



Summer 2005

# ComReg Newsletter

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## Minister Dempsey Visits ComReg



Minister Dempsey meets ComReg's Commissioners on his visit to ComReg's offices in May.

l to r Mike Byrne, ComReg Commissioner; Noel Dempsey TD, Minister for Communications, Marine and Natural Resources; Isolde Goggin, Chairperson of ComReg and John Doherty, ComReg Commissioner

## ComReg Issues Consumer Guides To Assist Cross-Border Telephone Users

ComReg has launched two new consumer guides targeting users of both fixed line and mobile telephone services who live along the border with Northern Ireland. The two new guides deal with:

- Using the '048' code to call fixed line numbers in Northern Ireland.
- How to prevent your mobile inadvertently roaming onto a mobile network across the border.

The '048' consumer guide has been issued to alert consumers to the benefits of using the '048' code. Using the '048' code ensures that calls are billed at national rather than international rates which can happen if calls are made using the '00 44' prefix.

Inadvertent roaming is also an issue that has been raised on a number of occasions by consumers. Inadvertent roaming occurs when the signal from a mobile handset is picked up by a network across the border. This is likely to result in mobile users incurring higher charges. The guide explains

the issue and gives advice on how to prevent it occurring.

Mike Byrne, ComReg Commissioner said: "The launch of these guides is part of ComReg's ongoing programme to raise consumer awareness about tariffs and charges in the telecommunications sector. These guides will be of benefit to anyone who dials a Northern Ireland fixed line number and to mobile users who live or work in border areas. By following the practical advice contained in the guides consumers can minimise their exposure to telephone charges."

The guides are available from the ComReg website: [www.comreg.ie](http://www.comreg.ie) and the 'Ask ComReg' consumer website [www.askcomreg.ie](http://www.askcomreg.ie), or can be requested on the ComReg Consumer Line on 1890 229 668.



Block DEF  
Abbey Court,  
Irish Life Centre,  
Lower Abbey Street,  
Dublin 1.

Tel: +353 1 8049600  
Fax: +353 1 8049680

# WAPECS SIGNALS A CHANGE IN SPECTRUM MANAGEMENT APPROACH



Isolde Goggin

The electromagnetic frequency spectrum is one of the most important, yet most under-recognised, natural resources we possess. It's all around us, and we all use it in many different ways every day, but we can't see it, feel it, hear it, taste it or smell it. Yet, from being woken by the radio alarm clock in the morning, to unlocking

the car with an electronic fob, to using mobile phones for business or social use during the day, to collapsing in front of the television, services using the spectrum surround and support us, day and night.

ComReg is responsible for the efficient management of the radio frequency spectrum in Ireland. Demand for spectrum arises from all sorts of sources – from telecommunications operators (both fixed and mobile), from the shipping and aviation industries, from medical technologies, from television and radio broadcasters. It's our job, and the job of our counterparts throughout Europe, to ensure that spectrum is available to meet these demands.

Traditionally, this has been done through what might be described as the "command-and-control" mechanism: regulators meet periodically to decide how much spectrum will be required in future for what service, and that spectrum is then reserved primarily for that service. For certain services, the international rules don't allow it to be used for anything else. In some cases, this policy has been a roaring success - as, for instance, with GSM, the European second-generation mobile phone standard, where the availability of harmonised spectrum throughout Europe allowed manufacturers and operators to reap the benefits of economies of scale and make services available quickly and cheaply to end-users. In others, such as the European Radio Messaging Service (ERMES) - the pan-European radio paging service - and TFTS (Terrestrial Flight Telephone System), it's been a disaster: frequencies were reserved, the services never took off, and valuable spectrum was effectively made unusable for many years.

In today's changing world of telecommunications, there is a demand for speedier access to spectrum for individuals and service providers than is possible under traditional methods of spectrum management. Services which were previously distinct, such as fixed voice communications, data and broadcasting, are converging. Mobile networks are now more prevalent than fixed, user needs are extending beyond basic voice and SMS services to data and broadcasting, and "portability" or "nomadicity" has emerged as a half-way house between fixed and mobile services. Demand for certain services has grown far beyond earlier predictions.

The term WAPECS (Wireless Access Platforms for

Electronic Communications Services) is used to signal a change in the way in which the radio frequency spectrum is managed. It involves greater flexibility, while maintaining harmonisation where necessary. This points to the use of market mechanisms wherever possible, liberalisation to allow change of use so that spectrum can migrate over time from applications where it is under-used to those where it is in greater demand, and, wherever possible, the removal of constraints attached to the usage of specific radio spectrum bands.

