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Communications Regulation

The provision of telephony services under Universal Service Obligations

Response to Consultation, Decision and Decision Instrument

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1 Introduction

- 1 This response to consultation and Decision of the Commission for Communications Regulation (“ComReg”) relates to the future provision of telecommunications under the universal service. The universal service has been guaranteed by EU and national legislation since 1997. In a liberalised and competitive telecommunications market, the universal service ensures the provision of basic telecommunication services throughout the State, particularly in areas of the State (such as rural or sparsely populated areas) where the market might not deliver these services. Thus, the universal service contributes to social and economic inclusiveness and cohesiveness in society.
- 2 On 30 June 2010, ComReg designated Eircom Limited (“Eircom”) as the universal service provider (“the USP”) for a two-year period ending on 30 June 2012. On 30 April 2012, ComReg published its consultation in respect of the next designation. The consultation period ran from 30 April 2012 to 5 June 2012 and nine (9) respondents provided submissions to the consultation.
- 3 This response to consultation and Decision addresses the coming period, commencing 1 July 2012.
- 4 The current scope of the universal service was designed with a conventional telecommunications environment of fixed voice-based networks in mind. However, as technology and competition develops, and as consumer needs evolve, policymakers should ensure that the services provided continue to meet consumers’ needs, particularly if they are not already met by the market.
- 5 Since 2010, Directive 2002/22/EC of the European Parliament was amended by Directive 2009/136/EC (“the Amending Directive”) and was transposed into Irish law on 1 July 2011 by the European Communities (Electronic Communications Networks and Services) (Universal Service and Users Rights) Regulations 2011 (“the Regulations”).
- 6 On 3 March 2010, the European Commission published a consultation on the future of the universal service in the digital era. On 23 November 2011, the European Commission issued its report which provides an indication of its proposed approach to aspects of the universal service, including mobility (in terms of access) and broadband. The impact, or timing, of any legislative changes arising from this report is not yet clear.

- 7 In theory, the universal service definitions and obligations could be extended in scope so as to include broadband. However, while “broadband for all” is a stated policy objective at European and national level, the European Commission is still deliberating on the role of universal service in meeting this objective. Some countries may seek to use universal service as a mechanism to bring broadband to all its citizens where the market does not provide it, while others may seek to achieve this objective by different means, such as State-funded schemes, or other broadband availability programmes. Irrespective of the methods chosen, all Member States agree that expanding broadband availability is important for social and economic reasons. Irish Government policy is also directed at expanding the availability of broadband, as is clear from initiatives such as the National Broadband Scheme and the Rural Broadband Scheme.
- 8 The provision of universal service may result in the USP(s) providing designated services at a net cost. The Regulations allow the USP(s) to seek funding to meet a net cost of the universal service. In Ireland, the Regulations require that any such funding requirements must be met by industry. No universal service fund (“USF”) has been established in Ireland. Eircom's application for a USF for the financial period 2009/2010 was received on 31 May 2012. ComReg published an information notice in respect of the amount of funding that Eircom has claimed under a USF.¹ Eircom's application will be assessed by ComReg before it makes any decision on whether or not there is a requirement to establish a USF.
- 9 In principle no undertaking is excluded from being designated as a USP and ComReg's consultation invited potential providers to express an interest in being so designated. The designation method(s) adopted must ensure that the obligations are provided in a cost effective manner and may be used as a means of determining the net cost of the universal service obligation. Having regard to the above, ComReg stated that it may, in the future, seek to instigate a competitive tendering procedure for the provision of all or part of the universal service.
- 10 The Amending Directive provides that consumers with disabilities should have equal access to and choice of electronic communication services available to all consumers. ComReg will shortly commence a consultation process regarding proposed measures, that would require authorised undertakings (not solely the USP), to facilitate equivalent access and choice for consumers with disabilities.

¹ Commission Document ComReg 12/57.

2 Executive Summary

- 11 The Commission for Communications Regulation is responsible for the regulation of the Irish electronic communications sector, in accordance with national and EU legislation. One of ComReg's functions is to determine the scope of the Universal Service Obligations for the Irish market and to decide which undertaking(s) should be designated as the Universal Service Provider(s).
- 12 EU and Irish legislation ensures that basic telephone services are available at an affordable price and specified quality, irrespective of geographical location, within Ireland. There are both social and economic grounds for the USO, for example, to provide services for vulnerable users and users in remote locations that the market might otherwise not choose to serve, thereby facilitating greater participation by those users in the market. The USO is, therefore, focused on ensuring that everyone, irrespective of location, social standing or income can access basic telecommunications services, thus bringing benefits to those with low incomes who have difficulty in affording such services, consumers with disabilities who need particular services or facilities, and those in rural locations for whom the cost of gaining access to service might otherwise be prohibitive.
- 13 The current USO designation on Eircom has been effective since 1 July 2010. ComReg's consultation sought views on how the requirement to ensure universal services should be implemented. It also discussed the potential for the inclusion of broadband in the scope of the USO and the use of alternative designation methods after 30 June 2012 and into the future.
- 14 In principle, operators other than the incumbent may wish to provide all or part of the universal service, in all or part of the State. In order to decide if they are willing or able to do so, such operators will need certain information, for example, information about the uneconomic customers and uneconomic areas, if relevant, that they may choose to serve under a universal service obligation. Currently, there is little information available about this. However, far more of this information will be available later this year when analysis of Eircom's application for universal service funding for the financial period 2009/2010 is underway. Once this information becomes available, it is ComReg's view that industry players should be in a better position to decide if they have an interest in providing all or part of the universal service in the State. Pending this, there is a continued need for a universal service in the State. In particular, there is a continued need for access at a fixed location in a majority of households in the State. ComReg's preliminary view was that Eircom should continue to be the universal service provider. However, as stated in the consultation, this is subject to two important provisos:

- 15 It is without prejudice to the right of any other operator to express an interest in providing all or part of the universal service in all or part of the State. (Operators may have provided such expressions of interest in the course of responding to the consultation and ComReg stated that if it received them it would consider them very carefully); and
- 16 Because the identity of uneconomic areas and customers is currently unclear—but should soon become much clearer—it is appropriate to only designate Eircom as the universal service provider for a period that reflects this, i.e. until this information is available and until Eircom’s application for universal service funding for the financial period 2009/2010 has been fully assessed by ComReg.
- 17 In theory, broadband availability could be expanded through the universal service. However, there are a number of current market and technological developments that in ComReg’s view should further drive broadband availability and an increase in broadband speeds in the medium term. The developments in spectrum availability have an important role in expanding the availability of broadband as do Government initiatives such as the National Broadband Scheme (NBS) and Rural Broadband Scheme (RBS).² In addition, the deployment of Next Generation Access (NGA) is potentially very significant for increased broadband availability in Ireland in the medium-term.
- 18 Because the market is at such an important stage of development, ComReg considers that in principle it should for the time being observe the effects of technological developments and market provision on broadband availability and, for the time being forbear from regulatory intervention in the area of broadband as a universal service. Accordingly, ComReg is not defining Functional Internet Access (FIA) at a rate necessary to deliver broadband. Notwithstanding this, it is clear that ComReg will need to re-examine this issue carefully and it proposes to do so in 2014, when the effects of many of the market and technological developments and Government initiatives should be more apparent.
- 19 Having carefully considered the responses to its consultation on this matter, ComReg has decided to designate Eircom as the Universal Service Provider (USP), with specified obligations for a period of 2 years, commencing 1 July 2012.
- 20 In designating Eircom as the USP, ComReg has taken into account a variety of factors, including Eircom’s network reach, and its experience and ability to provide universal service. ComReg has also considered other relevant factors identified in the course of this consultation and has sought the consent of the Minister for Communications, Energy and Natural Resources, as appropriate.

² <http://www.dcenr.gov.ie/Communications/Communications+Development/Rural+Broadband+Scheme/>

3 Background

- 21 On 30 June 2010, ComReg designated Eircom as the USP for a period of two years (ComReg 10/46 D06/10).³
- 22 In May 2008, ComReg established Quality of Service Performance Targets (ComReg 08/37 D02/08) in relation to the provision of specific elements of the universal service.
- 23 On 30 April 2012, ComReg published its consultation in respect of the next designation. The consultation period ran from 30 April 2012 to 5 June 2012 and nine (9) respondents⁴ provided submissions to the consultation. ComReg's consultation sought views on the following:
- The scope of the obligation to provide telephone access to consumers (business and residential), including requiring a capability to permit functional internet access.
 - The scope of the obligation to provide directory services, including the telephone directory and directory enquiry services.
 - The scope of the obligation to provide public payphones.
 - Ensuring that consumers with disabilities have access to the above services on a basis similar to that enjoyed by other consumers.
 - Designating one, or more, undertaking(s) as the USP(s) for the above services.
 - The provision of special tariff options for vulnerable consumers.
 - Ensuring consumers can control expenditure, through measures such as itemised billing⁵ and call barring.
 - Issues related to the cost and funding of the universal service.
- 24 A copy of all non-confidential responses received will be made available on ComReg's website and a high level discussion of general views is set out below. The views discussed below relate to the main relevant issues. They do not attempt to enumerate each point raised, but focus instead on the key issues addressed.

³ See ComReg Decision No. 10/46: <http://www.comreg.ie/fileupload/publications/ComReg1046.pdf>

⁴ BT Communications Ireland Ltd (BT), Conduit, Eircom Ltd.(Eircom), Golden Search Ltd.(Golden Search), Intel, Magnet Networks(Magnet), Telefónica, UPC Ireland(UPC), Vodafone

⁵ ComReg is currently conducting a consultation - Proposed consumer protection measures in respect of consumer bills and billing mediums and proposed amendments to General Authorisation (ComReg 11/78).

4 Designation of Universal Service Provider(s)

4.1 Designation period and mechanism

- 25 The Regulations require ComReg to designate one, or more, operators to guarantee the provision of the universal services (as described in Section 5) to ensure that the whole of the State is covered. Different operators (undertakings), or sets of operators, can be designated to provide different elements of universal service, and/or to cover different parts of the State.
- 26 In principle, no undertaking should be excluded from being designated to provide all or part of the universal service, in all or part of the State. In the majority of Member States, the incumbent operator provides universal services. However, in some Member States other operators have become universal service providers. In theory, other operators in Ireland may be able and willing to provide all or part of the universal service, in all or part of the State and may be able to do so at a lower cost.⁶ Greater competition in the Irish market since the previous designation may have increased the possibility for all, or part, of the universal service to be provided by operators other than Eircom.
- 27 ComReg has given consideration to the designation mechanism for future designations of USP(s). The Regulations provide that the designation methods adopted must ensure that the obligations are provided in a cost effective manner and that they may be used as a means of determining the net cost of the universal service obligation. Other providers in the State may be in a position to provide all or part of the universal service, but in order to decide if they are willing and able to do so, they will need specific information about each of the universal services to be delivered. For example, they will need to know who the “uneconomic customers” are, to be provided with access at a fixed location, as a universal service obligation.
- 28 This information will be provided to ComReg in the course of Eircom's application for universal service funding for the period 2009/2010. ComReg's assessment of Eircom's application⁷ may or may not conclude that there is a net cost and an unfair burden for the period 2009/2010.

⁶ In Ireland, a net cost, if any, and whether it is an unfair burden have yet to be determined.

⁷ Report on Consultation and Decision on the costing of universal service obligations: Principles and Methodologies – ComReg Document No. 11/42 (D04/11).

29 In light of the above, ComReg was of the preliminary view that it would be prudent for it to defer the consideration of alternative mechanisms, including their appropriateness, for designating universal service providers, until such time as ComReg has concluded its assessment of Eircom's funding application for 2009/2010. By the time this assessment is complete, there should be information available which, while not determinative, will facilitate the identification of uneconomic customers and uneconomic areas, uneconomic payphones etc. in the State.

30 Therefore, ComReg was of the preliminary view that the next designation period should be for a period that is long enough to accommodate the following:

- Eircom to submit its universal service funding application for 2009/2010 (received on 31 May 2012).⁸
- ComReg to assess Eircom's funding application (ComReg intends to publish its determination on Eircom's USO funding application for 2009/2010 within approximately 8 months of receiving such an application⁹).
- ComReg to evaluate the specific details of any universal service obligation and to determine and implement, as appropriate, the most appropriate future designation method(s).
- A transition period, if relevant, to a new USP or USPs.

31 It may in the future be necessary to extend or shorten designation periods to align with the financial years of other potential USP(s). However, for the time being, ComReg proposes to maintain its practice of designating for whole years.

Consultation Issue (Questions 1-2)¹⁰

32 For the reasons detailed above, ComReg proposed a designation period of 2 years, from 1 July 2012 to 30 June 2014 and invited respondents to submit their views on this proposed period. In the consultation, ComReg also asked if an alternative duration for the next designation period should be considered.

