



Commission for
Communications Regulation



ANNUAL REPORT **2012**

Safeguarding the Consumer Interest

To safeguard the interests of the consumers of communication services by protecting and empowering them

Promoting Competition

To apply effective and proportionate regulation to facilitate dynamic and sustainable competition

Facilitating Innovation & Investment

To provide regulatory certainty that facilitates innovation and supports investment in communications infrastructure and services

Striving for Organisational Excellence

To be a highly effective and innovative organization which is a centre of excellence that supports and enables its people to achieve the organisation's objectives

Our Mandate

- National & European Legislation
- National & International Co-operation & Co-ordination activities

Our Mission

Through effective and relevant regulation, our mission is to facilitate the development of a competitive communications sector in Ireland that attracts investment, encourages innovation and empowers consumers to choose and use communications services with confidence

Our Values

- Integrity
- Impartiality
- Effectiveness
- Excellence
- Transparency

Presented to the Minister for Communications, Energy and Natural Resources in accordance with Section 32 of the Communications Regulation Act, 2002.

Contents

About ComReg

Commissioners	1
Executive Management Team	3
Comreg's Functions	4
Comreg's Divisions	5
Chairperson's Review	6
2. Communications Overview	10
3. Consumers	12
4. Competition	18
5. Innovation	22
Spectrum Management	23
Radio Spectrum Licensing	32
Numbering	35
Postal Regulation	37
6. Corporate Services	40
7. International Affairs	46
8. Financial Information	50
Appendix 1: List of documents published by ComReg during the year	72
Appendix 2: Sector Overview	80
Appendix 3: Output Statement for the period - 1 July 2011 - 30 June 2012	86



1

About ComReg

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

Organisational Structure

The Minister for Communications, Marine and Natural Resources announced the establishment of ComReg on 1 December 2002. At the end of this reporting period the Commission comprised of two Commissioners Alex Chisholm (Chairperson) and Kevin O'Brien who was appointed a Commissioner on 1 November 2011. Mike Byrne retired from ComReg in February 2012.

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

ComReg operates as a collegiate body, with decisions being taken collectively by the Commissioners. We see this as important in fulfilling the spirit of the Communications Regulation Act 2002, which established the Commission. ComReg consists of four Divisions, supported by a General Counsel and a Senior Economic Advisor. The structure is based on cross-functional teams operating in a multi-disciplinary environment.

Commissioners



Alex Chisholm
Chairperson
(Left Mar.2013)



Kevin O'Brien
Commissioner



Mike Byrne
Commissioner
(Retired Feb.2012)

Executive Management Team



Laura Brien
Senior Economic Advisor



Caroline Dee-Brown
General Counsel



Barbara Delaney
Director
Retail & Consumer Services Division



Donal Leavy
Director
Wholesale Division



George Merrigan
Director
Market Framework Division

ComReg's Functions

ComReg is responsible for promoting competition, protecting consumers and for encouraging innovation. We deal in complex issues of law, economics, accounting, regulation and technology. We aim to ensure that our decisions are explained clearly.

Our objectives are set out in line with both primary and secondary legislation, and this legislative framework continues to evolve. In 2007, ComReg's responsibilities and powers, as well as available enforcement measures, were augmented by the Communications Regulation (Amendment) Act 2007. In particular, ComReg was granted Competition Act powers in relation to electronic communications and services. In June 2009 the Minister for Communications, Energy and Natural Resources published legislation to transfer responsibility for the regulation of premium rate services to ComReg and the Communications Regulation (Premium Rate Services & Electronic Communications Infrastructure) Act was signed on 16 March 2010. Following a period of transition, ComReg commenced regulation of this area in July 2010.

Our telecommunications networks and services remit now includes:

- Traditional telephone systems
- Mobile networks providing voice and data services
- Radio communications, including fixed wireless, providing a variety of services
- Traditional television and radio transmission
- Cable Television
- Multi-channel Multipoint Distribution Service and deflector operations providing TV services
- Test and Trial licence schemes
- Licensing Framework for Satellite Services in Ireland
- Premium Rate Services

ComReg enables competition in the communications sector by facilitating market entry through a general

authorisation to provide networks and services, and by regulating access to networks so as to develop effective choice for businesses and residential consumers. In a rapidly evolving sector, both in technological and commercial terms, ComReg provides the framework for the introduction of a range of new services including, for example, Next Generation Networks, 4G, Fixed Wireless Access Local Area (FWALA) and a Test and Trial Licence Scheme.

Under Section 10 and Section 12 of the Communications Regulation Act 2002, ComReg has a range of functions and objectives in relation to the provision of electronic communications networks, electronic communications services and post.

These include:

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

The focus of regulation for the postal service in the liberalised market has been the maintenance of the Universal Service Obligation (USO) and in ensuring that An Post's prices are geared to cost. ComReg is also responsible for overseeing improvements in quality of service by setting targets for the delivery of mail and monitoring the quality of service performance against the targets set, in accordance with European standards. ComReg is implementing new tasks set out for it in the Communications Regulation (Postal Services Act) 2011.

This Annual Report covers our key activities from 1 July 2011 to 30 June 2012.

The ComReg Divisions and their Directors are:

Market Framework - Director: George Merrigan

Market Framework is responsible for managing the radio spectrum. It also oversees the general authorisation regime for the electronic communications sector in Ireland and monitors compliance with general authorisation conditions. Furthermore, it is responsible for the regulation of the Postal Sector. Market Framework manages radio spectrum and issues approximately 16,000 Wireless Telegraphy licences to various companies and individuals. In addition, Market Framework administers Ireland's National Numbering Plan, as well as providing the framework for new regulatory requirements for both fixed and wireless markets.

Contact: Sinéad Devey,
Tel: 01 8049621

Wholesale Division - Director: Donal Leavy

The Wholesale Division handles all issues concerning the regulation of the wholesale telecommunications market including such matters as interconnection, dispute resolution, unbundling the local loop and the pricing of regulated wholesale products. This Division also has a role in relation to broadband deployment and next generation access. Wholesale has responsibility for telecoms compliance. This Division also has responsibility for the regulatory financial aspects of the telecoms sector.

Contact: Claire Kelly,
Tel: 01 8049710

Retail and Consumer Services Division - Director: Barbara Delaney

The Retail and Consumer Services Division handles policy in relation to consumers' interaction directly with sellers of services. This includes areas such as the universal service provision of telecoms access, consumer rights and some elements of retail pricing and roaming. It is also responsible

for ComReg's interaction with EU institutions, including the Body of European Regulators of Electronic Communications (BEREC). Retail and Consumer Services is responsible for the monitoring of the quality of service and price control of the Emergency Call Answering Service (ECAS). Since July 12 2010, this Division has been responsible for the regulation of premium rate services.

Contact: Michelle O'Donnell,
Tel: 01 8049654

Corporate Services Division - Director: Vacant

This Division develops and implements leading-edge corporate affairs and communications strategies designed to enhance organisational performance and effectiveness. It is responsible for the human resources, finance, information systems, freedom of information, public relations, and general facilities management functions and strategic management for the organisation.

Contact: Sharon Ward,
Tel: 01 8049720

General Counsel: Caroline Dee-Brown

The General Counsel advises on all major legal matters and on the legal implications of communications policies in Ireland and the EU.

Contact: Colette Andrews,
Tel: 01 8049644

Senior Economic Advisor: Laura Brien

The Senior Economic Advisor is responsible for providing economic advice to the Commission and economic input to key economic projects undertaken by ComReg.

Contact: Colette Andrews,
Tel: 01 8049644



Alex Chisholm
Chairperson

Chairperson's Review

This was a year of solid progress in the communications sector and the development of regulation. Overall revenues from the sector decreased from €3.87 billion to €3.77 billion, reflecting stronger competition in the sector as well as the wider economic environment. Broadband subscriptions continued to grow over the year, reaching a total of 1,654,157 by the end of June 2012, and broadband speeds improved also. Average Revenue Per User (ARPU) for the mobile sector fell from €30 to €29, reflecting the impact of competition, particularly when mobile services are included in bundled offers with other electronic communication services. Consumers benefitted from falling costs and greater choice of services and suppliers.

Eircom's exit from the examinership process in June 2012 was a welcome development as it allowed the company to revise its capital structure and put in place a five-year business plan. UPC, for its part continued to roll-out high-speed cable broadband to its customer base. The mobile companies also continued to offer their customers a variety of new offerings.

During the period under review ComReg has progressed a number of significant projects which will stimulate and deepen competition within the electronic communications sector and in turn offer more choice to business and residential consumers. These projects have included work on a new framework for Next-Generation Access, preparations to hold a multi-band spectrum auction in the 800, 900 and 1800 MHz bands, the implementation of a Code of Practice for the regulation of Premium Rate Services, and the establishment of the regulatory framework for universal postal services.

Broadband

As of June 2012 there were over 1.6 million broadband subscribers in Ireland, an increase of 1.6% on 2011. According to the European Commission's Digital Agenda Scoreboard data, Ireland's household penetration for broadband stood at 65 % in June and broadband per capita - including mobile broadband - stood at 36.1%

During the period, strong growth was seen in cable broadband take-up with an increase of over 25%. In addition combined satellite and fibre take-up grew by 36%.

Speeds continued to increase, so that at the end of this reporting period, 20% of all broadband subscriptions were offering data speeds equal to or greater than 10 Mbit/s up from 12.5% at the end of June 2011.

Mobile

In June 2012 the number of mobile subscriptions stood at 5.5 million, increasing by 2.1% over the previous 12 months. Ireland's mobile penetration was 119.7%, with mobile phone users sending over 900 million text messages per month, making Irish mobile phone users among the most prolific texters in Europe. An estimated 418,958 mobile numbers were ported between operators in the twelve months to June 2012, which equates to an average of 34,913 per month over the period.

Consumer Activities

ComReg continued to protect and inform users of electronic communications services, in fulfillment of its consumer mandate.

Over the year, ComReg has taken compliance activity to ensure that operators meet their regulatory obligations to consumers. In April 2012 following a ComReg investigation into a discrepancy between prices published by Vodafone for calls to numbers in the 1520, 1580 and 1590 number ranges and actual charges applied to customers. Vodafone made

a payment of €951,000 to ComReg under Section 44 of the Communicators Regulation Acts 2002 to 2011. By way of recompense the affected customers received a refund either by cheque or directly through phone credit, together with an additional payment as compensation.

In June 2012 Eircom was re-designated as the Universal Service Provider for basic telephony services for a further two-year period. ComReg believes there are both social and economic grounds for the Universal Service Obligation, as it provides services to assist vulnerable users and those in remote locations that the market might otherwise not choose to serve, and in the process facilitates greater participation by those users in the market.

ComReg also completed significant work in relation to the regulation of Premium Rate Services (PRS). In April 2012, ComReg launched a new Code of Practice for Premium Rate Services which was to come into effect on 5 June. Following the lifting of a legal challenge by some PRS operators, the Code has been implemented in full, giving users of PRS services strong statutory protection.

Competition

In the reporting year, ComReg's competition work included the development and publication of a number of market reviews and pricing interventions. Key developments have included proposals for the regulation of Next Generation Access and for Fixed and Mobile Termination Rates, both which are shaped to promote the further development of competition in the communications marketplace, and take all due account of the European Commission's guidance in this area.

Spectrum and Innovation

In May 2012, ComReg set out the process for the awarding of spectrum rights of use in the 800 MHz, 900 MHz and 1800 MHz bands in a multi-band spectrum auction.

The auction offered spectrum rights of use across

these three critical bands for the period 2013 to 2030. In total, 280 MHz of sub-2 GHz spectrum (i.e. 140 MHz of paired spectrum) is being made available, more than doubling the currently licensed assignments in these particular bands. This spectrum release will enable mobile network operators to make the investments needed to deliver enhanced services which will take mobile communications services to a new and significantly higher level of performance.

In November 2011, ComReg published its Strategy for Managing the Radio Spectrum for the period 2011 until 2013. This document sets out the ComReg vision for how we will use the vital natural resource that is radio spectrum. It is ComReg's aim to ensure that Ireland derives the maximum benefits economically, strategically and socially from the use of the radio spectrum.

Postal

As the National Regulatory Authority (NRA) for the postal sector, ComReg's role in the regulation of the postal sector was set by the Oireachtas in August 2011 through the enactment of the Communications Regulation (Postal Services) Act 2011. Following the passing of this legislation, ComReg completed the first necessary step by consulting publicly on the scope of regulation set by the 2011 Act with a specification of the universal postal services to be provided by An Post.

Corporate

ComReg aims to be a highly effective, innovative organisation and to be a recognised centre of excellence playing its full part in shaping and delivering a knowledge-based economy.

ComReg continued to support the professional development of its staff and to manage performance effectively. The ability of our staff to show very high levels of skill and commitment has been crucial to our success in this year. ComReg was again honoured at the Irish Training and Development Awards and retained the Public Sector National Health and Safety Award.

As a public body operating in a constantly developing environment, an ongoing challenge is to continue to meet our obligations, while working within tight resource constraints. In the financial year to 30 June 2012, we reduced our total costs below that incurred in the previous year continuing the cost-reduction trend of a number of years. We continuously review and amend as necessary our policies and procedures in relation to expenditure, procurement and risk management.

The ongoing implementation of the procurement plan has also been an important means of delivering on new policy objectives e.g. expectations of efficiency gains of an additional 10% of non-regulatory costs. During the current year we retendered for a number of outsourced services including cleaning services, payroll, and IT help-desk services to ensure value for money.

ComReg is accountable to a number of Dáil committees, for example, the Commissioners attended a Joint Oireachtas Committee (Communications and Agriculture) meeting in January 2012 to discuss the full range of issues under their remit.

Conclusion

The year to 30 June 2012 has been a key transitional year, with the development of new regulatory frameworks for the Multi-Band Spectrum Award, Next Generation Broadband, Fixed and Mobile Termination Rates, Premium Rate Services and Universal Services for both Postal and for Electronic Communications. Taken together, these new regulatory structures have the potential to bring the sector to a new level of performance, with enhanced quality, choice and value for all users. I would like to thank ComReg's talented and dedicated staff for their hard work to deliver a strong set of outputs.



Key contact details:

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2

Communications Sector Overview: June 2012

According to Central Statistics Office data, Ireland's Gross National Product for the four quarters to the end of Q2 2012 was approximately €128.4 billion, while telecommunications sector revenue reported to ComReg for the same period was estimated at €3.77 billion.

- The value of the telecommunications sector fell by 0.3% in the second quarter of 2012 and decreased by 2.6 % in the twelve months to June 2012.
- Of the €3.77 billion in total revenues generated, revenues from the fixed line sector (including broadband) accounted for 52.8%, while the mobile sector contributed 42.5% of revenues. Broadcasting revenues (based on revenues from cable and Multichannel Multipoint Distribution Service (MMDS) providers only) accounted for the remaining 4.7%.
- Ireland's per capita mobile penetration rate¹ (based on 5,490,261 mobile subscriptions, including mobile broadband) at the end of June 2012 was 119.7% compared to 117.4% in June 2011.
- Ireland's per capita broadband penetration rate (based on 1,654,157 subscriptions, including mobile broadband) at the end of the reporting period was 37.5%. The fixed broadband household penetration rate² (based on 920,413 fixed residential broadband subscriptions) at the end of June 2012 was 55.6%.
- Total broadband subscriptions grew in the year to June 2012 by 1.6%. In the same period cable subscriptions increased by 25.3 % and 'other' (fibre/satellite) subscriptions, though coming from a low base, increased by 35.8%. All other platforms experienced a decline in subscriptions over the period. As of June 2012, there were 16,286 narrowband or dial-up subscriptions in Ireland, down by 52.3% since June 2011.
- Next-generation broadband and infrastructure investment remains a key focus of policy makers and industry players. Operators announced some significant investments in infrastructure and services. Eircom announced that more than 300,000 customers were using its Next Generation Broadband (NGB) service at the wholesale and retail level. When the planned NGB rollout is complete, more than one million (75%) working lines will be connected to NGB enabled exchanges.
- According to Nielsen's TV Audience Measurement (TAM) Establishment Survey, as of May 2012 just over 81% of all television homes³ in Ireland had a cable or satellite subscription. Nielsen's data also suggests that 79% of all television homes in Ireland have a digital subscription.

1 Based on a CSO Census data of 4,588,252 for Q2 2012

2 Based on CSO Census data of 1,654,208 households

3 Nielsen estimates 1.591 million television homes in Ireland



3

Retail and Consumer Services

ComReg's overall goal in relation to consumer protection is to inform, empower and protect consumers, residential and business, and to ensure the availability of a universal telecommunications service.

Progress in relation to these varied aspects of the role is outlined below as follows:

- Informing, empowering and protecting consumers
- Ensuring consumer welfare
- Ensuring availability of a universal telecommunications service.

Informing, Empowering and Protecting Consumers

In the context of ComReg's Consumer role to safeguard the interests of consumers, ComReg seeks to empower consumers through offering an effective complaints handling process whilst also ensuring the availability of appropriate and transparent information. ComReg seeks to identify the needs of consumer segments such as businesses, individual consumers, people with disabilities and vulnerable consumers in respect of electronic communications.

ComReg monitors developments by liaising with various stakeholders using a variety of mechanisms such as our Consumer Line, our websites, Outreach programme, the ComReg Consumer Advisory Panel, the Forum on Electronic Communications Services for People with Disabilities and relevant surveys and inputs from consumer organisations.

Consumer Websites

ComReg also continues to ensure that consumers are aware of relevant new developments and services by enhancing the independent information on our websites www.askcomreg.ie, www.callcosts.ie and www.phonesmart.ie.

www.askcomreg.ie provides general information for consumers in respect of electronic communications and postal services.

www.callcosts.ie ComReg's price comparison website allows consumers to input their individual usage for landline, mobile and/or broadband and calculations are based on price plans provided by Service Providers.

www.phonesmart.ie the premium rate service website has a convenient facility to check the name and contact details for the premium rate service provider based on a five digit number.

These websites had circa 300,000 visits resulting in over 500,000 page views, during the period.

Transparency of Prices and other service attributes

ComReg recognises the need for consumers to be appropriately informed in order to make choices in respect of electronic communications, even more so as competition intensifies and in light of challenging economic circumstances. In this respect ComReg has continued to work with industry to ensure that relevant accurate information is available to consumers in a comparable, structured and easily comprehensible format via ComReg's website www.callcosts.ie, which has been enhanced throughout the period.

To assist consumers in making informed purchasing decisions, ComReg commenced a project (involving a tender) with the objective of developing and piloting a methodology and a tool for measuring and publishing broadband speeds experienced by consumers using different platforms.

Outreach Programme

ComReg's Consumer Team continued its outreach programme during this period by hosting consumer stands at both the Over 50s show in October 2011 and the BT Young Scientist Exhibition in January 2012. Throughout the year, as part of our ongoing efforts to reach out to consumers, we supplied consumer guides to a number of County Librarians for distribution to their network of libraries. In addition, we held a consumer clinic in Ennis Library, County Clare in September 2011. During the year, ComReg produced a new Consumer Guide entitled - "Your guide to telephone numbers and charges".

ComReg Forum for People with Disabilities

ComReg continues its work on the Forum on Electronic Communications Services for People with Disabilities, established by ComReg to further its statutory objective to promote the interests of consumers with particular needs. ComReg works with industry and representative bodies, through the Forum, to promote the interests of users with disabilities and has worked towards implementing measures on a voluntary basis. ComReg has worked with the forum to prepare its consultation with respect to measures to ensure equal access and choice for consumers with disabilities, in accordance with Regulation 17(a) of the Universal Service Regulations.

Ensuring Consumer Welfare and Protection

Consumer Contacts

ComReg continues to provide a quality complaints handling service to consumers and in addition to webchat, email and our consumer line. We now offer a text service so that consumers can send a text with the word "ComReg" to 51500 and receive a call back from one of our agents. During the year 92.4% of all consumer calls to ComReg's Consumer Line were answered within 20 seconds.

During the period July 2011 to June 2012 there were approximately 34,000 issues that consumers contacted us in relation to, including premium rate service issues and all other issue types.

Premium Rate Service Issues

13,298 of the total issues related to premium rate services, the majority of which pertained to mobile subscription services (where there is a recurring charge to the consumer). The main issues raised by consumers in relation to premium rate services were categorised under the headings "denial of subscription", "difficulty unsubscribing" and "general request to unsubscribe". Of all issues logged 94% were closed within 10 days and 97% within 20 days.

During the period approximately 1,000 issues were escalated by ComReg to 36 PRS Service Providers as complaints on behalf of consumers. Of the total number of complaints escalated 45% were closed within 10 days and 64% were closed within 20 days.

Other Consumer Issues

1,596 of the total issues were issues raised by business consumers and mainly were in connection with contracts and network quality. During the period over 1,000 business consumer issues were escalated to Service Providers, of which 83% were closed within 20 days.

The remaining 19,253 issues were raised in relation to all other consumer issues. The main issues raised related to contractual, billing and network quality and coverage.

Of the 20,849 issues logged 88% were closed within 10 days and 95% within 20 days. In addition during the period there were 6,000 other consumer issues escalated to 66 Service Providers. Of the total number of complaints escalated 62% were closed within 10 days and 84% were closed within 20 days.

Contractual Issues

During the last period, ComReg has continued to monitor contracts for compliance with the relevant regulations and has published information for consumers in relation to their rights regarding changes to contracts and will publish further updates, as appropriate. In line with the new regulatory framework, ComReg commenced its consultation process in respect of the format of notifications.

Topical Issues

Our role in relation to consumer protection and awareness also encompasses new areas of responsibility and emerging issues. In the year under review the issues of premium rate services, emergency call answering services, roaming, billing and the new regulatory framework were particularly prominent.

Premium Rate Services

In July 2010, the Government enacted legislation that provided for the transfer of the regulation of premium rate services (PRS) to ComReg. The total market value of the PRS sector in Ireland is approximately €60 million. In July 2010, following a public consultation ComReg Document 10/27, ComReg published its decision on the scope of PRS regulation and regulations setting out these decisions and the conditions attaching to PRS licences.

In July 2011, ComReg published its Response to Consultation ComReg Document 10/92a (Draft Code of Practice - Premium Rate Services) and Further Consultation on the draft Code of Practice ComReg Document 11/51. In an Information Notice published on 5 April 2012, ComReg notified the public of its decision to implement a new Code of Practice for Premium Rate Services (PRS), to come into force on 5 June 2012.

On 2 June 2012, the High Court put a stay on the implementation of sections 4.15, 4.22, 5.13-5.15

and 5.64 of the Code of Practice, following an application made to it. ComReg notified the public of this stay by way of an Information Notice dated 2 June 2012. On 25 July 2012, the High Court lifted the stay. Accordingly, these provisions are now fully in effect, the rest of the Code of Practice having been in effect from 5 June 2012. The new Code includes additional provisions with the intention of ensuring that end-users are better informed of the costs of a PRS and the frequency of costs, in particular in relation to Subscription Services, before they are incurred. ComReg, in accordance with its statutory obligation, is fully committed to ensuring the interests of end-users of PRS are protected.