The Radio Spectrum Policy Group (RSPG), which consists of representatives from national spectrum management agencies in the EU and which advises the Commission on policy matters to do with spectrum, has been working since early 2004 to develop an Opinion on a co-ordinated spectrum policy approach for wireless electronic communications radio access platforms. The objective is to meet the requirements of the Lisbon agenda, and to comply with the overall policy goal of developing the EU internal market and European competitiveness. This will involve developing an innovation-friendly regulatory environment which facilitates rapid access to spectrum for new technologies. Spectrum is a fascinating subject. It is, unfortunately, all too easy to get bogged down in the details, to the point where it becomes unintelligible to the non-specialist. We in ComReg need to raise awareness of the uses of spectrum, of what's happening in the EU and the wider European context, and of the advantages we in Ireland possess through our relatively low population density and our peripheral location, in having a comparative abundance of spectrum.

*Isolde Goggin of ComReg is acting as rapporteur to the RSPG for this project.*

## Communications Regulation: A European Perspective



John Doherty

For European national regulatory authorities such as ComReg, working in the fast-moving, dynamic, trans-national communications marketplace, necessitates a pan-European approach to regulation, and a coordination of ideals, processes and procedures. The legal framework through which national regulators are required

to operate places much weight on application of regulation in a consistent manner. In so doing, it lays down the tasks of National Regulatory Authorities, and establishes a set of procedures to ensure the harmonised application of the regulatory framework throughout the European Union.

It is in this coordinated environment, where regulators in all Member States of the EU are bound to interact,

required to discuss developments at national level, and obliged to liaise on the type and impact of regulatory intervention applied, that ComReg operates.

The European Regulators Group (ERG) was established in 2002 as a forum to facilitate such communication. Commissioner John Doherty represents ComReg on the ERG. The Group, currently chaired by the Communications Regulatory Authority of Denmark, has a remit to advise and assist the Commission to consolidate the internal market for electronic communications networks and services and contribute to its overall development. The Group adopts a yearly-published work programme, setting out the issues that are at the very top of the list in terms of need for a common approach. Prioritisation is key, with regulators mindful that both consumers and industry require clarity of regulation and decisive action where necessary.

So what are the key issues and priorities and how will the work of the ERG impact regulatory intervention?

The Group has identified a number of major areas for activity in 2005. These include:

1. **Broadband:** Development and roll-out of broadband has been identified as a key economic goal, forming a core element of both European and national development strategies. Action at ERG level is focused on the delivery of a study dealing with competition in the wholesale broadband access market and its relationship to broadband penetration. The report further explains recent developments in European broadband markets and questions the impact of regulatory intervention. It is hoped that regulators can, through a better

understanding of roll-out in other countries, and the policies employed to enhance development, employ techniques at a national level that will stimulate market development.

2. **Wholesale International Roaming:** The cost associated with using your mobile phone while abroad is a continual headache for all users. Intervention in this marketplace is difficult, and whilst regulators cannot automatically reduce what are generally perceived as excessive international roaming charges, a coordinated effort is being undertaken to first analyse the market and then determine under the current legal framework, what action, if any, can be taken.

Work on this key issue is on-going and will, through the course of 2005, require more detailed analysis of national markets.

3. **Experiences with Market Definition and Market Analysis:** Over the last 18 months, regulators across the European Union have been engaged in a process of economic analysis of electronic communications networks and services markets, to determine if and where operators enjoy a position of dominance. Further to a finding of dominance, regulators are then obliged to employ one or more of a number of actions to remedy the situation. Assessing action to date, learning from tactics employed by other regulators and ultimately assessing their impact is both a useful exercise for regulators and provides a degree of necessary transparency for market operators.

A year long project has been developed, with publication of results in December 2005.

## ComReg Consumer Advisory Panel Holds its First Meeting

ComReg's Consumer Advisory Panel, which was set up earlier this year, held its first meeting in April. The purpose of the Consumer Advisory Panel is to assist ComReg develop and enhance its understanding of consumer issues in the communications sector.

The Consumer Panel will add to ComReg's expertise in relation to emerging consumer issues and it has following remit:

- To provide independent advice to ComReg on the diverse range of consumer issues that arise in the communications industry;
- To provide assessments on how ComReg's activities are impacting on consumers;
- To inform ComReg of views and needs of different groups such as residential, small to medium

enterprises and large businesses, and people with disabilities;

- To make recommendations and suggestions to ComReg on current consumer concerns;
- To advise ComReg on consumer interests in the markets regulated by ComReg.

