payables (excluding Central Fund)		(2,245)	(2,254)
<b>Net Cash Inflow from Operating Activities</b>		<b>25,814</b>	<b>26,694</b>
<b>Cash Flows from Investing Activities</b>			
Payments to acquire Property, Plant & Equipment	7	(1,561)	(1,358)
<b>Cash Flows from Financing Activities</b>			
Receipt from sale of Asset		-	9
Payment to Central Fund		-	(54,649)
<b>Net Increase / (Decrease) Cash and Cash Equivalents</b>		<b>24,253</b>	<b>(29,304)</b>

## SECTION 9:

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 1. Accounting Policies

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.

#### a) General Information

The Commission was set up under the Communications Regulation Act, 2002 and has offices at One Dockland Central, Guild Street, Dublin 1.

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 a Public Benefit Entity (PBE).

#### b) Statement of Compliance

The financial statements of the Commission for the year ended 30 June 2020 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.

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.

#### c) Basis of Preparation

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 the Environment, Climate and Communications 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.

##### 1.1 Income Recognition

The Commission receives income from a number of sources.

- Levies on certain providers to fund the costs of regulation. The relevant levies are as follows:

**(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.

**(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.

**(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.

- **Licencing Fees** - The main area this covers is the Radio Communication licensing.
- **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.
- **Other income** - Other income includes bank and NTMA interest on deposits and amounts payable to the Commission on foot of compliance and enforcement activities.

## 1.2 Appropriation of Operating Surplus

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 the Environment, Climate and Communications (See Note 13).

## 1.3 Fixed Assets and Depreciation

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:

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

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.

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.

## 1.4 Receivables

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.

## 1.5 Capital Reserve

The capital reserve represents the unamortised amount of income used to purchase fixed assets.

## 1.6 Foreign Currencies

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.

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.

## 1.7 Short Term Benefits

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.

## 1.8 Retirement Benefits

### (a) Main Scheme

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.

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.

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.

### (b) Single Public Sector Pension Scheme

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.

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.

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.

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.

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.

## **1.9 Taxation**

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.

## **1.10 Allocation of Costs**

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.

## **1.11 Critical Accounting Judgements and Estimates**

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.

### **a) Depreciation and Residual Values**

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.

### **b) Retirement Benefit obligation**

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.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) future compensation levels, future labour market conditions.



## 2. Non Levy Income

	Year to 30 June 2020	Year to 30 June 2019
	Total €'000	Total €'000
<b>Electronic Communications Licensing Fee</b>		
2G & 3G Radio Licensing Fees	7,936	7,936
Liberalised Use Licensing Fees	22,729	22,300
Other Radio Licensing Fees	14,169	12,827
	<b>44,834</b>	<b>43,063</b>
<b>Electronic Communications Spectrum Income</b>		
3G Spectrum Income	7,600	7,600
400MHz Spectrum Income	320	-
	<b>7,920</b>	<b>7,600</b>

3G Spectrum Income of €7.6m (2019: €7.6m) was earned in 2020 in respect of a 3G licences issued in 2007.

A 400 MHz Band Spectrum Award was conducted during 2019 and the result was announced in November 2019. The upfront fee received amounted to €0.32m and was recognised as Income in 2020.

	Year to 30 June 2020	Year to 30 June 2019
	Total €'000	Total €'000
<b>Other Income</b>		
Sundry Income	2,052	173

### *Sundry Non Levy Income in 2020 includes:*

In December 2018 ComReg reached a settlement with Eircom Limited ("Eircom") in respect of certain compliance litigation which had been brought to the High Court. It was agreed that Eircom will pay ComReg a total of €3 million in respect of the compliance litigation and certain open compliance cases. Of the total of €3m, €2m was paid in the year to 30 June 2020 and the final payment of €1m was made in July 2020.

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. Bank interest earned is also included here.

***Sundry Non Levy Income in 2019 includes:***

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.

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. Bank interest earned is also included here.