⁸ An application has now been received by the Commission - ComReg Document No. 12/57.

⁹ Estimated to be by end January 2013.

¹⁰ Questions posed in the consultation are listed in Appendix 3.

Respondents' views

- 33 Eircom is of the view that the criteria set out by ComReg to decide the length of the next designation period are irrelevant. Eircom does not accept that the next designation period is linked with the assessment of Eircom's application for funding for 2009/2010. Eircom is of view that under the circumstances it seems to have little choice but to accept the proposed designation, which should be as short as possible, while allowing sufficient time for ComReg to reassess its designation mechanism and the scope of the USO for future years.
- 34 Vodafone claims that the first two items that ComReg considers relevant in proposing a designation period of two years (detailed in paragraph 30), i.e. the submission and assessment of the USF application are not factors which should be considered in respect of the length of the designation period. In this case, the respondent is of the view that the designation period should be shorter than two years. The respondent also states that it is unclear as to whether or not the period proposed is reasonable to complete the activities to be undertaking before the next designation period.
- 35 UPC stated that it does not disagree with the proposed designation term of two years, assuming this allows ComReg sufficient time to conduct the appropriate analyses and consultations in respect of future designations.
- 36 Magnet is of the view that the period of designation should be designed to align with a January to December financial year and therefore, should be from July 2012 to December 2013 which would also allow enough time for relevant considerations to be assessed by ComReg. This proposal is on the basis that it would be preferable in terms of budgetary planning, if there was to be a universal service fund, for those operators with a January to December financial year.
- 37 Telefónica and BT are of the view that the maximum period of designation at this time should be one year. These respondents state that "*a two year designation period is potentially exclusionary to others who wish to provide aspects of the USO such as NDD, Directories and Payphones.*" These respondents are also of the view that during their proposed duration of one year, ComReg should fully consult on the USO to determine if the current approach is the most efficient and best value for money.

ComReg's position

- 38 ComReg disagrees with the assertion that information contained in Eircom's application is not relevant in respect of ComReg's consideration of future universal service issues. Eircom's application will provide information in relation to uneconomic areas and customers and other uneconomic services, as relevant, which can be used to inform future policy and decisions in this area.
- 39 ComReg also disagrees with the claim that the consideration of the timing aspects in respect of Eircom's 2009/2010 funding application and ComReg's assessment of it are not relevant when considering a timeframe for the next designation period. ComReg is of the view that these two steps are necessary to be completed, on this occasion, before the next steps can be carried out appropriately. ComReg is of the view that one year is too short to conduct these necessary steps and therefore, ComReg remains of the view that, given the particular circumstances, two years is the most appropriate designation period for the next designation.
- 40 ComReg understands the reasoning that for certain undertakings it may be beneficial, for budgetary purposes, for a designation period to be aligned with the calendar year. However, not all undertakings operate their financial year in accordance with calendar years and ComReg has discussed related matters in its consultation in relation to a sharing mechanism.¹¹ In the circumstances, where Eircom is proposed as the USP, ComReg is of the view that a period that aligns with its financial year is most appropriate for now. It may in the future be necessary to extend or shorten designation periods to align with the financial years of other potential USP(s).
- 41 ComReg disagrees that a period of 2 years may exclude other providers who want to provide the USO for certain aspects. This is because the two year period proposed by ComReg is designed to accommodate carrying out the necessary tasks, as already detailed, to facilitate other providers providing aspects of the USO, if it is appropriate.
- 42 ComReg remains of the view that a two year designation period for the aspects of universal service detailed in Section 5 is the most appropriate period.

4.2 Designation for the entire State

- 43 ComReg has considered whether or not it is appropriate to continue to designate universal service obligations to cover all end-users in the entire State.

¹¹ Consultation on sharing mechanism for any USO Fund: ComReg Document No: 11/77

- 44 In order for ComReg to fully consider designation for specific areas or customers—rather than on a national basis—ComReg requires details of those customers or areas that would not be served by the market and of those services or facilities that would not be provided if the USO did not exist. As the universal service provider for many years, Eircom is best placed to provide this information and it is required to do so in the course of its application for universal service funding for the financial year 2009/2010.
- 45 At this time, without more specific details regarding services or customers that would *not* be served by the market, ComReg remains concerned that certain universal services, including access at a fixed location (in accordance with specified quality of service metrics and geographically averaged prices¹²), might not be provided to all or some customers in the State without a universal service obligation.

Consultation Issue (Question 3)

- 46 For the reasons detailed above, ComReg was of the preliminary view that a universal service for the entire State, (whether or not it is delivered by different USP(s)), remains a requirement for the proposed next designation period. The consultation invited respondents to submit their views on this.

Respondents' views

- 47 Magnet is of the view that it is necessary to designate for the entire State and is of the view that areas that appear economical may have blackspots as commercial operators may choose to ignore certain areas. The example of payphones is cited. Magnet is of the view that not designating for the entire State would emphasise the digital divide further.
- 48 UPC does not disagree that a designation for the entire State is appropriate for the current elements of the universal service. However, it is of the view that if other elements, such as broadband, were to be considered then this may not be appropriate and more detailed consideration would be necessary.
- 49 Vodafone states that as ComReg is reliant on further information from Eircom to fully consider designation for specific areas rather than a national basis, ComReg should not have waited until Eircom made its USF application to obtain the information, but instead required the information in accordance with its information gathering powers. It claims that as a result Eircom is controlling the pace of progress on universal service issues.

¹² As discussed in section 5.6.

- 50 Eircom is of the view that the consideration of the applicability of the USO to the entire State should not be concerned with details of uneconomic areas or uneconomic customers but rather whether or not there are areas within the State where users can access basic telephone services and not dependent on any application for funding from Eircom.
- 51 BT is of the view that a universal service designation that does not apply to the whole State could be feasible and proposes that in urban areas, where there a range of operators providing services on a commercial basis, a USP/USO could be removed.
- 52 Telefónica does not agree that the designation should apply to the whole State, because there are significant differences between urban and rural areas. It proposes that ComReg conduct a study to identify the uneconomic and economic areas and customers that require universal service.

ComReg's Position

- 53 ComReg has carefully considered the views of respondents.
- 54 ComReg recognises that there are differences in the provision and availability of services between urban and rural areas and that these are important considerations for a universal service designation for the entire State or for specific areas. ComReg is currently assessing Eircom's application for a USF for 2009/2010 which will assist ComReg in identifying uneconomic areas and customers. In the interim, ComReg is of the view that in order to protect consumers, it is appropriate to continue to designate for the entire State for the next designation period.
- 55 ComReg's Decision D04/11¹³ requires Eircom's to submit any USF application in accordance with the specified rules. This means that the USP, Eircom, must prepare its application accordingly. This approach is not comparable to a request to provide information under ComReg's information gathering powers. Therefore, ComReg does not agree with the assertion that it could have requested and received the particular information required from Eircom under its information gathering powers.

¹³ Report on Consultation and Decision on the costing of universal service obligations: Principles and Methodologies – ComReg Document No. 11/42 (D04/11).

56 Eircom's submission of a USF application for 2009/2010 was later than originally anticipated. However, this process has been conducted in accordance with ComReg's Decision D04/11.¹⁴ As detailed in ComReg's information notices¹⁵ relating to this matter, Eircom sought extensions and ComReg granted those extensions, in accordance with ComReg's Decision. ComReg has now received an application from Eircom in respect of 2009/2010 and has informed stakeholders of that application.¹⁶

57 ComReg has commenced assessing Eircom's application. However, this will take a further period of time. ComReg is of the view that, until it assesses the information provided in relation to uneconomic areas and in the absence of rationale to suggest the contrary, it is most appropriate and in the best interests of consumers who need the universal service, to designate for the entire State for the next designation period.

4.3 Universal Service Provider

Consultation Issue (Question 4)

58 The consultation invited all undertakings to express an interest in providing all, or part, of the universal service for the proposed next designation period of 2 years from 1 July 2012 to 30 June 2014. ComReg stated that any expressions of interest should be accompanied by the following:

- An outline of technical competence and expertise in providing the element service concerned.
- An outline as to how the proposed obligations, as detailed in this consultation, will be fulfilled, including a full description as to how the service(s) will be provided.
- Guaranteed level of service in terms of fault occurrence/availability of service to consumers and other relevant quality measures.
- Customer contract terms and relevant retail prices.
- Procedures and timelines for connection, fault management, the provision of information to consumers and the handling of complaints.

¹⁴ Report on Consultation and Decision on the costing of universal service obligations: Principles and Methodologies – ComReg Document No. 11/42 (D04/11).

¹⁵ Information Notice – Extension of Deadline for Eircom's Universal Service Funding Application – ComReg Document No: 11/92
Information Notice – Extension of Deadline for Eircom's Universal Service Funding Application - ComReg Document No: 12/14

¹⁶ Information Notice - Universal Service Obligation –Application for funding from the Universal Service Provider for the period 2009/2010 - ComReg 12/57.

- Indicative costs to provide the element of the service concerned, as relevant.

59 ComReg stated that if expressions of interest were received, ComReg would consider such proposals and possible further steps, which may include further consideration of the next designation period and other aspects proposed in the consultation, in its response to this consultation.

60 Given its proposal for a designation period which allows for certain matters to be clarified, ComReg asked respondents if they agree or disagree with ComReg's proposal that Eircom should continue to be the universal service provider for the elements specified (section 5) during the next designation period, **unless** there were expressions of interest from other providers.

Next Designation period

Respondents' views

61 No expressions of interest were received.

62 Magnet overall agreed with ComReg's proposal to designate Eircom. It is of the view that no other party will express an interest unless they understand the uneconomic areas. It is of the view that economic services, such as the phonebook and NDD, should be put to tender.

63 BT proposes that ComReg should consider modifying its proposal so as not to include all elements in the next universal service designation.

64 Telefónica is of the view that a full review, including consulting with industry and the public should be undertaken and that certain aspects should be dropped. It also states that given the time and evidence available it was not possible for operators to submit expressions of interest.

65 Vodafone states that it requires further information to assess ComReg's proposal and proposes that further relevant information, received by ComReg in Eircom's funding application for 2009/2010, should be made available to stakeholders immediately so that they can provide considered responses. It requests that ComReg immediately assess the relevant information, submitted by Eircom in its fund application and make it available to stakeholders prior to ComReg issuing its final decision. Vodafone also proposed that ComReg should accept further comments from respondents as a result of the information provided.

- 66 Eircom is of the view that ComReg's approach is not in accordance with the requirements of the regulations ("*to adopt efficient, objective, transparent and non-discriminatory designation mechanism*") as it discriminates against Eircom. As Eircom is the only undertaking with the required information other undertakings are not in a position to decide if they are willing to provide aspects of the universal service. It claims that Eircom is not given an opportunity to decide if it is 'willing' to continue to discharge the USO, nor was it in the past on each occasion of re-designation.
- 67 Eircom also claims that its application will give little or no insight to other undertakings as to their costs of delivering Universal Service as this is specific to Eircom. It does not accept the view that information contained in its application is relevant or necessary in order for other undertakings to be considered by ComReg.

ComReg's position

- 68 ComReg has carefully considered the view of respondents.
- 69 ComReg notes that in respect of certain elements, such as access at a fixed location, it is difficult for other undertakings to submit expressions of interest in the absence of further information. However, in the case of other areas where details are known i.e. directories, interested undertakings would have been able to submit an expression of interest.
- 70 ComReg does not agree that its approach is discriminatory against Eircom and it does not agree that Eircom is not given the opportunity to decide if it is 'willing' to discharge the USO. As has been the case for past designations, ComReg has carefully considered Eircom's responses. Eircom's ability to provide the elements of the USO, its associated experience and its network are factors considered by ComReg in proposing Eircom as the USP. Eircom has also demonstrated its willingness to be the USP in the past, because it has accepted its previous designations as the USP. Even if Eircom was unwilling to be the USP, this would not of itself prevent ComReg from designating it as the USP. Before designating a USP, ComReg should have some evidence about the willingness and capability of the undertaking in question to be a USP. Clearly, ComReg will not have such evidence, unless it receives expressions of interest and/or detailed proposals/tenders. This has not occurred. However, in Eircom's case, ComReg does know that Eircom is capable of being the USP (and apparently willing). In fact, if all other undertakings in the State were incapable, ComReg would, (irrespective of Eircom's willingness) have to designate, as relevant, Eircom as the USP, given ComReg's statutory obligation to designate a USP and having regard to Eircom's historical role as a capable USP.

- 71 ComReg agrees that the costs submitted in Eircom's application, as relevant, may not be indicative of costs that other undertakings may incur in providing a USO. However, ComReg disagrees that the information is not relevant or necessary in order for other undertakings to be considered by ComReg. For example, as already stated by ComReg, in respect of access at a fixed location, information in respect of uneconomic areas and customers is required to inform ComReg's approach to future designation periods and methods for this obligation. The same principle would apply in respect of uneconomic payphones.
- 72 ComReg remains of the view that Eircom is the most appropriate undertaking to be designated for the elements of Universal Service for the next designation period.

