

ELECTRONIC COMMUNICATIONS STRATEGY STATEMENT: 2017 – 2021



Commission for
Communications Regulation

An Coimisiún um
Rialáil Cumarsáide



COMREG IS THE
REGULATORY
AUTHORITY FOR THE
ELECTRONIC
COMMUNICATIONS
SECTOR IN IRELAND.¹



VISION, ROLE AND MISSION

Our vision is of a sector where consumers and businesses in Ireland have affordable, high-quality, and widespread access to communications services and applications that support their social and economic needs.

As an economic regulator, our role is to ensure that communications markets operate in the interests of end-users and society. Through effective and relevant regulation, we 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.

¹ We also regulate the postal sector. Our vision, role, mission and values encompass both the electronic communications and postal sectors, but our strategy for the postal sector is published in a separate Strategy Statement.



ComReg has set its strategic intents for the five year period 2017 to 2021. More detailed strategies and actions and associated programmes of work are available in the relevant electronic communications Strategy Statements.

BACKGROUND

Over the past number of decades, Irish society has become increasingly reliant on electronic communications services. Innovation is continually changing the contribution of these services to the way we communicate, work and are entertained. As such, the electronic communications sector is essential to modern life.

In the absence of regulation, it is doubtful if electronic communications markets would evolve in a way which meets society's needs. Due to the nature of these markets, it is possible that, if left unregulated, investment would occur more slowly, end-users would have less choice, and prices would be higher.

TRENDS AND CHALLENGES

Efficient investment in electronic communications infrastructure is imperative for future social and economic success in Ireland as connectivity is a key driver of economic productivity and social inclusion.



In this context, we have identified five principal trends which are likely to shape the sector and pose regulatory challenges over the next five years:

- **Non-uniform end-user experiences:** Accessibility and connectivity have not evolved uniformly, and the experience of end-users has not always kept pace with changes in expectations.
- **Expanding set of related markets relevant to the regulation of electronic communications:** Effective regulation requires an understanding of the complex electronic communications eco-system, especially where electronic communications is an enabler of innovation in related markets.
- **Increase in connected “things”:** While the current electronic communications eco-system focuses primarily on how people connect, the next wave of innovation is anticipated to be in relation to connected “things”.
- **Continued evolution of fixed and mobile networks:** Future electronic communications networks, such as 5G networks, are likely to have differing requirements.
- **Changing regulatory framework:** As part of a broader digital strategy in Europe, the regulatory framework for electronic communications introduced in 2002 (and updated in 2009) is under revision.

STRATEGIC FRAMEWORK

ComReg's activities can be categorised into four broad areas:

- › Competition
- › Consumer Protection
- › Investment
- › Compliance and Enforcement

Underpinning our ability to fulfil our role and mission is the ongoing development of, and investment in, our organisation.

Our strategic intents are:

01

Competition – The market delivers innovation and the greatest possible choice of wholesale and retail operators.

02

Consumer Protection – Consumers can choose and use communications services with confidence.

03

Investment – Efficient investment has enabled affordable, high-quality and widespread access to communications services and applications.

04

Enforcement and Compliance – Regulated entities comply with regulatory obligations.

05

Organisation – We are an effective and relevant regulator.

01

Strategic Intent 01: **COMPETITION**

Setting the rules for competition

The market delivers innovation and the greatest possible choice of wholesale and retail operators

ComReg's first strategic intent is that **the market delivers innovation and the greatest possible choice of wholesale and retail operators**. Effective regulation of electronic communications markets requires a thorough understanding of the sector and its associated weaknesses. As such, ongoing monitoring of the market is required for targeted intervention which is aimed at facilitating competition. ComReg has three principal ways in which competition and consumer choice can be promoted:

■ **Access to markets – promoting competition via the SMP**

Framework: ComReg has a commitment to encouraging the development of competition in markets which are not effectively competitive, promoting investment to the deepest level of the network that is economically efficient, and exiting the regulation of markets which are effectively competitive.

■ **Access to inputs – effective management of spectrum and numbering:**

ComReg's strategy for the upcoming period is to ensure that the management of

the national spectrum and numbering resources takes account of the promotion of competition, and the potential impact that the assignment and allocation of these inputs may have on downstream markets.

■ **Access to consumers – active switching by consumers:**

Effective competition is, among other things, dependent upon the ability and willingness of consumers to switch providers in response to better deals available in the marketplace.



ComReg's strategy for the upcoming period forms part of a wider strategy aimed at protecting consumers.



**GOALS
1-7**



Goal 1: Effectiveness of competition is regularly monitored across communications markets, including fixed and mobile, and related markets.

Goal 2: Regulation of electronic communications markets targeted at mitigating market failure and preventing harm.

Goal 3: Our work seeks to promote effective competition and facilitate consumer choice within the Single Market.

Goal 4: Regulation mitigates market power and facilitates market entry and expansion where feasible in wholesale and retail electronic communications markets.