### 3. Staff Costs

	Electronic Communications		Post	PRS	Year to 30 June 2020	Year to 30 June 2019
	Levy €'000	Other €'000	Levy €'000	Levy €'000	Total €'000	Total €'000
Employee Short-term benefits	7,538	3,633	581	265	12,007	10,999
Employer's contribution to social welfare	724	349	56	25	1,154	1,058
	<b>8,252</b>	<b>3,982</b>	<b>637</b>	<b>290</b>	<b>13,161</b>	<b>12,057</b>
The average number of staff employed by the Commission during the year, analysed by category, was as follows:	82	44	5	5	136	128
<b>Employee Short term benefits</b>						
Basic Pay					10,925	9,995
Performance related pay#					1,065	993
Allowances					17	11
					<b>12,007</b>	<b>10,999</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, €1,065,000 (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 (2019: €993,000 (9%)).

#### Key Management Personnel

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.

	Total Remuneration €'000
Garrett Blaney – Chairperson	180
Jeremy Godfrey – Commissioner	163
Robert Mourik – Commissioner	163

## 4. Technical Advice

	30 June 2020	30 June 2019
	€'000	€'000
Professional/Technical Advice and other Advice/Services Staff Training and Professional Development	10,196 601	8,812 375
	<b>10,797</b>	<b>9,187</b>

## 5. Legal Advice

	30 June 2020	30 June 2019
	€'000	€'000
Legal expenses are stated net of costs recovered from third parties	2,221	2,497

## 6. Administrative Expenses

	30 June 2020	30 June 2019
	€'000	€'000
Equipment and IT Maintenance	1,289	733
Subscriptions to Databases/Research Reports	416	350
Travel and Subsistence	206	387
Conferences/Meetings	137	246
Postal and Telecommunications	146	144
Stationery	27	33
Publishing and Promotion	212	68
Recruitment	60	32
Light, Heat and Cleaning	134	115
Insurance	44	43
Other Administrative Costs	244	285
	<b>2,915</b>	<b>2,436</b>

## 7. Property, Plant And Equipment

	Technical Equipment	Computer Equipment	Fixtures, Fittings & Office Equipment	Motor Vehicles	Total	
	€'000	€'000	€'000	€'000	€'000	
<b>Cost</b>						
At 30 June 2019	2,978	9,348	4,521	312	17,159	
Additions	73	1,488	-	-	1,561	
Disposals	-	-	-	-	-	
<b>At 30 June 2020</b>	<b>3,051</b>	<b>10,836</b>	<b>4,521</b>	<b>312</b>	<b>18,720</b>	
<b>Accumulated Depreciation</b>						
At 30 June 2019	1,958	6,873	1,032	111	9,974	
Disposals	-	-	-	-	-	
Charge for period	365	1,672	443	47	2,527	
<b>At 30 June 2020</b>	<b>2,323</b>	<b>8,545</b>	<b>1,475</b>	<b>158</b>	<b>12,501</b>	
<b>Net Book Value</b>						
<b>30 June 2020</b>	<b>728</b>	<b>2,291</b>	<b>3,046</b>	<b>154</b>	<b>6,219</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>	

Computer Equipment Additions in 2020 includes €1.104m of IT Development Costs (2019: €0.907m).

## 8. Receivables

	30 June 2020	30 June 2019	
	€'000	€'000	
<i>Due within one year:</i>			
Electronic Communications administration levy	1,203	168	
Radio Licence Income	2,713	2,514	
Accrued Income	34	58	
Pre-payments & Recoverable expenses	1,177	1,217	
	<b>5,127</b>	<b>3,957</b>	

## 9. Short Term Investments

	30 June 2020	30 June 2019	
	€'000	€'000	
Short Term Investments	73,500	48,500	

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).