Future Designation periods

Consultation Issue (Questions 5 -7)

- 73 ComReg invited respondents to comment on aspects for future designation periods (after the proposed next designation period), including ComReg's approach to future designation methods for the provision of required elements of universal service, further comments or suggestions about future designation methods, after the proposed next designation period, (to June 2014) and in respect of future designations covering only certain geographic areas and/or customers.
- 74 As stated in the consultation, ComReg does not intend to respond to questions 5, 6 and 7 in this response to this consultation. ComReg will consider the responses it received when appropriate in the context of deciding future designation methods.

5 Scope of the Universal Service

5.1 Consideration of broadband as a universal service

75 On 3 March 2010, the European Commission issued a public consultation (consultation on future universal service in the digital era).¹⁷ On 23 November 2011, the European Commission issued its report on the outcome of the public consultation and the third periodic review of the scope in accordance with Article 15 of Directive.¹⁸ The report provides an indication of the proposed approach by the European Commission to some aspects of universal service, including mobility (in terms of access) and broadband. However, the impact, or timing, of any legislative changes arising from this report is not yet clear.

76 While 'broadband for all' is stated as a policy objective at European and national level, the European Commission continues to deliberate on the role of universal service in meeting this objective. The European Commission's report states that:

"Given the large sums needed to ensure broadband coverage through USO and the potential impact on industry and consumers, Member States need to carefully analyse whether national conditions warrant the extension of USO to broadband, taking into account the risk of social exclusion as well as possible distortion of competition and undue burden on the sector."

77 The report also concludes that:

"The Commission currently does not see a need to change the basic concept and principles of universal service as an instrument for preventing social exclusion. At this stage, it would not be appropriate to include mobility or mandate broadband at a specific data rate at EU level."

78 Some countries may seek to use universal service as a mechanism to bring broadband to all its citizens, while others may seek to achieve this objective by other means, such as State-funded schemes or other broadband availability programmes. ComReg notes that broadband, if appropriate, may be encompassed in the definition of universal service under the current legislation, through the specification of Functional Internet Access (FIA).

¹⁷ http://ec.europa.eu/information_society/policy/ecomm/library/public_consult/universal_service_2010/

¹⁸ Universal service in e-communications: report on the outcome of the public consultation and the third periodic review of the scope in accordance with Article 15 of Directive 2002/22/EC.

- 79 ComReg has considered a number of factors and developments in the Irish telecommunications market to determine if it is appropriate, at this time, to include Broadband in the scope of universal service. The points below provide details of the most relevant considerations.
- 80 ComReg's recent quarterly report¹⁹ states that the total number of broadband subscriptions in Ireland for Q4 2011 was 1,664,214. The estimated broadband household penetration rate was 55.4% in Q4 2011 and the broadband per capita penetration rate (including mobile broadband) was 36.3%. These figures indicate that broadband services are continuing to be taken up by Irish consumers.
- 81 For those consumers who require broadband and do not have access, ComReg is aware of the importance of Government policy and, in particular, Government strategies and initiatives to advance the availability of broadband, such as the National Broadband Scheme (NBS) and the more recently announced Rural Broadband Scheme (RBS).²⁰
- 82 The objective of the NBS is to make a basic broadband service available to certain specified target areas in Ireland in which broadband services were deemed to be insufficient. Under a contract, 3 Ireland is required to provide services to all premises in the NBS area who seek a service. ComReg understands that the NBS contract runs until August 2014.
- 83 The RBS has been established to enable a basic broadband service to be provided to individual rural premises outside the NBS area which are not capable of obtaining a broadband service from existing internet service providers. The Scheme has been set up in conjunction with the Department of Agriculture, Food and the Marine as a measure under the Rural Development Plan, using funding from the European Economic Recovery Programme.
- 84 Approximately 3,700 applicants initially qualified under the terms of the scheme and ComReg understands that the verification phase is now underway to establish whether applicants can be served without market intervention by Government. Indications from DCENR suggest that it seems probable that the vast majority of remaining eligible applicants can be offered a service from a commercial provider, thereby potentially obviating the need for any State intervention.

¹⁹ Figures from ComReg Quarterly Key Data Report, Data as of Q4 2011: ComReg Document No. 12/20, March 2012.

²⁰ <http://www.dcenr.gov.ie/Communications/Communications+Development/Rural+Broadband+Scheme/>

- 85 In addition, ComReg understands that it is the Minister's²¹ intention to publish a National Broadband Plan for Ireland later this year which will set out a range of policy commitments and actions aimed at accelerating the rollout of high speed broadband across Ireland.
- 86 In light of the Government broadband schemes that are ongoing and its planned actions, ComReg does not believe that it would be appropriate at this time for it to also seek to expand broadband availability, by mandating it as a universal service.
- 87 ComReg understands that for consumers with broadband subscriptions, the speed of their service is an important factor. In Q4 2011 approximately 74.5% of all broadband subscriptions were at contracted speeds of equal to or greater than 2Mbps. These figures suggest that the associated speeds of broadband services are continuing to increase.
- 88 In ComReg's most recent residential ICT survey,²² 30% of residential consumers said that they found the speed of their broadband connection slower than expected. ComReg is of the view that the availability of transparent, user friendly information for actual speeds experienced by consumers when using broadband products is important for informing consumer choice. Accordingly, ComReg has commenced a project with the objective of developing and piloting a methodology and a tool for measuring and publishing broadband speeds experienced by consumers using different platforms. This should allow users to obtain comparable information on available broadband speeds, by operator package, by county and by time of day.
- 89 There are a number of current market and technological developments that will drive broadband availability and an increase in broadband speeds in the near term.
- 90 On 16 March 2012, ComReg published its response to consultation and decision for the auction of a number of individual rights of use in the 800 MHz, 900 MHz and 1800 MHz radio spectrum bands.²³ This auction will offer spectrum rights of use across these three critical bands for the period 2013 to 2030. The spectrum rights of use being auctioned, in particular the 800 MHz and 900 MHz spectrum bands, are highly suitable for advanced mobile services due to their excellent propagation properties which give high quality and wide area coverage, plus improved in-building reception.

²¹ Minister for Communications, Energy and Natural Resources.

²² ICT usage among residential consumers, November 2011, ComReg 11/96a.

²³ ComReg 12/25(D04/12) Multi-band Spectrum Release Release of the 800 MHz, 900 MHz and 1800 MHz Radio Spectrum Bands.

- 91 Services based on LTE (Long Term Evolution) mobile technology are considered likely to be launched in Ireland in the near future, using the liberalised spectrum bands that ComReg is now proposing to make available, thereby ushering in a new era of advanced wireless services including fast, high capacity mobile broadband.
- 92 In theory, broadband availability could be expanded through the universal service. However, it is clear that the NBS, RBS and developments in spectrum and NGA are potentially very significant for increased broadband availability in Ireland in the medium-term. Accordingly, because of these developments and because the market is at such an important stage in its evolution, ComReg considers it prudent for the time being to continue to observe the effect of technological developments and market provision in relation to broadband availability.
- 93 Therefore, ComReg does not at this time propose to define Functional Internet Access (FIA) at a rate necessary to deliver broadband.
- 94 Notwithstanding the above, ComReg intends to re-examine this issue carefully in 2014, when the effects of many of the current market and technological developments will be visible and the DCENR's broadband schemes will have been completed.

Consultation Issue (Questions 8 and 9)

- 95 ComReg proposed not to include Broadband, at this stage, in universal service and it also proposed to review its consideration of broadband as a universal service no sooner than 2014 and invited comments on this proposal.

Respondents' views

- 96 The majority (7) of those that did respond (9) agree that broadband should not be included in universal service at this time. Respondents are of the view that the current developments, detailed by ComReg, indicate that including broadband would be premature at this stage.
- 97 Intel and Magnet disagree and are of the view that broadband should be included in universal service.

98 Intel supports making a USF available for all means of communicating including traditional telephone and broadband connections. It is of the view that universal service could greatly assist in achieving the EC's 'broadband for all' objective. Intel is of the view that the solution should be flexible to take account of penetration rates and other considerations avoiding unreasonable costs. Intel is also of the view that broadband adoption is also an important factor for Governments to consider and it proposes a range of demand-side initiatives. Intel recommends establishing a universal service fund including broadband in a transparent manner utilising public funds from general tax revenue.

99 Magnet is of the view that, as the government appears to have concluded their consultations in respect of national and rural broadband, including broadband in universal service would ensure that all would have access to data as well as phone. Magnet is of the view that 2MB would be an appropriate speed.

100 Most respondents are of the view that a review in 2014 is appropriate, in light of current developments already detailed. However Intel and Magnet do not agree and are of the view that broadband should be included at this juncture.

101 Eircom is of the view that ComReg should commence its review now to ensure a coherent and consistent regime for access to services at a fixed location by the time of the commencement of the next designation period. It notes the expiry date of the NBS.

ComReg's position

102 In addition to the analysis already provided in the consultation (detailed above), ComReg also notes the European Commission's reference to broadband in Ireland in its recent publication²⁴ which states:

103 "In order to accelerate the roll out of next generation broadband the Minister for Communications, Energy and Natural Resources established the Next Generation Broadband Taskforce (NGBT) in June 2011. Ireland has completed the National Broadband Scheme in 2010 and has launched the Rural Broadband Scheme in 2011. Delivering such schemes on a national basis means that Ireland will meet the EU Commission's Digital Agenda for Europe target of having a basic broadband service available to all areas by 2013."

104 Having carefully considered the respondents' views, ComReg remains of the view that it is not appropriate in Ireland at this time to use the universal service as a mechanism to increase broadband availability and that it should await until the effects of the current developments become clearer.

²⁴ Electronic Communications Policy Implementation of Regulatory Framework, 18 June 2012 – IRELAND 2011 - Telecommunication Market and Regulatory Developments http://ec.europa.eu/information_society/digital-agenda/scoreboard/countries_2012/country_ie.html

105 However, ComReg agrees that between now and its planned review in 2014, it should continue to closely monitor developments and re-assess whether there is a demonstrable case for including broadband in the universal service.

5.2 Provision of Access at a Fixed Location

106 A fundamental requirement of the USO is that all “reasonable” requests for connection to the public telephone network are met by at least one operator. Eircom, as the USP, is currently required to satisfy any reasonable request to provide a connection to the public telephone network at any fixed location in the State.

107 Any connection provided by a designated undertaking must be capable of allowing consumers to make, and receive, the following:

- Local, national and international telephone calls.
- Facsimile communications.
- Data communications, at data rates that are sufficient to permit functional internet access.

108 The obligation to provide access at a fixed location is technologically neutral. This means that in theory, alternative technologies (other than the traditional copper network) can be used to deliver this obligation.

109 In considering whether or not the need exists to designate an undertaking to provide access at a fixed location, ComReg notes that, in Q1 2012, the mobile penetration rate was 107.6%,²⁵ excluding mobile broadband. However, it is also noted that current mobile licence conditions (GSM) specify a minimum coverage requirement ranging from 80% to 99%, measured as a percentage of population, and that coverage is measured on an outdoor basis²⁶. It is estimated that there were 2,167,862 fixed market retail subscriptions in Q1 2012 across both business customers and residential consumers (a business customer may have multiple subscriptions). 60.6% of these subscriptions were single play (voice only). These figures indicate a significant continued demand for a fixed voice service.

²⁵ Figures from ComReg Quarterly Key Data Report, Data as of Q1 2014, ComReg12/64_R, June 2012.

²⁶ Indoor coverage may be impractical to measure (i.e. access to private dwellings etc.) and there is no international standard method of calculation i.e. simulation.

110 In addition, ComReg's recent ICT residential survey²⁷ shows that 77% of homes have a fixed line compared with 97% that have a mobile. Despite this, the research found that there are only 23% homes that are mobile only homes and that the likelihood of fixed phone ownership increases with age. The business ICT survey found that 54% of businesses are dependent on their fixed line to do business.²⁸

111 In terms of consumer choice in the fixed line market Eircom, is the largest revenue earning operator in the market with 55.8% market share. ComReg estimates that the next six largest operators (BT, UPC, Vodafone (fixed only), Cable and Wireless, and Imagine) contribute a further 31.8% of industry revenue.

112 Despite the available choice, ComReg remains concerned that some customers who require a service at a fixed location would not be provided with, or would not continue to be provided with, such a service absent the universal service obligation. Such customers or areas which would not be provided with a service without a USO are termed "uneconomic areas" or "uneconomic customers." ComReg will need to assess Eircom's application for a USF, (for 2009/2010) to obtain further details in relation to uneconomic areas and uneconomic customers.