ComReg's website www.phonesmart.ie provides advice on premium rate services and their use. In addition the website includes a number checker whereby consumers can check the origin of a five-digit shortcode, thus enabling them to contact the service provider directly with their query.

During the period, ComReg published details in respect of findings of non-compliances and permissions granted in accordance with Section 3.3 of the new Code on www.phonesmart.ie.

Emergency Call Answering Service

In February 2009, the Minister for Communications, Energy and Natural Resources entered into a contract with BT Ireland to provide the Emergency Call Answering Service (ECAS) operation in Ireland. BT Ireland commenced live operations of the ECAS in July 2010 and, in October 2010, formally replaced Eircom as the ECAS provider. The service is performing to the quality specifications that the Minister set in the contract. ComReg is statutorily responsible for monitoring the quality of service of the ECAS provider and for reviewing the Call Handling Fee (CHF) that the ECAS provider may charge.

In December 2011, ComReg determined, following the review of the costs incurred by the ECAS provider to maintain the maximum CHF of €3.35 per

call for the period 12 February 2012 to 11 February 2013. The consumer is not charged for calls to 999 or 112 as this cost is borne by the presenting telecommunications network.

A pilot project to assess the use of SMS to contact the emergency services was established in January 2012 under the auspices of the Department of Communications, Energy and Natural Resources. The pilot which was initially planned to run for six months was primarily designed to enhance the communication by the deaf and hard-of-hearing community with the emergency services and is being supported by most of the mobile network providers in Ireland. The pilot was subsequently put on a permanent footing. Further information regarding the project is available on the Commissions dedicated portal www.112.ie.

Roaming Regulation

ComReg continues its work in monitoring the implementation of the Roaming Regulation by Irish Mobile companies. The key points noted in ComReg's report for the period 1 July 2011 to 31 December 2011 are as follows;

- The average retail roaming prices for voice calls made and received continue to indicate compliance with the regulatory price ceilings.
- The average retail price for sending a text message while roaming remained close to the regulated cap of 11 cents (excluding VAT) but slightly higher than the EU/EEA average of 10 cents (excluding VAT) per text message sent while roaming.
- Volumes of retail data roaming traffic (pre and post-paid) have grown strongly over the reported periods. Volumes for Ireland were over 3 times higher in Q4 2011 compared to Q4 2008.
- There was no regulated price cap in place for retail data roaming prices for this period.
- For Q4 2011, Ireland's non group retail pre-paid data roaming price per Mbit/s €2.20 was higher than the EU/EEA average of €1.59 but

Ireland's non group retail post-paid data price per Mbit/s of €0.85 was lower than the EU/EEA average €1.51

ComReg has taken compliance action in relation to the Roaming Regulation during the period.

To further promote awareness and transparency for consumers while roaming, ComReg's website www.callcosts.ie/roaming provides consumers with information about mobile roaming, a guide to mobile roaming and a mobile roaming calculator which assists consumers in estimating the cost of their planned roaming usage.

The new regulatory framework and consumers

The most recent EU telecommunications regulations package was published by the Department of Communications, Energy and Natural Resources on 1 July 2011. These new regulations transpose the European regulatory framework (published in 2002 and amended in December 2009) and have implications for a number of stakeholders, including consumers, operators, users of spectrum, and ComReg. In general, the regulations provide for enhanced consumer protection through changes such as mandatory compensation schemes by operators. There are also a number of implications for operators, some of which are outlined in information notice ComReg Document 11/48, and for ComReg in terms of its objectives and associated powers.

There have been a number of improvements to consumers' rights as a result of the new regulations.

Examples of these enhanced rights are:

- New rules in relation to the right of consumers to retain their numbers when changing service provider ("porting") have been introduced. This gives subscribers more predictability in respect of the time taken to change service provider, allowing them to port their number to another

service provider within one working day.

- A specific right to compensation for subscribers in the event of delay or abuse of the number porting procedure is provided for.
- Operators must offer the possibility to subscribe to a contract with a maximum duration of 12 months and other conditions and procedures for contract termination may not act as a disincentive to consumers to changing service provider.
- An entitlement to improved information to ensure that consumers understand the services they subscribe to and what they can and cannot do with those services. Consumer contracts are also to specify minimum service quality levels offered.
- Improvements on requirements for clarity of communications of contract changes by enabling ComReg to specify the format of notifications of contract changes and additional aspects including the basic level of itemised bills which are to be provided to subscribers free of charge.
- Provisions relating to access to and equal choice of electronic communications services for users with disabilities have been strengthened and new protections in relation to unsolicited communications have been introduced.

Ensuring Availability of a Universal Telecommunications Service

A central aspect of our work on consumer protection is to ensure availability of a universal telecommunications service. In June 2012, following a public consultation, Eircom was re-designated as the Universal Service Provider (USP) for a period of two years, until 30 June 2014, in accordance with the European Communities (Electronic Communications Networks and Services) (Universal Service and Users' Rights) Regulations 2011.

In 2008 ComReg specified annual quality of service performance targets in respect of the provision of certain elements of the universal service. In

June 2010, Eircom established a Quality of Service Performance Improvement Programme (USO), with associated annual performance targets and bonds.

In addition, Eircom estimated that it would make an annual investment of over €30m in 2010/2011 and 2011/2012. In August 2012 Eircom established a further USO Quality of Service Performance Improvement Programme with associated annual performance targets and a financial mechanism to guarantee performance. In addition, Eircom estimated that it would make annual investments of €30.5m in 2012/2013 and €20.5m in 2013/2014. ComReg continues to monitor Eircom's commitments in relation to the above programme and the targets specified by ComReg in 2008. ComReg continues to publish Eircom's Quality of Service performance on a quarterly and annual basis.

In May 2011, following a consultation process, ComReg issued a Decision ComReg Document D04/11 regarding the principles and methodologies for establishing the net cost of providing the universal service. This decision provided the basis upon which the net cost of providing the universal service is calculated and will enable ComReg to determine if the net cost, if any, constitutes an unfair burden on the universal service provider. Eircom made an application on 31 May 2012 for the period 2009/10 and ComReg is currently assessing this application.



4

Competition

In relation to competition, ComReg's aim is to drive access and investment in high-speed broadband networks through cross-platform competition, and to use effective and appropriate wholesale regulation to create the opportunities for dynamic and sustainable competition. Progress in relation to these varied aspects of the role is outlined below as follows:

- Encouraging the roll-out of competitive Next Generation Access
- Promoting dynamism and innovation in the sector through infrastructure-based or service-based competition, as appropriate

Overview

A trend towards a more competitive and dynamic market visible in recent years continued throughout the period of this report. This welcome development was particularly noticeable in urban areas where UPC's network added 6,251 subscriptions to its customer base between Q2 2011 and Q2 2012 and BT continued to extend its LLU-based presence. An important development during the period was Eircom's announcement in July 2011 that it planned the roll out of a Fibre To The Cabinet (FTTC) Next Generation Access (NGA) upgrade. This would allow for speeds of 30Mbit/s to 50Mbit/s with the potential for later upgrade to speeds in excess of 80Mbit/s. The latter speeds were contingent on the deployment of bandwidth enhancing technologies such as vectoring. Eircom's announcement was in the context of UPC's network upgrade to the DOCSIS 3.0 standard which can provide speeds in excess of 100Mbit/s.

Retail Trends

During the period Eircom's retail share of fixed line revenues overall decreased from 59% to 55% of the market. Its share of voice revenues including revenues derived from access (i.e. line rental) fell from 69.2% to 66.9%. In the retail fixed broadband market penetration increased from 22.8% to 23.6%.

According to CSO data, Ireland's household broadband penetration rate was 65% in 2011 compared to an average EU household penetration rate of 67%. Eircom's retail share of the fixed broadband market at the end of June 2012 was 42.5% in terms of subscriber numbers, a fall of 3.9 percentage points compared to one year earlier. UPC's share had increased from 21.7% to 26.2% in that period. Approximately, 24% of fixed broadband subscriptions were supplied by other operators using Eircom's wholesale bitstream and LLU products.

Next Generation Access

Approximately 610,000 homes (approximately one third of all homes) were scheduled to have access to headline speeds in the region of 100Mbit/s by the end of 2012, primarily through UPC's network upgrade. In the areas not served by cable, consumers generally had access to headline speeds of between 3Mbit/s and 24Mbit/s (depending on the area) through fixed line, mobile and satellite services, with fixed wireless providing higher speeds in some areas.

In July 2011 Eircom announced plans to upgrade its own network by means of a roll-out of FTTC technology. Initially planned to cover 100,000 homes at launch, this footprint was later expanded to 200,000. Eircom stated that its ambition was to roll out to approximately 900,000 homes. An industry forum, chaired by ComReg was set up in October 2011 to oversee the development of appropriate wholesale products on interfaces which would allow other operators to make use of Eircom's network for their own retail offerings. The wholesale

products with the greatest likelihood of extensive use were the Next Generation Bitstream product and the Virtual Unbundled Access Product. Eircom planned a commercial launch for February 2013.

From a regulatory perspective ComReg had consulted on the requirement for regulation of Next Generation Access Networks in market reviews published in 2010 and 2011 - ComReg document 11/40. ComReg proposed regulation of NGA but had refrained from deciding on the precise details until more information became available. Once Eircom made its announcement ComReg was in a position to proceed to specify in more detail what the form of regulation might take and published a consultation in this regard on 4 April 2012 ComReg Document 12/27 - Next Generation Access (NGA): Proposed Remedies for NGA Markets.

Other Wholesale Developments

Operators using Eircom's network consolidated their position in overall terms during the period. Volumes of Local Loop Unbundling (LLU) remained flat at approximately 60,000 at the end of June 2012. The total number of retail broadband customers supplied using either LLU or Bitstream increased by 0.6 percentage points to 24% in the year to 30 June 2012. The number of customers served by means of Wholesale Line Rental increased from 416,601 to 447,851 access paths between Q2 2011 and Q2 2012.

Market Analysis

In Ireland the scope and nature of telecommunications regulation is determined by a process set out in European law known as a market analysis. As part of the process ComReg must first of all define what markets are potentially within the scope of regulation having had regard to a list of recommended markets published by the European Commission. Having defined the relevant market, ComReg must assess whether any company or companies is individually or jointly dominant within that market. If it concluded that a dominant operator

does exist it must impose at least one remedy to ameliorate the effect of this dominance based on a list set out in the legislation. For example, ComReg may require a dominant operator to open up its network to competitors at the wholesale level. In practice, most telecommunications regulation is targeted at the wholesale level; at the end of 30 June 2012 only one retail market was subject to regulation - the market for retail access (line rental).

During the period under consideration ComReg issued a decision on the market analysis for Wholesale Broadband Access (ComReg Document 11/49 issued on 8 July 2011). In this paper ComReg found that Eircom was dominant and imposed a number of remedies including the obligation to provide access to wholesale broadband services and also a price control obligation. ComReg also decided that wholesale broadband over Next Generation Access was susceptible to regulation.

On 23 May 2012 ComReg consulted on the market analysis of wholesale mobile voice call termination. In this proposal ComReg suggested that a number of operators, including all four mobile network operators should be subject to regulation on the charges they levy on other operators for completing calls handed over to them from other networks. As part of this consultation ComReg proposed that the price for these termination services should be regulated. Separately ComReg consulted on precisely how this should be done in a paper which also addressed the corresponding matter for fixed call termination. This was published as ComReg Document 12/67 Voice Termination Rates in Ireland - Proposed Price Control for Fixed and Mobile Termination Rates.

Other market analyses which were in progress at the period end were in relation to fixed voice origination, fixed voice transit, retail fixed access and wholesale broadcasting transmission.

Pricing

A number of important projects in respect of wholesale pricing were completed or progressed during the year.

In ComReg Document 11/67 ComReg imposed new price controls in the markets for Wholesale Call Origination and Call Transit. In summary these controls were intended to ensure that various means of accessing these wholesale voice services which are supplied by Eircom are placed on an equal footing. i.e. that entrant operators' incentives as to how they enter the market are not unduly distorted.

In ComReg Document 11/72 ComReg consulted in detail on how it proposed to regulate bundles sold by Eircom. The paper proposed certain changes in order to ensure that regulation reflected the competitive conditions as they exist in different parts of the country and also provided a degree of clarity as to how this would evolve as competition developed. The paper also examined how bundles which include unregulated services might be regulated.

In ComReg Document 11/99 ComReg noted that Eircom had further reduced its wholesale call origination and termination rates by 5%. This was on top of a 15% aggregate reduction since 2010.

In ComReg Document 12/03 ComReg decided on how pricing of wholesale terminating segments of leased lines should be regulated. These leased line segments are an important input into the business broadband market. One of the most important decision concerned the pricing of a new leased lines technology, Ethernet, which has led to substantial price reductions for users of this technology as compared to legacy technologies.

On 5 April 2012 ComReg issued Decision 06/12 in ComReg Document 12/32, Wholesale Broadband Access: Further Specification to the Price Control Obligation and an Amendment to the Transparency Obligation. In this decision, ComReg, inter alia, set

rules for the pricing of Wholesale Broadband that were intended to ensure that operators were not unduly encouraged to use Wholesale Broadband services as compared to Local Loop unbundling.

Key Performance Indicators

In June 2011, ComReg issued a decision mandating the publication of Key Performance Indicators by Eircom which provided a comparison between its retail and wholesale service performance over a number of parameters. These metrics were published during the period and are available in the regulatory information section of Eircom's website www.eircom.ie.

Compliance

In respect of monitoring compliance with wholesale regulation ComReg opened 61 new investigations and closed 41 with an average case duration of 5 months. The total number of open cases at year end was 40.

On 1 July 2011, under Section 23(2) of the European Communities (Electronic Communications Networks and Services) (Universal Service and Users' Rights) Regulations 2012, ComReg was given the power to require, on a case by case basis, that access to numbers or services be blocked and to require undertakings to withhold relevant interconnection or other service revenues where there is evidence of fraud or misuse. The powers under Regulation 23(2) are invoked for the purposes of preventing fraud or misuse of Irish numbers and for the protection of both end-users and operators.

ComReg considers that this power may be invoked in circumstances such as the hacking of PBXs (company telephone systems). In this type of misuse, the hacker remotely gains access to a company's PBX and begins making calls to international destinations. The hacker's aim is to generate a high volume of calls to a particular destination which generates revenue for the hacker. The company which is the victim of this

misuse can face bills of many thousands of Euros for these calls from their communications provider. In these circumstances, the new powers allow ComReg to intervene in the often complex billing arrangements between domestic and international communications providers and require that the payments resulting from this type of misuse are withheld. Typically, when ComReg intervenes in this way a communications provider will not hold the hacked company liable for the calls. In the period 1 July 2011 to 30 June 2012, the Wholesale Compliance team has opened a total of 21 new misuse investigations and concluded 5.



5

Innovation

ComReg aims to promote innovation by:

Spectrum Operations

Facilitating new spectrum-based techniques, services and applications

Releasing additional spectrum to ensure sufficient capacity exists for service providers to offer high speed broadband products.

Postal

Providing a predictable regulatory framework in the market for postal service provision

Promoting the development of the postal sector

Facilitating the development of competition in the market for postal service provision

Forward Planning

Providing a predictable regulatory framework to support NGA development and investment

Enabling product innovation by responding to sectoral convergence, particularly in relation to the provision of bundled services

Exploring the long-term future use of the UHF spectrum and other bands, in co-operation with relevant stakeholders

Promoting Ireland as a centre of excellence for research and innovation in spectrum and for testing new spectrum-based techniques, services and applications

Providing regulatory certainty regarding investment decisions by contributing to the development of a single European market for ECS

Facilitating knowledge transfer by sharing relevant national and international regulatory best practice.

Spectrum Management Issues Strategy for Managing the Radio Spectrum 2011 - 2013

The radio spectrum is a medium by which information may be transmitted wirelessly over distances ranging from a few metres to thousands of kilometres. It has become essential for the continuing provision of our now ubiquitous mobile communications and in wireless reception of broadcast services.

It is fundamental to the safe operation of air and maritime transport and to the day-to-day operation of the defence forces and emergency services. Radio spectrum access is also vital to many important scientific applications. However, it is a finite natural resource and so best use must be made of it.

In November 2011 ComReg published its Strategy for Managing the Radio Spectrum Resource in Ireland for the period 2011 to 2013 ComReg Document 11/89.

During this period, there will be a number of important changes to spectrum allocations in Ireland. ComReg's aim is to ensure that Ireland derives the maximum benefits economically, strategically and socially from the use of the radio spectrum.

ComReg has considered the economic contribution made by the use of radio spectrum to the Irish economy and estimates that the contribution for 2009 (the most up to date available data) was approximately €3.6 billion, or 2.2% of total GDP. A conservative estimate of the number of jobs in Ireland which are dependent on the use of the radio spectrum was estimated at over 26,000 in respect of 2009.

A number of key drivers have informed ComReg's spectrum management strategy, including:

- rapidly increasing demand from consumers for ubiquitous, high-speed internet access on both

- fixed and mobile devices;
- increased demand on wireless communications services creating the risk of network congestion and reduced quality-of-service;
- the current economic climate and the challenges that poses to capital investment;
- the emergence of new radio technologies promising greater spectrum efficiency (such as Evolved High-Speed Packet Access (HSPA+), Long Term Evolution (LTE) and Cognitive Radio); and
- Increasing harmonisation of the most sought-after spectrum bands across Europe in accordance with European directives and decisions, making it critically important for ComReg to represent Ireland's interests in the development of future spectrum management policy.

The key radio spectrum related tasks arising in the 2011 - 2013 Strategy Statement period are likely to include:

- finalising the consultation process around the release, on a fully-liberalised basis, of the 800 MHz digital dividend, the 900 MHz and 1800 MHz bands;
- facilitating the rollout of Digital Terrestrial Television (DTT) in Ultra High Frequency (UHF) bands IV and V below 790 MHz, and the switch-off of analogue television transmissions in 2012;
- considering the release of new frequency bands for fixed links to meet market demand;
- carrying out a review of the Fixed Wireless Access Local Area (FWALA) licensing scheme in the 3.6 GHz, 10.5 GHz and 26 GHz frequency bands;
- considering the future use of the 2.6 GHz band taking into account the rights of current licensees as well as considering inputs received to date; and
- Carrying out a consultation on further technical and spectrum release options relating to the 2300-2400 MHz frequency band.

Radio Frequency Plan

ComReg is obliged by law to publish a National Radio Frequency Plan detailing the radio frequency allocations in Ireland, and the publication is seen as a vital source of information for consumers, licensees, manufacturers and operators.

A number of changes in use of the radio spectrum have occurred on a national and international level and following the publication of a completely new and updated version in November 2008, ComReg published further updates in December 2009, December 2010 and December 2011- ComReg Document 11/101- reflecting the latest national and European legislation as well as the change of status of a limited number of spectrum bands. This latest update reflects all changes up to late 2011 and details the use of the different frequency bands together with the uses of those bands in Europe.

Spectrum Development Programme

Ireland's geographic position on the western edge of Europe and its low population density provides a key natural advantage, namely, a relative abundance of unused spectrum. Coupled with ComReg's Test & Trial licensing programme, Test & Trial Ireland, this natural advantage allows entrepreneurs, researchers and developers to test or trial wireless technologies in a wide variety of frequency bands, including parts of the mobile and broadcasting bands. ComReg has established a website www.testandtrial.ie dedicated to promoting Ireland as an ideal location for the testing and trialling of new radio spectrum products and services and among other items it contains information on the benefits of the programme to users as well as giving a list of previous users.

During the year, ComReg issued 24 Test & Trial licences to various licensees, including universities, research centres, telecommunication manufacturers and telecommunication service providers. Test licences facilitate the testing of wireless devices for research, development and demonstration

purposes, while Trial licences also facilitate these activities as well as the commercial trialling of new services to garner consumer feedback before committing to a commercial launch. During the period in review a variety of wireless technologies availed of the Test & Trial Ireland facility including mobile and broadcasting services, the advanced electricity Smart Metering project and other projects investigating innovative uses of wireless technology.

Multi-Band Spectrum Release

ComReg has consulted extensively on the release of spectrum rights of use in the 800 MHz, 900 MHz and 1800 MHz frequency bands.

On 16 March 2012, ComReg, in its capacity as manager of Ireland's radio spectrum, published its response to consultation and decision for the auction of a number of individual rights of use in these three radio spectrum bands in ComReg Document 12/25 and Decision 04/12¹.

The auction will offer spectrum rights of use across these three critical bands for the period 2013 to 2030. In total, 280 MHz of sub-2 GHz spectrum (i.e. 140 MHz of paired spectrum) will be made available, more than doubling the currently licensed assignments in these particular bands. This spectrum release will enable mobile network operators to make the investments needed to deliver enhanced services which will take mobile communications services to a new and significantly higher level of performance.

ComReg has received considerable interest in this consultation process, which has been demonstrated by the large volume of material received, comprising submissions from interested parties.

The 900 MHz band is the main band currently used for the provision of GSM or '2G' (second-generation) mobile services such as voice and SMS

1 ComReg Document 12/25 - Response to Consultation and Decision on the release of the 800 MHz, 900 MHz and 1800 MHz Radio Spectrum Bands - published 16 March 2012.

text messaging. The 1800 MHz band is also used to provide GSM services, mainly to provide additional capacity in urban areas where demand is higher. Until recently, the 900 MHz and 1800 MHz bands were reserved for GSM-use only but the European Commission has mandated that both bands be 'liberalised', meaning that they can be used in future for providing advanced mobile services such as mobile broadband data utilising 3G and 4G technologies alongside GSM.

The 800 MHz band is currently used for the provision of analogue terrestrial television services. However, following the introduction of digital terrestrial television services and the switch-off of analogue services, this band will also be available for re-allocation to mobile services.

All three bands are universally regarded as highly suitable for mobile services by virtue of their propagation properties, enabling wide area coverage and effective in-building penetration, and hence facilitate the provision of high quality national mobile network coverage at a reasonable cost.

Added to the critical importance of this spectrum is the considerable element of technical complexity associated with planning for an award process involving three different spectrum bands, two of which have existing GSM licences due to expire at varying points between 2012 and 2016. ComReg has therefore approached this process with considerable care and attention, based on a very full and thorough examination of all relevant options, having regard to all of the external submissions and economic, legal and technical material available to it.

The core decision arrived at by ComReg is to hold an open auction process for all spectrum rights in the 800 MHz, 900 MHz and 1800 MHz bands. ComReg has concluded that this approach is preferable to an award process involving limited or no competition for spectrum-use rights, in which incumbent mobile operators would be awarded spectrum-use rights simply by virtue of their incumbency.