## 10. Reconciliation of Net Increase in Cash and Cash Equivalents to Movement in Net Funds

	30 June 2020	30 June 2019	
	€'000	€'000	
(Decrease) / Increase in Cash and Cash Equivalents in the period	(747)	696	
Increase / (Decrease) in Short Term Investments	25,000	(30,000)	
Change in Cash and Cash Equivalents	24,253	(29,304)	
Opening Cash and Cash Equivalents	58,094	87,398	
Closing Cash and Cash Equivalents	<b>82,347</b>	<b>58,094</b>	

## 11. Payables

	30 June 2020	30 June 2019	
	€'000	€'000	
<b>Payables</b>			
Amounts falling due within one year	1,693	3,302	
Trade Creditors	6,319	6,876	
Other Creditors	134	258	
Value-added tax	1,259	891	
Accruals	24,670	24,673	
Deferred income (see analysis below)	745	1,065	
Payroll	52,654	24,986	
Payable to Central Fund (see Note 13)			
	<b>87,474</b>	<b>62,051</b>	

Other Creditors includes potential refunds of €6.3m (2019: €6.7m) 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	24,257	24,248	
Other	413	425	
	<b>24,670</b>	<b>24,673</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.

## 12. Capital Reserves

	30 June 2020	30 June 2019	
	€'000	€'000	
Opening Balance	7,185	8,666	
<i>Transfer (to) / from Income and Expenditure Account:</i>			
Additions to fixed assets	1,561	1,358	
Amortisation in line with fixed asset depreciation	(2,527)	(2,832)	
Amount released on disposal of Fixed Assets	=	(7)	
Net Amount from Income and Expenditure Account	(966)	(1,481)	
<b>Closing Balance</b>	<b>6,219</b>	<b>7,185</b>	

## 13. Appropriation of Surplus

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 2020.

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.

	Gross Amount Due	Pension Adjustment (b)	Net Amount Due
	€'000	€'000	€'000
Balance due to Exchequer at 30 June 2019	27,106	(2,120)	24,986
Surplus for 2020	27,621		27,621
Paid in 2020	-		-
Pension reserve adjustment (a)	47		47
Pension fund payment clawback (b)	(320)	320	-
<b>Balance at 30 June 2020</b>	<b>54,454</b>	<b>(1,800)</b>	<b>52,654</b>

The comparative figures in respect of the amount owed to the Exchequer as at 30 June 2019 are shown below.



### 13. Appropriation of Surplus (continued)

	Gross Amount Due	Pension Adjustment (b)	Net Amount Due
	€'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>

- (a) The pension reserve adjustment represents the difference between the pension amount charged to the Income and Expenditure Account in 2020 of €2,919,000 (2019: €3,165,000) and the employer contributions in the period of €2,872,000 (2019: €2,055,000).
- (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 2020 one year of payments was made resulting in a clawback of €320,000 (2019: €320,000).

### 14. Premises and Accommodation

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:

	30 June 2020	30 June 2019	
	€'000	€'000	
<b>Payable:</b>			
Within one year	1,662	1,662	
Between one and five years	6,648	6,648	
More than five years	3,561	3,561	
	<b>11,871</b>	<b>11,871</b>	

## 15. Membership Of International Telecommunications Organisations

Certain payments to International Telecommunications Organisations are met by the Department of the Environment, Climate and Communications (DECC) out of the proceeds of the Electronic Communication Administrative Levy. The charge to the Income and Expenditure Account includes €699,000 (2019: €688,000) for that purpose. Such charges are invoiced to DECC who are subsequently reimbursed by ComReg.

## 16. Commissioners, Staff And Advisors/Consultants – Disclosure Of Interests

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.

## 17. Retirement Benefits

### a) Description of Scheme

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 28/2019. 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 2020.

## 17. Retirement Benefits (continued)

	30 June 2020	30 June 2019	
	€'000	€'000	
<b>b) Retirement Benefit Costs</b>			
<b>Made up of:</b>			
<i><b>Defined Benefit Scheme</b></i>			
Current service cost	2,469	2,932	
Interest cost	1,140	1,413	
Expected return on Scheme Assets	(904)	(1,261)	
Less: Employees' Contributions	(389)	(385)	
	<b>2,316</b>	<b>2,699</b>	
<i><b>Single Public Service Pension Scheme (SPSPS)</b></i>			
Employer Contribution	603	466	
Current Service Cost*	920	604	
Interest Cost	41	37	
Adjustment to deferred Exchequer Pension funding	(961)	(641)	
	603	466	
<b>Total Retirement Benefit Costs</b>	<b>2,919</b>	<b>3,165</b>	
*Employee contributions of €201,000 remitted to DPER, have been included in the calculation of the current service cost.			
<b>c) Net Retirement Benefit Liability (Defined Benefit Scheme)</b>			
<b>(i) Made up of:</b>			
Fair value of Scheme Assets	58,194	55,359	
Present Value of Retirement benefit obligations	(67,235)	(71,386)	
<b>Net (Liability)</b>	<b>(9,041)</b>	<b>(16,027)</b>	