113 A fixed line service continues to be chosen by a significant majority of households in the State. In order to ensure that all customers can continue to avail of a service at a fixed location, irrespective of their location, ComReg was of the preliminary view that access at a fixed location for the entire State should remain a universal service obligation, for the next designation period.

Consultation issue (Question 10)

114 ComReg stated that it would carefully consider any submission that it received from interested parties for the provision of access to a fixed location throughout the State, or a defined territory within the State. In the absence of compelling evidence to the contrary (including any expressions of interest from other operators, as indicated in Section 4), ComReg was of the preliminary view that the principal factors, including network reach, experience and ability to satisfy reasonable requests for connection, that resulted in Eircom being designated as the USP with respect to access at a fixed location in July 2010 remain present in 2012. ComReg proposed that Eircom should be designated as the USP with respect to access at a fixed location for the entire State for the next designation period and it invited comments.

²⁷ ICT usage among residential consumers, November 2011, ComReg 11/96a.

²⁸ 19% of business respondents were in a rural area or village.

Respondents' views

115 No expressions of interest were received.

116 Three of the respondents are of the view that Eircom should be designated as the USP for access at a fixed location for the next designation period. In this context, respondents state that Eircom has ubiquitous access and national reach. However, Telefónica is of the view that the period of designation should be a minimum period as it claims that ComReg has failed to justify its position on the scope and designation process.

117 UPC disagrees and questions if there is still a need for a policy provision to ensure the availability of telephony services and also it questions the need for any alignment with a fixed network.

118 Magnet states that no other operator will put themselves forward without the requisite information and it proposes a tender for certain aspect including NDD, phonebook etc.

119 Vodafone states that its ability to comment is severely curtailed by lack of information relating to the current provision of universal service such as uneconomic customers or areas and it calls on ComReg to provide industry with further information now available subsequent to Eircom's application for a USF.

120 Eircom does not agree with being designated as the Universal Service Provider for access at a fixed location in light of the current quality of service targets specified in ComReg Decision D02/08 and states that a discussion of the appropriate performance targets should have occurred during this consultation.

ComReg's position

121 ComReg has carefully considered the views of respondents.

122 ComReg notes that no expressions of interest were received. However, ComReg agrees that, as already detailed, information regarding uneconomic areas and customers is an important factor in respect of future designation of access at a fixed location. ComReg has only recently received a USF application from Eircom, containing specific relevant details. On foot of this application ComReg immediately informed industry of the application and the amount applied for²⁹. However, ComReg is not in a position at this time to provide further information to stakeholders, but intends to provide relevant information in due course.

²⁹ ComReg 12/57.

123 ComReg remains of the view that the universal service regime imposed on Eircom (the USP) is reasonable and proportionate. Indeed, ComReg notes the performance improvements achieved by Eircom subsequent to the establishment of the performance regime in 2008. The improvements are attributable to both ComReg's initiative and Eircom's considerable efforts, which ComReg has previously acknowledged.³⁰ ComReg Decision D02/08 was lawfully made and has been applicable since May 2008.

124 In accordance with timelines required to carry out the tasks identified and set out in paragraph 30 above, ComReg remains of the view that it is appropriate to designate Eircom, for a period of 2 years to provide access at a fixed location.

Requests for connection

125 The fundamental requirement of universal service is that all reasonable requests for connection at a fixed location are met. There are many factors to be considered in ensuring that the requirements of consumers are met.

126 Currently, the USP is required to treat all requests for connection at a fixed location to the public telephone network, and for access to publicly available telephone services at a fixed location, as reasonable if the estimated expenditure involved in meeting the request is not greater than €7,000 and the applicant agrees to the payment of the standard connection charge.

127 In the majority of cases, the USP should not have any significant difficulties in providing network connections throughout the country, or defined territory within the State. Eircom, by virtue of its ownership of the public switched telephone network (PSTN), is capable of meeting the reasonable requests of consumers on a nation-wide basis. In addition, Eircom remains the major fixed line provider in the market, with a current estimated market share of 55.8%. ComReg notes that many fixed-line operators which offer competing services do so via Eircom's network. However, in some cases, fixed-line operators offer competing services over their own networks.

128 Although new housing has declined, where a dwelling is in a rural area and/or is a one-off development, the provision of a telephone connection can be disproportionately expensive. In this context, ComReg Decision D09/05 stated that all requests for connection involving expenditure below €7,000 are to be considered reasonable and requests above €7,000 will still be considered reasonable providing the requesting party agrees to cover the excess connection costs above €7,000 - known as the Reasonable Access Threshold ("RAT").

³⁰ ComReg Information Notice 11/79.

129 ComReg notes that the provision of access at a fixed location is technology neutral and therefore, new, perhaps more cost effective, technologies can be used to fulfil a request.

130 The average cost of providing connections is already reflected in standard charges. ComReg therefore anticipates that any requirement for incremental charges should impact upon very few applicants.

131 In assessing an appropriate level for a threshold, ComReg sought to ensure that only in exceptional cases would consumers have to pay charges over and above the standard connection charge.

132 ComReg understands that applications involving excess charges would rarely occur. In 2010 and 2011 ComReg understands that only a small number of customer's applications were estimated to be above the RAT of €7,000.

133 If Eircom were to be allowed to charge additional fees for a significant number of connections there could be a risk of over-recovery of costs.

134 ComReg considers that there are no details at this point to suggest that the threshold no longer provides a good balance between the interests of the majority of consumers in keeping costs down, and the needs of applicants in remote areas.

135 Therefore, it was ComReg's preliminary view that the threshold (RAT) remains appropriate.

Consultation issue (Question 11)

136 ComReg sought views in relation to the current Reasonable Access Threshold (RAT).

Respondents' views

137 Vodafone is of the view that the RAT should be aligned with the cost of providing the most cost effective solution for access at a fixed location.

138 BT is of the view that as broadband is not being proposed to be included, more cost efficient solutions, other than copper, could be deployed. In this context, BT proposes that the RAT should be significantly reduced.

139 Magnet is of the view that the RAT is reasonable and also state that with NGA, which is 95% cheaper than copper, connections should be future proofed.

140 Eircom is of the view that the current RAT will not deliver a reasonable return on investment. Eircom states the fact that there are a small number of connections above the threshold does not mean that other connections provided below the threshold are economic. Eircom is of the view that the RAT should be reviewed such that the average incremental cost to Eircom is less than the average incremental revenue.

ComReg's position

141 ComReg has carefully considered the views of respondents.

142 ComReg agrees that for each request for connection the most cost efficient solution, that meets the requirements of the universal service, should be put in place. ComReg anticipates that the least cost technology option available would be utilised when providing a connection provided that the connection is capable of allowing access to all the required elements of telephony services.

143 ComReg is also of the view that consumers who require access at a fixed location from the USP, should not have to pay unreasonable costs to obtain it, as this would run contrary to the principles of a universal service.

144 In light of technological developments, ComReg proposes to commence a review of the RAT in Q4 2012.

5.3 The requirement for a printed telephone directory

145 As USP, Eircom is also obliged to provide a printed telephone directory. Eircom also provides the telephone directory on-line at www.eircomphonebook.ie.

146 ComReg notes that there are now 4 operators offering multiple national Directory Enquiry (DQ) services. In 2011, ComReg introduced a new facility on its www.callcosts.ie website to allow consumers compare the cost of calls (including connection to each DQ provider). There is a variety of prices depending on the network operator and the DQ service provider.

147 In 2010, ComReg's Forum on Electronic Communications Services for People with Disabilities worked on a voluntary initiative with service providers which resulted in a number of fixed and mobile providers, providing free access to a special directory enquiry service for their customers with disabilities. ComReg intends to consult on proposed measures for people with disabilities regarding access to directory/directories of subscribers, in its upcoming consultation in respect of equal access and equal choice for consumers with disabilities, in accordance with Regulation 17 of the Regulations.

148 ComReg also sought the views of its Consumer Advisory Panel, which noted that the printed directory provides consumers with useful information which may not be available by other similar means (for example, access to details and contact information for Government services). ComReg also notes its Business Survey³¹ observed that one quarter of all businesses consider access to a printed telephone directory as essential for their business.

149 ComReg has been considering whether or not subscribers should have the option of indicating a preference for receiving, or not receiving, the printed telephone directory. ComReg notes that for those who do not have internet access, the printed directory is the only free mechanism to access a comprehensive list of subscribers (except for those using the free directory enquiry service for consumers with disabilities). Therefore, ComReg was of the preliminary view that the printed directory (directories) should be provided, except for those that request not to receive it, on the basis that ComReg understands that this option would not have any significant impact on any claimed net cost of the USO, as relevant.

150 ComReg considered that consumers should receive a printed directory (unless they have requested not to) relating to the area where they are located. However, subscribers are entitled to a comprehensive subscriber listing and in this respect, must be able to request and receive a directory for each other area/location.

Consultation issue (Questions 12-14)

151 ComReg asked if the present provision of directory enquiry services on a commercial basis continues to meet the needs of consumers.

152 ComReg also sought views on the continued requirement to provide a printed directory to all consumers, unless the consumer requests not to receive it.

153 ComReg proposed that, in the absence of compelling evidence to the contrary (including any expressions of interest from other operators), taking into account factors such as existing infrastructure, experience and ability to fulfil the directory service obligations, that Eircom should be designated as the USP with respect to the provision of a subscriber directory, for the next designation period.

154 All those who provided comments were in agreement that current directory enquiry services provided on a commercial basis meet the needs of consumers.

³¹ ComReg Business ICT Survey, April 2010 - <http://www.comreg.ie/fileupload/publications/ComReg1033.pdf>

155 Eircom and Golden Search Ltd. (“Golden Search”) agree with the proposal to continue to require the printed directory, but on an opt-out basis, as part of the Universal Service. Eircom stated that its agreement to provide the printed directory is based on Eircom being adequately compensated for any consequential burden arising.

156 Eircom and Golden Search are of the view that providing the facility to opt-out of receiving the printed directory will enable consumers to make the choice for themselves. Eircom also proposes that the introduction of delivery charges could incentivise migration away from the printed directory and it asserts that this would have the benefit of reducing the Directory net cost to be recovered through a fund.

157 Golden Search provided a detailed explanation of how the opt-out process would operate in practice.

158 Five respondents are of the view that the obligation to provide a printed directory is not required as there are other means for consumers to obtain the numbers/information.

159 A number of respondents are of the view that if the printed directory is to continue to be a Universal Service Obligation, then it should be on an opt-in basis.

160 Telefónica and BT are of the view that the printed directory provided on an opt-in basis would assist in meeting the USO because of cost savings. BT asserts that consumers would not opt-out of something that is free and it also claims that an opt-in basis would be of benefit to the environment.

161 Vodafone agrees that there is an ongoing requirement for a significant cohort of customers to be provided with a printed directory. It states that it does not agree with Eircom being designated as the USP and that ComReg should have requested further information from Eircom to support the proposal.

162 Magnet is of the view that a request for tender should be published. It also states that consumers can refuse to receive the printed directory.

ComReg’s Position

163 ComReg has carefully considered the views of respondents.

164 ComReg notes that all those who provided comments were in agreement that current directory enquiry services provided on a commercial basis meet the needs of consumers.

165 ComReg is of the view that the provision of a printed directory to all subscribers is a commercial proposition and ComReg does not envisage a net cost in providing it. ComReg is concerned (as detailed in its consultation in 2010) that mandating the provision of the printed directory on an opt-in basis would increase costs due to additional distribution charges and reduced revenue from advertising. However, in light of Eircom's comments in respect of the provision of the directory on an opt-out basis, ComReg is also concerned that this model will incur unnecessary and unjustified costs.

166 ComReg notes that no other provider has expressed an interest being the USP, although ComReg believes that sufficient details of the requirements/obligations are publically available.

167 In light of ComReg's concerns about additional costs, as relevant, if the delivery model were to be altered, ComReg is of the view that Eircom should continue to be the USP based on the current delivery model i.e. no ability for the consumer to opt-in or out of receiving the directory.

5.4 Public pay telephones

168 The Regulations provide that a designated undertaking shall ensure that public payphones are provided to meet the reasonable needs of consumers in terms of geographical coverage, number of telephones, accessibility of such telephones to consumers with disabilities and the quality of service. The USO payphones cover those located on the street and in other public areas available to the public at all times.

169 The Regulations define a public payphone as:

“a telephone available to the general public for the use of which the means of payment may include coins, credit cards, debit cards, or pre-paid cards, including cards for the use of dialling codes.”

170 The current requirements, therefore, oblige the USP to ensure that, where possible, all public payphones provide for a number of payment means. In addition, it must be possible to make emergency calls free-of-charge from all public payphones. The ubiquity of Eircom's network is relevant in the context of the provision of public payphones, as the capability to provide public payphones throughout the country is clearly dependent on that ubiquity.

