



Commission for
Communications Regulation

Provision of Universal Service by Eircom

Quality of Service

Information Notice

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An Coimisiún um Rialáil Cumarsáide
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1.1 The universal service

1. The Commission for Communications Regulation (ComReg) is responsible for the regulation of the electronic communications sector in accordance with national and EU legislation. One of ComReg's functions in this regard is to regulate the Universal Service Obligation ("USO") for the Irish market and decide which undertaking(s) should be designated as the Universal Service Provider(s) ("USP"). On 29 June 2012, following a public consultation, ComReg re-designated eircom as the USP for a period of two years - from 1 July 2012 to 30 June 2014.

1.2 Performance improvement programme 2010 – 2012 (PIP)

2. On 28 May 2008 ComReg set legally binding performance targets in relation to Eircom's quality of service performance with respect to certain aspects of the USO. These targets relate to timescales for connection, fault rate occurrence and fault repair times.¹
3. Subsequently, Eircom established a USO quality of service performance improvement programme for the periods 2010/2011 and 2011/2012.² Eircom put in place performance bonds (totalling €10m) to guarantee its performance.³ In addition, Eircom estimated that it would make an annual investment of over €30m in 2010/2011 and 2011/2012.

¹ ComReg Decision No: D02/08: Decision Notice (And Decision Instrument): Response to Consultation – eircom's Universal Service Obligation : Quality of Service Performance Targets

² ComReg Document No: 10/80: Information Notice – Provision of Universal Service by eircom – Performance Data – Q2 2010 (1 April 2010 – 30 June 2010) and Annual (1 July 2009 – 30 June 2010)

³ On 1 March 2012, ComReg agreed to allow Eircom to set up a cash deposit form of guarantee for the annual performance period 2011/2012, for the sum of €10m, rather than a performance bond. Accordingly, if any of the performance targets are not achieved, ComReg is entitled to make a withdrawal for a corresponding proportion of the €10m held in cash deposit, by way of a financial penalty on Eircom.

1.3 Eircom's USO quality of service performance for the period 1 July 2011 to 30 June 2012

4. A number of the targets for the USO quality of service performance improvement programme for the period 1 July 2011 to 30 June 2012 were achieved by Eircom while others were not. Please refer to **Appendix 1** for further details.
5. In summary, for the period 2011/2012 Eircom achieved its targets in relation to connections, fault occurrence, and certain fault repair targets. However, Eircom did not achieve its targets for fault repairs within 2 working days, fault repairs within 4 working days, and fault repairs within 5 working days.
6. Eircom has now paid the sum of €525,000.00 to ComReg arising from its failure to achieve the relevant targets.⁴

1.4 Performance improvement programme 2012 - 2014 (PIP2)

7. Having regard to Eircom's performance improvements achieved over the periods 2010/2011 and 2011/2012, albeit that Eircom did not achieve a number of its targets for fault repair times, it was considered that the continued implementation of a performance improvement programme for the next two annual periods could potentially achieve additional USO performance improvements for consumers. In light of this, Eircom has established a new performance improvement programme (PIP2) for the next two annual periods (2012/2013 and 2013/2014). The related targets are in respect of timescales for connection, fault rate occurrence and fault repairs and are set out in **Appendix 2** and include, in some cases, more demanding targets than those that were in place for the PIP.

⁴ This is the sum of the amounts indicated in the corresponding cells of column six of the table in **Appendix 1**

8. Eircom will also put in place a financial security mechanism (cash deposit) to guarantee its performance for the annual periods 2012/2013 and 2013/2014. Eircom's maximum annual financial liability is €10m for each of the next two annual periods. In addition, Eircom estimated that it would make an investment of €51m over the periods 2012/2013 and 2013/2014 (see also **Appendix 2**).

1.5 Eircom's USO quality of service performance since 2008

9. Since ComReg established the legally binding performance targets, Eircom's performance in respect of connections, fault repairs and fault occurrence has improved markedly. There are also indications that this improvement in Eircom's performance is continuing for many of the performance metrics. The charts in **Appendix 3** detail this progress.⁵
10. Of particular note is that the number of line faults per 100 lines has decreased from 17.1 to 13.9. The performance level for fault repairs completed by agreed date has increased from 73.1% to 95.4% since 2008. Also, consumers are no longer waiting in excess of 26 weeks to get a connection.
11. ComReg has compared Eircom's quality of service performance for the year ended 2011/2012 using the performance levels achieved in 2008/2009 as the base year. In November 2011, ComReg published an Information Notice showing the benefits achieved from improved performance in 2010/2011 – see ComReg 11/79⁶. ComReg has estimated⁷ the following totals of the benefits from improved connections, repair times, and lower fault occurrence rates:

⁵ In some cases performance for 2011/2012 is not at the same level as in 2010/2011 but has however met the PIP targets

⁶ Information Notice - Provision of Universal Service by Eircom - Quality of Service

⁷ The estimates are based on the sum of improved performance achieved in 2011/2012 when compared with 2008/2009

- In excess of 9,000 additional phone connections⁸ have been completed within the specified time periods as a result of performance improvements achieved in 2011/2012⁹ when compared with 2008/2009 performance levels;
- Almost 54,000 additional fault repairs¹⁰ have been completed within the specified time periods as a result of performance improvements achieved in 2011/2012¹¹ when compared with 2008/2009 performance levels; and
- Approximately 32,000 additional line faults have **not** occurred as a result of improvements achieved in 2011/2012¹² when compared with 2008/2009 performance levels.

1.6 Eircom's legally binding performance targets

12. The measures that ComReg has taken since 2008 to bring about improvements in Eircom's quality of service performance for the USO are clearly working. ComReg notes and welcomes the improvements made by Eircom since 2008. However, it is also clear that Eircom still has improvements to make. In particular, further improvements are needed in relation to repair times, and lower fault occurrence rates must be achieved in 2012/2013 and 2013/2014 than in 2011/2012. Furthermore, it is just as important that Eircom ensures that the improvements it makes are sustained and that the consumer gains made to date are not lost.

13. In light of all of the above, ComReg does not intend to take further enforcement action against Eircom for the period 2011/2012.

⁸ Including specified performance targets for in-situ connections, all other connections, and connections completed by agreed date.

⁹ In excess of 12,500 additional connections were achieved in 2010/2011 when compared with 2008/2009 performance levels.

¹⁰ Including specified performance targets for fault repairs and fault repairs completed by agreed date

¹¹ In excess of 80,000 additional repairs were completed in 2010/2011 when compared with 2008/2009 performance levels.

¹² In excess of 30,000 additional line faults did not occur in 2010/2011 when compared with 2008/2009 performance levels.

14. ComReg remains fully committed to ensuring the quality of the universal service and believes that the measures it has taken will continue to give benefits to large numbers of consumers in the State.
15. ComReg will continue to closely monitor Eircom's USO performance and will publish quarterly reports on Eircom's USO performance. ComReg expects to see further improvements resulting from Eircom's efforts to fully achieve its required performance levels.

Appendix: 1 Performance Improvement Programme (PIP) 2011-2012 – Annual quality of service performance targets and performance bonds/cash deposit

Table

Description of Target	Annual PIP Target Value %	Performance Achieved %	Annual Performance Bond/Cash Deposit €	PIP Target Achieved (Yes/No)	Cash Deposit Payment Due €
In-situ connections					
Within 24 hours of request	80.00	85.5	€5,000 per 0.1% deviation below PIP Target	Yes	NA
Within 2 weeks of request	99.00	99.4	€4,000 per 0.1% deviation below PIP Target	Yes	NA
Within 2 months of request	99.80	100.0	€5,000 per 0.1% deviation below PIP Target	Yes	NA

Description of Target	Annual PIP Target Value %	Performance Achieved %	Annual Performance Bond/Cash Deposit €	PIP Target Achieved (Yes/No)	Cash Deposit Payment Due €
All Other Connections					
Within 2 weeks of request	80.00	83.1	€5,000 per 0.1% deviation below PIP Target	Yes	NA
Within 4 weeks of request	85.00	94.1	€5,000 per 0.1% deviation below PIP Target	Yes	NA
Within 8 weeks of request	90.00	98.7	€5,000 per 0.1% deviation below PIP Target	Yes	NA
Within 13 weeks of request	95.00	99.6	€5,000 per 0.1% deviation below PIP Target	Yes	NA
Within 26 weeks of request	99.60	100.0	€5,000 per 0.1% deviation below PIP Target	Yes	NA
Connections completed by agreed date	93.00	93.5	€5,000 per 0.1% deviation below PIP Target	Yes	NA

Description of Target	Annual PIP Target Value %	Performance Achieved %	Annual Performance Bond/Cash Deposit €	PIP Target Achieved (Yes/No)	Cash Deposit Payment Due €
Fault Repairs					
Fault Repairs completed by agreed date	95.00	95.4	€2,500 per 0.1% deviation below PIP Target	Yes	NA
Within 2 working days	80.00	74.3	€5,000 per 0.1% deviation below PIP Target	No	285,000.00
Within 4 working days	95.00	91.5	€5,000 per 0.1% deviation below PIP Target	No	175,000.00
Within 5 working days	96.00	94.7	€5,000 per 0.1% deviation below PIP Target	No	65,000.00
Within 10 working days	99.00	99.0	€2,500 per 0.1% deviation below PIP Target	Yes	NA