Trading of spectrum rights will be permitted in these frequency bands and ComReg will set out separately its proposals on the rules and procedures associated with spectrum trading in due course.

ComReg intends to hold the auction during the next reporting period.

Future of 2500-2690 MHz (2.6 GHz) band

In May 2010, ComReg published its Information Notice ComReg Document 10/38, which sought views on potential services in the 2.6 GHz band and their associated spectrum requirements. Responses to the Information Notice highlighted a broad range of issues for ComReg to consider in its ongoing review of the band.

To further this review, ComReg published its Consultation (Document 11/80) in November 2011 and invited views on two matters. Firstly it gave notice of its intention to amend the licence conditions of the three Microwave Multipoint Distribution Systems (MMDS) licences in the 2.6 GHz band in force in Dublin, Galway and Waterford so that they co-terminate in April 2014.

Secondly, ComReg engaged independent consultants Aegis Systems Limited assisted by Plum Consulting Limited (Aegis and Plum) to provide a report on the technical feasibility of the 2.6 GHz band being shared by MMDS and NGMB systems. Aegis and Plum were also tasked with providing an economic review of the allocation of the band solely for either MMDS or NGMB. ComReg then invited stakeholders to comment on the report which it published as ComReg Document 11/80a - 'Technical and Economic Study on Multipoint Microwave Distribution Systems and Next Generation Mobile Broadband Services in the Band 2500 - 2690 MHz'.

In February 2012, and having carefully considered respondents' views, ComReg published its response to consultation ComReg Document 12/09, together with a decision on its proposal to amend three of

the existing MMDS licences held by UPC as outlined in ComReg Decision 03/12.

In ComReg Document 12/09, ComReg set out its intention to review the future of the 2.6 GHz band including a review of the operation of the existing licences within the band. ComReg will, in accordance with Regulations 7 and 8 of the Wireless Telegraphy (Multipoint Microwave Distribution System) Regulations 2003, determine whether existing licences in that band should be extended for a further period of up to 5 years from 19 April 2014. ComReg will consult on this matter in the next reporting period and prior to making any decision on the matter.

Technical conditions for Analogue Broadcasting

The technical conditions relating to the establishment and operation of a VHF FM (Very High Frequency - Frequency Modulation) station in the independent radio service in the frequency band 87.5 - 108 MHz were set out in a document published by the then Department of Transport, Energy and Communications in September 1995 (T&RT 95/10).

For RTÉ, the technical conditions relating to the establishment and operation of VHF-FM stations in the frequency band 87.5 - 108 MHz and LF/MF AM (Low Frequency/Medium Frequency Amplitude Modulation) stations in the frequency bands 150 - 285 kHz or 525 - 1605 kHz were in accordance with the RTÉ licence of 2005 ComReg Document 05/13a, published 22 Feb 2005.

The technical conditions for VHF FM stations for the independent radio service and RTÉ are in essence the same, although document T&RT 95/10 does not include technical conditions for LF/MF AM stations.

In December 2011, ComReg published its Information Notice ComReg Document 11/95 to make interested parties aware of proposed Technical Conditions for analogue radio broadcast transmitters. The purpose of the proposed analogue

radio technical conditions was to consolidate the technical conditions for all VHF FM and LF/MF AM stations in the frequency bands 150 - 285 kHz, 525 - 1605 kHz and 87.5 - 108.0 MHz. The proposed technical conditions would then become applicable to both independent radio contractors of the BAI and radio services operated by RTÉ.

ComReg received one comment with regard to its Information Notice ComReg Document 11/95, which it considered appropriate to incorporate into the technical conditions for analogue radio broadcasting. Information Notice ComReg Document 12/04 was published in February 2012 with the final version of the Technical Conditions ComReg Document 12/04a to be attached to a licence issued by ComReg in respect of a VHF Band II (FM), LF-AM or MF-AM analogue radio broadcasting service.

Deflector Licensing

The original deflector licensing scheme was established in 1999, by the then Office of the Director of Telecommunications Regulation (ODTR), following a public consultation (ODTR Document 99/55). The scheme was established under the Wireless Telegraphy (UHF Televisions Programme retransmission) Regulations 1999 (S.I. 348/1999).

Deflector operators were originally granted licences to enable them to re-transmit the four UK national analogue terrestrial channels to their customers. Deflector operators were required to identify four frequency channels which could be licensed to them for this purpose.

The scheme permitted the provision of deflector services only in those geographic areas where a cable television service was unavailable, and the view was also expressed that the scheme would be terminated upon the introduction of Digital Terrestrial Television (DTT) which, at that time, was expected to begin roll out in 2001.

As DTT did not launch in 2001, the deflector licensing scheme was renewed in 2001, by amendment of

the 1999 Deflector Regulations, and it was renewed again in 2003, 2006 and 2009, each time by a new set of Deflector Regulations. In March 2012, ComReg conducted a consultation ComReg Document 12/18, proposing that the deflector licensing scheme should conclude on the 31 of December 2012. In June 2012, ComReg received only one response to its consultation and this supported ComReg's proposal. Given that no opposing views were received, ComReg decided not to further extend the scheme beyond the end of 2012.

The current scheme is in place under the Wireless Telegraphy (UHF Televisions Programme retransmission) Regulations 2009 (S.I. 445/2009) and ends on 31 December 2012. All current licences will terminate on that date and they shall not be renewed or extended beyond that date, in accordance with Regulation 6(4) of the Deflector Regulations.

Digital Broadcasting

In the course of the reporting year ComReg continued its work in relation to spectrum planning for digital television, including international coordination of the required radio frequencies. In June 2012, ComReg concluded negotiations with the UK telecom regulator, Ofcom, on a mutual spectrum plan to facilitate the re-farming of up to eight DTT multiplexes in the band 470-790 MHz. This important spectrum planning work ensures the availability of the 800 MHz band for non-broadcasting electronic communications, following the switch-off of analogue TV broadcasting transmissions, and the switch over to digital transmissions (DSO).

The transition from analogue to digital broadcasting in Ireland has the potential to free up significant amounts of valuable spectrum in the Ultra High Frequency (UHF) band which can be used for additional/enhanced television services and for new and innovative electronic communications services. The switch-off of analogue TV broadcasting transmissions and the switch over to digital transmissions (DSO) in Ireland will take place on 24 October 2012.

VHF and UHF Telemetry

In December 2011 ComReg published in Consultation Document 11/94 outlining a range of proposals to modernise telemetry service licensing.

The two main changes that ComReg proposed were:

- to reorganise how spectrum is presently assigned in the VHF and UHF bands, so that fixed telemetry services and mobile business radio services may make more efficient use of the spectrum resource while ensuring ongoing coexistence; and
- to introduce four new categories of licence which are specifically tailored to telemetry users in order to streamline the licensing process and to minimise the administrative burden of renewing multiple licences on an annual basis.

ComReg will update on this matter in the next reporting period.

Spectrum Compliance

ComReg's Spectrum Compliance section ensures that all users of the radio spectrum adhere to the relevant licence conditions or regulations so as to prevent interference to other radio users. When interference does occur, ComReg is responsible for investigating the matter on behalf of the licensee. During the period July 2011 - June 2012, 179 radio interference complaints were received, 26 of which involved interference to Air Traffic Control or Emergency Services. Periodic inspections of radio equipment in use in the State are also undertaken to ensure that the radio spectrum is fit for use by all users.

ComReg is also responsible for taking action against unlicensed broadcasters under the Wireless Telegraphy Acts, 1926 to 2009, and the Broadcasting & Wireless Telegraphy Act, 1988. Such action includes the execution of search warrants on premises suspected to contain unlicensed broadcast equipment and the prosecution of those accused of relevant offences. ComReg undertakes joint operations in conjunction with its Northern Ireland counterpart, Ofcom, with regard to cross-border unlicensed broadcasters.

ComReg also acts against the suppliers of illegal radio equipment, particularly those supplying equipment that, whether by design or through non-compliance with European standards and regulations, can cause interference to other services.

The Radio & Telecommunications Terminal (R&TTE) Directive, and the Electromagnetic Compatibility (EMC) Directive, which both ensure that all electronic and radio equipment that is put on the market in Ireland complies with the relevant EU standards and bears the CE mark, also falls within ComReg's remit. ComReg has brought a number of investigations to a satisfactory conclusion in this area during the year.

Progress has continued in the areas of inter-agency co-operation and proactive Market Surveillance. ComReg currently enjoys co-operation with industry and with other regulatory authorities throughout the

EU. ComReg also participates in Market Surveillance Campaigns at national and EU levels aimed at analysing products on the market and enforcing the relevant standards. This year the focus of the campaign was LED lighting products. ComReg has continued to further develop its relationship with other law enforcement authorities within Ireland, particularly Customs and An Garda Síochána to help prevent non-compliant equipment from being introduced in the State.

ComReg is undertaking the roll-out of a Remote Monitoring Network to monitor radio spectrum throughout Ireland. At present ComReg has eight Remote Monitoring Stations operational in major urban centres throughout the country. Four new remote monitoring sensors were procured through open tender this year. It is intended to expand this number and upgrade existing stations in the coming year.

ComReg also takes an active role in spectrum compliance at European level, attending the CEPT FM22 Monitoring and Enforcement working group, the Administrative Cooperation Working Group (ADCO for R&TTE), a forum for co-operation and exchange of information between national market surveillance authorities, and the Telecommunication Conformity Assessment and Market Surveillance Committee (TCAM).

Programme of Measurement of Non-Ionising Radiation

Non-ionising radiation (NIR) emissions from transmitter sites remain a matter of interest for the public. The Department of the Environment, Heritage and Local Government is responsible for the health effects of NIR, while ComReg requires, as a condition of wireless transmission licences, that operators of transmitting stations must ensure that their installations comply with the NIR emission limits specified in the latest guidelines published by the International Commission on Non-Ionizing Radiation Protection (ICNIRP²).

2 ICNIRP is a body of independent scientific experts which works with the World Health Organisation to develop the guidelines.

ComReg carries out annual audits of compliance by operators with licence conditions which includes the ICNIRP emission limits. Each annual audit involves surveying a sample number of sites and transmitter types (broadcast, mobile telephony, wireless broadband etc.) countrywide. Results of all the site surveys conducted during this reporting period (July 2011 - June 2012) were summarised and published in four quarterly reports ComReg Documents 11/74, 12/05, 12/42 and 12/88. Copies of the individual site survey reports were made available on the ComReg website as well as via www.siteviewer.ie an on-line facility provided by ComReg, which allows the public to view details of GSM and 3G mobile telephony base stations throughout Ireland.

At all of the sites surveyed during this reporting period, measurements of NIR emissions were found to be significantly below the ICNIRP guideline limits.

World Radio Conference 2012

The ITU World Radio communications Conference (WRC-12) took place in Geneva, Switzerland over 4 weeks from 23 January to 17 February 2012. The conference was an international treaty negotiation to amend and update the ITU Radio Regulations which govern the use of the radio spectrum at a global level.

ComReg participated as part of the Irish delegation led by the Department of Communications, Energy and Natural Resources (DCENR). All of the European Conference of Postal and Telecommunications Administrations (CEPT) objectives were achieved in line with the European Common Proposals.

There were about 30 items on the agenda of the conference related to frequency allocation and frequency sharing, and covering mobile and satellite communications, maritime and aeronautical transport as well as spectrum for scientific purposes related to the environment, meteorology and climatology, disaster prediction, mitigation and relief.

A key decision taken by the conference, on foot of

proposals from a number of African countries was for the next WRC in 2015 to make a co-primary frequency allocation to the mobile service in the band 694-790 MHz, including consideration of the limit of the lower edge of the band. This band is currently used for broadcasting, being part of UHF Band IV/V which will transition to digital TV in October 2012. Between now and 2015 Europe, including Ireland, will need to develop a policy for the use of this change in allocation and this important work will be incorporated into ComReg's work programme.

Radio Spectrum Policy Group

ComReg's Commissioner Mike Byrne completed his term as Chair of the RSPG in December 2011.

During the period of this report the RSPG addressed the following issues:

Opinion on Review of Spectrum Use

The European Union's Radio Spectrum Policy Programme (RSPP) is a key component of Europe's Digital Agenda with the aim of identifying and making available at least 1200 MHz of spectrum for wireless broadband services. In the context of the RSPP the RSPG developed an Opinion, as advice to the European Commission, which investigated the best processes for analysing spectrum demand, the impact of technology trends on such demand, the supply of spectrum that might meet increasing demand and the elements that would need to be assessed in determining whether that spectrum is being used in an efficient way.

Opinion on the process for EU assistance in bilateral negotiations with third countries

This Opinion addressed the following matters:

- A process for assistance by the Union at the political level to support bilateral negotiations in cases where one or more Member States have difficulties in resolving cross-border frequency coordination or cases of harmful

interference with third countries, and which prevents them implementing an EU policy or where there is a strong EU interest;

- A process to assist one or more Member States, through the good offices of the RSPG in finding a solution for cases of harmful interference or unresolved coordination issues with other Member States;

Report on collective use of spectrum and other sharing approaches

The Report analysed Collective Use of Spectrum approaches and explored the need to identify high frequency bands (e. g. in the millimetric wavelength range) to which any such approach could potentially be applied. It also addressed the impact and challenges of innovative sharing arrangements, including those utilising cognitive technologies. Furthermore, it explored the possibilities of establishing a regulatory framework for a shared use of spectrum, based on the collective use approach. Finally it elaborated on white spaces and on the policy implications of the use of white space spectrum, notably in the UHF bands.

Report on improving broadband coverage

This Report set out some of the key issues facing EU Member States in the challenges they face in providing high-speed broadband services to all citizens and consumers.

Joint RSPG BEREC Report on Economic and Social value of spectrum

The Joint BEREC/RSPG Working Group on competition issues was given the task of exploring ways in which the economic and social value of radio spectrum used for electronic communications services (ECS) is determined. The objective of the report was to share experiences and views between regulators on how to determine the social and

economic value of the use of radio spectrum for ECS. The study focused on the Wireless Access Policy for Electronic Communication Services (WAPECS) bands as these are subject to interest from the market and from policy makers to support mobile broadband, primarily the 800 MHz, 900 MHz, 1800 MHz, 2 GHz, 2.6 GHz and 3.6 GHz bands.

Radio Spectrum Committee (RSC)

The Radio Spectrum Committee (RSC) is a senior-level committee established by EC Decision 676/2002/EC (the Radio Spectrum Decision) and is responsible for specific technical measures required to implement the broader Radio Spectrum Policy in the European Union (EU). The RSC is composed of representatives from each of the Member States and is chaired by the European Commission. ComReg participates actively with DCENR in the RSC.

During the period of this report the RSC discussed the technical implementation measures required for topics such as automotive Short Range Radar (SRR) in the 24 GHz, electronic communications services in the 2GHz band, Mobile Communications on Aircraft (MCA), Programme-Making and Special Events (PMSE) equipment and Short-Range Devices (SRDs).

The RSC adopted two decisions. These decisions amended the harmonisation measures for automotive SRR devices in the 24 GHz band (2011/485/EU) and for Short Range Devices (2011/829/EU).

In addition, the RSC issued five mandates to CEPT to deliver technical advice on use of the 169 MHz band, mobile communications on aircraft, PMSE equipment, sharing in the 3400-3800 MHz band and use of ultra-wideband technology.

European Conference of Postal and Telecommunications Administrations CEPT

The Electronic Communications Committee (ECC) of CEPT works to develop harmonised solutions to the use of radiocommunications throughout its 48 regulatory administrations across Europe. Although it does develop independent solutions much of its work is now responding to mandates from the European Commission seeking technical studies in support of proposed harmonisation measures, such as those mentioned above under the Radio Spectrum Committee. Topics of current interest include studies on broadband direct air-to-ground communications for provision of broadband services on aircraft, cognitive and software defined radios and ultra-wideband applications.

The ECC also spends a significant amount of time developing harmonised solutions to facilitate deployment of a vast range of short-range devices.

Radio Spectrum Licensing

To use radio equipment in Ireland, an authorisation from ComReg is required. This authorisation may take the form of either a licence or a licence exemption. A licence may be issued under the Wireless Telegraphy Act 1926, or under the Broadcasting Act 2009 (in the case of the RTÉ Authority and the Broadcasting Commission of Ireland).

ComReg processes all such licence requests and ensures that licences are maintained in a manner which both maximises the efficient use of available spectrum, and ensures that a quality service is available to all licensees. As of June 30, 2012, the total number of live radio licences on our database was 15,539, representing a 4.8% decrease on the previous year. This small reduction suggests that, even in these difficult economic times, maintaining the use of radio services remains a priority for individuals, businesses and electronic communications service providers. Just fewer than 4,000 licence applications are processed annually.

Business Radio

Business Radio licences are issued to companies where a private mobile communications system is required, for example, where companies require radios for direct two-way communications between a base and mobile personnel. Such systems would typically be used by taxi companies and transport companies, as well as by local government organisations and semi state companies. During the year, 205 new or amended business radio licences were issued compared to 235 in 2010 - 2011.

Radio Links

In providing transmission capacity, radio instead of cable is often the preferred solution where constraints such as cost, local topography (e.g. mountainous terrain, paths across water) and the need for access to remote rural regions are fundamental considerations. In such scenarios fixed radio systems have a key role to play in bringing mobile and broadband communications to SMEs

and consumers as they provide the operator with the ability to roll-out a network rapidly and the capability to install transmission paths as and when required.

During the reporting period, 2,981 new or amended radio link licences were issued, up from 2,513 in the previous period.

Satellite

Satellites are used for many purposes including television broadcasts, meteorology, surveying and telecommunications. Satellite networks provide a flexible alternative to land-based fixed line and fixed radio link networks. Three categories of satellite earth stations require licences in Ireland: Large Earth Stations (LES), Transportable Earth Stations (TES) and Very Small Aperture Terminals (VSAT). In the period under review, 30 new licences were issued, compared to 120 in the previous period. Despite the satellite licence exemption regulations that ComReg has introduced over the last number of years there is still a considerable demand for licensable satellite technology in Ireland, mostly driven by larger corporations using VSAT services for international connectivity for broadcasting purposes.

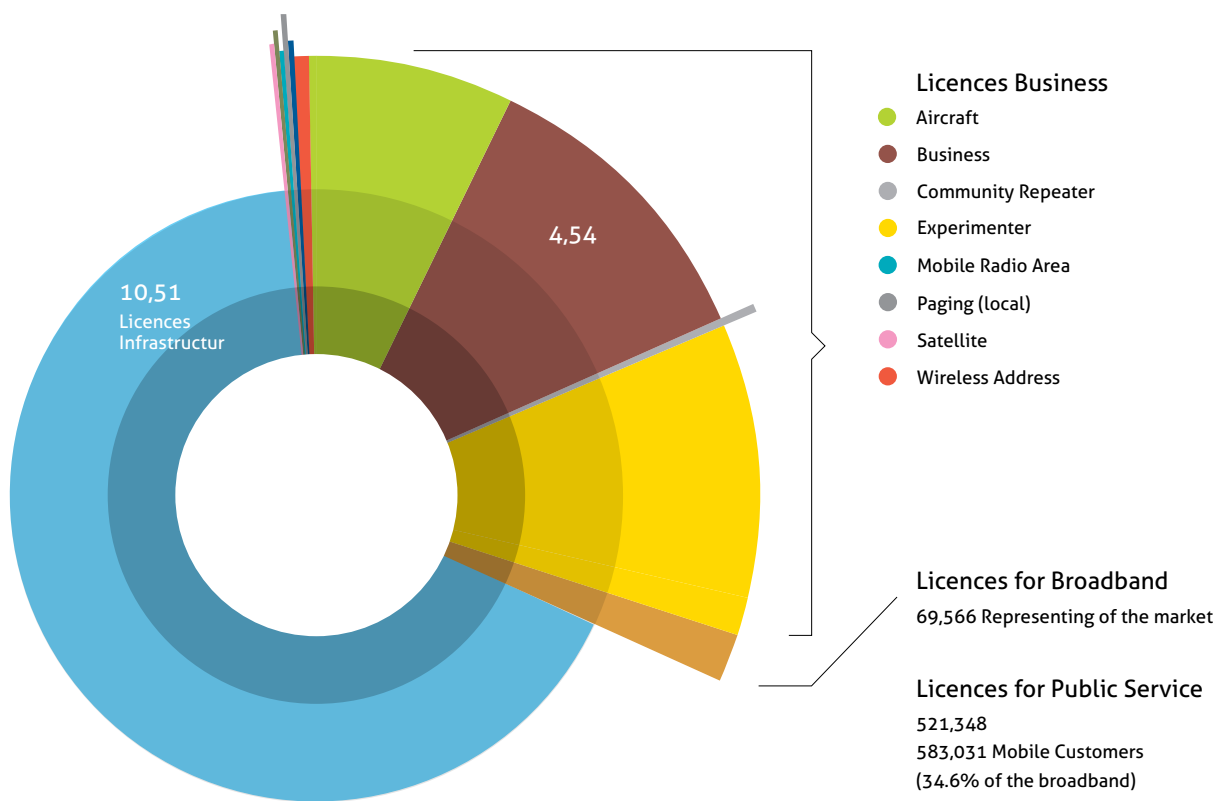
Temporary Business Radio 2011/12

ComReg issued 224 temporary licences for various sporting and musical events throughout the year such as the Volvo Ocean race and Electric Picnic. For a number of these events licences were required for satellite systems for broadcasting and news gathering purposes as well as wireless cameras and microphones.

Ongoing Issuing of Radio Licences

The following chart outlines the number of active licences managed by ComReg and the different types of radio licences issued in proportion to each other.

ComReg has 15,539 active licences of which 3,818 new licences were issued in this reporting period.



Numbering, Naming & Addressing

ComReg is responsible for the management of Ireland's telephone numbering scheme in accordance with National and European legislation. Numbering is a key enabler of communications services and it is essential that sufficient numbering capacity is available across all number ranges for existing and future services and to promote vibrant competition in the communications market.

ComReg must ensure that no numbering resources exhaust and this means frequent auditing of free and used resources, with early preparations being made for number changes or for number range expansion when necessary - typically up to three years in advance of the expected exhaustion date. The most recent number changes took place in 2009 and ComReg has no immediate plans for further number changes.

ComReg also works to ensure that new telephone numbers become operational promptly on all national and international networks.

A cost benefit analysis on enabling International Access to Irish Non-Geographic numbers

With the objective of further completion of the internal market, Article 28 of the Universal Services Directive¹ (USD) requires that end-users throughout the EU shall be able to access non-geographic numbers in Member States' national numbering plans, where technically and economically feasible. This requirement has been implemented in Ireland as Regulation 23² of the Universal Service Regulations.