The Consumer Advisory Panel will meet three times per year. The external members of the Group are:

**Mr. Ciaran Close**  
Intel Ireland Ltd;

**Mr. Gerry Finn**  
Border, Midland and Western Regional Assembly;

**Mr. Dermott Jewell**  
Consumers' Association of Ireland;

**Ms. Angela Kerins**  
National Disability Authority;

**Mr. Sean Murphy**  
Chambers of Commerce of Ireland;

**Ms. Ursula O'Sullivan**  
Health Services Executive  
- Southern Area

ComReg Commissioner, Mike Byrne said: "ComReg has a legislative responsibility to protect and promote the interests of consumers. To date ComReg has implemented many initiatives designed to inform consumers and raise awareness about key issues."



Mike Byrne



# ComReg examines future scenarios for the telecoms sector

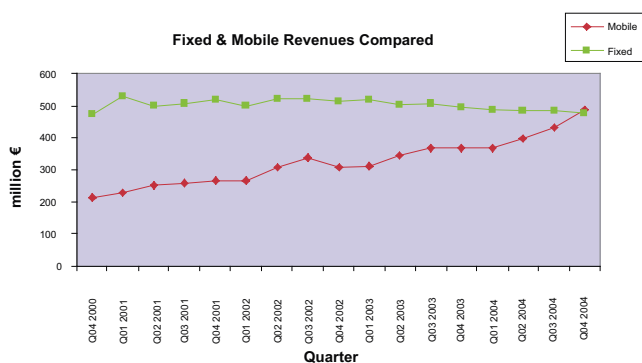
It would be a brave person who tried to forecast the future of an industry as dynamic as telecommunications, where so many past predictions have gone so spectacularly wrong. However, it's important from time to time for a regulatory agency like ComReg to take stock, to ensure that it is following the appropriate strategy for the future, rather than trying to solve the problems of the past.

ComReg is seeking to stimulate debate and encourage feedback on issues that may affect the sector as it develops up to 2010, and on how regulation should be adapted to cope with change. To get a debate started, ComReg published a consultation paper entitled: **Forward-looking Review of the Irish Telecoms Sector** (available at [www.comreg.ie](http://www.comreg.ie)<sup>1</sup>). This consultation considers potential future developments in the telecoms sector in Ireland over the next 5 years. Its purpose is to help encourage dialogue with industry and telecoms users in Ireland so that we can work together to find the best way forward. This consultation, along with the spectrum management strategy consultation issued in January<sup>2</sup>, started the process of developing a strategy, as part of our forthcoming strategy statement for 2005 to 2007 (due during the summer of 2005).

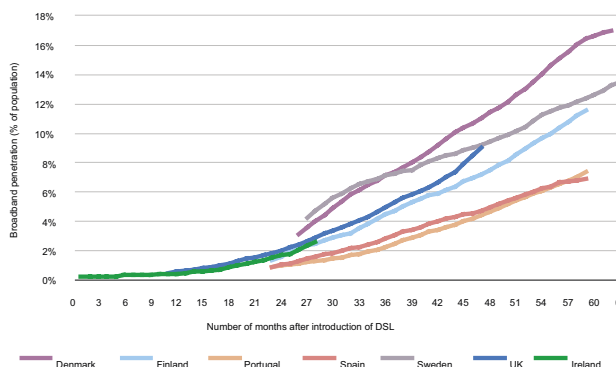
## Telecoms is entering a period of change

Ireland is currently entering a period of significant change in the telecoms sector, with new technologies rapidly emerging. The period since liberalisation has coincided with one of the strongest periods of continuous growth for the Irish Economy. Overall growth levels have averaged in excess of 7%, the highest in the EU and one of the highest in the developed world. Incomes in Ireland since 1997 have grown by almost 30%. A combination of these factors and a desire for increased convenience and mobility has also acted as a spur for the communications sector. Since liberalisation of the sector in 1997, telecommunications prices have fallen by almost 20% in nominal terms, while overall per capita spending has almost doubled from €547 to €964. This growth is largely due to mobile phones usage, which now stands at 94% of the population. The communications sector is worth an estimated €4 billion in direct contribution to the economy each year, as well as providing over 15,000 jobs.

The use of Information and Communications Technologies (ICT) is also important in improving efficiency and productivity in the economy in general; the OECD estimates that it contributes around 1% to annual GDP growth in Ireland, the second highest in Europe.