171 The average number of USO payphones operated during the period January 2012 to March 2012 was 1396.³² This is a decrease of 81 USO payphones, from 1,477,³³ since the same period in 2009 (prior to the last designation). Despite the decline in numbers of USO payphones and use, based on 2011 usage figures submitted by Eircom to ComReg, it is apparent that payphones continue to provide a basic service to many people throughout the State, indicating their continued necessity. A public payphone may be valued and needed by many people without a land-line or a mobile phone or those away from home, or those whose mobile phone is out of credit, or those who, for whatever reason, choose to use a payphone instead of their mobile phone.

172 The average number of calls, from some USO phones seems relatively low; this may be explained because of possible lower footfall associated with more extreme rural areas where USO payphones may be located. Should the obligation be removed, it is expected that only economic payphones would be retained. However, payphones which are not economic because they are located in more extreme rural areas may be more relied upon by vulnerable consumers. In this respect, ComReg notes that payphones continue to be used to make calls to 1850/1890 numbers, to emergency services, to mobile numbers, and to local and international numbers. Furthermore, consumers also use payphones for the reverse charge calls service and for pre-paid phone cards.

173 As a consequence primarily of the growth in mobile telephony, further reductions in the number of payphones in both urban and rural areas may be unavoidable due to a possible further fall in demand for public payphones. However, in effecting any reduction in the number of payphones, the USP must ensure that the USO is met and, in this respect, ComReg 06/14 – Removal/Relocation of Public Pay Telephones³⁴ sets out the process to be adopted by Eircom.

174 However, ComReg understands that there are a number of USO payphones that continue to be vandalised and therefore, there may be difficulty maintaining them in working order (in accordance with ComReg 06/14). During Q1 2012, 6.4% of payphones were not in full working order; this was 9 % in the previous quarter.

³²Provision of Universal Service by Eircom, Performance Data – Q1 2012 (1 January 2012 to 31 March 2012) - <http://www.comreg.ie/fileupload/publications/ComReg1266.pdf>

³³Provision of Universal Service by Eircom, Performance Data – Q4 2009 (1 October 2009 to 31 December 2009) - <http://www.comreg.ie/fileupload/publications/ComReg1020.pdf>

³⁴ <http://www.comreg.ie/fileupload/publications/ComReg0614.pdf>

175 In light of this, ComReg intends to undertake a detailed review of the current USO payphones with maintenance issues, to ascertain what should be done in such circumstances. ComReg also plans to undertake a review of uneconomic USO payphones, after assessing Eircom's 2009/2010 USF application, to establish their continued need. Based on this review, ComReg may seek to amend the universal service obligation in respect of payphones and/or the payphone removal policy.

176 ComReg will carefully consider any submissions that it receives from interested parties for the provision of public payphones throughout the State, or a defined territory within the State. In the absence of compelling evidence to the contrary (including any expressions of interest from other operators), ComReg was of the preliminary view that the principal factors, including existing infrastructure, network reach and experience, that resulted in Eircom being re-designated as the USP with respect to the provision of public payphones in July 2010 remain present in 2012.

Consultation issue (Question 15)

177 ComReg sought views on its proposal that Eircom should be designated as the USP with respect to the provision of public payphones throughout the State for the next designation period.

Respondents' Views

178 No expressions of interest were received.

179 The majority of respondents are of the view that there is no requirement to continue an obligation in respect of payphones as part of the universal service. Many respondents (BT, Eircom, Telefónica, Vodafone and UPC) claim that given Ireland's mobile penetration rates, the need for payphones is outdated.

180 Magnet is of the view that as Eircom already has the presence, they should be designated.

181 BT is of the view that payphones should be phased out. It welcomes ComReg's proposal to undertake a study of uneconomic payphones and it proposes that ComReg seeks to ascertain if consumers will be serviced by alternatives if payphones were to be removed.

182 Vodafone proposes that a cost-benefit analysis should be undertaken by ComReg to ascertain if there is justification for continuing the obligation.

ComReg's Position

183 ComReg has carefully considered the views of respondents.

184 ComReg agrees that in certain areas and certain circumstances, there are alternatives to payphones available to consumers. However, ComReg remains concerned that if the obligation were removed that it would be the uneconomic payphones that would be discontinued.

185 ComReg notes that the USP is permitted to remove/relocate payphones.

186 However, in effecting any reduction in the number of payphones, the USP must ensure that the USO is met and, in this respect, ComReg 06/14 – Universal Service Obligation - Removal/Relocation of Public Pay Telephones applies.

187 ComReg agrees that, on foot of the information received from Eircom as part of its USF application, a more detailed analysis can be conducted.

188 ComReg remains of the view that until such an analysis has been completed, it is in the best interests of users of uneconomic payphones, considering the objectives of a universal service, to retain the obligation.

189 ComReg intends to undertake a detailed review of the current USO payphones with maintenance issues, to ascertain what should be done in such circumstances. ComReg also plans to undertake a review of uneconomic USO payphones, after assessing Eircom's 2009/2010 USF application, to establish their continued need. Based on this review, ComReg may seek to amend the universal service obligation in respect of payphones and/or the payphone removal/relocation policy.

5.5 Provision of Universal Service to Consumers with Disabilities

190 The Regulations provide for specific measures for consumers with disabilities. ComReg can specify obligations applicable to designated undertakings for the purpose of ensuring that consumers with disabilities can enjoy access to, and affordability of, publicly available telephone services equivalent to that enjoyed by other consumers.

191 In June 2010, the following obligations were imposed on the USO with respect to the provision of services to consumers with disabilities:

192 For consumers who are **hearing-impaired**:

- Inductive couplers which allow consumers with a hearing aid set to connect the set to their telephone to allow them to hear incoming speech clearly.

- Amplifier phones which allow the user to increase the volume of incoming speech.
- Teleflash Visual Alert which shows a flashing light, or makes a loud noise when the telephone rings.

193 For consumers who are hearing and/or speech impaired:

- A text Relay Service providing facilities for the receipt and translation of voice messages into text and the conveyance of that text to the textphone of customers of any operator, and vice versa.
- A rebate scheme whereby, as a result of the time taken to make a text telephone call, equality of payment for deaf text telephone consumers can be assured.

194 For consumers who have limited dexterity or mobility:

- Push button telephone sets with speed and automatic redial buttons allowing pre-programmed telephone numbers (typically the most called numbers) or last called telephone numbers to be dialled without having to re-enter the telephone number.
- Hands free/loudspeaker phones means that the handset does not need to be used.

195 For consumers who have restricted vision:

- Restricted vision telephones which can help people with restricted vision to find other numbers more easily.
- Braille billing, free-of-charge.
- Special directory enquiry arrangements which allow those consumers unable to use the telephone directory, as a result of a disability, to use a directory enquiry service, free-of charge.
- In addition, the USP was required to develop and publish a Code of Practice for the provision of services to consumers with disabilities and is available on the Eircom website at:

http://www.Eircom.ie/bvEircom/pdf/code_of_practice_disability.pdf

196 ComReg notes that, in some cases, the mandatory set of obligations may be less than voluntary measures being provided by operators (for example, the provision of free directory enquiry service for consumers with disabilities by operators, in addition to Eircom, as initiated by ComReg's Forum on Electronic Communications Services for People with Disabilities).

197 ComReg also notes that the Amending Directive aims to assist in ensuring that consumers with disabilities have access to electronic communications services equivalent to that enjoyed by the majority of consumers and in ensuring that consumers with disabilities can benefit from the choice of undertakings and services available to the majority. ComReg is planning to shortly commence a consultation on measures to do with accessibility of telecommunication services, in accordance with Regulation 17 of the Universal Service Regulations. Pending this, ComReg proposes that the current set of measures provided by the USP be maintained.

198 It should be noted that it was ComReg's preliminary view that these obligations would apply to whatever USP(s) are designated by ComReg. Any party expressing an interest in fulfilling any of the relevant elements of the USO in all, or part, of the State should address how it would fulfil these obligations.

Consultation issue (Question 16)

199 ComReg asked if the current set of obligations is appropriate for consumers with disabilities in the context of the current scope of universal service, for the next designation period.³⁵

Respondents' Views

200 The majority of respondents agreed that the proposed measures appear appropriate.

201 Magnet notes that the provision equipment may be onerous on Eircom and that specialised equipment may be obtained from other sources.

202 Eircom noted ComReg's planned consultation in respect of people with disabilities and that pending any decision in this respect, the obligation should be maintained.

ComReg's position

203 ComReg has carefully considered the views of respondents.

³⁵ Note that obligations in respect of consumers with disabilities applicable to all undertakings will be considered in ComReg's consultation, in accordance with Regulation 17. A related decision may render it unnecessary to place certain related obligations on the USP.

204 ComReg remains of the view that the measures it proposed are appropriate for the USP pending its consultation in respect of equal access and equal choice for people with disabilities.

5.6 Affordability

205 The Irish economy has experienced a major recession since the last designation in 2010. Ireland, with a relatively small market, is particularly dependent on international trade and is, therefore, particularly vulnerable to global economic trends. According to the CSO, employment fell from 1.9 million in September 2009 to 1.8 million by the end of December 2011, a decline of 5%, ComReg survey data observes that the average residential spend on fixed line telephone bills is around €51 per month³⁶.

206 Universal service is not only about enabling people to be connected to a fixed telephone network - it is also important that all consumers who wish to remain connected to the fixed network can do so. In the context of universal service, Eircom's Disconnection Policy, and the associated number of disconnections, has an impact on the number of people connected to the fixed network. Universal service is not truly universal if many people are left without access to a telephone, (It is recognised, however, that disconnections may also result for other reasons, such as fraud or the deliberate non-payment of bills).

207 With regard to the relevance of disconnections to universal service, ComReg considers that this issue is important in the context of enabling subscribers to control their telephony expenditure. The level of disconnections may be a barometer of the effectiveness of the existing measures which facilitate such control. In addition to the measures outlined below, the Eircom Disconnection Policy (as set out in its Code of Practice for Complaint Handling³⁷) includes notification measures for subscribers who fall into payment arrears. This policy appears to continue to have a positive effect by reducing the number of subscribers that may have been disconnected from the network.

³⁶ ICT Usage among residential consumers, November 2011 (ComReg1196a.pdf).

³⁷ Available on the Eircom website at www.Eircom.ie; see Annex 2.

208 The Regulations require designated undertakings to adhere to the principle of maintaining affordability for the set of universal services, that is, provision of access at a fixed location, directory enquiry, and public payphones. In particular, affordability has to be maintained for vulnerable user groups, such as the elderly, those on low incomes and for consumers with disabilities. From the perspective of consumers and the competitiveness of the economy generally, Irish communication costs should not exclude the most vulnerable in the community from making a minimum use of telephony services. While communications services are a basic necessity for all consumers, ComReg considers that protections for vulnerable customers should remain in place. These should aim to protect vulnerable customers from a rapid increase in overall bills.

209 At present, affordability is maintained through a number of different schemes, including:

- a. Within the retail price cap regime – this provides a safeguard on consumer’s line rental and connection fees. A price cap based on the rate of inflation (or CPI minus 0%) has been applied to Eircom’s fixed telephony access charges - on each of Eircom’s lower³⁸ and higher level³⁹ access services- since October 2008⁴⁰. Therefore, the maximum average price increase of the services subject to the cap is the rate of inflation.
- b. The Department of Social Protection’s (DSP) Telephone Allowance. The DSP operates a number of schemes which are designed to protect vulnerable users (such as pensioners, widowers and defined disability groups) and ensures affordability for services. The Telephone Allowance provides consumers who qualify for the scheme with a payment towards their telephone bill (either landline or mobile phone).
- c. Eircom’s “social benefit package”,
- d. Eircom’s low usage scheme - Vulnerable Users Scheme (“VUS”).

³⁸ Lower level services means the provision of telephone exchange lines and ISDN BRA lines, (those being services for which a recurring charge is made by Eircom for the availability of such lines) and telephone exchange line and ISDN BRA connection and takeover.

³⁹ “Higher level services” means the provision of ISDN FRA and ISDN PRA lines,(those being services for which a recurring charge is made by Eircom for the availability of such lines) and ISDN FRA and ISDN PRA connection and takeover.

⁴⁰ ComReg Document 07/76.

- e. Geographical averaging - Under Regulation 8 (3) of the Regulations, ComReg may require the designated undertaking to apply common tariffs, including geographic averaging. This obligation was placed on the USP in 2003 and aims to ensure that basic telephone services are available at an affordable price, irrespective of geographical location, within Ireland. These aims remain relevant and ComReg does not at this time propose to change this position in respect of the services included in Universal Service. However, the potential emergence of differential competitive conditions across geographic areas is currently under discussion in the context of broadband/NGA (see for example ComReg Document No. 11/72 and ComReg Document No. 12/27) and will be considered as part of the ongoing market review of the Retail Fixed Narrowband market. The question may arise as to whether the current obligation is the best way of ensuring affordability of tariffs or whether this can be left to competition in some regions. ComReg may, if warranted, revisit this obligation in light of the market review. The retail price cap on Eircom (which, in addition to being the current USP, has dominance in fixed telephony access markets) means that its prices⁴¹ are capped irrespective of location on a national basis at the rate of inflation. ComReg's process of review of the Retail Fixed Narrowband Market is currently underway.