Note: The Balance Sheet Liability in respect of Single Scheme Retirement Benefits in 2020 comprises a Deferred Funding Asset of €3.317m (2019: €2.540m) to match the Single Scheme Liability of €3.317m (2019: €2.540m) giving a nil Net Liability.

## 17. Retirement Benefits (continued)

	30 June 2020	30 June 2019	
	€'000	€'000	
<b>(ii) Present Value of Retirement Benefit Obligations at beginning of year (Defined Benefit Scheme)</b>	71,386	59,000	
Current Service Cost	2,469	2,932	
Interest Cost	1,140	1,413	
Actuarial (Gain) / Loss	(7,411)	8,359	
Benefits Paid	(288)	(255)	
Premiums Paid	(61)	(63)	
<b>Present Value of Retirement Benefit Obligations at end of year (Defined Benefit Scheme)</b>	<b>67,235</b>	<b>71,386</b>	
<b>(iii) Change in Scheme Assets (Defined Benefit Scheme)</b>	55,359	51,695	
<b>Fair Value of Scheme Assets at beginning of year</b>			
Expected return on Scheme Assets	904	1,261	
Actuarial (Loss) / Gain	(378)	747	
Employer Contributions	2,269	1,589	
Members' Contributions	389	385	
Benefits Paid	(288)	(255)	
Premiums Paid	(61)	(63)	
<b>Fair Value of Scheme Assets at end of year</b>	<b>58,194</b>	<b>55,359</b>	
<b>(iv) Retirement Benefits Liability (SPSPS)</b>	2,540	1,540	
<b>Present Value as at 1 July 2019</b>			
Current Service Cost	920	604	
Interest Cost	41	37	
Actuarial (Gain) / Loss	(184)	368	
Benefits Paid	-	(9)	
<b>Present Value as at 30 June 2020</b>	<b>3,317</b>	<b>2,540</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.

## 17. Retirement Benefits (continued)

	30 June 2020	30 June 2019	
	€'000	€'000	
<b>(d) Scheme Asset Composition (Defined Benefit Scheme)</b> <i>The scheme assets at the year end were composed of:</i>			
Equities	23,338	27,967	
Bonds	23,581	22,360	
Property	629	670	
Cash and Other liquid assets	10,646	4,362	
	<b>58,194</b>	<b>55,359</b>	
<i>The scheme assets at the year end expressed in % terms comprised</i>	<b>%</b>	<b>%</b>	
Equities	40.1%	50.5%	
Bonds	40.5%	40.4%	
Property	1.1%	1.2%	
Cash and Other assets*	18.3%	7.9%	
	<b>100.0%</b>	<b>100.0%</b>	
*consists of alternative strategies and enhanced yield funds.			
<b>Weighted average assumptions used to determine benefit obligations (Defined Benefit Scheme)</b>	<b>%</b>	<b>%</b>	
Discount Rate	1.80%	1.60%	
Rate of compensation increase	2.80%	3.00%	
<b>Weighted average assumptions used to determine pension expense (Defined Benefit Scheme)</b>	<b>%</b>	<b>%</b>	
Discount Rate	1.60%	2.40%	
Expected long-term return on scheme assets	1.80%	1.60%	

## 17. Retirement Benefits (continued)

	30 June 2020	30 June 2019	
	%	%	
<b>(e) Principal Actuarial, Financial &amp; Demographic Assumptions (Defined Benefit Scheme)</b>			
<i>The financial assumptions used were as follows:</i>			
Discount rate	1.80%	1.60%	
Salary increases	2.80%	3.00%	
Pension increases	2.30%	2.50%	
Inflation increases	1.30%	1.50%	