Strong growth in mobile revenues have now surpassed falling fixed revenues in the Irish market.



Growth in broadband penetration is following a similar path to other countries which are currently further ahead [Source: Analysys]

## Regulatory Options

In the ideal world there would be sufficient inter-platform competition at the infrastructure level and regulation would not be needed. However, where market power exists, the premature withdrawal of regulation can damage both competition and consumers. The ComReg consultation outlines regulation at three levels:

**Infrastructure-based Competition** - The ideal outcome for telecommunications markets would be one in which operators using a number of different platforms – traditional fixed telephony network, cable TV networks, wireless – compete vigorously with each other.

**Wholesale Regulation** - Where infrastructure-based competition has not developed to the point where no single operator is dominant on any telecommunications market, the need for wholesale regulation arises.

**Retail Regulation** - The new EU regulatory framework makes it clear that regulation should only be applied at a retail level (a) where an operator has significant market power in a retail market and (b) where wholesale regulation is not sufficient.

## Forward-looking Analysis

Key trends in IP and the emergence of Next Generation Networks are changing how services are delivered to consumers and how operators interact with one another. ComReg believes that economic, commercial and social conditions are emerging that indicate strong growth in broadband access. New mobile and convergent wireless or 'nomadic' services are developing that can bring together several once separate sections of the industry. All of these potential developments, together or separately, could have significant economic and social impacts in Ireland.

**Scenario Analysis** is used to help stimulate thought on how potential trends could affect the future telecoms environment in Ireland. Two simple scenarios are presented:

**Fibre-nation:** A positive scenario characterised by competitive conditions and investment in telecoms infrastructure, systems and services.

Commercial investment in infrastructure and services

Widespread adoption of new technologies

Reduction of traditional barriers to entry, and the emergence of new ones

New business models & services

**Hiber-nation:** A less positive scenario where low demand and a lack of private investment in modern infrastructure and services lead to a much slower growth in telecoms services with limited end-user benefits.

Lack of demand and adoption of technology

Lack of private investment in infrastructure

Fear over security and complexity

Lack of platform competition

## Key Trends

ComReg believes that there are a number of important trends that will critically affect the evolution of the telecoms sector in the next five years:

- Investment is needed in Next Generation Networks – the networks of the future, which will provide bandwidths much higher than what is currently considered "broadband". This is imperative if consumers and service providers are to benefit from the potential of Next Generation Networks, and Ireland is to remain competitive. There are some indications that this investment is beginning in Ireland.

- Convergence is likely to take place between different aspects of the telecoms sector – between fixed and mobile, for instance, or between broadcasting and mobile. Wireless technologies such as Wi-Max are likely to play an important role in fixed mobile convergence.
- As telecommunications becomes more a part of our everyday lives, its importance in terms of social inclusion is increasing. As Next Generation Networks develop the role of Universal Service Obligations may need to be re-examined.

How these developments play out over the next five years affects, and is affected by, ComReg's actions. ComReg's main roles are to promote competition and to protect consumers. In the ideal scenario, convergence between different "platforms" (fixed, mobile, broadcasting) would lead to the development of a competitive market where consumers are well served in terms of price, choice and quality. In this scenario little regulation is needed, beyond technical functions in areas such as spectrum management and numbering. On the other hand, it may be that competition will not increase without more radical measures than hitherto, to ensure non-discrimination in access to infrastructure, ranging from behavioural change up to even the separation of eircom's network and retail businesses into different companies. Where companies continue to hold a dominant position in a particular market, it is likely that the need for some consumer protection will remain, but there may be a trade-off between regulation at the wholesale and retail levels.

The full document is available on the ComReg website ([www.comreg.ie](http://www.comreg.ie)) and the consultation closed on 27 May 2005.

1. ComReg Doc. 05/30
2. ComReg Doc. 05/01
3. Internet Protocol. The technology behind the Internet and common component of the majority of future telecoms systems.

## ComReg Awards IRTS Radio Experimenter Exam Contract

The Commission for Communications Regulation (ComReg) has signed a contract with the Irish Radio Transmitters Society (IRTS) for the setting, organising and correcting of the Radio Experimenters Exams.

Radio Experimenter Licences are issued to amateur radio

enthusiasts who wish to use radio for the recreational study of radio propagation effects and for self-training in radio operation.

In order for applicants to qualify for a Radio Experimenter Licence, they must first successfully pass a HAREC (Harmonised Amateur Radio

Examination Certificate) examination. This contract enables the IRTS to administer these examinations.