Consultation Issue (Question 17)

210 ComReg asked if respondents consider that the current measures (outlined above) provide appropriate protection for vulnerable consumers in terms of affordability.

Respondents' Views

211 Most of the respondents agree that the measures are appropriate.

212 Eircom is of the view that the obligation to maintain geographically averaged prices is distorting competition.

213 Vodafone proposes that the measures be kept under review as the market may deliver affordability for consumers.

ComReg's position

214 ComReg notes the general support for its proposals.

⁴¹ See 209a above.

215 ComReg remains of the view that, in respect of geographically averaged prices, it may, if warranted, revisit this obligation in light of the market review. The retail price cap on Eircom (which, in addition to being the current USP, has dominance in fixed telephony access markets) means that its prices⁴² are capped irrespective of location on a national basis at the rate of inflation. ComReg's process of review of the Retail Fixed Narrowband Market is currently underway.

5.7 Control of Expenditure

216 In addition to affordability of tariffs, ComReg considers that it is imperative that subscribers are able to monitor and control their expenditure to ensure that they do not find themselves unable to pay their bill and facing disconnection from the network. ComReg can take measures to ensure that subscribers are in a position to monitor and control expenditure, including:

- Itemised Billing: a minimum level of itemised billing to be provided free-of-charge to consumers.
- Selective Call Barring: the ability of the subscriber to bar outgoing calls of defined types.
- Introducing a spend threshold: the ability to set a limit on the charges on your bill.
- Phased Payment of Connection Fees: the facility whereby consumers can pay for their connection fees on a phased basis.
- Non-Payment of Bills: ensure the availability of a Disconnection Policy.

Itemised Billing

217 Eircom, as the USP, is required to provide a minimum level of itemised billing free of charge to subscribers⁴³ subject to data privacy provisions.⁴⁴ The level of itemisation provides subscribers with a list of numbers called, call cost and duration, with subtotals by call type, line and equipment rental along with full details of any relevant discounts.

⁴² See 209a above.

⁴³ In accordance with Regulation 9 (2) of the Universal Service Regulations and ODTR Decision No. D09/01.

⁴⁴ Consumers can request to receive a non-itemised bill.

218 In October 2011, ComReg initiated a consultation on proposed consumer protection measures in respect of consumer bills and billing mediums⁴⁵ and ComReg is currently considering the submissions received prior to making its decision. It is proposed that the measures would apply to all undertakings.

219 Prior to a decision in respect of ComReg 11/78, ComReg considers that the current level of itemised billing, to be provided by the USP, should be retained, until such decision is forthcoming, to allow customers of the USP to verify their charges and to assist in the control of their expenditure.

Selective Call Barring

220 Eircom, as the USP, is currently required to offer call barring for outgoing calls to Premium Rate Services free-of-charge to subscribers. A range of other call barring options for outgoing calls is also offered, subject to payment of a set-up fee and ongoing rental charges, including:

- Premium Rate, International, Cross Channel and National.
- Premium Rate, International and Cross Channel.
- Premium Rate and International.
- Premium Rate and Mobile.

221 ComReg considers that the call-barring options available are reasonable in terms of enabling users to control their expenditure.

222 However, ComReg is of the view that consumers who avail of call barring as a cost control measure should be able to do so without incurring a charge for such a request.

223 ComReg therefore proposed that, in addition to the current facility to bar premium rate services, free of charge, the USP should provide, on request, the call barring services listed below free of charge.⁴⁶ ComReg understood that this option would not have any significant impact on any claimed net cost of the USO, as relevant.

International: already provided but a charge imposed.

Mobile: already provided but a charge imposed.

⁴⁵ ComReg Document No: 11/78.

⁴⁶ In accordance with Regulation 9(2) – Schedule 1, Part A (b).

Phased Payment for Connection Fees

224 In a previous universal service review, phased payment for connection fees was introduced. The core aim of the USO is to ensure that as many people as possible can get access to telephony services and the phasing of connection fees ensures that consumers are not prohibited from early connection because of an inability to pay the total connection charge in one payment. The scheme is implemented using a direct debit option. ComReg does not propose any changes to this scheme at this time.

Non-Payment of bills

225 As stated earlier, there is an existing obligation on all operators to publish their Disconnection Policy, as part of their Code of Practice for Complaint Handling. In the previous review, ComReg considered whether the USP should have a more detailed Disconnection Policy. However, ComReg decided that a balance had to be struck between protecting consumers from unwarranted disconnections and commercial interests.

226 ComReg does not propose any changes to Eircom's Disconnection Policy.⁴⁷ This policy provides that, if you do not pay your bill by the account due date, Eircom may restrict your ability to make and receive calls and which also provides that, while doing this, Eircom will endeavour to contact you to remind you that your bill is overdue.

227 Any party expressing an interest in fulfilling any of the relevant elements of the USO in all, or part of, the State was asked to address how it would comply with current obligations relating to control of expenditure and what other arrangements it would put in place.

Consultation Issue (Questions 18-21)

228 ComReg asked if respondents consider that the current measures in respect of call barring and call itemisation are appropriate for consumers to control their expenditure.

229 ComReg asked for views in relation to charges for availing of call barring options which are a means of controlling expenditure.

230 ComReg sought views on Eircom's disconnection policy.

⁴⁷ Available on the Eircom website at www.Eircom.ie; see Annex 2.

Respondents' Views

231 All of the respondents agreed with Eircom's disconnection policy, stating that they agree with the principle that consumers must pay for a service in order for it to be continued.

232 In respect of call itemisation, most respondents agree with the proposals. BT added that the USP should be able to promote electronic billing to its customers, provided it is in line with the Regulations, to reduce costs.

233 Eircom agrees with the current level of itemisation being maintained pending the outcome of ComReg's consultation in relation to billing and bill mediums.

234 In respect of call barring, all respondents are of the view that the facilities are necessary for consumers to control their expenditure.

235 Magnet is of the view that call barring facilities should be provided on a cost-oriented basis.

236 Eircom is of the view that the cost to consumers for providing barring for Mobile and International calls is modest. Further, if it is mandated to provide these free of charge as part of the USO, then it would seek to be compensated for providing these additional facilities free of charge.

237 BT agrees that charging for facilities (rental) acts as a disincentive to use call barring and is of the view that this is wrong.

ComReg's position

238 ComReg has carefully considered the views of respondents.

239 ComReg maintains its position in respect of call itemisation and Eircom's disconnection policy.

240 ComReg understood that the option to provide call barring for mobile and international calls free of charge to consumers would not have any significant impact on any claimed net cost of the USO. However, ComReg notes that Eircom considers that this is not the case.

241 ComReg has decided not to, at this time, extend the obligation on the USP to provide mobile and international call barring facilities free of charge to consumers.

242 ComReg intends to consider obligations on all undertakings in respect of call barring in accordance with the Regulations.⁴⁸

⁴⁸ In accordance with Regulation 24(1) – Schedule 1, Part A (b).

6 Decision Instrument

1 STATUTORY FUNCTIONS AND POWERS GIVING RISE TO DECISION

- 1.1 This Decision and Decision Instrument, made by the Commission for Communications Regulation (“ComReg”), relates to the provision of universal services in the Irish telephony market and is made:
- i. Having regard to sections 10 and 12 of the Communications Regulations Act 2002;
 - ii. Having regard to the functions and powers conferred upon ComReg under and by virtue of Regulation 7(1) of the European Communities (Electronic Communications Networks and Services) (Universal Service and Users’ Rights) Regulations 2011 (“the Regulations”); and
 - iii. Having taken account of the representations of interested parties submitted in response to ComReg Document No. 12/39.

2 DESIGNATION OF UNIVERSAL SERVICE PROVIDER

Provision of Access at a Fixed Location

- 2.1 In accordance with Regulation 7 of the Regulations, Eircom Ltd. is hereby designated as the Universal Service Provider (“the USP”) for the purpose of complying with the following obligations, as provided for by Regulation 3 of the Regulations.
- 2.2 The USP shall satisfy any reasonable request to provide at a fixed location:
- i. Connections to the public telephone network; and
 - ii. Access to publicly available telephone services.
- 2.3 The USP shall comply with the requirements in relation to the obligations referred to in section 2.2 hereof, as set out in ComReg Decision D9/05 of 7 September, 2005.

Directory Services

- 2.4 In accordance with Regulation 7 of the Regulations, Eircom Ltd. is hereby designated as the USP for the purpose of complying with the following obligations, as provided for by Regulation 4 of the Regulations.
- 2.5 The USP shall ensure that a comprehensive printed directory or directories of subscribers, based on the data provided to it in accordance with Regulation 19(4), is made available to all end-users and is updated at least once in each year.

Public Pay Telephones

- 2.6 In accordance with Regulation 7 of the Regulations, Eircom Ltd. is hereby designated as the USP for the purpose of complying with the following obligations, as provided for by Regulation 5 of the Regulations.
- 2.7 The USP shall do the following:
- i. Ensure that public pay telephones are provided to meet the reasonable needs of end-users in terms of the geographical coverage, the number of telephones or other access points, accessibility to disabled end-users and the quality of services.
 - ii. Ensure that it is possible to make emergency calls from a public pay telephone using the single European emergency call number “112” and any national emergency call number that may be specified by ComReg, in each case free of charge and without the necessity to use coins or cards or any other means of payment.
 - iii. Ensure that users of its public pay telephones have access to a directory enquiry service.
 - iv. Where possible, ensure that all public pay telephones provide for a number of payment means; including coins and/or credit/debit cards and/or pre-payment cards, including cards for use with dialling codes.
 - v. Adhere to the processes for the removal/relocation of public pay telephones as set out in ComReg 06/14 as may be amended by ComReg from time to time.

Specific Measures for Disabled Users

- 2.8 In accordance with Regulation 7 of the Regulations, Eircom Ltd. is hereby designated as the USP for the purpose of complying with the following obligations, as provided for by Regulation 6 of the Regulations.
- 2.9 The USP shall do the following:

- i. Provide a dedicated section of its website, accessible from the homepage, containing comprehensive information in relation to the services it provides which are of particular interest and relevance to people with disabilities;
- ii. Maintain, operate, monitor and ensure its own compliance with a Code of Practice concerning the provision of services for people with disabilities and shall periodically review and, where appropriate, amend the Code of Practice in consultation with the NDA and other representative bodies.
- iii. The USP shall provide the following specific services:

For users who are hearing-impaired:

- Inductive couplers which allow users with a hearing aid set to connect the set to their telephone in order to allow them to hear incoming speech clearly.
- Amplifier phones which allow the user to increase the volume of incoming speech.
- Teleflash Visual Alert which shows a flashing light, or makes a loud noise when the telephone rings.

For users that are hearing and/or speech impaired:

- A text Relay Service providing facilities for the receipt and translation of voice messages into text and the conveyance of that text to the textphone of customers of any operator, and vice versa.
- A rebate scheme whereby, as a result of the time taken to make a text telephone call, equality of payment for deaf text telephone users can be assured.

For users with limited dexterity or mobility:

- Push button telephone sets with speed and automatic redial buttons allowing pre-programmed telephone numbers (typically the most called numbers) or last called telephone numbers to be dialled without having to re-enter the telephone number.
- Hands free/loudspeaker phones means that the handset does not need to be used at all.

For users with restricted vision:

- Restricted vision telephones which can help people with restricted vision to find other numbers more easily.
- Braille billing free of charge.

For users unable to use the phone book because of a disability:

- Special Directory Enquiry arrangements to allow the use of directory enquiry services free of charge.

Geographically Averaged Pricing

2.10 As provided for by Regulation 8 (3) of the Regulations, Eircom Ltd., as the USP, shall apply geographically averaged prices throughout the State for the services referred to in this Decision.

Control of expenditure

2.11 As provided for by Regulation 9 of the Regulations, Eircom Ltd., as the USP, shall do the following:

- Provide a minimum level of itemised billing to customers free of charge.⁴⁹
- Provide selective call barring facilities for outgoing calls to national, mobile, international and premium rate numbers. The call barring facility in respect of premium rate numbers shall be provided free of charge to users.
- Maintain and publish its scheme to allow for the phased payment of connection fees.
- Maintain and publish its disconnection policy in connection with non-payment of bills.

3 CONTINUATION OF OBLIGATIONS

3.1 All other obligations imposed on the USP by ComReg in relation to its universal service obligations, which were immediately in force prior to the effective date of this Decision and Decision Instrument, shall continue to have full force and effect. Such obligations include, without limitation, those set out in the following:

- ODTR Decision D09/01.
- ComReg Decision No. D9/05.
- ComReg Document No. 06/14.
- ComReg Decision No. D02/08.
- ComReg Decision No. D04/11.