Most Irish non-geographic numbers commence with the digit '1', which is also the area code for Dublin. Therefore the potential exists for a dialling clash in the case of many Irish non-geographic numbers, should these be dialled from abroad. For example, consider a Dublin telephone number (01 - 890 xxxx)

and a non-geographic 1890 shared cost number. When dialled from abroad using the +353 country code prefix, the non-geographic number could be indistinguishable from the Dublin number until the last two digits, resulting in a number clash.

While respecting the European Commission's harmonisation objectives with regard to Article 28, ComReg was anxious to avoid the situation of a massively expensive Dublin number change being forced on the State in order to remove the obstacles to international access described above. To that end, ComReg commissioned a cost-benefit analysis in 2011 on the economic feasibility of opening access from abroad to Irish non-geographic numbers. The report by Europe Economics ComReg Document 11/68a is published alongside ComReg's Information Notice ComReg Document 11/68. The report describes six different approaches to how such a numbering clash might be averted. Some approaches are more feasible than others but all carry prohibitive cost and, where an initial analysis shows an approach to have merit, it has been necessary to weigh the cost of that approach against the potential benefits of opening the numbers. This task, which was essential in order to ensure a fair assessment of the economic feasibility of each approach, having regard to the provisions of Article 28 of the USD, concludes that carrying out the steps necessary to ensure full international access would not be economically feasible. The report also highlights other commercial and policy barriers that exist at international level for certain non-geographic ranges, but particularly those used for providing premium rate services.

Harmonised Numbers for Harmonised Services of Social Value

As a further step towards harmonisation of numbering resources across the European Community, the European Commission initiated the opening of a new series of Harmonised Numbers for "Harmonised Services of Social Value" on the 116xxx numbering range in 2007.

¹ Directive 2002/22/EC, as amended

² S.I. No. 337 of 2011

The basic concept is that the same 6-digit telephone number commencing with '116' should be reserved for the same socially important service in each of the Member States, with the European Commission providing a coordinated approach. To date, five numbers have been introduced:

- **116000** Hotline for missing children
- **116006** Helpline for victims of crime
- **116111** Child helplines
- **116117** Non-emergency medical on-call service
- **116123** Emotional support helplines

The 116111 child helpline has been operated in Ireland by Childline since March 2009, the Crime Victims Helpline became operational on 116006 in October 2010 and the Samaritans expect 116123 to be fully operational by April 2013. Despite extensive advertising since 2007, interest has yet to be expressed in the 116117 number for non-emergency medical on-call services.

However, ComReg is happy to report that there has been good progress on bringing the hotline for missing children on 116000 into service in the past year. In late 2011, the Minister for Children Frances Fitzgerald announced to the Oireachtas that the number would be brought into service in 2012. A project team was formed which included ComReg, An Garda Síochana and officials from the Departments of Communications, Children and Justice. In January 2012, the number 116000 was allocated to the Irish Society for the Prevention of Cruelty to Children (ISPCC) and the necessary arrangements and funding are now being put in place to bring the number into service on a phased basis from December 2012.

ComReg has no role in providing or promoting the services on 116 numbers, but it has liaised with industry on the routing and billing aspects of these services and it has provided advice and guidance to 116xxx service providers since the European Commission Decision came into effect in 2007.

Regulation of '.ie' Domain Names

Under the Communications Regulation (Amendment) Act 2007, ComReg is responsible for regulating the registration of all '.ie' internet domain names.

Following the completion of a detailed technical audit and due diligence analysis of the existing '.ie' registry, IE Domain Registry Limited (IEDR), ComReg consulted on a proposed regulatory framework. The Response to Consultation on this proposed framework was published in January 2009 (Document 09/01). The majority of recommendations made in the due diligence report have been implemented by IEDR but certain steps aimed at safeguarding the long term interests of all .ie stakeholders remain to be implemented. Discussions are ongoing between IEDR and the Department of Communications, Energy and Natural Resources (DCENR) to resolve these issues, so that ComReg might proceed toward the remaining steps required for full implementation of the regulatory framework.

Forward Looking Programme

ComReg's Forward Looking Programme monitors the communications industry for new and innovative developments which might impact on how the market could evolve in Ireland. The aim is to identify emerging technological and regulatory issues within the industry that are of potential strategic importance and feed these into ComReg's strategic processes, which can then in turn assess what measures need to be taken to further facilitate the development of the market.

Electronic Communications Expert Advisory Panel

The Electronic Communications Expert Advisory Panel (ECEAP) advises ComReg on the strategic approach it adopts to market developments, innovation and regulation of the Irish electronic

communications sector. Its high level objective is to ensure that ComReg's decision making is well informed and forward looking with regard to the current and future electronic communications regulatory framework. Membership of the ECEAP is made up of senior-level independent advisors from industry and academia. The panel currently convenes three times a year and is a key element of ComReg's Forward Looking Programme which reports on emerging sector developments to assist with ComReg's strategic processes.

Strategic Planning Process

On 29 June 2012 ComReg published its Strategy Statement ComReg Document 12/69 for the electronic communications sector for the period 01 July 2012 to 30 June 2014 in accordance with its statutory obligations. This is one of three Strategy Statements published by ComReg, the others presenting ComReg's strategies with regard to postal services and the radio spectrum.

This fifth electronic communications Strategy Statement, which is a forward-looking document that serves as a framework for action by the organisation over the next two years, is aimed at the successful delivery of identified key priorities. It is supplemented by ComReg's Annual Action Plans, which set out the detailed steps to be undertaken, along with their timeframes.

ComReg's Annual Output Statements then provide a measure of actual performance against those plans thereby providing a firm basis for ComReg's performance management process. Progress in relation to regulatory projects is actively managed by the Management Policy Committee and the Commissioners. The publication of the Strategy Statement ComReg Document 12/69 followed an extensive consultation process.

Postal Regulation

ComReg is the National Regulatory Authority for the postal sector in Ireland. ComReg's statutory functions are to ensure the provision of a universal postal service that meets the reasonable needs of postal service providers and to monitor and ensure compliance by postal service providers with the obligations imposed on them. ComReg's statutory objectives are to:

- promote the development of the postal sector and, in particular, the availability of a universal postal service within, to and from the State at an affordable price for the benefit of all users.
- promote the interests of postal service users
- facilitate the development of competition and innovation in the market for postal service provision.
- Monitoring compliance of the universal service provider, currently An Post, with directions issued by ComReg, for example, accounting procedures to be adopted in the preparation of its regulatory accounts and monitoring performance against the quality of service standard set.

Postal market is open to competition

Since 1 January 2011, the postal market is fully open to competition with all exclusive and special rights concerning the provision of postal services removed in line with the European Union's Postal Directives.

A key feature of the European Postal Directives is the obligation on Member States to ensure that everyone (businesses and private consumers) wherever they live in the state has access to a guaranteed range of letter and parcel services at affordable prices. Postal services play an important role in integrating businesses and consumers based in rural areas into the national and indeed global economy, providing access to goods and services that otherwise might only be available in urban areas.

Postal Regulatory Framework

In August 2011, the Oireachtas passed the Communications Regulation (Postal Services) Act

2011. Among other things, this Act designated An Post as the universal service provider until 2023 and set a number of tasks for ComReg in relation to the regulation of An Post as universal service provider. Following the passing of the 2011 Act, ComReg, in ComReg Document 11/56, set out its next steps to implement the required tasks of the 2011 Act. The first step to fully implement the required tasks of the 2011 Act was the setting out of the Postal Regulatory Framework by ComReg. During the year, ComReg consulted publicly with interested parties on this in ComReg Document 12/38. This consultation received 23 responses and all responses to that consultation were considered in ComReg's decision (D08/12; ComReg Document 12/81) and Regulations (S.I. 280 of 2012) which were published in July 2012 which is after the end of the period under review in this report. The consultation during the year and the subsequent decision concerned:

The scope of regulation:

The 2011 Act restricts the scope of regulation to the provision of "postal services", which are defined by sections 6 & 8 of the 2011 Act. ComReg has decided to proceed on the basis that "Document Exchange" and "Express and Courier services" and the delivery of unaddressed advertising material lack certain constituent features by which they could be deemed "postal services".

Specifying the universal postal service:

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

Consequently, the specified universal postal service is, for the most part, similar to ComReg's previous working definition of universal postal service which was set out in 2005 ComReg Document 05/85.

How postal service providers should notify ComReg of their intention to provide a postal service:

A form has been made available (ComReg Document 12/81n) to facilitate notification to ComReg to obtain authorisation from ComReg to provide a postal service.

How the USP should publish the terms and conditions of its universal postal service:

ComReg issued a direction requiring the terms and conditions for the universal postal service to be available free of charge at post offices, on request, and online at An Post's website.

Guidelines for postal service providers to ascertain if their postal service is within the scope of the universal postal service:

As required by the 2011 Act, ComReg has published guidelines ComReg Document 12/81a for postal services providers to ascertain if their postal service falls within the scope of the universal postal service when making their notification to ComReg.

Price increases on universal postal services during the year

ComReg's remit in relation to pricing covers the universal postal services offered by the universal service provider which is currently An Post. Following market liberalisation, An Post is free to price its postal services that are not within the scope of the universal postal service.

In relation to pricing of postal services within the scope of the universal postal service, pending the making of any price cap decision by ComReg, An Post, as the current universal service provider, cannot make changes to the charges for any of its postal services within the scope of the universal postal

service relating to postal packets weighing less than 50 grams without the prior consent of ComReg. In early 2012, An Post made an application to ComReg to change certain of its charges for postal packets weighing less than 50 grams. This application is under review by ComReg and will be addressed in the next reporting period.

However, postal packets over 50 grams do not require the prior consent of ComReg and, therefore, An Post increased its charges for certain of these postal packets with effect from 1 May 2012. ComReg can review these price increases ex-post to assess if they are compliant with the tariff requirements of the Communications Regulation (Postal Services) Act 2011 which includes cost-orientation, affordability, uniformity, and non-discrimination.

Quality of Service

The availability of an efficient, high quality postal service is a key objective for a modern competitive economy such as Ireland. One of the fundamental objectives of the European Postal Directives is to secure improvements in quality of service for universal postal service and ComReg is obliged by law to set a quality of service target for the USP for its provision of universal postal service.

As part of its remit, on 1 June 2004, following a public consultation, ComReg directed An Post to achieve a next-day delivery standard of 94% for single piece priority mail delivered within the State. ComReg monitors An Post's performance against that 94% standard, on an ongoing basis, in accordance with international measurement standards, and ComReg publishes quarterly and annual performance reports.

Ipsos MRBI is contracted by ComReg to measure An Post's quality of service for single piece priority mail (the ordinary day to day correspondence posted by individuals and businesses, big and small). During the year under review, ComReg published Ipsos MRBI's annual report for 2011 ComReg Document 12/31, and the performance result for the first quarter of 2012 ComReg Document 12/55.

The 2011 annual report shows that:

Overall only 83% of single piece priority mail was delivered within one working day throughout the State. This represents a 2% reduction in service quality performance over 2010.

An Post -National Next Day (D+1)

Performance of Mail - Full Year Comparisons									
	2003	2004	2005	2006	2007	2008	2009	2010*	2011
Anywhere to Anywhere	71 %	72 %	73 %	72 %	77 %	79 %	84 %	85 %	83%
Anywhere to Local (Delivery within county of posting)	75 %	75 %	76 %	75 %	78 %	79 %	85 %	85 %	84%
Anywhere to Dublin County	71 %	73 %	73 %	72 %	77 %	75 %	83 %	84 %	83%
Dublin County to Anywhere	70 %	69 %	73 %	70 %	77 %	77 %	84 %	85 %	83%
Dublin County to Dublin County (Local)	72 %	75 %	76 %	73 %	78 %	76 %	84 %	85 %	83%
Outside Dublin County to Anywhere	73 %	73 %	73 %	75 %	77 %	80 %	84 %	85 %	83%
Outside Dublin County to Local (Delivery within county of posting)	78 %	76 %	76 %	77 %	79 %	83 %	85 %	86 %	84%
Outside Dublin County to Dublin County	68 %	70 %	68 %	70 %	75 %	74 %	81 %	86 %	82%

* Result excluding items posted on or between 28th November-15th December and 17th December-30th December 2010 due to unusual weather conditions during these periods.

In February 2012, ComReg initiated legal proceedings against An Post, the designated universal postal service provider in Ireland, in relation to its compliance with the direction in respect of the quality of the universal postal service.

Postal Service Providers

Unlike some other countries where it is necessary to secure a licence to provide services in direct competition with the designated universal service provider, it was possible during the year under review to establish a competing service in Ireland with little or no formality. Since 1 January 2004, only those postal service providers (other than An Post) with a relevant annual turnover of more than €500,000 for postal services, exclusive of VAT, were required to apply for a "postal service authorisation" and, for those service providers providing postal services within universal service, were required to put in place simple complaint and redress procedures designed to protect consumers. A new regulatory framework

was introduced following the implementation of the Communications Regulation (Postal Services) Act 2011.

Following ComReg's decision in July 2012 ComReg Document D08/12, a new notification and authorisation requirement to provide a postal service has now been established. ComReg's website www.comreg.ie offers the facility to view an up-to-date register of authorised providers of postal services and the services each operator currently provides.

Postal Strategy Statement 2012 - 2014

Now that the Postal Regulatory Framework is in place, ComReg will consult on its draft Postal Strategy Statement for the period 2012 - 2014 in the next reporting period.



6

Corporate Services

ComReg aims to be a highly effective, innovative organisation which is a recognised centre of excellence playing its full part in shaping and delivering a knowledge-based economy. Progress in relation to these varied aspects of the role is outlined below.

Organisational Structure

ComReg was established under the Communications Regulation Act 2002. The Commission, with the Management Policy Committee (MPC), is responsible for the strategic and operational management of the organisation. ComReg depends on the efforts of all of our people (including lawyers, economists, engineers, accountants, business analysts and administrative specialists) to deliver on our mission and meet our regulatory objectives.

Strategic Planning Process

ComReg published its Strategy Statement (ComReg 12/69) for the electronic communications sector for the period 2012-2014, as required under the Communications Regulation Act, following an extensive consultation process. The Strategy Statement sets out ComReg's plan for the successful delivery of identified key priorities and is underpinned by ComReg's Annual Action Plan which sets out detailed timeframes, and which is updated regularly on our website. These actions are reflected in individual key result areas, which are the basis for our performance management process. Progress in relation to our regulatory projects is actively managed by the Management Policy Committee and the Commissioners.

Corporate Services

The Strategy Statement for the period 2012 to 2014 sets out ComReg's four high level goals, including a goal to be a highly effective and innovative organisation which is a centre of excellence that supports and enables its people to achieve the organisation's objectives.

The Corporate Services Division supports and informs ComReg's work by developing and implementing leading-edge strategies designed to foster and enable excellent performance by capable and committed people. The Corporate Services area includes the following functions: Human Resources, Training and Facilities, Finance and Governance, Information Technology, Communications and Strategy.

An Effective, Innovative and Adaptable organisation

Corporate Governance

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

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

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

ComReg is accountable to the Oireachtas through Oireachtas Committees, for example, the Commissioners attended a Joint Oireachtas Committee (Communications and Agriculture) meeting on 31 January 2012 to discuss the full range of issues under their remit.

As a public body operating in a difficult environment, an ongoing challenge is to continue to add value while working within resource constraints. In the financial year to 30 June 2012, we reduced our total costs below that incurred in the previous year, continuing the cost-reduction trend of recent years. We continuously review and amend policies and procedures in relation to expenditure, procurement and risk management.

The ongoing implementation of the procurement plan has also been an important means of delivering on new policy objectives e.g. expectations of efficiency gains of an additional 10% of non-regulatory costs. During the current year we have retendered for a number of outsourced services including cleaning

services, payroll, IT help-desk services etc.

A particular challenge this year came from the imperative to pay all valid invoices within 15 days and report on progress quarterly. This required a significant improvement in work processing cycle times, aided by the co-operation of all staff and the new technological initiatives developed internally to improve processing. In the year to 30 June 2012 over 90% of payments has been made within the requisite time period.

People Management

Maximising the potential of our people and processes continues to be a key priority. The challenge is to have the right number of staff in place with the appropriate competencies to deliver our goals and objectives, while our remit continues to grow and there are significant limitations on our ability to recruit. Albeit during a downturn, demand continues for the specialist skills of our people, and we have lost a significant number of staff members during 2012.

In order to maintain and enhance our reputation as a leading source of expertise in a rapidly evolving communications sector, and to perform appropriately, we must continue to focus on the development and commitment of our team. Our policies and systems are validated and recognised externally through continuous accreditations such as with Excellence through People and Engineers Ireland Standards and with the various accountancy professional bodies. We also were recognised in the Irish Institute of Training and Development (IITD) national awards in 2012 and also won the Public Sector category in the Health and Safety awards. These accreditations and awards acknowledge the high standards of professionalism and training and development which ComReg provides.

We continue to support individuals to acquire third and fourth level qualifications, to develop their management and professional skills, and to be exposed to leading edge thinking, including a customised accredited regulatory leadership programme that we have developed that is open to

all Irish regulatory bodies. This course commenced again in March 2012. We also held a workshop in April, in conjunction with Engineers Ireland, to develop mentoring skills among managers. A particular focus of our training efforts this year has been on continuing to develop internal economic skills, to facilitate market analysis projects. As one of a small number of State Bodies who have successfully consolidated their operations, the full integration of the individuals who had worked in RegTel previously continues, including training, mentoring and performance management.

The success of ComReg is built on the quality and work ethos of its people, with ever increasing and expanding demands and requirements, and ComReg continually strives to meet its requirements with limited resources.

A Centre of Excellence

Our approach to our work is guided by the "Better Regulation" principles of proportionality, necessity, effectiveness, transparency, accountability, and consistency underpinned by strong governance systems.

We invest significant resources in consulting on regulatory decisions and will continue to do so. During the period under review we issued 232 publications. We also ensure that regulation is appropriate by conducting Regulatory Impact Assessments (RIAs) where appropriate, as a key means of minimising regulatory burdens.

We recognise that primary research into the economics of the development of the sector is important to all stakeholders and we've been working closely with the ESRI on a programme of research in communications. On an ongoing basis our processes and systems are adapted to ensure that we continue to deliver on our objectives and provide an effective service.

The Information Technology function in particular serves to act as a valuable business enabler for ComReg, enhancing the stakeholder experience. This is achieved through the provision and enhancement of on-line services and tools and back-office systems

and services, including websites dedicated to providing users with a number of ComReg specific services (e.g. Radio Licences applications, Postal service registration etc.). We strive to ensure that all services provided are available in an online format. We provide independent, comparative, consumer-friendly information on alternative services, features and prices on our website www.callcosts.ie and a business information section on our consumer website www.askcomreg.ie/business is supported with a dedicated helpdesk for small business and small office/home office consumers. www.testandtrial.ie is a model for innovation that others around the globe have actively reviewed.

In line with our eGovernment Strategy, we have progressed a number of initiatives this year to:

- Supporting consumer information and protection objectives, including further development of www.phonesmart.ie.
- Reviewing ComReg websites to ensure that specific organisational objectives are met in a manner that is as efficient and standardised as possible, including improving accessibility standards.
- Further enhancing e-licensing arrangements, including PRS and amateur radio modules. The number of licences and documents issued continues to grow, while the administration time reduces, based on these developments.

In terms of smart working initiatives, progress this year included:

- development of a new budget system to improve reporting functionality.
- moving to electronic payslips.
- development of standardised templates for document creation and version control.
- focusing on document management, including reviewing of records policies and developing new classification methodologies.
- reviewing our Business Continuity Planning arrangements, availing of new technological solutions to improve information and response times.

- providing in-house workshops on getting the best from the various computer software packages in use, availing of internal expertise to deliver.

In addition, a number of projects were progressed this year to ensure that our information technology infrastructure is stable and secure, including e-mail security. The move to a virtualised environment has been particularly worthwhile, enabling us to generate very significant efficiencies.

In managing the resources available to us, we are always aware of sustainability issues, and the efforts invested in introducing more energy-efficient solutions have paid off in terms of our energy rating. ComReg has introduced many green initiatives e.g. recycling bins, switch to water dispensers rather than use of bottled water, promotion of use of public transport by staff under the tax-saver scheme, the promotion of the cycle-to-work scheme the installation of sensory-activated lights in offices and other general locations, and timers on heating water. ComReg continues to engage with the Sustainable Energy Authority of Ireland (SEAI) towards further initiatives and development in this area.

We've implemented new self-service solutions this year, and worked closely with other regulatory agencies and State bodies to share resources. Under the Public Service Agreement process, we've developed an ambitious action plan, outlining the scale of proposed efficiency gains. The focus of ComReg's Action Plan has been the actions necessary to facilitate delivering effectively on an expanding remit with fewer resources, including new roles in relation to Premium Rate Services, the revised EU Framework Directive and the Postal Directive which envisage new roles and responsibilities for National Regulatory Authorities. The moratorium on recruitment and promotions, the Employment Control Framework and other new developments mean that, in addition to the productivity measures that we have already had in place ourselves for a number of years to minimise the cost of regulation, there are also centrally

imposed limitations to our resource availabilities that impinge on our work programme.

Our focus on enhancing individual and organisational performance will continue, together with finding ways to work smarter and minimise the cost of regulation, both internally and in our dealing with industry and other stakeholders.

Engaging with others

Appropriate engagement with stakeholders is central to effective regulation and to supporting the 'smart economy'. We endeavour to engage with our stakeholders on a regular basis to be collaborative and responsive to changing needs.

This involves publication of the Annual Action Plan, Output Statement and Annual Report, responding to media queries and publishing press releases, factsheets, consultation papers and responses.

We engage with regulatory agencies and key stakeholders, nationally and internationally. In particular, we continue to participate in fora to inform and influence the development of national and international regulatory policies (e.g. through the Body of European Regulators for Electronic Communications, the Radio Spectrum Policy Group). We have actively contributed to the work of the new Economic Regulators' Group, including workstreams on training and development, audit and customer care, and leading on the information technology work. We meet with the Broadcasting Authority of Ireland (BAI) and the Telecommunications Industry Forum (TIF) at regular intervals to discuss issues of mutual interest.

We continue to optimise ComReg's stakeholder relationships for the benefit of consumers and the national interest by progressing outreach programmes with stakeholders including the Oireachtas, industry, media and the general public and key initiatives progressed this year include:

- Assisting with central policy initiatives, including attending the Next Generation Access Taskforce in an observer capacity, inputting as appropriate to the Agency Review etc.
- Supporting learning among regulators, e.g. hosting a BEREC meeting in Dublin
- Engaging with new stakeholders: the National Competitiveness Council, the Press Ombudsman, among others.
- Responding to 27 Freedom of Information Queries.