Information in relation to the application process for the sitting of this examination can be obtained by contacting the IRTS at [www.irts.ie](http://www.irts.ie)

# Successful E-Licensing Initiative

Last October, ComReg launched the first phase of its Electronic Licensing initiative, [www.elicensing.comreg.ie](http://www.elicensing.comreg.ie), allowing existing Licensees to make on-line payments via laser or credit card in a secure, convenient and easy to use manner.

Existing Licensees access this website by entering their unique Account Number and PIN number. This information is issued via invoices and other account documents sent out to Licensees or can be re-issued by

contacting ComReg via the “lost your PIN” button on the website.

Once a user has accessed their account details on the website, the benefits of the on-line payment system are clear:-

- It provides the user with the details of all the outstanding licence invoices on account at that particular time. This is particularly useful for the larger account holders who may have multiple invoices outstanding with ComReg

at any one time.

- It gives users the facility for making secure on-line payments at any time of the day or night, 365 days a year. This is particularly useful for Licensees who wish to ensure that their payment reaches ComReg on-time or for Licensees who wish to avoid the manual paperwork involved in writing and posting a cheque / postal order to ComReg.

On-line payments have now become

## NEW LICENCE SCHEME: WIDEBAND DIGITAL MOBILE DATA SERVICES

ComReg is nearing the end of a process to introduce competition into the electronic communications market in Ireland with a new type of wireless service. The new scheme will introduce Wideband Digital Mobile Data Services during the latter part of 2005 and will utilise spectrum in the 420 MHz and 900 MHz bands.

Wideband Digital Mobile Data Services are predominantly aimed at the business professional user and can deliver a broad range of data services in both public and private networks such as communications for transport fleet management or on a major construction site. Typical data rates are of the order of several hundred kilobits per second.

The Commission believes that the introduction of Wideband Digital Mobile Data Services will potentially create further choice and diversity for users of mobile data communications.

Following a consultation process, it was decided that four licences will be offered on a national basis for the provision of Wideband Digital Mobile Data Services, each comprising of the following bands in 2 x 2 MHz of spectrum:

- Mobile station transmit band 410 – 414 MHz paired with base station transmit band 420 – 424 MHz,
- Mobile station transmit band 872 – 876 MHz paired with base station transmit band 917 – 921 MHz.

The licences will be awarded on a first-come-first-served basis. If, as expected demand for these licences exceeds supply it is ComReg's view that on balance that an auction is the most open and transparent process and will enable market forces to dictate the value of the spectrum. To prevent spectrum hoarding or to retrieve spectrum in the case of licensee business failure, coverage and rollout requirements will be imposed on licensees. Licensees will be obliged to meet a minimum set of coverage and rollout criteria. ComReg proposes a requirement of 33% demographic coverage at the end of year 2 following licence award, 53% demographic coverage at the end of year 4 and 80% demographic coverage at the end year 6.

Licensees will be granted the right to offer Wideband Digital Mobile Data Services to the public. The Licensee will require the relevant licence issued under the Wireless Telegraphy Acts, 1926 to 1988. The term of the licence will be 10 years with the possibility of a 5 year extension following a review in year 8 or 9.

ComReg is adopting a technologically neutral approach to this licensing regime and therefore will not be imposing any conditions on the type of technology that can be used to provide wideband digital mobile data services in these bands, other than those required to avoid harmful interference to other radio services. Guard bands will be required between licensees in the same band and between services in adjacent bands and must be accommodated within the licensed spectrum.



# To Be Extended by ComReg

a popular method of payment with ComReg, with just over 10% of transactions now taking place on-line. ComReg is very pleased with the take-up of this website and is now moving to the next stages of its eLicensing initiative which will be implemented before the end of this year:-

- Added account functionality, which will be of particular benefit for the larger account holders who have regular contact with ComReg.

- Electronic application forms will be available for a number of licence types.

The move to electronic applications should make the licence application process more convenient for users. ComReg has recently developed its first on-line application form for the Wireless Test / Trial Licences and hopes to expand this to the other licence types over time.

ComReg's elicensing service has

complemented its existing on-line authorisation form for Notification of Postal Services. The upcoming launch of the on-line authorisation form for Notification of Electronic Communications Services moves ComReg firmly towards providing a full array of on-line facilities for businesses and individuals who are providing and using communications services regulated by ComReg.

