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Delivery of 5 Cs will Spur Broadband Uptake

Cost, Content, Confidence, Competition and Convenience – the Five Cs – will drive broadband rollout in Ireland - if we get them right - according to ComReg's response to its Consultation on the Future Delivery of Broadband in Ireland which was issued today Tuesday 21st January 2003.

Cost: Low pricing will achieve widespread take up of broadband services according to the majority of respondents. Market experience here and abroad has clearly shown that high pricing has not achieved results. EsatBT's entry level ADSL product (256kbit/s) available from some exchanges at a price below €50 is a step in the right direction. ComReg believes that such lower priced 'step-up' packages may provide a convenient, attractive means for many micro business and residential users to get on to broadband. The recent ComReg decision on FRIACO – the flat rate narrowband wholesale product should stimulate greater use of the Internet and hopefully, in time, encourage a greater desire among users to move to a broadband service.

Competition: In many other countries, the competitive catalyst to roll-out of broadband has been the cable companies. To date, this is not the case in Ireland but with some improvements in financial circumstances ComReg would encourage renewed interest in broadband delivery via cable networks. ComReg looks forward also to the arrival of 3G later this year which will provide new opportunities for Internet and data services. This paper also examines current ComReg initiatives which underpin competition in broadband supply. Of these, the one which may have the biggest impact in developing competition is the introduction of partial private circuits. This type of product can reduce the cost of leased lines to other operators, which in turn has the potential to result in price reductions to end-users across a wide range of Internet and data services.

Confidence: Consumer and SME confidence in using the Internet and e-commerce is a significant factor and bolstering demand side initiatives to plug this gap would be a major step forward.

Convenience: Consumers want a service that is convenient and ComReg believes that many lessons may be learned from the success of the mobile market. Here, the development of simple, innovative and user-friendly services have made the mobile phone the communications tool of choice for the Irish people. In work and play people are now constantly on the move and service providers should exploit the opportunities in this area.

In addition to mobile, other radio-based services can play a greater part in the delivery of broadband and notes that there is increasing interest in satellite, FWA and W-LANs.

Content: If information on the web is informative, interesting, useful and cost-effective more users will be interested in logging on. If people can save time and money by doing online something that they normally had to leave the house for, they will use the Internet. Similarly, business users need to develop their e-commerce capabilities for the very same reasons.

“The way we communicate and what we use communications for in this country has dramatically changed over the last decade. The ‘broadband’ gap remains a key challenge for Ireland, but one we can resolve with broadly based action on the 5Cs” said **Etain Doyle** Chairperson of ComReg. “The level of interest and understanding of the issues is expanding and we hope that our contribution in terms of regulatory measures and published analysis will spur on development”.

The full document – Future Delivery of Broadband in Ireland – Response to Consultation (ComReg 03/08) is available on www.comreg.ie

ENDS

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