Ensure continuous performance

ComReg continued to measure its performance and publish data on this measurement as part of key publications such as the Quarterly Key Data Report and the Annual Output Statement. In addition ComReg continued to contribute to key international benchmarking exercises such as the European Commission's Digital Agenda, ECTA's Regulatory Scorecard and the OECD's broadband benchmarks.



7

International Affairs

The Independent Regulators Group (IRG) consists of the national regulatory authorities (NRAs) of 36 countries - EU 27 plus Norway, Iceland, Lichtenstein, Switzerland, Croatia, Former Yugoslav Republic of Macedonia, Turkey, Montenegro and Serbia. IRG affords NRAs with the opportunity to meet solely with other regulatory authorities to discuss implementation issues. The forum has proved useful as a debating ground on the application of the regulatory framework and as an information exchange. In addition, the IRG provides support facilities, as required, at its Brussels premises for meetings of BEREC Expert Working Groups.

Body of European Regulators for Electronic Communications (BEREC)

In order to facilitate closer co-operation between European Telecoms regulators, the European institutions established the Body of European Regulators for Electronic Communications (BEREC) as an integral part of the Regulatory Framework by Regulation made in November 2009. The inaugural meeting of BEREC was held in January 2010. Among BEREC's tasks, it is required to develop and disseminate regulatory best practice among NRAs, to deliver opinions on draft decisions, recommendations and guidelines of the EU Commission, provide advice to the Commission, Parliament or Council on request or at its own initiative and, on request, to provide assistance to NRAs on regulatory issues.

BEREC is comprised of a Board of Regulators consisting of the Heads or nominated high level representatives of the 27 EU NRAs. The EU Commission and NRAs from non-EU countries (the 9 other members of IRG) participate in a non-voting capacity as observers to the Board of Regulators.

BEREC is assisted by the BEREC Office. The Office is a Community Body located in Riga and operates under the guidance of a Management Committee in which all EU NRAs and the Commission are represented. During 2011, the BEREC Office became operationally independent and now provides full administrative support to the work of BEREC.

BEREC provides a formal structure for European regulators and the European Commission to interact, discuss and develop the common application of the regulatory framework for electronic communications networks and services. As an advisory body to the European Commission, it provides the mechanism for reflection and debate and, with the adoption of its recommendations, acts as the driver for common approaches to regulatory intervention. Under the provisions of the regulatory framework, NRA's and the Commission are required to take the utmost account of any opinion, recommendation, guidelines, advice or regulatory best practice adopted by BEREC.

The Chair and Vice Chairs of BEREC are elected annually. Past and future BEREC Chairs have been:

- 2010 John Doherty, ComReg, (Ireland)
- 2011 Chris Fonteijn, OPTA, (the Netherlands)
- 2012 Georg Serentschy, RTR, (Austria)
- 2013 Leonidas Kanellos, EETT, (Greece)

BEREC Work Programme

In order to carry out its Work Programme, BEREC allocates individual elements of the Work Programme to Expert Working Groups (EWG). Participation in BEREC's work programme, while a requirement of the regulatory framework, represents a significant commitment by NRA's. Because of the necessity to minimise travel, the number of Expert Working Group

meetings is kept to the minimum necessary to ensure that the Work Programme is effectively carried out. In addition to meetings, EWG's conduct their activities electronically via conference calls and e-mail exchanges. ComReg participates directly in a number of EWG's and is actively involved in all outputs.

During the period from July 2011 BEREC adopted a number of documents that both enhanced the clarity of regulatory approach and sought to determine agreed future regulatory action. Among the major outputs were: International Roaming, Next Generation Networks and Network Neutrality along with a number of opinions in "Art 7" cases. In addition, after a public consultation BEREC published its medium term strategy in March 2012 indicating the topics on which it would focus in the medium term. The core themes are: Infrastructural developments (next generation networks' access policy); Consumer empowerment (boosting choice and ensuring protection) and Service related developments (Roaming, cross border services, special rate services.)

International Roaming

The initial Roaming Regulation came into force at the end of June 2007 and was revised in July 2009. In July 2011, the Commission, having consulted widely including with BEREC, published proposals to extend the Roaming Regulation in time and scope. BEREC contributed to the debate on these proposals with reports and advice. The revised Regulation was adopted by the Council and Parliament in June 2012. BEREC also coordinates the monitoring by NRAs of compliance with the requirements of the Regulation, and published benchmark data reports reviewing roaming market data covering the calendar year 2011. In addition, BEREC in the second half of 2012, published Guidelines on the Wholesale Access Obligation and provided an Opinion, as required by the Regulation, on the Commissions proposed Implementing Acts for the separate sale of roaming services.

Next Generation Networks

Following the September 2010 Commission Recommendation on Regulated Access to Next Generation Networks, BEREC continued its work in this area. Of particular note were Common Positions on Wholesale Leased Lines, Wholesale Local Access and Wholesale Broadband Access. These were adopted in December 2012 following public consultation and update Common Positions that had been adopted by BEREC's predecessor, the European Regulators Group. BEREC also published report on the Implementation of the Commission Recommendation and an overview of various measures used in Member States to promote Broadband.

Network Neutrality

In the three years since its formation, BEREC has engaged in intensive work on net neutrality and in the period under review published Guidelines on transparency and on Quality of Service. BEREC also conducted a Europe-wide investigation into Traffic Management.

Article 7 Cases

In order to achieve a greater consistency in regulatory measures, the European Commission has oversight powers in respect of measures which NRA's may take where markets are found not to be competitive at national level. This arises under Article 7 and 7a of the Framework Directive. Since May 2011, the Commission's powers may only be exercised after having taken the utmost account of BEREC Opinions. In the period to end June 2012 there were 14 individual cases where the Commission had expressed serious doubts about the measures which NRAs planned to take. None of these cases involved measures proposed by ComReg. Expert Working Groups, comprised of experts from BEREC members, were formed to address these cases and, with the exception of two cases where the NRA withdrew the planned measure, the opinions were adopted by the Board of Regulators and published.

All BEREC documents may be accessed at;
www.berec.europa.eu

The Communications Committee (CoCom)

Established as an advisory committee to the European Commission, the Communications Committee is intended as a forum where Member States can interact with the Commission, discuss and advise on the situation and the development of regulatory activities regarding electronic communications, networks and services. Along with representatives of the Department of Communications, Energy and Natural Resources, ComReg participates as part of the Irish delegation.



8

Financial Information

Report of the Commissioner

I have pleasure in submitting the annual report and audited financial statements for the Commission for Communications Regulation for the year ended 30 June 2012.

Principal Activities

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

Income

Levies are raised on certain providers of electronic communications and postal services which are used to fund the cost of regulation.

The Commission is also responsible for the management of the radio spectrum and issues and renews a large number of Wireless Telegraphy licences to various operators, public bodies, private companies and individuals. These licences generate most of the Commission's income. Certain licences also include a requirement to pay for the right to use radio spectrum.

Financial Results

Details of the financial results of the Commission are set out in the Financial Statements and the notes supporting the Financial Statements.

Auditor and Accounts

Under the Communications Regulation Act, 2002, the Commission shall keep in such form as may be approved by the Minister for Communications, Energy and Natural Resources, with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of all moneys received or expended by it. The Commission shall submit accounts in respect of each year to the Comptroller and Auditor General. Within 42 days of the accounts being audited, the Commission is required to present to the Minister for Communications, Energy and Natural Resources a copy of such accounts, together with the audit report of the Comptroller and Auditor General.

Corporate Governance

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

Section 33 of the Communications Regulation Act, 2002, requires the Commission to adopt, with

the approval of the Minister for Communications, Energy and Natural Resources and the Minister for Public Expenditure and Reform, a code of financial management and to arrange for its publication following such approval. In addition the Commission is required to review periodically its code of financial management and revise and republish the code as appropriate. There is also a requirement on the Commission to comment in the annual report on adherence to the code.

Our code of financial management (which is based on the Code of Practice for the Governance of State Bodies published by the Department of Public Expenditure and Reform) has been approved by the Minister for Communications, Energy and Natural Resources and the Minister for Public Expenditure and Reform. The code is published on our website, and it is the policy of the Commission to ensure compliance with the code.

Going Concern

The Commissioner, after making enquiries, believes that the Commission has adequate resources to continue in operation for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the financial statements.

Prompt Payment of Accounts

The Commission acknowledges its responsibility for ensuring compliance, in all material respects, with the provisions of the European Communities (Late Payments in Commercial Transactions) Regulations, 2002 ("the Regulations"). Procedures have been put in place to identify the dates upon which invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable assurance against material non-compliance with the Regulations. The payment policy during the year under review was to comply with the requirements of the Regulations.

Kevin O'Brien, Commissioner
Commission for Communications Regulation
9 April 2013

Statement of the Commission's Responsibilities

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

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

In preparing financial statements, the Commission is required to:

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

The Commission is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Commission and which enable the Commission to ensure that financial statements comply with

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

Kevin O'Brien, Commissioner
Commission for Communications Regulation
9 April 2013

Statement on Internal Financial Control

Responsibility for Internal Financial Control

On behalf of the Commission for Communications Regulation, I acknowledge the Commission's responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities either are prevented or would be detected in a timely period.

Key Control Procedures

The Commission has taken steps to ensure an appropriate control environment by:

- clearly defining management responsibilities;
- establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action.

The Commission has established processes to identify, evaluate and manage business risks by:

- identifying the nature, extent and financial implication of risks facing the body, including the extent and categories which it regards as acceptable;
- assessing the likelihood of identified risks occurring;
- assessing the body's ability to manage and mitigate the risks that do occur;
- assessing the costs of operating particular controls relative to the benefit obtained.

The system of internal financial control is based on a framework of regular management information, administrative procedures, including segregation of duties, and a system of delegation and accountability. In particular it includes:

- a comprehensive budgeting system with an

annual budget which is reviewed and agreed by the Commission;

- regular reviews by the Commission of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines;
- formal project management disciplines.

The Commission has an internal audit function, which operates in accordance with the Framework Code of Best Practice set out in the Code of Practice for the Governance of State Bodies. The work of internal audit is informed by analysis of the risks to which the Commission is exposed, and annual internal audit plans are based on this analysis. The analysis of risk is reviewed by the Audit Committee, and the internal audit plans are approved by the Audit Committee and the Commission. At least annually, the internal auditor provides the Audit Committee and the Commission with a report of internal audit activity. The report includes the internal auditor's opinion on the adequacy and effectiveness of the system of internal financial control.

The Commission's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal auditor, the Audit Committee, which oversees the work of the internal auditor, the executive managers within the Commission who have responsibility for the development and maintenance of the financial control framework, and comments made by the Comptroller and Auditor General in his management letter.

Annual Review of Controls

I confirm that a review of the effectiveness of the system of internal financial control took place for the year ended 30 June 2012.

Kevin O'Brien, Commissioner
Commission for Communications Regulation
9 April 2013

Report of the Comptroller and Auditor General

I have audited the financial statements of the Commission for Communications Regulation for the year ended 30 June 2012, as provided for in Section 32 of the Communications Regulation Act 2002.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the appropriation account, the statement of total recognised gains and losses, the balance sheet, the cashflow statement and the related notes. The financial statements have been prepared in the form prescribed under Section 32 of the Act, and in accordance with generally accepted accounting principles.

Responsibilities of the Commission

The Commission is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Commission's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Commission's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of the audit.

In addition I read the Commission's Annual Report to identify if there are any material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the Financial Statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Commission's affairs at 30 June 2012 and of its income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by the Commission. The financial statements are in agreement with the books of account.

Matters on which I report by exception I report by exception if:

- I have not received all the information and explanations I required for my audit, or

- my audit noted any material instance where public money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Commission's annual report is not consistent with the related financial statements, or
- the Statement on Internal Financial Control does not reflect the Commission's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Seamus McCarthy, Comptroller and Auditor General
26 April 2013

Statement of accounting policies

1. Accounting Convention

The financial statements for the Commission, which are in the form approved by the Minister for Communications, Energy and Natural Resources with the consent of the Minister for Public Expenditure and Reform, are prepared on an accruals basis, except as stated below, under the historical cost convention and in accordance with Generally Accepted Accounting Practice. Financial reporting standards recommended by the recognised accountancy bodies are adopted as they become applicable. The unit of currency in which the financial statements are denominated is the euro.

2. Income Recognition

Income from the Electronic Communications administration levy, Postal administration levy and Premium Rate Services levy is brought to account over the period to which it relates, and any excess over the relevant administration costs, including provisions, is refunded.

Radio, MMDS and Deflector licence income is brought to account over the period to which the licence relates.

Spectrum Income represents fee income paid to the Commission for the right to use radio spectrum. This income is brought to account in the period when it falls due. In the year to 30 June 2012, the income derived from 3G radio spectrum.

Other Income is brought to account over the period to which it relates.

3. Appropriation of Operating Surplus

The distribution of the surplus arising in the year is set out in an Appropriation Account. Under the Communications Regulation Act, 2002, the Minister for Communications, Energy and Natural Resources may direct the Commission to pay into the Exchequer such sum as he or she may specify being a sum that represents the amount by which the aggregate sum received by the Commission in each financial

year exceeds the aggregate costs incurred on administration in that year. Such sums are treated as a contribution from the retained surplus generated from operations.

4. Fixed Assets and Aepreciation

The Commission adopts a minimum capitalisation threshold of €1,000. Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated in order to write off the cost (net of any residual value in respect of Motor Vehicles) of fixed assets on a straight-line basis over their estimated useful lives at the following rates:

Technical equipment	-15%
Computer equipment	-331/3%
Fixtures, fittings & office equipment	-15%
Motor vehicles	-20%

5. Capital Reserve

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

6. Foreign Currencies

Transactions denominated in foreign currencies relating to revenues and costs are translated into euro at the rates of exchange ruling on the dates on which the transactions occurred.

Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at the Balance Sheet date.

7. Pensions

The Commission is staffed by Commissioners and directly recruited employees. A defined-benefit pension scheme is in place for Commissioners and employees of the Commission. The scheme is funded by contributions from Commissioners, employees and the Commission, which are transferred to a separate trustee administered fund.

The Commission has adopted FRS 17 Retirement Benefits. Pension scheme assets are measured at fair

value. Pension scheme liabilities are measured on an actuarial basis using the projected units method. An excess of scheme liabilities over scheme assets is presented on the Balance Sheet as a liability.

The pension charge in the Income and Expenditure account comprises the current service cost plus the difference between the expected return on scheme assets and the interest cost of scheme liabilities.

Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur.

8. Taxation

The Commission is not liable for Corporation Tax. Income raised by the Commission is not subject to VAT. Provision is made for taxation on deposit interest received.

9. Allocation Of Costs

The Commission is required under Section 32 of the Communications Regulation Act, 2002, to distinguish between its functions relating to electronic communications and its functions relating to postal matters. Revenues and expenses directly related to each function are identified separately in the accounts. Shared overhead costs are allocated to each function in proportion to the staff numbers engaged in each function.

Income and Expenditure Account for the year ended 30 June 2012

						Year to 30 June	Year to 30 June
		2012	2012	2012	2012	2012	2011
		Electronic Communications		Post	Premium Rate Services		
Notes		Levy	Other	Levy	Levy	Total	Total
		€'000	€'000	€'000	€'000	€'000	€'000
Income							
Levy		8,352		1,142	882	10,376	10,854
Licensing Fees	1		31,468			31,468	28,672
Spectrum Income	1		13,900			13,900	13,900
Other Income	1		2,017			2,017	548
Gross income		8,352	47,385	1,142	882	57,761	53,974
Transfer (to) / from Capital Reserve	9		96			96	(22)
Net Income		8,352	47,481	1,142	882	57,857	53,952
Expenditure							
Staff Costs	2	5,323	3,506	472	638	9,939	10,008
Pension Costs	14(b)	289	196	26	44	555	583
Technical Advice	3	1,833	1,179	590	198	3,800	4,630
Legal Expenses		484	1,854	77	146	2,561	1,795
Advertising		30	6		4	40	62
Administrative Expenses	4	1,131	707	85	135	2,058	2,280
Auditors' Remuneration		9	7	2	2	20	28
Premises and Related Expenses		699	494	71	125	1,389	1,497
Depreciation	5	352	286	38	68	744	726
(Profit) / Loss on Sale of Vehicle			6			6	(2)
Subscriptions to International Organisations	12	645				645	659
		10,795	8,241	1,361	1,360	21,757	22,266
Operating (deficit) / surplus		(2,443)	39,240	(219)	(478)	36,100	31,686

The Statement of Accounting Policies and Notes 1 to 18 form an integral part of these Financial Statements.

Kevin O'Brien, Commissioner
Commission for Communications Regulation
9 April 2013

Appropriation Account for the year ended 30 June 2012

		Year to 30 June	Year to 30 June
		2012	2011
		Total	Total
Notes		€'000	€'000
Operating Surplus		36,100	31,686
Less: Appropriations			
Payable to Central Fund	10	(35,136)	(30,765)
Pension Reserve adjustment	10	(964)	(921)
Surplus Carried Forward		0	0

The Statement of Accounting Policies and Notes 1 to 18 form an integral part of these Financial Statements.

Kevin O'Brien, Commissioner
Commission for Communications Regulation
9 April 2013

Statement of Total Recognised Gains and Losses for the year ended 30 June 2012

		Year to 30 June	Year to 30 June
		2012	2011
		Total	Total
Notes		€'000	€'000
Surplus		0	0
Actual return less expected return on scheme assets	14(ciii)	(602)	280
Experience gains on pension scheme liabilities	14(cii)	397	388
Changes in assumptions underlying the present value of pension scheme liabilities	14(cii)	(9,000)	2,643
Transfers in for prior service	14(ciii)		738
Total Recognised Gains/(Losses) in the Financial Year		(9,205)	4,049

The cumulative gain recognised from actuarial gains and losses arising in the last five years amounts to €2,946,000.

Movement in Pension Reserve			
Balance at 1 July		4,905	(65)
Total Recognised Gains/(Losses) in the year		(9,205)	4,049
Pension Reserve adjustment	10	964	921
Balance at 30 June		(3,336)	4,905

The Statement of Accounting Policies and Notes 1 to 18 form an integral part of these Financial Statements.

Kevin O'Brien, Commissioner
 Commission for Communications Regulation
 9 April 2013

Balance Sheet As At 30 June 2012

		Year to 30 June	Year to 30 June
		2012	2011
	Notes	€'000	€'000
Fixed Assets			
Tangible Assets	5	1,608	1,704
Current Assets			
Debtors	6	7,611	9,160
Short-Term Investments	7	68,356	71,927
Cash at Bank and in hand and Short-Term Deposits		3,659	3,653
		79,626	84,740
Creditors (Amounts Falling Due Within One Year)			
Creditors	8	(79,626)	(84,740)
Net Current Assets		0	0
Total Assets Less Current Liabilities		1,608	1,704
Net Assets Excluding Pension Asset / (Liability)		1,608	1,704
Pension Asset / (Liability)	14(ci)	(3,336)	4,905
Net Assets Including Pension Asset / (Liability)		(1,728)	6,609
Represented By			
Capital Reserves	9	1,608	1,704
Pension Reserve		(3,336)	4,905
Reserves Including Pension Asset / (Liability)		(1,728)	6,609

The Statement of Accounting Policies and Notes 1 to 18 form an integral part of these Financial Statements.

Kevin O'Brien, Commissioner
Commission for Communications Regulation
9 April 2013

Commission for Communications Regulation Cashflow Statement for the year ended 30 June 2012

		Year to 30 June	Year to 30 June
		2012	2011
	Notes	€'000	€'000
Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities			
Operating Surplus (before Appropriations)		36,100	31,686
Difference between pension charge and contributions		(964)	(921)
Depreciation		744	726
(Profit) / Loss in Sale of Asset		6	(2)
Bank interest		(549)	(541)
Capital reserve transfer		(96)	22
Decrease / (Increase) in Debtors		1,549	(595)
Increase in Creditors (excluding Central Fund)		14,871	3,284
Net Cash Inflow From Operating Activities		51,661	33,659
Cashflow Statement			
Net cash inflow from operating activities		51,661	33,659
Return on Investments			
- Bank and other interest received		549	541
Capital expenditure		(661)	(751)
Receipt from sale of asset		7	5
Payment to Central Fund	10	(55,121)	(24,865)
Management of Liquid Resources			
- (Increase) / Decrease in Short-Term Deposits		(43)	128
- Decrease / (Increase) in Short-Term Investments		3,571	(8,438)
(Decrease) / Increase In Cash Balances		(37)	279
Reconciliation Of Net Cashflow To Movement In Net Funds			
(Decrease) / Increase in cash in the period		(37)	279
Increase / (Decrease) in Short-Term Deposits		43	(128)
(Decrease) / Increase in Short-Term Investments		(3,571)	8,438
Change in Net Funds		(3,565)	8,589
Opening Net Funds		75,580	66,991
Closing Net Funds		72,015	75,580

The Statement of Accounting Policies and Notes 1 to 18 form an integral part of these Financial Statements.

Kevin O'Brien, Commissioner
 Commission for Communications Regulation
 9 April 2013

Notes to the Financial Statements for the year ended 30 June 2012

	Year to 30 June	Year to 30 June
	2012	2011
	€'000	€'000
1. Non Levy Income		
Electronic Communications Licensing Fee	18,452	15,671
2G & 3G Radio Licensing Fees	12,895	12,868
Other Radio Licensing Fees	121	133
MMDS & Deflector Licensing	31,468	28,672
Electronic Communications Spectrum Income		
3G Spectrum Income	13,900	13,900
Other Income		
Bank Interest	549	541
Sundry*	1,468	7
	2,017	548

* includes:

- (a) A payment of €115,000 by Eircom arising from its failure to achieve certain performance targets in relation to Eircom's quality of service performance with respect to aspects of its Universal Service Obligation for the period 2010/2011.
- (b) In February 2012, High Court proceedings against Vodafone in relation to compliance with the EC No. 544/2009 Roaming Regulations were settled, involving payment to ComReg of €400,000 by way of a Court ordered financial penalty.
- (c) In April 2012 Vodafone agreed to pay ComReg €951,000 following an investigation by ComReg into a discrepancy between prices published by Vodafone for calls to numbers in the 1520, 1580 and 1590 number ranges and the actual charges applied to customers. The payment was made under Section 44 of the Communications Regulation Acts 2002 to 2011.

					Year to 30 June	Year to 30 June
	2012	2012	2012	2012	2012	2011
	Electronic Communications		Post	PRS		
	Levy	Other	Levy	Levy	Total	Total
	€'000	€'000	€'000	€'000	€'000	€'000
2. Staff Costs						
Employee costs during the year:						
Wages and Salaries #	4,856	3,198	431	582	9,067	9,129
Social Welfare Costs	467	308	41	56	872	879
	5,323	3,506	472	638	9,939	10,008
The average number of staff employed by the Commission during the year, analysed by category, was as follows:	62	44	5	11	122	125
# The Commission operates a performance related remuneration scheme (which was originally established by the Office of the Director of Telecommunications Regulation). Of the total Wages and Salaries costs, €786,000 (or 8%) of the total represents payments to staff in accordance with the provisions of the performance related remuneration scheme and the terms of their contracts of employment. Details of the remuneration of Commissioners are shown over the page.						