## COMREG'S EMPLOYEE DEVELOPMENT RECOGNISED BY GLOBAL BODY

ComReg has been accredited by the ACCA (the Association of Chartered Certified Accountants), the world's largest international professional accountancy body, as an approved Continuing Professional Development (CPD) employer under the ACCA Plus scheme. The accreditation acknowledges the high standards of training and development which ComReg provides for its staff members.

Roger Acton, Head of ACCA Ireland, said: "Increasingly, the provision of comprehensive training and development is seen as an important factor by employees when considering which employer to choose. ACCA Plus provides a benchmark of good practice to employers around the world and gives ComReg public recognition for the quality of support and training it invests in its employees."



Pictured are: Shay O'Malley, Corporate Affairs Director, ComReg; Isolde Goggjin, Chairperson, ComReg; Carol Grogan, Training Manager, ACCA Ireland and ComReg staff member; Robert Quinn, ACCA

## About ComReg: Organisation Structure

The Commission for Communications Regulation (ComReg) is chaired by Isolde Goggin and is divided into five main divisions, supported by the Senior Legal Advisor and a Communications Unit. The structure is based on cross-functional teams operating in a multi-disciplinary environment.

**Commissioner Isolde Goggin**  
**Commissioner John Doherty**  
**Commissioner Mike Byrne**

### Market Development - Director: Gary Healy

Market Development is responsible for developing and maintaining an understanding of the communications sector in Ireland, forecasting any new developments, issuing Market Information Updates and liaison with international telecommunication bodies such as the OECD.

### Market Framework - Director: David Gunning

Market Framework manages the general authorisation regime for the electronic communications sector in Ireland, manages radio spectrum and administers Ireland's National Numbering Plan.

### Market Operations - Director: Donal Leavy

Market Operations handles day-to-day issues concerning the regulation of the market including such issues as interconnection and dispute resolution. Supervision of pricing and ensuring a universal service for all consumers in respect of eircom is a principal activity of Market Operations.

### Finance & Regulatory Accounts - Director: Position Vacant

This section manages the financial control of ComReg and Regulatory Accounting issues. It is responsible for the financial aspects of regulation.

### Corporate Affairs - Director: Shay O Malley

This Division develops and implements strategies designed to enhance organisational performance and effectiveness.

Our Corporate Affairs Division is responsible for the human resources, information systems, communications, and consumer care functions.

### Senior Legal Advisor: Sebastian Farr

The Senior Legal Advisor advises on all major legal matters and on the legal implications of communications policies in Ireland and the EU.

### Communications Unit - Manager: Tom Butler

Our Communications Unit communicates messages and statements on behalf of ComReg to the media, the public and all stakeholders. This Unit also manages our website, organises conferences and seminars and publishes our Annual Report and other publications.

## Contact details:

### Commission for Communications Regulation

Abbey Court,  
Block DEF  
Irish Life Centre,  
Lower Abbey St.  
Dublin 1  
**Tel:** (01) 804 9600  
**Fax:** (01) 804 9680  
**LoCall:** 1890 22 9600  
**Web:** [www.comreg.ie](http://www.comreg.ie)  
[www.askcomreg.ie](http://www.askcomreg.ie)

#### Email format:

Firstname.lastname@comreg.ie

### Public Affairs Office

**Tel:** (01) 804 9639/9661  
**Fax:** (01) 804 9680  
**Email:** [press@comreg.ie](mailto:press@comreg.ie)

### Freedom of Information

**Tel:** (01) 804 9692  
**Fax:** (01) 804 9717  
**Email:** [foi@comreg.ie](mailto:foi@comreg.ie)

### Information Unit

**Tel:** (01) 804 9738  
**Fax:** (01) 804 9680  
**Email:** [info@comreg.ie](mailto:info@comreg.ie)

## Other useful contacts:

### Broadcasting Commission of Ireland

**Tel:** (01) 676 0966  
**Fax:** (01) 676 0948

### Competition Authority

**Tel:** (01) 804 5400  
**Fax:** (01) 804 5401

### Department of Communications Marine & Natural Resources

**Tel:** (01) 678 2000  
**Fax:** (01) 661 8214

### Office of the Data Protection Commissioner

**Tel:** (01) 874 8544  
**Fax:** (01) 874 5405

### Office of the Director of Consumer Affairs

**Tel:** (01) 402 5500  
**Fax:** (01) 402 5501

### Regtel – Regulator for Premium Telephone numbers

**Tel:** (01) 676 7025  
**Fax:** (01) 676 7035