⁴⁹ In accordance with ODTR Decision D09/01

4 EFFECTIVE DATE AND DURATION

- 4.1 This Decision and Decision Instrument is effective from 1 July 2012 until 30 June 2014, unless otherwise amended by ComReg.

7 RIA

Consultation Issue (Question 22)

243 ComReg asked if respondents agreed with its approach to and conclusions of its Regulatory Impact Assessment.

Respondents' views

244 UPC claims that ComReg has adopted an approach that fixed telephony services can only be delivered over a fixed network and as a result an assessment of this approach should be carried out.

245 Magnet agrees with the RIA.

246 BT agrees with the approach taken.

247 BT, Eircom, Telefónica and Vodafone are of the view that further details in respect of costs and quantifying the impact of the proposals need to be supplied by ComReg in order for assessment of the options to be completed and finalised.

248 Telefónica states that further review and analysis of the scope and justification for universal service including EU comparators is necessary.

249 UPC and Telefónica reference the impact of the net costs of the USO on industry and that consideration should be given to this.

ComReg's position

250 ComReg's approach is technologically neutral and allows for a USP to deliver services at a fixed location (required by the Regulation) by any technological means. Its proposals do not specify or mandate any specific technology.

251 ComReg has recently published an information notice in respect of the net cost claimed by Eircom for the period 2009/2010⁵⁰. ComReg will continue to provide appropriate information in this respect to stakeholders, as appropriate during its assessment of Eircom's fund application.

252 ComReg has provided further information in respect of the assessment of the proposed measures in Appendix 4.

⁵⁰ ComReg Document No 12/57

Final RIA

Policy Objective

253 The universal service has been guaranteed by EU and national legislation since 1997. In a liberalised and competitive telecommunications market, the universal service ensures the provision of basic telecommunication services throughout the State, particularly in areas of the State (such as rural or sparsely populated areas) where the market might not deliver these services. Thus, the universal service contributes to social and economic inclusiveness and cohesiveness in society.

254 As part of the process of evaluating the most efficient and appropriate approach for ensuring the implementation of USO, ComReg is conducting a Regulatory Impact Assessment (RIA). ComReg's approach to the RIA is set out in the Guidelines published in August 2007 in ComReg Document Nos. 07/56 & 07/56a. In conducting the RIA, ComReg takes into account the RIA Guidelines⁵¹, issued by the Department of An Taoiseach in June 2009 under the Government's Better Regulation programme. Section 13(1) of the Communications Regulation Act 2002 requires ComReg to comply with Ministerial Policy Directions. Policy Direction 6 of February 2003⁵² requires that, before deciding to impose regulatory obligations on undertakings, ComReg shall conduct a RIA in accordance with European and international best practice and otherwise in accordance with measures that may be adopted under the Government's "Better Regulation" programme.

255 ComReg must use all reasonable, proportionate measures to promote the interests of citizens by ensuring that citizens have access to universal service as specified in Directive 2009/36/EC. ComReg must also ensure that the needs of specific users, in particular, users with disabilities, are addressed.

256 ComReg's approach to universal service scope and designation is in accordance with the current applicable legislation.

257 ComReg must ensure that the services listed below are made available on an affordable basis at the quality specified to all end-users independent of geographical location:

- Provision of reasonable requests for access at a fixed location supporting voice and functional internet access. (ComReg has discretion in so far as it can determine what is reasonable);

⁵¹ See "Revised RIA Guidelines How to Conduct a Regulatory Impact Analysis", June 2009. <http://www.betterregulation.ie/eng/Developments> in Better Regulation Policy/Revised RIA Guidelines.pdf

⁵² Ministerial Policy Direction made by the Minister for Communications, Marine and Natural Resources on 21 February 2003.

- Provision of directories in the form decided by ComReg;
- Provision of public payphones, if necessary, to meet the reasonable needs of end-users as assessed by ComReg;
- Provision of certain services or equipment to disabled users where deemed appropriate by ComReg; and
- Provision of certain facilities to control expenditure and ensure affordability.

258 The Regulations place responsibility on ComReg to designate one, or more, Universal Service Providers (USP/s).

259 ComReg's approach to conducting a RIA is outlined in its RIA Guidelines. In relation to Universal Service, where ComReg is charged with implementing a statutory obligation, it will assess each case individually and determine whether a RIA is necessary and justified, having regard to its degree of discretion and the principles of reasonableness and proportionality.

260 In relation to Universal Service, ComReg's discretion is limited and hence, in contrast to the cases normally contemplated under the RIA Guidelines, there is not a wide range of regulatory options to choose amongst. ComReg's role is more to decide what is reasonable as an implementation of the Universal Service, rather than to assess the merits of the underlying policies embedded in legislation. Thus, it is not necessary to outline a range of options and to make an assessment of the impacts of each on stakeholders. Rather, ComReg outlines how its proposals will impact on stakeholders and chooses the most proportionate means of achieving the stated aims in the Universal Service Directive and the Universal Service Regulations.

7.1 Impact assessment

Proposed Scope

261 ComReg recognises that any regulatory decision must be a reasoned decision, in line with obligations under the Regulations. In view of a designation of a USP, the potential key impact of the proposed scope of various different aspects of universal service on a USP, operators and consumers is set out in the following sections.

262 Appendix 4 provides further detail on the considerations.

263 ComReg has discretion in relation to providing access at a fixed location, with regard to setting a threshold for what would constitute a reasonable request. At one level, ComReg could find that all requests are reasonable. However, this would have a large impact on the USP who would be faced with the prospect of very large costs that it cannot itself control. Moreover, the absence of a threshold could encourage consumers to build in more and more remote places as the costs for so doing would be borne by other parties. For these reasons, ComReg remains of the view that the existence of a threshold is important. While a USP would be required to provide a connection to the public communications network, ComReg has previously issued guidance on what might be termed a reasonable request and the threshold of €7,000 defined in D09/05 gives a USP protection where the costs involved in providing such access are high. Thus, consumers can obtain a connection at the standard rate so long as the costs of so doing do not exceed this threshold. Any costs incurred above this threshold in the provision of a connection are paid by the applicant. ComReg considers that the current approach remains valid and proportionate at this juncture, however, in light of technological developments and other views expressed by stakeholders it intends to commence a review in Q4 2012.

264 While the printing and distribution of a paper directory may involve some direct cost, it may also confer advantage through advertising and brand awareness. Based on inputs from Eircom and Golden Search, ComReg understands that a variation in the distribution model may add costs.

265 In terms of public payphone availability, a network of payphones is already extant. While mobile telephony growth and other factors may contribute to a reduction in demand for public payphones, the procedure for the removal of non commercial payphones⁵³ gives flexibility to a USP to manage any operation and maintenance costs involved. In addition, a network of payphones may confer advantage through advertising, brand awareness and product availability (e.g., Wi-Fi hot spots based at payphones). ComReg proposes to maintain the current obligation in respect of public payphones for the proposed next designation period but to undertake a detailed review of the current USO payphones with maintenance issues, to ascertain what should be done in such circumstances. ComReg also plans to undertake a review of uneconomic USO payphones, as relevant, when ComReg has assessed Eircom's USF application for 2009/2010, to establish their continued need.

⁵³ ComReg document 06/14 sets out the process to be adopted for the removal/ relocation of payphones in the public interest.

266 In addition, ComReg has discretion with respect to certain specific obligations relating to access for disabled consumers, affordability and control of expenditure. While these may involve some costs to a USP, in each case ComReg sees significant benefits to consumers from these provisions (such as providing consumers with greater information and control over how they purchase, and use, telephony services).

267 It is considered that obligations imposed for Consumers with Disabilities should not add substantial cost to a USP in view that this USO component may be less than or broadly equal to voluntary measures provided by operators. In contrast, should such an obligation be withdrawn, and should operators simultaneously withdraw their voluntary measures, the impact on consumers with disabilities would be severe.

268 ComReg considers that many measures currently in place to control expenditure are sufficient (e.g. itemised billing and disconnection policies). ComReg is proposing to amend some measures in the future. The associated cost of maintaining and enhancing these obligations is likely to be relatively minor as operators, in general, offer these services to customers. In contrast, the impact of withdrawing these measures on customers struggling to control their expenditure could be significant. ComReg was of the preliminary view that the impact of possible new measures, such as the facility to bar additional types of outgoing calls free of charge, is unlikely to lead to significant additional costs. However, considering Eircom's view that it would significantly impact on costs, ComReg has decided not to extend this facility provided by the USP. ComReg plans to conduct a review of call barring facilities provided by all undertakings.

269 The obligation for geographically averaged prices was placed on the USP in 2003 and aims to ensure that basic telephone services are available at an affordable price, irrespective of geographical location, within Ireland. These aims remain relevant with the policy objective and ComReg does not at this time propose to change this position in respect of the services included in Universal Service. However, the potential emergence of differential competitive conditions across geographic areas is currently under discussion in the context on broadband/NGA (see for example ComReg Document No. 11/72 and ComReg Document No. 12/27) and will be considered as part of the ongoing market review of the Retail Fixed Narrowband market. The question may arise as to whether the current obligation is the best way of ensuring affordability of tariffs or whether this can be left to competition in some regions. ComReg may, if warranted, revisit this obligation in light of the market review. The retail price cap on Eircom (which, in addition to being the current USP, has dominance in fixed telephony access markets) means that its prices⁵⁴ are capped irrespective of location on a national basis at the rate of inflation. ComReg's process of review of the Retail Fixed Narrowband Market is currently underway.

7.2 Conclusion

270 ComReg's view is that the implementation of the Universal Service proposed is transparent, justified and proportionate, and otherwise in line with Better Regulation guidance and Regulatory Impact Assessment norms. Furthermore, any costs may be outweighed by benefits corresponding to universal service provision. However, pursuant to the Regulations, a USP may seek to receive compensation for the net cost of meeting the USO obligation concerned where, on the basis of appropriate net cost calculation; ComReg determines that the undertaking in question is subject to an unfair burden. Regulation 11 (1) provides that: "Where an undertaking designated as having an obligation under Regulation 3, 4, 5, 6, 8 or 9 seeks to receive funding for the net costs of meeting the obligation concerned, it may submit to the Regulator a written request for such funding." It will be open to Eircom as the designated USP for 2010-2012, and for 2012-2014 to make applications for funding, according to the legislative provisions and ComReg Decision No. 04/11.

⁵⁴ See 209a above.

271 ComReg received Eircom's application for a USF for 2009/2010 at end May 2012. Information regarding the net cost of each element of universal service has been provided to ComReg in the course of Eircom's application for universal service funding for the period 2009/2010. ComReg published details of the value of the application prior to the closure of this consultation. ComReg's assessment of Eircom's application⁵⁵ may or may not conclude that there is a net cost and an unfair burden for the period 2009/2010.

⁵⁵ Report on Consultation and Decision on the costing of universal service obligations: Principles and Methodologies - ComReg 11/42 (D04/11).

Annex: 1 Statutory basis

272 The statutory basis is set out in principal legislation governing the area of Universal Service and is set out in the European Communities (Electronic Communications Networks and Services) (Universal Service and Users' Rights) Regulations 2011, in particular, Regulations 3-9. These Regulations give effect to Directive 2009/136/EC of the Parliament and of the Council of 25 November 2009 amending Directive 2002/22/EC on universal service and users' rights relating to electronic communications networks and services, Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector and Regulation (EC) No 2006/2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws.

Annex: 2 Eircom Disconnection policy

<http://support.Eircom.net/SRVS/CGI-BIN/WEBCGI.EXE/&/?New&Kb=BB&Company={8C5A3413-D734-4C47-9016-F9EBD3B87D94}&Case=codeofpractice>

It is our policy here at *Eircom* that bills due must be paid on or before the date specified on the bill. This normally allows a period of 14 days after the bill date for payment, 21 days if you pay by direct debit.

If you do not pay your account by the due date we may restrict your ability to make and receive calls. Before doing this we will endeavor to contact you to remind you that your bill is overdue.

Should your line be restricted in this manner you will still be able to contact the emergency services via 112 or 999.

If after we restrict service in this way your balance remains outstanding we will write to you informing you that your contract will be terminated (notification of termination).

If the amount due remains unpaid after the time specified in the notification of termination your account will be terminated and your line removed. At this point you will no longer be able to contact the emergency services and will receive your final bill.

We will continue to follow up on outstanding balances after the final bill issues.

Annex: 3 Questions posed during the consultation

Q. 1 Do you agree or disagree with ComReg's proposal that the next designation period should be a period of 2 years, from 1 July 2012 to 30 June 2014? Please provide reasons to support your view.

Q. 2 Do you think an alternative duration for the next designation period should be considered? If so, what duration and why? Please provide reasons to support your view.