2. Staff Costs (continued)	Salary	Other Remuneration	Total
	€'000	€'000	€'000
Alex Chisholm, Chairperson	180	1	181
Mike Byrne, Commissioner*	98	1	99
Kevin O'Brien, Commissioner	100	-	100

* Mike Byrne left on 4 February 2012. Kevin O'Brien was appointed on 1 November 2011. Other Remuneration represents the cost of medical insurance paid by ComReg. The Commissioners' pension entitlements do not extend beyond the standard entitlements in the ComReg Superannuation Scheme (which is based on the Model Superannuation Scheme for civil servants). Commissioners are not eligible for performance related pay

	30 June	30 June
	2012	2011
	€'000	€'000
3. Technical Advice		
Professional & Technical Advice	2,288	3,110
Contact Management	643	579
Market Research	191	271
Quality of Service Monitoring	346	370
Staff Training and Professional Development	332	300
	3,800	4,630

4. Administrative Expenses		
Equipment and IT Maintenance	570	618
Subscriptions to Databases/Research Reports	379	187
Travel and Subsistence	298	366
Conferences/Meetings	183	246
Postal and Telecommunications	136	146
Stationery	83	105
Publishing and Promotion	95	247
Recruitment	57	34
Light, Heat and Cleaning	88	99
Insurance	30	31
Other Administrative Costs	139	201
	2,058	2,280

5. Tangible Assets					
	Technical Equipment	Computer Equipment	Fixtures Fittings + Office Equipment	Motor Vehicles	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 30 June 2011	883	3,368	2,573	131	6,955
Additions	286	287	20	68	661
Disposals	-	-	-	(35)	(35)
At 30 June 2012	1,169	3,655	2,593	164	7,581
Accumulated Depreciation					
At 30 June 2011	601	2,752	1,866	32	5,251
Disposals	-	-	-	(22)	(22)
Charge for period	80	364	280	20	744
At 30 June 2012	681	3,116	2,146	30	5,973
Net Book Value					
At 30 June 2012	488	539	447	134	1,608
At 30 June 2011	282	616	707	99	1,704

	30 June	30 June
	2012	2011
	€'000	€'000
6. Debtors		
Due within one year:		
Electronic Communications administration levy	658	578
Postal administration levy	35	35
Radio Licence Income	5,505	7,262
Accrued Income	270	93
Pre-payments & Recoverable expenses	1,143	1,192
	7,611	9,160
<p>Recoverable expenses includes the sum of €200,000 in respect of costs incurred by ComReg as a result of its involvement in the National Postcode Project in 2005/6. The total costs incurred by ComReg in respect of this project amounted to €479,000, of which €279,000 was recovered through the Postal Levy. The balance of €200,000 was recovered from the Department of Communications, Energy and Natural Resources after the year-end.</p>		

7. Short Term Investments		
Short Term Investments	68,356	71,927
<p>Short Term Investments comprise Exchequer Notes purchased from the National Treasury Management Agency Limited.</p>		

	30 June	30 June
	2012	2011
	€'000	€'000
8. Creditors		
Amounts falling due within one year		
Trade Creditors	1,110	1,853
Other Creditors	24,349	7,792
Value-added tax	122	110
Accruals	1,100	1,171
Deferred income (see analysis below)	20,877	21,913
Payroll	847	695
Payable to Central Fund (see Note 10)	31,221	51,206
	79,626	84,740
ComReg holds Cash Deposits in the sum of €24.1m (included in Other Creditors) in trust and these deposits relate to certain commitments made to ComReg concerning its regulatory functions and the corresponding amount is included in the Commission's year end bank balance.		
Analysis of Deferred Income		
Radio Licence Income	20,197	21,710
Other	680	203
	20,877	21,913
Where licences are renewed for a period which extends beyond the end of the financial year, a proportion of that income is deferred to meet expenditure in the following year.		

9. Capital Reserves		
Opening Balance	1,704	1,682
Transfer (to) / from Income and Expenditure Account:		
Net Additions to fixed assets	661	751
Amortisation in line with fixed asset depreciation	(744)	(726)
Amount released on disposal of Fixed Assets	(13)	(3)
Net Amount to Income and Expenditure Account	(96)	22
Closing Balance	1,608	1,704

10. Appropriation of Surplus		
No final determination of the amount distributable to the Central Fund has yet been made for the year to 30 June 2012. Any final determination is not expected to be greater than €35,136,000. During the year to 30 June 2012 €25,121,000 was paid to the Central Fund in respect of the year to 30 June 2010 and €30,000,000 paid in respect of the year to 30 June 2011. The adjustment to the pension reserve in the year represents the difference between the contributions to the pension fund and the corresponding amounts recognised through the Income and Expenditure Account.		

11. Premises and Accommodation

The Commission occupies premises at Abbey Court, Irish Life Mall, Lower Abbey Street, Dublin 1. The premises are rented from the Office of Public Works at an annual rent of €900,000 per annum. The Commission also has annual commitments of €140,074 payable within the next twelve months on foot of two leases, one of which expires in 2013 and the other in 2024, for office accommodation (currently sublet to third parties) at Crescent Hall, Mount Street Crescent, Dublin 2.

12. Membership of International Telecommunications Organisations

Certain payments to International Telecommunications Organisations are met by the Department of Communications, Energy and Natural Resources out of the proceeds of the Electronic Communication Administrative Levy. The charge to the Income and Expenditure Account includes €645,000 for that purpose.

13. Commissioners and Staff - Disclosure of Interests

The Commissioners and staff complied with the requirements of Section 25 (Disclosure of Interests) of the Communications Regulation Act, 2002. There were no transactions in the year in relation to the Commission's activities in which the Commissioners had any interest.

14. Pensions

a. Description of Scheme

The Commission for Communications Regulation is a national regulatory authority established under the Communications Regulation Act, 2002. Section 26 and 27 of the Act provide that the Commission shall make schemes for granting of superannuation benefits to and in respect of Commissioners and staff members, subject to Ministerial approval.

A funded defined-benefit scheme is being operated for the Commissioners and employees of the Commission.

For the purposes of reporting in accordance with Financial Reporting Standard 17 - Retirement Benefits (FRS 17), an update of the actuarial review was completed as at 30 June 2012.

	30 June	30 June
	2012	2011
	€'000	€'000
b. Pension Costs		
Current service cost	1,186	1,257
Interest cost	1,215	1,120
Expected return on Scheme Assets	(1,449)	(1,400)
Past service cost		
Less: Employees' Contributions	(397)	(394)
Total	555	583
c i. Net Pension Liability Made up of		
Fair value of Scheme Assets	26,286	23,776
Present Value of Funded Obligations	(29,622)	(18,871)
Net (Liability) / Asset	(3,336)	4,905

14. Pensions Continued		
	30 June	30 June
	2012	2011
	€'000	€'000
c ii. Present Value of Scheme Obligations at beginning of year	18,871	19,864
Current Service Cost	1,186	1,257
Interest Cost	1,215	1,120
Actuarial Loss / (Gain)	8,603	(3,031)
Benefits Paid	(217)	(300)
Premiums Paid	(36)	(39)
Present Value of Scheme Obligations at end of year	29,622	18,871
c iii. Change in Scheme Assets		
Fair Value of Scheme Assets at beginning of year	23,776	19,799
Expected return on Scheme Assets	1,449	1,400
Actuarial Gain/(Loss)	(602)	280
Employer Contributions	1,519	1,504
Members' Contributions	397	394
Transfers in for prior service	-	738
Benefits paid from Scheme	(217)	(300)
Premiums paid	(36)	(39)
Fair Value of Scheme Assets at end of year	26,286	23,776
The current practice of increasing pensions in line with inflation is included in the measurement of the defined benefit obligation.		
d. Scheme Asset Composition		
The scheme assets at the year end were composed of:		
Equities	53.3%	53.3%
Bonds	45.4%	45.0%
Property	1.3%	1.7%
Other	0.0%	0.0%
	100.0%	100.0%
Actual return less expected return on scheme assets		
Actual Return	847	2,418
Less: Expected Return	(1,449)	(1,400)
	(602)	1,018

d. Scheme Asset Composition Continued		
	30 June	30 June
	2012	2011
<p>To develop the expected long-term rate of return on assets assumption, the Commission considered the current level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of the 5.30% assumption as at 30 June 2012 and 5.89% assumption as at 30 June 2011. No allowance had been made for the pension levy being paid from scheme assets, but the expected return on assets for 2012 had been reduced by 0.6% to reflect the pension levy.</p>		
Weighted average assumptions used to determine benefit obligations		
Discount Rate	4.35%	6.10%
Rate of compensation increase	3.75%	4.00%
Weighted average assumptions used to determine pension expense		
Discount Rate	4.35%	6.10%
Expected long-term return on scheme assets	5.30%	5.89%
e. Financial & Demographic Assumptions		
The Financial Assumptions used for FRS 17 purposes were:		
Discount rate	4.35%	6.10%
Salary increases	3.75%	4.00%
Pension increases	3.25%	3.50%
Inflation increases	2.00%	2.25%
The Demographic Assumptions used were as follows:		
	2012	2011
Mortality Pre-Retirement*	108% of PNM/FL00-1	108% of PNM/FL00-1
Mortality Post-Retirement*	CSO improvements from 2006 for all members.	CSO improvements from 2006 for all members.
Retirements	It is assumed that all members who joined prior to 1 April 2004 retire at age 60 and all other members retire at 65	It is assumed that all members who joined prior to 1 April 2004 retire at age 60 and all other members retire at 65
Ill Health Retirement	No allowance	No allowance
Early Retirement	No allowance	No allowance
Withdrawals	No allowance	No allowance
Percentage married	It is assumed that 90% of Males and 75% of Females are married.	It is assumed that 90% of Males and 75% of Females are married.
Age Difference between spouses	A male is assumed to be 3 years older than his spouse	A male is assumed to be 3 years older than his spouse

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

	30 June	30 June	30 June	30 June	30 June
	2012	2011	2010	2009	2008
	€'000	€'000	€'000	€'000	€'000
f. History of defined benefit obligations, assets and experience gains and losses					
Defined benefit obligations	29,622	18,871	19,864	17,260	16,523
Fair value of Scheme Assets	(26,286)	(23,776)	(19,799)	(14,827)	(12,281)
Deficit / (Surplus) for funded Scheme	3,336	(4,905)	65	2,433	4,242
Experience (gains) / losses on Scheme Liabilities					
Amount	(397)	(388)	(3,070)	810	99
Percentage of Scheme Liabilities	(1.3%)	(2.1%)	(15.5%)	4.7%	0.6%
g. Prior Pensionable Service					
<p>The liabilities of the pension scheme relate to retirement benefits arising from service with the Commission and service with other public bodies prior to joining the Commission where such service is known to the Commission. The Commission is entitled to seek to recover the cost of funding the prior service from other public bodies under the terms of its membership of the Public Service Transfer Network.</p> <p>For service transferred by members prior to 30 June 2012, the total value of such payments received in the year to 30 June 2012 was Nil</p> <p>Payments in respect of transferred in service are shown as a separate item in the Statement of Total Recognised Gains and Losses.</p>					
h. Funding of Pensions					
The Commission expects to contribute €1.6m to its pension scheme in 2013.					

15. Contingent Liabilities

There were no contingent liabilities at 30 June 2012.

16. Related Party Transactions

As part of the ordinary course of business, the Commission has had transactions with other government departments and other state bodies.

17. Pension Related Deduction

An amount of €643,000 deducted from salaries in respect of the Pension Related Deduction was paid to the Department of Communications, Energy and Natural Resources in the year ended 30 June 2012.

18. Approval Of Financial Statements

These financial statements were approved by Kevin O'Brien, Commissioner, for the Commission for Communications Regulation, on 9 April 2013.



1

Appendix: List of documents published by ComReg during the year

PR290-62012b	ComReg re-designates Eircom as Universal Service Provider from 2012 until 2014	12/60	Next Generation Access: Proposed Remedies for NGA Markets - ComReg grants further extension to consultation period for ComReg document 12/27
PR290-62012a	ComReg publishes its Strategy Statement for 2012 to 2014	12/59	Response to Consultation and Decision: The future of Deflector Licensing in Ireland
PR290-62012	Consumers to benefit from reduced roaming prices from 1 July 2012	12/58	Premium Rate Services Code of Practice Update
12/71	The provisions of telephony services under Universal Service Obligations - Response to Consultation, Decision and Decision Instrument - D07/12	12/57	Universal Service Obligation - Application for funding from the Universal Service Provider for the period 2009/2010
12/70	Management and Maintenance of the National Directory Database	12/56	Next Generation Access (NGA) Request for non-confidential NGA Margin Squeeze Model and costing data
12/69	Strategy Statement 2012-2014	PR300-52012	ComReg reports on An Post's Quality of Service performance between January and March 2012
12/68s	Submissions to Consultation (Document 12/37 - Draft Strategy Statement 2012-2014)	12/55	Quality of Postal Service Monitor - Interim Report Q1 2012
12/68	Response to Consultation (Document 12/37 - Draft Strategy Statement 2012-2014)	12/52a	Application Form, Multi Band Spectrum Award 2012
12/67a	Analysys Mason Report - Fixed and Mobile Termination Rates in Ireland	12/54	Announcement of Workshop on multi-band spectrum award process
12/67	Voice Termination Rates in Ireland - Proposed Price Control for Fixed and Mobile Termination Rates	12/50	Multi-band Spectrum Release - Response to Consultation on the draft Information Memorandum
12/66	Provision of Universal Service by eircom - Performance Data Q1 2012 (1 January 2012 to 31 March 2012)	12/52	Information Memorandum - Multi-band Spectrum Release
12/65	ComReg grants extension to consultation period for ComReg Document 12/46 - Market Review: Voice Call Termination on Individual Mobile Networks	12/51	Issues related to the Draft Information Memorandum - DotEcon Report for ComReg
09/44R3	Aircraft Station Licence Application Form and Guidelines	12/53	ComReg commences multi-band spectrum award process
12/64	Consultation and Draft Decision 26 GHz Changes of Use	12/49	GSM Liberalisation Project: Publication of correspondence provided by respondents and responses (and ComReg written responses to same) and redacted paragraphs from Document 12/25
12/63a	Submissions to Consultation ComReg 11/72	12/48	Information Notice - Vodafone - Electronic Billing
12/63	Supplementary Consultation to ComReg 11/72	12/47	Memorandum of Understanding, Agreed MoU with the UK on the 800 MHz band
PR140-62012	ComReg Quarterly Report shows broadband speeds increasing while broadband subscriptions remain steady	12/46a	Market Review - Voice Call Termination on Individual Mobile Networks Appendix A: Market Research prepared by The Research Perspective Ltd. on behalf of ComReg, June 2011
10/62a	Quarterly Report Memorandum Q1 2012	12/46	Market Review - Voice Call Termination on Individual Mobile Networks
12/62	Quarterly Report Q1 2012	12/28s2	Submissions received from Respondents to Consultation 11/51 - Part 2
12/61A	ComReg's Multi-Band Spectrum Release Workshop - Workshop Materials		
12/61	ComReg's Multi-Band Spectrum Award Workshop - 8 June 2012		

12/28s1	Submissions received from Respondents to Consultation 11/51 - Part 1	12/32a	Wholesale Broadband Access: Further specification to the price control obligation and an amendment to the transparency obligation. Response to Consultation 10/108
12/45	Information Notice: Extension to consultation on Postal Regulatory Framework (12/38)	12/32	Wholesale Broadband Access: Further specification to the price control obligation and an amendment to the transparency obligation
0617aR1	Revised Application Form for FWALA licences	S.I. No.111 of 2012	S.I. No. 111 of 2012 - Communications Regulation (Licensing of Premium Rate Services) Regulations 2012
0617R7	Revised Guidelines to applications for FWALA licences	12/30	Information Notice - New Code of Practice and New Regulations for Premium Rate Services
12/44	Information Notice: Release of additional spectrum in the 3.6 GHz band for FWALA licensing	12/29	Code of Practice - Premium Rate Services [Decision No. D05/12]
12/43	Information Notice: Extension to consultation on Next Generation Access Remedies	12/28	Response to Consultation 11/51 and Decision - Code of Practice for Premium Rate Services [Decision No. D05/12]
12/42	2012 Programme of Measurement of Non-Ionising Radiation Emissions: First Interim Report	12/31	Republic of Ireland Quality of Postal Service Monitor - Annual Report 2011
12/41	Information Notice - Premium Rate Services Industry Meeting on 15 May 2012	12/27a	Oxera Report - Eircom's Next Generation Access Products: Pricing Principles and Methodologies
12/40	Preliminary Consultation - Optimisation of Inter-Operator Processes to facilitate consumer switching	12/27	Next Generation Access (NGA): Proposed Remedies for NGA Markets
PR300-42012	ComReg consults on its proposals for postal regulation	PR300-322012	Eircom Examinership Proceedings
12/39	The provision of telephony services under Universal Services Obligations - Scope and Designation	12/26	Provision of Universal Service by eircom - Performance Data - Q4 2011 (1 Oct 2011-31 Dec 2011)
12/38	Postal Regulatory Framework: Implementation of the Communications Regulation (Postal Services) Act 2011	12/25	Response to Consultation and Decision on Multi-band Spectrum Release [D04/12]
PR270-42012	ComReg consults on its draft strategy statement for 2012 - 2014	12/25A	Multi-band Spectrum Release - Annexes to 12/25
12/37	ComReg Strategy Statement 2012-2014	12/24	Issues relating to the award of spectrum in multiple bands in Ireland
12/36	Emergency Call Answering Service - Call volume July-December 2011 and overall volume for 2011	12/23	Award of 800MHz, 900MHz and 1800MHz - Fifth Benchmarking Report
12/35	ComReg notifies Eircom Limited in Examination (under the companies (Amendment) Act 1990) ("Eircom") of a finding of non-compliance with respect to conditions and procedures for contract termination	12/22	Joint Technical Report - Mobile Operator responses to 11/60 and 11/75
12/34	Vodafone Overcharging	00/07R3	Application for Business Radio Licences
12/33	Information Notice - Network Change: Decision pursuant to Section 7.4(ii) of D05/10	00/07aR1	Guidelines for Business Radio Licences
PR050-42012	ComReg reports on An Post's quality of service performance for 2011	12/21	GSM Liberalisation Project: Publication of non-confidential submissions to Document 11/75 and correspondence provided by respondents (and ComReg written responses to same)
		PR130-32012	ComReg issues Quarterly Market Report for Q4 2011

12/20a	Quarterly Report Memorandum Q4 2011	12/06	ComReg initiates proceedings against An Post in relation to Quality of Service Performance
12/20	Quarterly Report Q4 2011		
12/19	ComReg agrees new duty of care arrangements with regulated entities and their auditors	12/05	2011 Programme of Measurement of Non-Ionising Radiation Emissions: Fourth Interim Report
12/18	The future of Deflector Licensing in Ireland	11/89a	Spectrum Management Strategy Statement 2011-2013(Irish)
12/17	Wholesale Compliance Annual Report 2011		
12/15	Eircom Accounting Separation - ComReg grants further extension to Regulated Accounts publication	11/89	Spectrum Management Strategy Statement 2011-2013 (English)
12/16	Verizon reaches agreement with Eircom and withdraws dispute resolution request	12/04s	RTÉ response to ComReg Information Notice 11/95
12/13c	Public Service Broadcasting Licence issued by ComReg to TG4 for Analogue Terrestrial Television Services	12/04a	Technical Conditions for Analogue Radio
12/13b	Public Service Broadcasting Licence issued by ComReg to RTÉ for Analogue Sound Broadcasting Services	12/04	Comments received on Information Notice 11/95 and Appendix A 11/95a. Final Consolidated Technical Conditions for Analogue Radio
12/13a	Public Service Broadcasting Licence issued by ComReg to RTÉ for Analogue Terrestrial Television Services	12/03	Response to Consultation Document No. 11/32 and Final Decision (D01/12): Further specification of the Price Control Obligation in the wholesale market for the terminating segment of leased lines
12/13	Issue of analogue transmission public service broadcasting licences to RTÉ & TG4	12/02	Submissions received in response to Consultation 11/40
12/14	Extension of Deadline for eircom's Universal Service Funding Application	12/01s	Submissions to Consultation 11/81
12/11	Current Available Interleaved Spectrum within 470 - 790 MHz	12/01	Response to Consultation and Final Determination regarding the Emergency Call Answering Service Call Handling Fee Review 2012/2013
12/12	Premium Rate Services: Publication of Findings of Non-Compliance with Licence Conditions	11/105	Eircom Accounting Separation - ComReg grants extension to Regulated Accounts publication
12/10	Fixed links survey	11/103	Implementation of EU Roaming Regulation by Irish Mobile Companies
11/80s	Submissions to Consultation 11/80		
12/09	Decision to extend the termination date of three MMDS licences in force in the 2.6 GHz band in Dublin, Galway and Waterford to April 2014	11/104	Information Notice - Provision of Universal Service by eircom - Performance Data - Q3 2011 (1 July 2011 to 30 September 2011)
12/08	Notification to the European Commission: Price control and transparency in the Wholesale Broadband Access market	CP74	2011 End of Year Review by Alex Chisholm, Chairperson of ComReg
12/07	High Court commercial Record No. 2011/405MCA Commission for Communications Regulation v Vodafone Ireland Limited	11/102	Spectrum Liberalisation - Publication of non-confidential responses to ComReg Document 11/60 and recent correspondence
12/03a	Response to Consultation and Final decision: A final decision further specifying the price control obligation in the market for wholesale terminating segment of leased lines. Submission to Consultation No. 11/32	11/101	Revised Amendments to ComReg Document 08/90, "Radio Frequency Plan for Ireland"
		08/90R3	Radio Frequency Plan for Ireland
		02/71R6	Permitted Short Range Devices in Ireland
		11/100	Update on PBX hacking