Goal 5: Spectrum management for electronic communications markets takes account, inter alia, of the promotion of competition.

Goal 6: Number management facilitates competition.

Goal 7: There are low barriers to consumers exercising their choice.

02

Strategic Intent 02: CONSUMER PROTECTION

Protecting and informing consumers

Consumers can choose and use communications services with confidence

ComReg's second strategic intent is that **consumers can choose and use communications services with confidence**. Our consumer protection strategy emphasises the role of informed decision-making, and has three elements, broadly corresponding to the experience of a consumer navigating the market:

■ **Preparing the consumer for the purchasing decision:** To effectively provide consumers with appropriate and adequate information to assist them when choosing and using electronic communications services, it is necessary that we understand their behaviours and preferences.

■ **Accessing and using products and services:** ComReg monitors compliance by electronic communications and premium rate service operators with their obligations. Our strategy is designed to ensure that consumers have access to basic services and that their rights are upheld, with respect to, inter alia, switching, contracts, service use and billing.

■ **Consumer complaints and redress:** For consumers to have confidence in the electronic communications sector, they need to have access to a resolution process that addresses the power differential between a large operator and an individual. ComReg's strategy is to ensure that consumers have effective redress mechanisms. Over the upcoming period, we will be seeking to improve minimum standards in complaints handling by operators and to develop alternative dispute resolution mechanisms as appropriate.

ComReg aims to be an effective advocate for consumers and to provide expert input on matters affecting how markets work for consumers.



GOALS 8-12

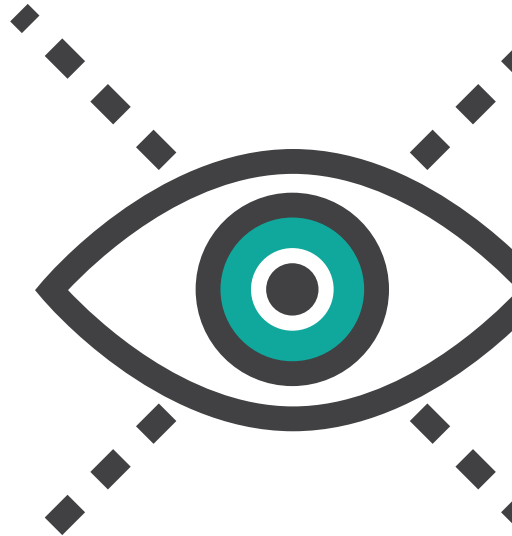
Goal 8: ComReg understands evolving consumer needs, preferences, behaviours and perceptions.

Goal 9: All consumers, including vulnerable users, have access to clear and adequate information that facilitates informed choice.

Goal 10: Consumer rights throughout their journey are upheld by their service providers.

Goal 11: Consumers have effective redress mechanisms.

Goal 12: ComReg is an effective advocate for consumers.



03

Strategic Intent 03: INVESTMENT

Creating the conditions for investment

Efficient investment has enabled affordable, high-quality and widespread access to communications services and applications

ComReg's third strategic intent is that **efficient investment has enabled affordable, high-quality and widespread access to communications services and applications**. Underlying all of ComReg's work is the belief that effectively competitive markets drive commercial incentives which will motivate the investments necessary to bring innovative products and services to market, and to generally improve service quality. ComReg's strategy over the upcoming period focuses on:

- **Facilitating commercial investment:** ComReg aims to ensure that competitive incentives drive commercial investment in infrastructure and services to the widest extent possible. ComReg's role in this can involve mandating the supply of wholesale inputs where appropriate, setting prices that allow an adequate return on investment, effectively managing the radio spectrum and good administration of the national numbering resource.
- **Creating regulatory incentives to invest where necessary:** Unregulated, electronic communications markets may not provide the right, or adequate,

incentives for investment. Reliance on market-based incentives alone would also lead to non-provision of services to non-economic end-users.

- **Assisting policymakers:** Where direct State intervention is required, for example in delivering broadband on a nationwide basis, it is ComReg's strategy to assist policymakers to design interventions that complement market realities. As such, ComReg aims to provide expert input based on its knowledge and experience of electronic communications and related markets.



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- Goal 13:** Competitive incentives facilitate efficient commercial investment in infrastructure and services to the widest extent possible.
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- Goal 14:** Regulation allows for a reasonable rate of return, including for both wholesale and retail operators.
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- Goal 15:** The management of spectrum and numbers facilitates efficient investment.
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- Goal 16:** Implement a USO to ensure that basic services are delivered, as appropriate.
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- Goal 17:** Mobile coverage obligations are used to promote investment where proportionate.
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- Goal 18:** There are incentives, including regulatory incentives, where there is a risk of market failure, to invest in security, reliability, and capability.
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- Goal 19:** Where necessary assist policymakers to design state interventions that complement the market and regulation.
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04