*The Demographic assumptions used were as follows:*

	2020	2019
<b>Mortality Pre-Retirement &amp; Post-Retirement</b>	S2PMA with CMI 2016 (1.5%) improvements for all members.	S2PMA with CMI 2016 (1.5%) improvements for all members.
<b>Retirements</b>	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.
<b>Ill Health Retirement</b>	No allowance.	No allowance.
<b>Early Retirement</b>	No allowance.	No allowance.
<b>Withdrawals</b>	No allowance.	No allowance.
<b>Percentage married</b>	It is assumed that 90% of members are married.	It is assumed that 90% of members are married.
<b>Age Difference between spouses</b>	A male is assumed to be 3 years older than his spouse.	A male is assumed to be 3 years older than his spouse.

\* The mortality assumptions chosen are based on standard tables reflecting typical pensioner mortality and they allow for increasing life expectancy over time.

## 17. Retirement Benefits (continued)

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.

The assumptions can be affected by:

- (a) the discount rate, changes in the rate of return on high-quality corporate bonds
- (b) future compensation levels, future labour market conditions

	30 June 2020 €'000	30 June 2019 €'000	30 June 2018 €'000	30 June 2017 €'000	30 June 2016 €'000
<b>(f) History of defined benefit obligations, assets and experience gains and losses</b>					
Defined benefit obligations	67,235	71,386	59,000	57,448	57,101
Fair value of Scheme Assets	(58,194)	(55,359)	(51,695)	(47,350)	(43,341)
Deficit for funded Scheme	9,041	16,027	7,305	10,098	13,760
Experience Adjustment on Scheme Assets	(378)	747	2,311	1,661	(93)
- Percentage of scheme assets	0.6%	1.3%	4.5%	3.5%	0.2%
Experience (losses) / gains on ComReg Scheme Liabilities					
- Amount	(17)	904	533	823	1,226
- Percentage of Scheme Liabilities	0%	1.3%	0.9%	1.4%	2.1%
Experience gains / (losses) on Single Public Sector Pension Scheme Liabilities					
- Amount	299	(28)	10		
- Percentage of Scheme Liabilities	9.0%	1.1%	0.6%		

### (g) Prior Pensionable Service

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 2020, the total value of such payments received in the year to 30 June 2020 was Nil (2019: Nil).

Payments in respect of transferred in service (when received) are shown as a separate item in the Statement of Comprehensive Income.

## 17. Retirement Benefits (continued)

### (h) Funding of retirements benefits

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.

### (i) Deferred Funding Asset for Pensions (Single Public Service Pension Scheme)

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 2020. 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.

## 18. Contingent Liabilities

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.

## 19. Related Party Transactions

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.

## 20. Additional Superannuation Contribution

An amount of €484,000 (2019: €271,000) deducted from salaries in respect of the Additional Superannuation Contribution was paid to the Department of the Environment, Climate and Communications in the year ended 30 June 2020.

## 21. Post Balance Sheet Events

There are no events between the reporting date and the date of approval of these financial statements for issue that require adjustment to the financial statements.

The Commission recognises that the Covid-19 pandemic is a significant event which is ongoing since the reporting date. The Commission is taking the situation seriously and is monitoring the situation, in conjunction with management, on an ongoing basis. The business continues to operate with measures in place to protect staff and clients. Commissioners and staff are working remotely and services continue to be provided. To date, the operations and all of ComReg's activities are being maintained while adjusting to the different way in which the business is being delivered. Our industry levy's and fees are collected on a statutory basis and the performance and operations of ComReg are being monitored closely and regular financial reports are provided to the Commission.



## 22. Going Concern

The Commission considers that, as levy and fee receipts as provided for in Statutory Instruments are being collected in line with projections, it is appropriate to prepare these financial statements on a going concern basis.

## 23. Approval Of Financial Statements

These financial statements were approved by Garrett Blaney, Chairperson, for the Commission, on the 30 March 2021.



**Commission for Communications Regulation,**  
One Dockland Central, Guild Street,  
Dublin, D01 E4X0



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