11/99	Reduction of Call Origination and Call Termination rates by Eircom	11/84	Extension of consultation 11/78 response period
	Annual Report 2010 - ComReg Annual Report 2010	11/83	Extension of Consultation 11/77 Response Period
11/98a	Quarterly Report Memorandum Q3 2011	11/82	Multi-Band Spectrum Release Draft Information Memorandum - Extension of Response Period
11/98	Quarterly Report Q3 2011	11/79	Information Notice - Provision of Universal Service by Eircom - Quality of Service
11/97	Amateur Theory Exam; Renewal of Agreement with the IRTS	11/81a	Consultancy Report -Recommendations for a reasonable Call Handling Fee (CHF) associated with the Emergency Call Answering Service (ECAS)
11/96(b)	ICT usage among business consumers	11/81	Emergency Call Answering Service: Call Handling Fee Review 2012/2013
11/96(a)	ICT Usage among residential consumers	11/80a	Consultancy Report - Technical and Economic Study on Multipoint Microwave Distribution Systems and Next Generation Mobile Broadband Services in the Band 2500 - 2690 MHz
11/95a	Technical Conditions for Analogue Radio	11/80	Future use of 2.6 GHz radio spectrum band
11/95	Consolidated Technical Conditions for Analogue Radio	11/79	Information Notice : Provision of Universal Service by Eircom - Quality of Service
PR021-22011	ComReg reports on An Post quality of service performance between January and September 2011	11/78	Proposed consumer protection measures in respect of consumer bills and billing mediums and proposed amendments to the General Authorisation
11/94	The Introduction of a Licensing Framework for VHF and UHF Telemetry Systems, Changes to Current Frequency Assignments and Spectrum Release Proposals.	11/77	Consultation on sharing mechanism for any USO Fund: Principles and Methodologies
11/93	Quality of Postal Service Monitor - Interim Report Q3 2011	10/96s	Submissions to Preliminary Consultation: Electronic, and other, itemised bill formats
11/92	Extension of Deadline for Eircom's Universal Service Funding Application	11/76	ComReg notifies Vodafone of findings of Non-compliance with respect to electronic billing
11/90s	Submissions received from respondents to Information Notice 10/84	CP74	Presentation to US Spectrum Management Conference - The Benefits of closer co-operation between Europe and America on Spectrum Policy
11/90	Response to Information Notice 10/84: Licensing Regime for GSM for Railway Operations	CP74	Speech by Commissioner Mike Byrne to Spectrum Conference
11/89a	Ráiteas Straitése: Straitéis um Bainistiú an Speictream Raidió: 2011-2013	11/75	Multi-band Spectrum Release - Draft Information Memorandum
11/89	Strategy for Managing the Radio Spectrum: 2011 -2013	11/74	2011 Programme of Measurement of Non-Ionising Radiation Emissions - Third Interim Report
11/88	Response to Consultation -11/28	11/73	Industry Fora for authorised Undertakings regarding operational aspects of the ECAS
11/87	Further Submissions to Consultation 11/28	11/72a	Oxera report: Conceptual framework for the assessment of Eircom's bundles
	Action Plan (Croke Park Agreement)		
11/84R	Further extension to ComReg consultation 11/78		
11/83R	Further Extension to Consultation 11/77 Response Period		
11/85R	Further Extension to Consultation 11/80 Response Period		
11/85	Extension of Response Period to ComReg Document 11/80		

11/72	Consultation and Draft Directions: Review of the appropriate price controls in the markets of Retail Fixed Narrowband Access, Wholesale Physical Network Infrastructure Access and Wholesale Broadband Access	PR260-82011	ComReg reports on An Post quality of service performance from January to June 2011
		11/62	Quality of Postal Service Monitor - Interim Report Q2 2011
11/71	Information Notice - Provision of Universal Service by eircom - Performance Data - Q2 2011 (1 April 2011 to 30 June 2011) and Annual (1 July 2010 to 30 June 2011)	PR240-82011	ComReg publishes its draft decision on the proposed auction of the 800 MHz, 900 MHz and 1800 MHz spectrum bands
CP73	A regulatory perspective on the challenge & opportunity of Next Generation Broadband in Ireland	11/61	Settlement of High Court judicial review (Record NO: 2011/225)
11/70	ComReg accepts dispute resolution request from Verizon	11/60	Multi-Band Spectrum Release - Release of the 800MHz , 900MHz & 1800MHz radio spectrum bands
11/69	GSM Liberalisation Project: Publication of non-confidential correspondence provided by respondents (and ComReg written responses to same)	11/60a	Multi-Band Spectrum Release - Annexes to 11/60
02/02R2	Temporary Business Radio Licence: Application Form	11/57	Joint Technical Report, Mobile Operator Responses to 10/71, 10/105 and 11/11
08/08R2	Radio Licensing for Special Events and Temporary use in Ireland: Guidance Notes	11/59	Award of 800MHz, 900MHz and 1800MHz spectrum - Further update report on benchmarking
11/68a	International Access to Irish Non-Geographic Numbers - A report for ComReg by Europe Economics	11/58	Issues relating to the award of spectrum in multiple bands in Ireland
11/68	Information Notice - Pan-European Access to Irish Non-geographic Numbers	11/56	Communications Regulation (Postal Services) Act 2011 - Implications for ComReg's work programme 2011 and beyond
11/67s	Non-confidential responses to Consultation Document No. 10/76	11/55	Information Notice : Extension to Deadline for Responses to Consultation 11/51 on the revised Draft Code of Practice
11/67	Wholesale Call Origination and Wholesale Call Termination Markets: Decisions amending price control obligations and withdrawing and further specifying transparency obligations (Decision No. D07/11)	10/50s6	Submissions received from respondents to Consultation 10/27 Part 6
PR14-0911	Broadband subscriptions growth slows, while broadband speeds increase	10/50s5	Submissions received from respondents to Consultation 10/27 Part 5
11/66a	Quarterly Report Memorandum Q2 2011	10/50s4	Submissions received from respondents to Consultation 10/27 Part 4
11/66	ComReg Quarterly Report Q2 2011	10/50s3	Submissions received from respondents to Consultation 10/27 Part 3
11/65	Emergency Call Answering Service - volume of 999/112 calls Jan-Jun 2011	10/50s2	Submissions received from respondents to Consultation 10/27 Part 2
11/28s	Submissions to Consultation - Review of the Period 2008 - 2010 & Proposed	10/50s1	Submissions received from respondents to Consultation 10/27 Part 1
11/64a	eGovernment Strategy: Update 2011	10/50s	Index of submissions received from respondents to Consultation 10/27
11/64	eGovernment Strategy 2010-2012	11/51s6	Submissions received from respondents to Consultation 10/92a Part 6
11/63	Multi-Band Spectrum Release - Extension of Response Period to ComReg Document 11/60	11/51s5	Submissions received from respondents to Consultation 10/92a Part 5

11/51s4	Submissions received from respondents to Consultation 10/92a Part 4	11/49c	Non-confidential responses to ComReg Consultation 10/81 - Market Review of WBA
11/51s3	Submissions received from respondents to Consultation 10/92a Part 3	11/50	GSM Liberalisation Project: Publication of Interim Licences, MoUs and non-confidential correspondence
11/51s2	Submissions received from respondents to Consultation 10/92a Part 2	11/49c	Non-confidential responses to ComReg Consultation 10/81 - Market Review of WBA
11/51s1	Submissions received from respondents to Consultation 10/92a Part 1	11/49b	Competition Authority letter to ComReg on Market Review of WBA
11/51s	Index of submissions received from respondents to Consultation 10/92a	11/49a	EC letter to ComReg on notification of Market Review
11/54	Wholesale Compliance Interim Report 2011	11/49	Response to Consultation & Decision - Market Review Wholesale Broadband Access D06/11
11/53	Information Notice - ComReg 11/51: Response to Consultation Document No. 10/92a and Further Consultation on the Code of Practice for Premium Rate Service Providers	11/48	New Regulations for Electronic Communications
11/50f	Co-ordination between Ireland and UK in the frequency bands 880 - 915 MHz paired with 925 - 960 MHz and 1710 - 1785 MHz paired with 1805 - 1880 MHz	11/47	Implementation of EU Roaming Regulation by Irish Mobile Companies
11/50e	Co-ordination between Ireland and UK in the frequency bands 1710 - 1785 and 1805 - 1880 MHz frequency bands	11/46	Provision of Universal Service by eircom - Performance Data Q1 2011
11-50d	Co-ordination between Ireland and UK in the frequency bands 880 - 890 MHz and 925 - 935 MHz designated for EGSM	11/45	Response to Consultation and Decision on the Introduction of KPIs for Regulated Markets
11/50c	MoU between Ireland and UK on 890 - 915 MHz and 935 - 960 MHz designated for GSM	PR210-62011	Media Release for Q1 Quarterly Report
11-50b	Interim GSM Licence Schedule - Vodafone Ireland	11/44a	ComReg Quarterly Report Memorandum Q1 2011
11/50a	Interim GSM Licence Schedule - Telefonica Ireland	11/44	ComReg Quarterly Report Q1 2011
11/52	2011 Programme of Measurement of Non-Ionising Radiation Emissions: Second Interim Report	PR010-62011	ComReg Reports on An Post quality of service performance between January and March 2011
11/51d	Annex D to Response to Consultation 11/51 Draft Code of Practice		
11/51c	Annex C to Response to Consultation 11/51 Draft Regulatory Impact Assessment		
11/51b	Annex B to Response to Consultation 11/51 - PRS Qualitative Research		
11/51a	Annex A to Response to Consultation 11/51 - PRS Quantitative Research		
11/51	Response to Consultation Document No. 10/92a, and further consultation on the Code of Practice for Premium Rate Service Providers		
11/49c	Non-confidential responses to ComReg Consultation 10/81 - Market Review of WBA		



2

Appendix: Sector Overview

Number of operators

Under the authorisations process, operators in Ireland notify ComReg of their intention to provide networks or services to third parties. By June 2012, approximately 483 such notifications were registered by ComReg. Of this, 398 were fixed/wireless authorisations, 10 were mobile telephony authorisations and 75 were broadcasting authorisations.

Fixed market share

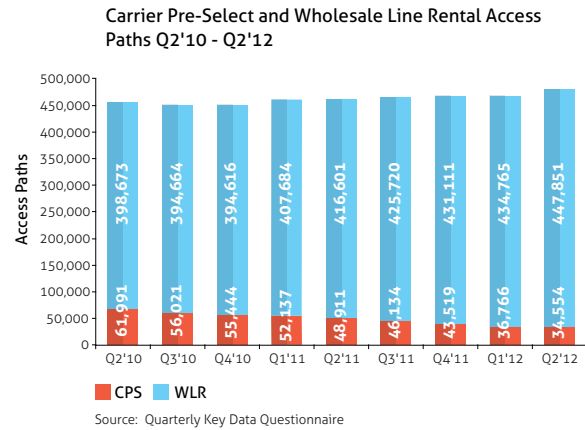
Based on operator data submitted via the Quarterly Report questionnaire, Other Authorised Operators (OAOs) accounted for 45.2% of the total fixed line market in terms of revenue by June 2012 ; this is up from 41.4% in June 2011.

Fixed CPS and WLR

Indirect access to fixed line networks for call services can be provided through Carrier Pre-Selection (CPS), where the call services are provided by an operator using the incumbent operator's network. The customer pays line rental to the incumbent. Through Wholesale Line Rental (WLR) an operator can provide single billing to the consumer for both their fixed line rental and fixed call usage.

By the end of June 2012, WLR accounted for 92.8% of lines provided via indirect access, up from 89.5% at the end of June 2011. In total there were 482,405 indirect access paths at the end of Q2 2012, up by 3.6% since June 2011.

Figure 1: CPS and WLR Q2'10 - Q2'12



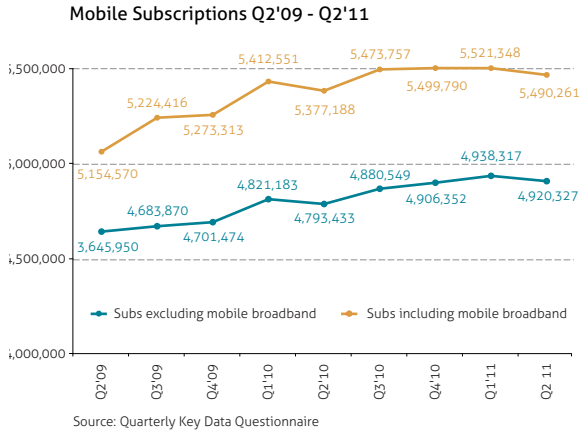
Fixed telecom access paths

There were almost 1.79 million direct and indirect PSTN and ISDN access paths in the Irish market in Q2 2012, a decline of 1.3% since June 2011. Indirect access using WLR or CPS accounts for 27.0% of all access paths in the fixed copper market. Since ComReg reduced wholesale charges for Local Loop Unbundling (LLU) there has been a marked increase in take up of LLU lines, particularly shared lines. This should help promote greater competition in the retail market and lead to better offers for consumers. There were 59,844 total LLU connections as of June 2012, up from 22,042 in June 2011.

Mobile telephony

At the end of June 2012 there were just over 5.49 million subscriptions to mobile communications services in Ireland, which translates to a penetration rate of 119.7%.

Figure 2: Mobile subscriptions Q2'10 - Q2'12



Volumes of text messaging increased (up 4.2%) in June 2012 compared to June 2011. In the three months to June 2012, the average Irish mobile subscriber sent an average of 191 messages per month, compared with an average of 187 per month in the quarter to June 2011.

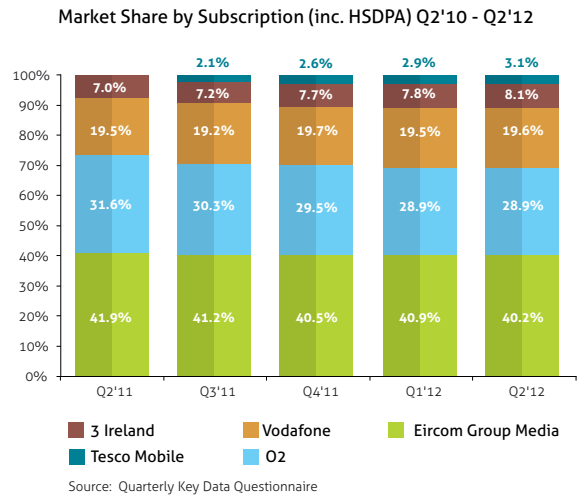
Average monthly minutes of use per mobile subscriber in Ireland decreased slightly from 256 minutes per month in June 2011 to 255 minutes per month in June 2012. This excludes usage of data services. In Q2 2012 Average revenue per user was approximately €29 per month compared to approximately €30 in Q2 2011 and €32 per month in Q2 2010. This decline in ARPU is likely to be a reflection of a number of factors such as those attributable to economic conditions in Ireland (e.g. reduced consumer spending), and reductions in mobile termination rates among other factors.

418,958 mobile numbers were ported between operators in the twelve months to June 2012, which equates to, on average, 34,913 mobile numbers ported every month.

Although Vodafone and O2 retain the largest share of subscriptions (including mobile broadband) comparing Q2 2012 to Q2 2011, both Vodafone and O2 lost market share down to 40.2% and 28.9% from to 41.9% and 31.6% respectively. Eircom Group Mobile's market share increased slightly

over the same period while 3 Ireland and Tesco Mobile increased their market shares by 1.1 and 1.0 percentage points.

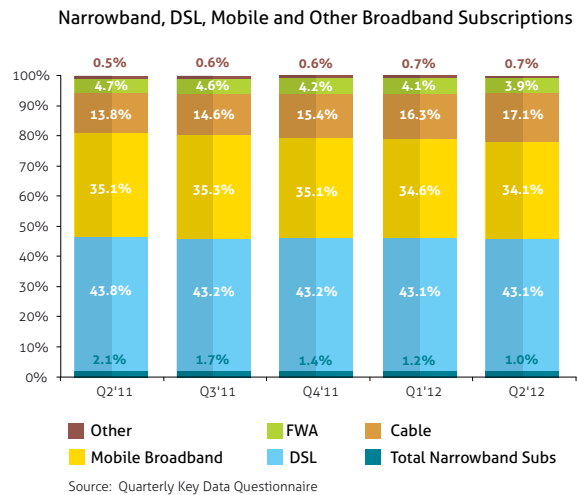
Figure 3: Mobile market shares by subscription Q2'11 - Q2'12



Internet and broadband

The number of narrowband or dial-up internet users continues to decline quarter on quarter. As of June 2012 there were 16,286 narrowband subscriptions in Ireland, accounting for only 1.0% of the total internet subscription base of 1,654,157.

Figure 4: Internet subscriptions by type Q2'11 - Q2'12



By the end of June 2012 there were 1,654,157 internet subscribers using broadband technologies. Digital Subscriber Lines (DSL) still account for the bulk of these subscriptions at 720,009. However, DSL, FWA and mobile broadband subscriptions fell comparing Q2 2011 to Q2 2012. In contrast, cable and other (fibre/satellite) subscriptions increased over the period.

As of June 2012, cable subscriptions totaled 286,418. There were 569,934 mobile broadband subscriptions by the end of June 2011. In Q2 2012 cable was 17.3%, DSL 43.5%, FWA 4.0%, other 0.7% and mobile broadband 34.5% of all broadband subscriptions. In addition to broadband subscriptions, there are an estimated 1,443 WiFi hotspots in Ireland providing nomadic broadband access nationwide, particularly to laptop and smartphone users. This figure increased by 37.2% comparing Q2 2011 to Q2 2012.

Figure 5: Broadband subscriptions and growth

Platform	Q2'12 Subs	Quarterly Growth Q1'12-Q2'12	Year-on-Year Growth Q2'11-Q2'12
DSL	720,099	-0.9%	-1.2%
Cable	286,418	+4.0%	+25.3%
FWA	65,519	-5.8%	-16.3%
Other	12,187	+5.8%	+35.8%
Sub-Total	1,084,223	+0.1%	+3.8%
Mobile	569,934	-2.2%	-2.4%
Broadband			
Total	1,654,157	-0.7%	+1.6%

Figures 6 and 7 illustrate Ireland's position compared to other European countries for both mobile broadband penetration and fixed broadband per capita and household penetration in 2011. While Ireland (24.3%) was behind the average for the EU27 countries (27.7%) for fixed broadband per capita penetration, when mobile broadband is included Ireland (37.5%) ranked just ahead of the EU27 average (35.7%) for broadband penetration per capita. Ireland (65%) was behind the EU27 average (67%) household penetration rate in 2011.

Figure 6: European fixed and mobile broadband per capita penetration comparison, 2011

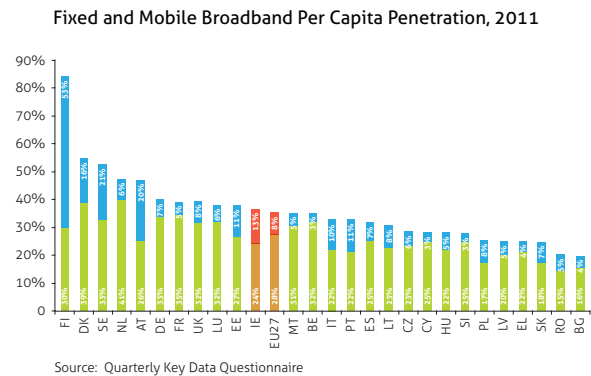
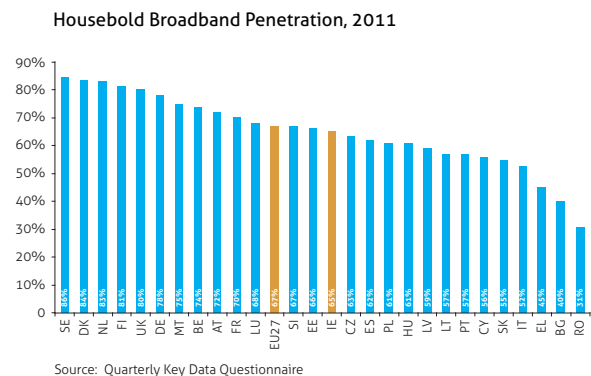


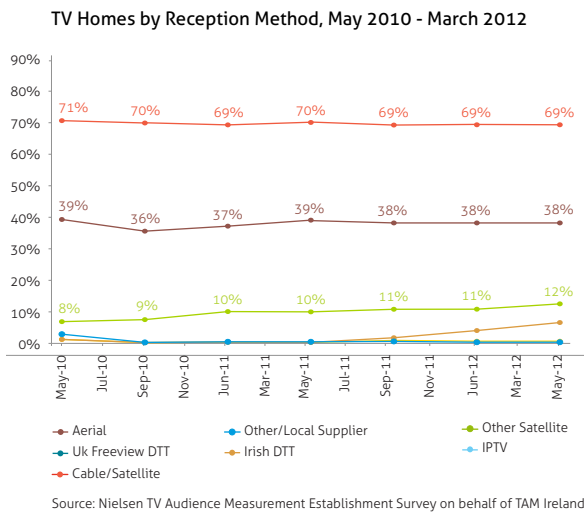
Figure 7: European household broadband penetration comparison, 2011



Broadcasting

By May 2012 of almost 1.58 million TV households in Ireland, 69% had a subscription cable or satellite service, 38% had an aerial service and 12% had a free to air satellite service. IPTV as a reception method was low

Figure 8: Television homes by reception method



Pricing

Ireland's PSTN residential basket, as measured by an OECD-approved methodology, was behind the European benchmarked average. The Irish package used for this comparison was 8% more expensive than the average for the other European countries charted in May 2012. However, the PSTN business basket for Ireland was 31% cheaper than the benchmarked average.

Figure 9: OECD PSTN residential basket

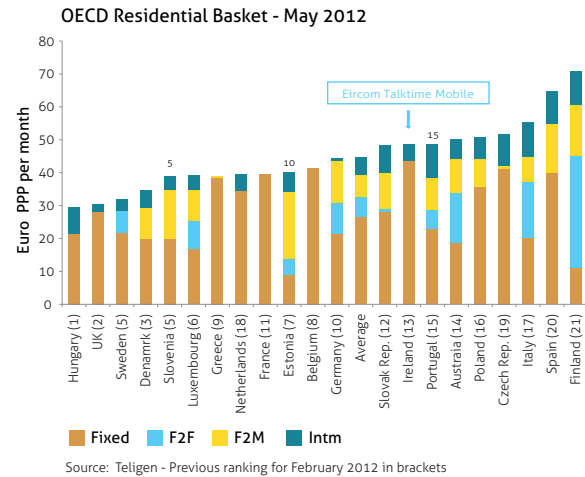
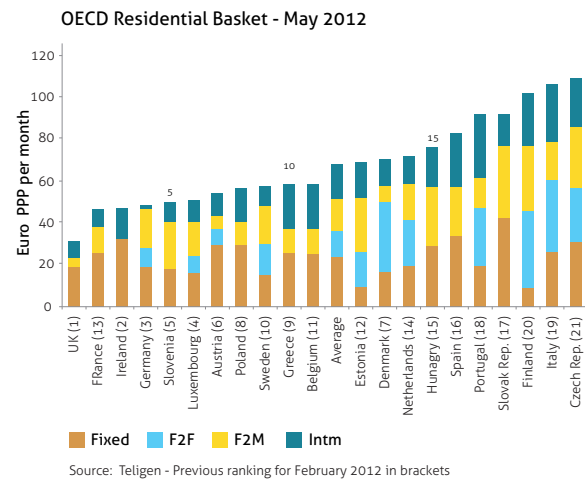


Figure 10: OECD PSTN business basket



ComReg also collects comparative data on a number of mobile baskets, which estimate a price for low, medium and high-usage post-paid subscriptions as well as for a pre-paid subscription. As of May 2012, for the medium-user post-paid basket, Ireland is seven places ahead of and 44.3% cheaper than the benchmarked average. For the pre-paid basket, Ireland is eight places behind the average of the countries benchmarked.