Q. 3 Do you agree or disagree with ComReg's proposal that, for the proposed next designation period, the required universal services should be designated for the entire State? Please provide reasons to support your view.

Q. 4 Do you agree or disagree with ComReg's proposal that Eircom should continue to be the universal service provider for the elements specified (section 5) during the next designation period, unless there are expressions of interest from other providers? Please provide reasons to support your view

Q. 5 For future designation periods (after the proposed next designation period), do you agree or disagree with ComReg's approach to future designation methods for the provision of required elements of universal service? Please provide reasons to support your view

Q. 6 Do you have any further comments or suggestions about future designation methods, after the proposed next designation period, (to June 2014)? Please provide reasons to support your view

Q. 7 Do you have any comments about future designations covering only certain geographic areas and/or customers? Please provide reasons to support your view.

Q. 8 Do you agree or disagree with ComReg's proposal not to include Broadband, at this stage, in universal service? Please provide reasons to support your view

Q. 9 Do you agree or disagree with ComReg's proposal to review its consideration of broadband as a universal service no sooner than 2014? Please provide reasons to support your view

Q. 10 What is your view in relation to the preliminary view that Eircom should be designated as the USP with respect to access at a fixed location for the entire State for the next designation period? Please give reasons to support your point of view

Q. 11 What is your view in relation to the current Reasonable Access Threshold? Please give reasons to support your point of view

Q. 12 Do you agree or disagree that the present provision of directory enquiry services on a commercial basis continues to meet the needs of consumers? Please give reasons to support your point of view

Q. 13 What is your view regarding the continued requirement to provide a printed directory to all consumers, unless the consumer requests not to receive it? Please give reasons to support your point of view

Q. 14 What is your view in relation to the preliminary view that Eircom should be designated as the USP with respect to the provision of a subscriber directory, for the next designation period? Please give reasons to support your point of view.

Q. 15 What is your view in relation to the preliminary view that Eircom should be designated as the USP with respect to the provision of public payphones throughout the State for the next designation period? Please give reasons to support your point of view

Q. 16 Do you agree that the current set of obligations is appropriate for consumers with disabilities in the context of the current scope of universal service, for the next designation period? Please give reasons to support your point of view

Q. 17 Do you consider that the current measures (outlined above) provide appropriate protection for vulnerable consumers in terms of affordability? Please give reasons to support your point of view

Q. 18 Do you agree with the approach with respect to call itemisation? Please give reasons to support your point of view

Q. 19 Do you consider that the call-barring options proposed are necessary to enable consumers to control their expenditure? Please give reasons to support your point of view

Q. 20 What is your view in relation to charges for availing of call barring options which are a means of controlling expenditure? Please give reasons to support your point of view

Q. 21 Do you consider that Eircom's current Disconnection Policy is reasonable? Please give reasons to support your point of view

Q. 22 Do you agree with the approach and conclusions in this regulatory impact assessment? Please give reasons to support your point of view

Annex: 4 RIA – Assessment of Options and Impact

Decision	Options	Impact on Consumers	Impact on Industry	Impact on Competition
<p>ComReg has decided to Designate a USP to ensure provision of universal services to all consumers in the State.</p>	<p>No Designation of USP(s)</p>	<p>Consumers who would not ordinarily (without USO) be served with ‘basic’ services by the market would no longer be served, contrary to requirements of the legislation. It should be understood throughout this RIA, that it is clearly the case, that there are uneconomic areas that must be served and that might not be served absent a universal obligation. Accordingly, ComReg’s discretion in relation to designating USP(s) under the Regulations is limited. Because of the existence of these uneconomic areas and customers and absent expressions of interest from alternative USPs, ComReg must designate a USP to deliver basic telephony services and functional</p>	<p>No undertaking, including Eircom would have obligations as the USP. There would be no requirement, as relevant, for a universal service fund.</p>	<p>Competition in urban areas may intensify, perhaps leading to lower prices for consumers in these areas. On the other hand, consumers in rural areas may suffer, for example, through less favourable terms and conditions and/or service levels, due to the absence of a universal service and competition.</p>

Decision	Options	Impact on Consumers	Impact on Industry	Impact on Competition
		<p>internet access, so that the whole State—including the uneconomic area—is served.</p> <p>Possible accentuation of rural/urban divide. Since the USP must offer services on a national basis, consumers remain protected and are ensured ‘basic’ services, at an affordable price, in accordance with the legislation.</p>		<p>Other undertakings may wish to express an interest in being the USP, for certain elements of the USO.</p>
	<p>Designate USP(s)</p>		<p>There may be an unfair burden on the USP. However, the USP can apply for funding. (Eircom applied for funding of €6.2 million for 09/10 on 31 May 2012). If there is a net cost to the USP which is deemed to be an unfair burden then it will be shared accordingly</p>	

Decision	Options	Impact on Consumers	Impact on Industry	Impact on Competition
			between relevant industry players.	
<p>ComReg has decided that the period of designations should be 2 years to allow time for necessary steps to be taken prior to the next Designation</p>	<p>1 Year 18 Months 2 Years</p>	<p>These options will ensure universal service for consumers for as long as the designation is in place.</p>	<p>The period of designation provides certainty for industry in respect of length of current regime and possible implications for fund issues.</p> <p>Some operators may prefer that the period commencement/end date of the designation is aligned with their financial year. ComReg considers that it is most appropriate for the designation period to align with the financial year of the USP</p>	<p>ComReg proposes that the designation period would allow for consideration of other undertakings to be USP(s). The minimum period that ComReg considers that this is achievable within is 2 years.</p>

Decision	Options	Impact on Consumers	Impact on Industry	Impact on Competition
<p>ComReg has decided to designate Eircom as the USP for the relevant aspects</p>	<p>Eircom</p>	<p>For consumers, this ensures continuity of provision of the universal services and certainty at this point in time.</p>	<p>There may be an unfair burden on the USP. However, the USP can apply for funding, as relevant. (Eircom applied for funding of €6.2 million for 09/10 on 31 May 2012).</p> <p>If there is a net cost to the USP which is deemed to be an unfair burden then it will be shared accordingly between relevant industry players.</p>	<p>Eircom will continue to be the USP for the entire State, even if other undertakings might be willing to be the USP for some aspects or some areas.</p> <p>ComReg proposes that the next designation could allow for consideration of <i>other</i> undertakings to be USP(s), if they express an interest.</p> <p>ComReg considers that this is achievable within is 2 years.</p>

Decision	Options	Impact on Consumers	Impact on Industry	Impact on Competition
	<p>Another USP(s)</p>	<p>There would be a transition of service to the new USP for those customers that would not otherwise be served by the market.</p>	<p>Other undertakings may be able to deliver certain USO services. However, there is not sufficient data available at this juncture regarding the uneconomic areas or uneconomic customers to conduct a tender procedure for the universal service and ComReg could not designate another operator (that is not already delivering the service) due to unknown costs, information about uneconomic customers/areas and impacts and transitional issues.</p> <p>Industry is unlikely to be in favour of this either, without a view of whether</p>	

Decision	Options	Impact on Consumers	Impact on Industry	Impact on Competition
			<p>or not the undertaking would have a net cost and what the impact would be.</p> <p>Irrespective of who the USP(s) is/are, if there is a net cost which is deemed to be an unfair burden on any USP then relevant industry players will be required to contribute to a universal service fund.</p>	
<p>ComReg has decided not to alter the definition of Functional Internet Access (FIA) to specify Broadband. It will review this</p>	<p>Specify FIA to Include Broadband</p>	<p>Consumers would have access to broadband (at a specified speed) from the USP.</p> <p>However, Government schemes have objectives to deliver broadband to all. Technological developments are also underway that may result in a market delivery of broadband to more consumers.</p> <p>Therefore, the need to provide</p>	<p>There would likely be a net cost to industry if this service was added to the definition of USO and unfair burden on the USP (to be shared by industry through a universal service fund), which may be unnecessary as the objective of national broadband access is</p>	<p>The intervention would be premature and may have a distorting effect on competition and a negative effect on investment incentives.</p>

Decision	Options	Impact on Consumers	Impact on Industry	Impact on Competition
in 2014	Do not specify FIA to Include Broadband	<p>broadband as a universal service is not yet justified.</p> <p>Consumers should be able to avail of broadband from other operators and through government schemes.</p>	<p>being met by other means</p> <p>There will be no unnecessary burdens on a USP or industry.</p>	<p>Competition in this area will be allowed to develop. A review is intended to occur in 2014.</p>
ComReg has decided to retain the reasonable access threshold (RAT) but will review commencing Q4 2012	<p>Retain RAT as is</p> <p>Retain and Review</p>	<p>Consumers are adequately protected from high installation charges.</p> <p>Consumers are adequately protected from high installation charges</p>	<p>There may be an impact on net cost/unfair burden on the USP and on undertakings through a fund.</p> <p>Review of RAT to ensure it's aligned with current technology capabilities and efficient build, driving</p>	<p>The USP may be overcompensated for not deploying the least cost technology/option to fulfil the requirements, with a potentially distorting effect on competition.</p>

Decision	Options	Impact on Consumers	Impact on Industry	Impact on Competition
	Remove the RAT	Consumers may not be able to afford connection if there is no specification of what is considered reasonable	cost minimisation.	
ComReg has decided to retain the obligation for the Printed Directory without modification	<p>Retain the delivery of the printed directory as is</p> <p>Retain and modify the delivery of the printed directory</p>	<p>Consumers will continue to receive the printed directory.</p> <p>Some consumers who do not wish to receive the printed directory will continue to receive it.</p> <p>Give consumers the ability to opt/in out of receiving the book.</p>	<p>This service may be delivered on an economic basis without impact on net cost/unfair burden or fund as relevant.</p> <p>Eircom has contractual obligations in respect of the provision of this service.</p> <p>Eircom has indicated that a modification to the distribution/administration model may cause a net cost which in turn may have impacts for</p>	<p>Other providers may wish to provide this service, however there were no expressions of interest.</p> <p>As above.</p>

Decision	Options	Impact on Consumers	Impact on Industry	Impact on Competition
	<p>Remove the obligation for Payphones</p>	<p>Needs of consumers may not be satisfied in accordance the universal service regulations.</p> <p>Eircom and other operators are likely only to retain economic payphones and non economic ones may be removed. The needs of consumers in accordance with the universal service regulations may not be met.</p>		
<p>ComReg has decided to retail the Affordability measures currently in place and keep under review</p>	<p>Retain Affordability measures as is and keep under review</p>	<p>Consumers are adequately protected enabling them to afford basic services</p>	<p>If there is a net cost/unfair burden on USP this may also have an impact on industry through a universal service fund.</p> <p>Eircom cannot charge lower prices in urban areas or charge higher prices in rural areas</p> <p>ComReg will monitor this obligation as the market develops and appropriate market review(s) have</p>	<p>Other providers may not provide geographically averaged prices.</p>

Decision	Options	Impact on Consumers	Impact on Industry	Impact on Competition
	<p>Remove Affordability measures</p>	<p>Consumers would not be adequately protected by enabling them to afford basic services; there would be a danger that rural customers will be charged a premium for universal services.</p>	<p>been conducted.</p>	
<p>ComReg has decided to retain the measures to Control Expenditure (Call barring; bill itemisation; disconnection)</p>	<p>Retain measures to control expenditure as is</p> <p>Retain and Review (call barring)</p>	<p>The needs of consumers are being met. However, charging for particular call barring services may act as a disincentive to using them to control costs.</p> <p>ComReg considered extending the obligation to provide free call barring services to mobile and international calls.</p>	<p>It is not anticipated that there would be an additional net cost for the USP.</p> <p>Eircom has indicated that this would mean a substantial net cost and this would have an impact on industry through a universal</p>	<p>ComReg will review the requirement by all undertakings to provide free of charge call barring services. This approach will</p>

Decision	Options	Impact on Consumers	Impact on Industry	Impact on Competition
			service fund.	have least distortion on competition.
<p>ComReg has decided to retain measures for people with disabilities pending consultation in respect of equal access and choice</p>	<p>Retain measures for people with disabilities</p> <p>Review in accordance with Regulation 17</p> <p>Remove</p>	<p>Measures delivered by USP are adequate for people with disabilities</p> <p>In accordance with Regulation 17 measures may be put in place to ensure that disabled consumers have equal access and equal choice.</p> <p>Facilities would not be adequate in accordance with the legislation.</p>	<p>It is likely that these measures may have an impact on net cost and may have an impact on industry through a universal service fund.</p> <p>As measures are mandated on all undertakings, they could be removed as USP only obligations; minimising USP costs, as relevant</p>	<p>The USP is the only provider required to provide these services, however other operators provide measures on a voluntary basis.</p> <p>All undertakings may be required in accordance with Regulation 17 to implement measures following consultation by ComReg.</p>