Strategic Intent 04: ENFORCEMENT & COMPLIANCE

Ensuring compliance with regulatory obligations

Regulated entities comply with regulatory obligations

ComReg's fourth strategic intent is to ensure that **regulated entities comply with regulatory obligations**. ComReg recognises that market regulation is only effective and meaningful if regulated entities comply with obligations. As such, this strategic intent supports the three already outlined. ComReg is active in a range of different compliance environments; this is reflected in our approach at an operational level. In general terms, our strategy has three elements:

- **Culture of compliance:** We think that the optimum situation is for regulated entities to be fully aware of their obligations, comply with them and have an internal culture of compliance. ComReg strongly encourages operators to have robust internal controls and policies intended to prevent and detect non-compliance. Where appropriate, ComReg will utilise engagement and dialogue to help foster desired behaviours.
- **Targeted compliance and enforcement:** Targeted compliance and enforcement activities involve directing resources toward activities in a way that maximises effectiveness. The different enforcement settings in which ComReg is active means that prioritisation needs to be tailored to the relevant circumstances.
- **Effective deterrence:** The effectiveness of the regulatory regime depends not only on bringing non-compliant conduct to an end, but also on deterring future non-compliance. It is ComReg's strategy to ensure that we have an effective set of powers to incentivise compliance and to effectively monitor and enforce. As such, ComReg will advocate for legislative amendments that will enable it to deliver on its strategy, based on its expertise and experience of regulation.



Goal 20: Regulated entities are proactive in ensuring their own compliance.

Goal 21: Compliance and enforcement activities are targeted and prioritised appropriately.

Goal 22: We have an effective set of powers to incentivise compliance and effectively monitor and enforce.

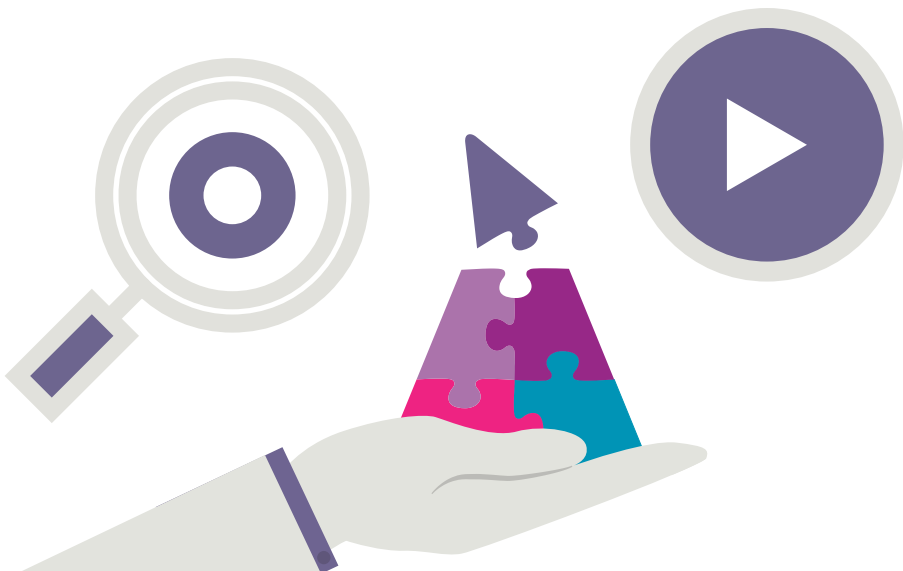
05

Strategic Intent 05: ORGANISATION

Organisation

We are an effective and relevant regulator

The fifth strategic intent is to ensure that **ComReg is an effective and relevant regulator**. ComReg recognises the need to ensure that, in the context of changing technological, market and public policy circumstances, regulation continues to be effective and relevant. ComReg's view is that we cannot adopt a passive stance. Instead, we will strive to be an active and dynamic organisation that is capable of responding to the rapidly changing environment and is positioned, in terms of expertise, robust analytics and up-to-date information, as well as resources, to address issues that affect our ability to fulfil our mission. Accomplishment of this Strategic Intent ensures a greater likelihood of success for ComReg in achieving its other four Strategic Intents.





Goal 23: Robust data analytics, including service quality and availability, are based on the timely delivery of reliable data which is collected efficiently, regularly and handled properly.

Goal 24: Making use of a wide range of data, including market data and consumer insights, we have a deep understanding of markets, including those related to the markets we regulate, and are able to identify consumer benefits and harm and market failures.

Goal 25: We are proactive on engagement with a range of stakeholders.

Goal 26: The legislative mandate evolves to enable us to deliver strategy.

Goal 27: We maintain an agile, skilled and motivated organisation.

Goal 28: We have efficient and effective processes and systems.

Goal 29: We have sufficient resources to fulfil our organisational strategy.



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1 Lárcheantar na nDugaí, Sráid na nGildeanna, BÁC 1, Éire, D01 E4X0.
One Dockland Central, Guild Street, Dublin 1, Ireland, D01 E4X0.

Teil | Tel **+353 1 804 9600**

Rphost | Email **strategy@comreg.ie**

Suíomh | Website **www.comreg.ie**