Figure 11: OECD post paid basket

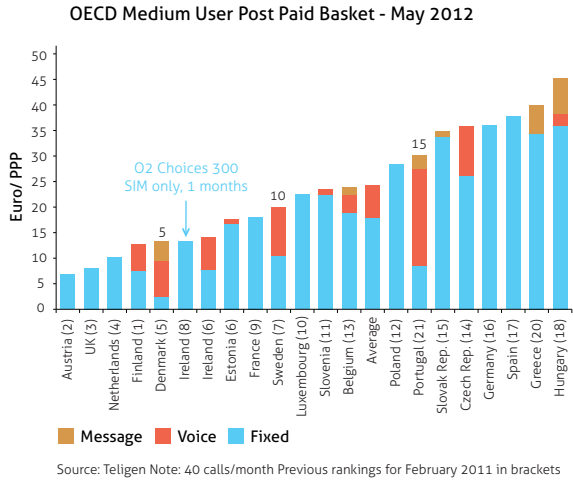


Figure 13: Central Statistics Office Consumer Price Index

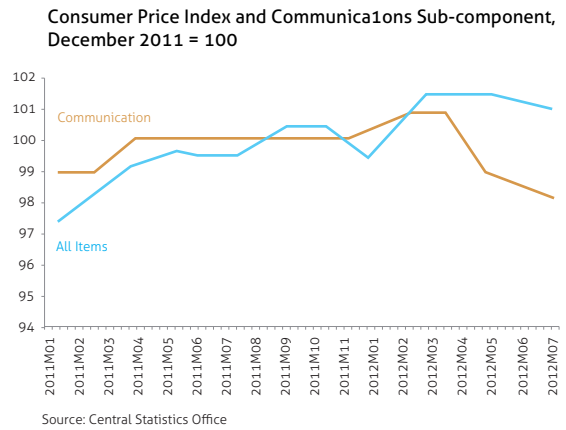


Figure 12: OECD pre-paid mobile basket



In overall terms, figure 12 shows the change in the Consumer Price Index (CPI) and the communications sub-component. The CSO weights communications as 3.487% of the total CPI.

Using December 2011 as the base period, total CPI increased by 1.7% in the year to June 2012 while communications costs decreased by 1.2%.



3

**Appendix:
Output Statement for
the period 1 July 2011
to 30 June 2012**

Public Interest Objective	High Level Goals	Programmes for completion by 30 June 2012	Output Indicators	Output achieved in Year to 30 June 2012
Promote the interest of users.	To inform, empower and protect consumers, both residential and business, and to ensure the availability for all users of quality telecommunications services.	Scope and designation of USO and USP(s) from 30 June 2012.	Review of scope of Universal Service and designation of Universal Service Provider(s).	Consultation on sharing mechanism for any USO Fund: Principles and Methodologies - ComReg Document 11/77 dated 28 October 2011.
		USO Performance Data	Ongoing monitoring of USO Quality of Service performance and reporting of quarterly and annual performance data.	The provision of telephony services under Universal Service Obligations - Scope and Designation - ComReg Document 12/39 published 30 April 2012. New Designation from 30 June 2012 as outlined in ComReg Document 12/XX published 29 June 2012. USO Performance data Q1,2,3 and 4 2011, Q1 2012 - ComReg Documents 11/46,11/71, 11/104 and 12/26 published 1 July 2011, 7 October 2011, 23 December 2011, 26 March 2012 and 28 June 2012. Information Notice - Provision of Universal Service by Eircom - Quality of Service - ComReg Document 11/79 published 2 November 2011.
		Funding of USO	Assessment of application(s) received, as relevant, and determination of Funding mechanisms as relevant.	Application received 31 May 2012 - ComReg Document 12/57 published 1 June 2012.
Promote the interest of users (cont'd)	To inform, empower and protect consumers, both residential and business, and to ensure the availability for all users of quality telecommunications services.	Consumer Protection Continue to monitor retail/consumer market developments and implement enhanced consumer protection measures, as relevant including:		
		• E-billing;	Consultation and Decision regarding defined and consistent approach to billing formats across all undertakings.	Consultation issued October 2011 - ComReg Document 11/78 published 28 October 2011.
		• Format of notifications with respect to contract changes;	Defined and consistent approach to notification formats across all undertakings.	Consultation to be issued July 2012.
		• Equal Access and Equal Choice' for users with disabilities;	Consultation and Decision regarding obligations on undertakings, as relevant, in respect of consumers with disabilities.	Meetings held with ComReg Disability Forum. Consultation to issue July 2012.
Promote the interest of users (cont'd)	To inform, empower and protect consumers, both residential and business, and to ensure the availability for all users of quality telecommunications services.	Premium Rate Services.	Finalise Code of Practice and Regulations.	Response to Consultation and further consultation on Code of Practice - ComReg Document 11/51 published 22 July 2011. Response to Consultation 11/51 and Decision D05/12 - ComReg Document 12/28 and D05/12 published 5 April 2012. Code of Practice - ComReg Document 12/29 published 5 April 2012.
				Information Notice - Code of Practice Update - ComReg Document 12/58 published 2 June 2012.
				PRS Forum Meeting 15 May 2012.
			Review PRS Levy Order.	Discussion of related issues at PRS Forum Meeting.

Public Interest Objective	High Level Goals	Programmes for completion by 30 June 2012	Output Indicators	Output achieved in Year to 30 June 2012
		Emergency Call Answering Service monitoring.	Ongoing monitoring of the operation of ECAS.	Information Notice on volume of 999/112 calls Jan - Jun 2011 - ComReg Document 11/65 published 13 September 2011. Information Notice on volume of 999/112 calls Jul - Dec 2011 and overall volume for 2011 - ComReg Document 12/36 published 26 April 2012. Information Notice: Industry Forum regarding operational aspects of the Emergency Call Answering Service ("ECAS") - ComReg Document 11/73 published 20 October 2011. Ongoing Forum Meetings.
Promote the interest of users (cont'd)	To inform, empower and protect consumers, both residential and business, and to ensure the availability for all users of quality telecommunications services (cont'd)	Emergency Call Answering Service call handling Fee.	Review of call handling fee for 2012-2013.	Consultation and Draft Determination re Emergency Call Answering Service Call Handling Fee Review 2012/2013 - ComReg Document 11/81 published 2 November 2011. Response to Consultation and Final Determination regarding the Emergency Call Answering Service Call Handling Fee Review 2012/2013 - ComReg Document 12/01 published 12 January 2012.
		Emergency Call Answering Service	Consultation and Decision regarding the accuracy and reliability of caller location information for emergency calls.	Will be completed in Y/e 30 June 2013.
		Market Review of Retail Fixed Narrowband Access Market.	Consultation.	Will be completed in Y/e 30 June 2013.
		Review Retail price Cap mechanism consistent with the market review - Retail Fixed Narrowband Access: • Assessment of appropriateness of the RPC remedy - amending, maintaining or withdrawing retail price cap, • And financial model of nature and structure of the RPC, as appropriate.	Consultation.	Will be completed in Y/e 30 June 2013.

Public Interest Objective	High Level Goals	Programmes for completion by 30 June 2012	Output Indicators	Output achieved in Year to 30 June 2012
Promote competition, incentivise efficient investment, ensure development of internal market.	To drive access and investment in high-speed broadband networks through cross-platform competition, and to use effective and appropriate wholesale regulation to create the opportunities for dynamic and sustainable competition.	Develop sufficiently detailed regulatory guidance on NGA to provide certainty to industry players.	Consultation and decision on NGA remedies.	Next Generation Access (NGA): Proposed Remedies for NGA Market, Response to Consultation, Further Consultation and draft decision - ComReg Document 12/27 published 4 April 2012.
		Build on work done to improve LLU and other wholesale product processes.	Improved wholesale products in particular LLU. Detailed Eircom operational KPIs in public domain on a periodic basis.	Wholesale Broadband Access response to Consultation and Decisions - ComReg Document 11/49 published 8 July 2011.
	Monitor market for evolving changes in competition and adjusting regulatory framework accordingly: ensuring regional variations in conditions of competition are taken account of: ensuring bundles based competition are regulated appropriately.	Review of bundles pricing regime. Monitoring of evolution of competition and assessment for impact. Assessment of regional variations on pricing of point to point (backhaul) services.	PPC and Ethernet pricing implemented. Bundles regime consulted and decided upon. If required initiate review of remedies in Broadband markets.	Wholesale Compliance Interim Report 2011 - ComReg Document 11/54 published 4 August 2011. Wholesale Compliance Annual Report 2011 - ComReg Document 12/17 published 2 March 2012. Response to Consultation and Decision - Wholesale Call Origination and Call Termination Markets - ComReg Document 11/67 published 15 September 2011.
	To promote competition and efficiency in the broadcasting transmission market which enhances competition at the retail level for the benefit of consumers.	Wholesale broadcast transmission market analysis.	Consultation and Decision.	Will be completed in Y/e 30 June 2013.
Promote competition, incentivise efficient investment, ensure development of internal market (cont'd).	Review Eircom's cost of capital to ensure wholesale prices are appropriate.	Assess need for a review of Eircom's cost of capital - the potential impact of the recession on the underlying fundamentals of the WACC and investment incentives: • Call for input • Regulatory workshops • National consultation and decision, as appropriate.	Consultation on rate of return on capital or investment employed by Eircom in the production of its regulated fixed-line services.	Will review the need to consult on this issue in the coming year.
Promote competition, incentivise efficient investment, ensure development of internal market (cont'd).	To conduct primary research into the broadband market.	Jointly commissioned (ESRI/DCENR/ComReg) commissioned communications research program. Formulation of evidence based research in relation to the agreed headline research topics.	Research papers, seminars and journal articles per the performance measurement agreement (PMA).	Ongoing workstream, conferences/ seminars attended and papers published on ESRI website (www.esri.ie).
	Actively participate and contribute to the Body of European Regulators for Electronic Communications (BEREC).	Participate in Plenary meetings of BEREC and active participation in key Expert Working Groups.	Deliverables by BEREC of committed workstreams.	Ongoing delivery of BEREC work streams.

Public Interest Objective	High Level Goals	Programmes for completion by 30 June 2012	Output Indicators	Output achieved in Year to 30 June 2012
Promote competition, incentivise efficient investment, ensure development of internal market (cont'd).	Ensure that the international allocations and regulatory framework accommodates Ireland's specific requirements.	Contribute to the work of the EC RSPG (Radio Spectrum Policy Group), the EC RSC (Radio Spectrum Committee) and the CEPT (European Conference of Postal and Telecommunications Administrations) Electronic Communications Committee (ECC) and its working groups	Chairmanship of the EC RSPG and delivery of the work programme. EC RSC technical implementation measures Representation of Ireland at the World Radio communications Conference in early 2012. Active participation at plenary meetings of relevant CEPT work groups and project teams.	Ongoing delivery of RSPG Work programme with contributions to Reports and Opinions. Compliance with and contribution to development of EC RSC technical implementation measures. Final Acts of WRC-12. Contribution to development of ECC spectrum harmonisation measures.
Promote the development of the postal sector.	New Postal Act and implementation of new Postal Regulatory Framework.	Measures to be taken to implement the provisions in the new Postal Act. Consultations, Decisions and implementations of obligations that will be placed on ComReg by the Act.	Dependent on enactment of the Postal Act; Communications Regulation (Postal Services) Bill • Consultations & Responses • Decisions • New postal regulatory architecture.	Information Notice on Communications Regulation (Postal Services) Act 2011 - Implications for ComReg's work programme 2011 and beyond - ComReg Document 11/56 published 19 August 2011. Postal Regulatory Framework - Implementation of the Communications Regulation (Postal Services) Act 2011 - Consultation - ComReg Document 12/38 published 30 April 2012. Response to Consultation and Decisions in progress and expected to be published July 2012.
	Postal Strategy Statement - set out ComReg's objectives for the sector over the lifetime of the statement.	Publication of Strategy Statement.	Dependent on enactment of Postal Act; • Consultation / Response and publication of Strategy Statement.	In progress with expected publication of Consultation in Q3, 2012.
Promote the development of the postal sector(cont'd).	QoS Monitoring and Reporting. Quarterly & Annual Reports.	Ensuring An Post meets with its legal obligations regarding QoS. Publish Quarterly and Annual QoS Reports.	Publication of Annual and Quarterly performance results.	Quality of Service(QoS) - Interim Report Q2 2011 - ComReg Document 11/62 published 26 August 2011. QoS Interim Report Q3 2011- ComReg Document 11/93 published 2 December 2011. QoS Annual Report 2011 - ComReg Document 12/31 published 5 April 2012. QoS Interim Report Q1 2012- ComReg Document 12/55 published 30 May 2012.
	Contribute to the development of the postal sector in the European Union.	Actively participate and contribute to the European Regulators Group for Postal Services (ERGP).	Participation in ERGP sub-groups and Chair sub-group on cross-border services.	Continued participation in ERGP sub-groups.
Efficient use of spectrum and numbers and promote innovation.	Liberalisation of the 800 MHz, GSM900 and GSM1800 MHz bands.	Award of radio spectrum in line with ComReg Decision.	Publication of response to consultation and Draft Decision on broader spectrum release proposals. Publication of Decision on broader spectrum release.	Information Notice on Interim licences and Memorandum of Understanding between Ireland and the U.K. - ComReg Document 11/50 published 18 July 2011. Response to Consultation and Draft Decision re Multi-Band Spectrum Release - ComReg Document 11/60 published 24 August 2011.

Public Interest Objective	High Level Goals	Programmes for completion by 30 June 2012	Output Indicators	Output achieved in Year to 30 June 2012
				<p>Multi-band Spectrum Release Draft Information Memorandum - ComReg Document 11/75 published 24 October 2011. Multi-band Spectrum Release - Release of the 800 MHz, 900 MHz and 1800 MHz Radio Spectrum Bands Response to Consultation and Decision - ComReg Document 12/25 and D04/12 published 16 March 2012.</p> <p>Multi-band Spectrum Release - Response to Consultation on the draft Information Memorandum - ComReg Document 12/50 published 25 May 2012. Announcement of Workshop on multi-band spectrum award process - Information Notice - ComReg Document 12/54 published 29 May 2012. ComReg's Multi-Band Spectrum Award Workshop - 8 June 2012 - ComReg Document 12/61 published 11 June 2012.</p>
Efficient use of spectrum and numbers and promote innovation (cont'd)	Spectrum Management Strategy Statement	Publish a Spectrum Management Strategy Statement for the period 2011- 2013	Publication of Statement	<p>Response to Consultation - ComReg Document 11/88 published 22 November 2011.</p> <p>Strategy Statement - ComReg Document 11/89 published 22 November 2011.</p>
	Licencing regime for VHF/ UHF telemetry systems	Consult on new licensing regime	Publication of consultation	Consultation - ComReg Document 11/94 published 2 December 2011.
	Renewal of Radio Spectrum licences.	Issue of licences.	Publication of statistics.	Statistics published in Annual Report.
	Digital Terrestrial Television & Digital Switch-Over. To facilitate the migration to DTT and the switch-off of analogue TV.	<p>Represent ComReg's objectives and ensure the advancement of analogue switch-off as part of the DCENR's Digital Steering Group, Analogue Switch-Off Information Group, Technical Working Group and Intergovernmental Group.</p> <p>Represent ComReg's objectives and ensure the advancement of analogue switch-off as part of the Irish team at coordination bilaterals with Ofcom.</p>	<p>Advancement of analogue switch-off.</p>	<p>Ongoing participation in Steering & Working Groups.</p> <p>Ongoing workstream.</p>
	Digital Dividend in the 800MHz sub-band. To finalise frequency plans to enabling the re-farming of the 800MHz band.	<p>Work with BAI/RTÉNL/ other stakeholders towards ensuring an appropriate outcome.</p> <p>Complete coordination of the 800 MHz Clearance Plan for DTT with the UK.</p>	Clearance Plan completed.	<p>Ongoing engagement with stakeholders.</p> <p>Completed.</p>

Public Interest Objective	High Level Goals	Programmes for completion by 30 June 2012	Output Indicators	Output achieved in Year to 30 June 2012
Efficient use of spectrum and numbers and promote innovation (cont'd)	Introduction of Spectrum Trading.	Following designation of bands for spectrum trading, provide information and guidelines to stakeholders in relation to the requirements for parties involved in trades and to the trading process.	Consultation and Responses / Information Notice.	Will be addressed in Y/e 30 June 2013.
	2.6 GHz Review	Review MMDS Licences and 2.6 GHz band	Consultation and Responses	ComReg Document 11/80 published 2 November 2011 - Consultation on Future use of 2.6 GHz radio spectrum band ComReg Document 12/09 published 15 February 2012 - Decision to extend the termination date of three MMDS licences in force in the 2.6 GHz band in Dublin, Galway and Waterford to April 2014 [Decision No. D03/12]
Efficient use of spectrum and numbers and promote innovation (cont'd)	Management and administration of the National Numbering Scheme.	Allocation of numbers, usage audits and analysis of the need for number changes.	Publication of allocation databases and status reports.	Database available at: http://www.comreg.ie/licensing_and_services/allocations.552.438.html .
	Cost Benefit Analysis on full implementation of Article 28 of the Universal Services Directive	Article 28 requires full implementation subject only to "technical and economic feasibility". Providing access to some Irish non-geographic ranges could cause a dialling clash with 01 Dublin numbers. Full implementation would therefore require a costly number change	Publication of cost benefit analysis and accompanying Information Notice	Information Notice on Pan-European Access to Irish Non-Geographic Numbers (ComReg Document 11/68 published 26 September 2011) and Cost Benefit Analysis Report (ComReg 11/68a published 26 September 2011).
Efficient use of spectrum and numbers and promote innovation (cont'd)	The future of the Deflector licensing scheme	Review of the future of the Deflector licensing scheme in the context of Digital Switch On due to take place in October 2012, the multi band spectrum award and the falling number of licensees and users of the service.	Publication of Consultation and Response to Consultation	ComReg Document 12/18 - The Future of Deflector Licensing in Ireland published 8 March 2012. ComReg Document 12/59 published 6 June 2012 - Response to Consultation and Decision: The future of Deflector Licensing in Ireland.

Public Interest Objective	High Level Goals	Programmes for completion by 30 June 2012	Output Indicators	Output achieved in Year to 30 June 2012
	Protect consumers and ensure compliance with licence conditions related to Non-Ionising Radiation	Completion of Non-Ionising surveys and publication of results	Quarterly Reports	ComReg Document 11/52 published 22 July 2011 - 2011 Programme of Measurement of Non-Ionising Radiation Emissions - Third Interim Report. ComReg Document 11/74 published 20 October 2011 - 2011 Programme of Measurement of Non-Ionising Radiation Emissions - Third Interim Report. ComReg Document 12/05 published 8 February 2012 - 2011 Programme of Measurement of Non-Ionising Radiation Emissions: Fourth Interim Report. ComReg Document 12/42 published 3 May 2012 - 2012 Programme of Measurement of Non-Ionising Radiation Emissions: First Interim Report.
To ensure that we have the capacity to deliver on our objectives by having the requisite skills, structures and systems in place to operate efficiently and effectively as an independent regulator.	To be a highly effective, innovative organisation which is a recognised centre of excellence, and which plays its full part in shaping the development of a competitive communications industry.	Continue employee skill development and resource allocation. Continued implementation of Croke Park Agreement.	Specific training delivered including regulatory leadership programmes. Progress Reports submitted to Minister.	Educational assistance applications approved. Progress reports submitted.
		Comply with corporate governance practice for State Bodies.	Publication of Annual Action Plan for 2012 - 2013.	Annual Action Plan for 2012 - 2013 published.
			Publication of Annual Financial Forecast for 2012 - 2013.	Annual Financial Forecast for 2012 - 2013 published.
			Annual Report on Governance issues submitted to Minister.	Addressed in Annual report.
To ensure that we have the capacity to deliver on our objectives by having the requisite skills, structures and systems in place to operate efficiently and effectively as an independent regulator (cont'd)	To be a highly effective, innovative organisation which is a recognised centre of excellence, and which plays its full part in shaping the development of a competitive communications industry (cont'd).	Comply with corporate governance practice for State Bodies (cont'd)	Corporate procurement plan updated. Risk Management procedures complied with. Internal Audits planned for 2011 - 2012 carried out.	Procurement plan Update drafted. Risk Management meetings held. Planned Internal Audits completed.

Public Interest Objective	High Level Goals	Programmes for completion by 30 June 2012	Output Indicators	Output achieved in Year to 30 June 2012
		Design and implement continuous operational and strategic efficiencies.	Driving of efficiencies through smarter working; including implementation of IT plan.	ComReg Government Strategy 2010 - 2012 and eGovernment Update 2011 - ComReg Documents 11/64 and 11/64a published 7 September 2011.
		Review current websites, user requirements and industry standards.	Development of a current web strategy.	Draft strategy report received.
		Continue to implement stakeholder management strategy.	Stakeholder management strategy implemented.	Continued progression of stakeholder programme.
		Continue to benchmark sectoral and policy performance against international standard	Performance measurement through QR, ECTA scorecard, OECD etc.	Quarterly Reports published for Q2, Q3, Q4 2011 and Q1 2012 - ComReg Documents 11/66, 11/98, 12/20, 12/62R published 14 September 2011, 9 December 2011, 13 March 2012 and 14 June 2012.
				Information Notice on Implementation of EU Roaming Regulation by Irish Mobile Companies - ComReg Document 11/47 published 1 July 2011.
To ensure that we have the capacity to deliver on our objectives by having the requisite skills, structures and systems in place to operate efficiently and effectively as an independent regulator (cont'd)	To be a highly effective, innovative organisation which is a recognised centre of excellence, and which plays its full part in shaping the development of a competitive communications industry (cont'd).	Develop ComReg Strategy Statement for the period 2012-2014	Publication of draft Strategy Statement for public consultation	ComReg Document 12/37 published 27 April 2012
			Publication of final Strategy Statement for implementation by 01 July 2012.	Strategy Statement for 2012-2014 (ComReg Document 12/69), Response to Consultation (ComReg Document 12/68) and Submissions Document (ComReg Document 12/68s) published on 29 June 2012.
		Comply with Government statement on economic regulation.	Publication of Annual Output Statement.	Annual output Statement published.

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