Description of Target	Annual PIP Target Value	Performance Achieved	Annual Performance Bond/Cash Deposit €	PIP Target Achieved (Yes/No)	Cash Deposit Payment Due €
Fault Occurrence					
Line faults per 100 lines	14.0	13.9	€1,000,000 per 0.1 above PIP Target	Yes	NA

Appendix: 2 USO Quality of Service Performance Improvement Programme 2012 – 2014 (PIP2)

Table

Description of Target	Annual Performance Improvement Programme (PIP) Target 2012/2013 %	Annual Performance Improvement Programme (PIP) Target 2013/2014 %	Annual Financial Security €
In-situ connections within 24 hours of request	80%	80%	€5,000 per 0.1% deviation below PIP Target
In-situ connections within 2 weeks of request	99.5%	99.5%	€4,000 per 0.1% deviation below PIP Target
In-situ connections within 2 months of request	99.8%	99.8%	€5,000 per 0.1% deviation below PIP Target

Description of Target	Annual Performance Improvement Programme (PIP) Target 2012/2013 %	Annual Performance Improvement Programme (PIP) Target 2013/2014 %	Annual Financial Security €
All other connections within 2 weeks of request	80%	80%	€5,000 per 0.1% deviation below PIP Target
All other connections within 4 weeks of request	85%	85%	€5,000 per 0.1% deviation below PIP Target
All other connections within 8 weeks of request	90%	90%	€5,000 per 0.1% deviation below PIP Target
All other connections within 13 weeks of request	95%	95%	€5,000 per 0.1% deviation below PIP Target
All other connections within 26 weeks of request	99.8%	99.8%	€5,000 per 0.1% deviation below PIP Target

Connections completed by Agreed date	94%	94.2%	€5,000 per 0.1% deviation below PIP Target
Description of Target	Annual Performance Improvement Programme (PIP) Target 2012/2013 %	Annual Performance Improvement Programme (PIP) Target 2013/2014 %	Annual Financial Security €
Fault repairs completed by Agreed Date	95%	95%	€2,500 per 0.1% deviation below PIP Target
Fault repairs completed within 2 working days	80%	80%	€5,000 per 0.1% deviation below PIP Target.
Fault repairs completed within 4 working days	95%	95%	€5,000 per 0.1% deviation below PIP Target.
Fault repairs completed within 5 working days	96%	96%	€5,000 per 0.1% deviation below PIP Target
Fault repairs completed within 10 working days	99%	99%	€2,500 per 0.1% deviation below PIP Target

Fault Rate Occurrence

A maximum fault rate of line faults per 100 lines		30 June 2013	30 June 2014
Annual Performance Improvement Programme (PIP) Target		13.1	12.8
Annual Financial Security	€1,000,000 per 0.1 above PIP Target		

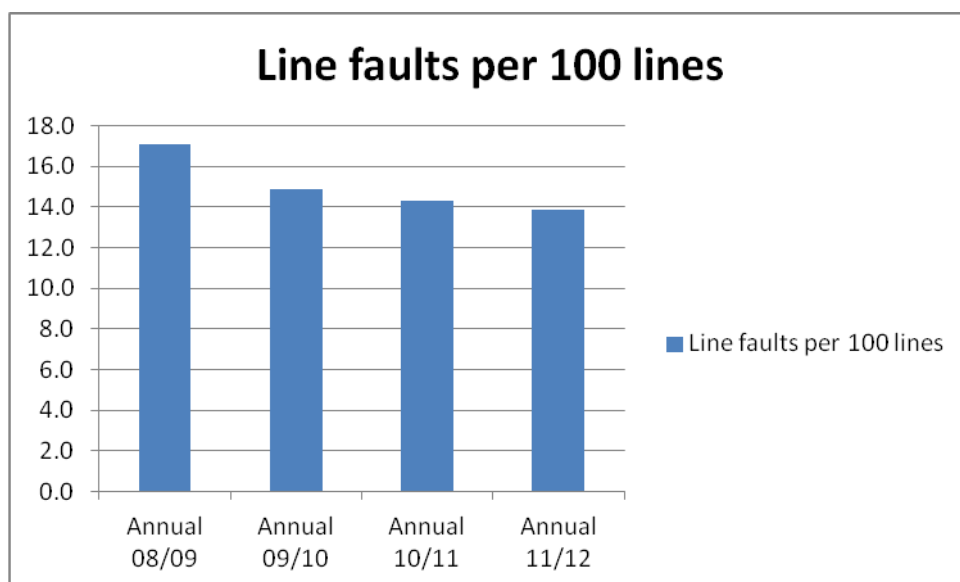
The maximum annual liability to Eircom against all of the targets above is capped at €10m per annum.

Annual indicative Investment Levels

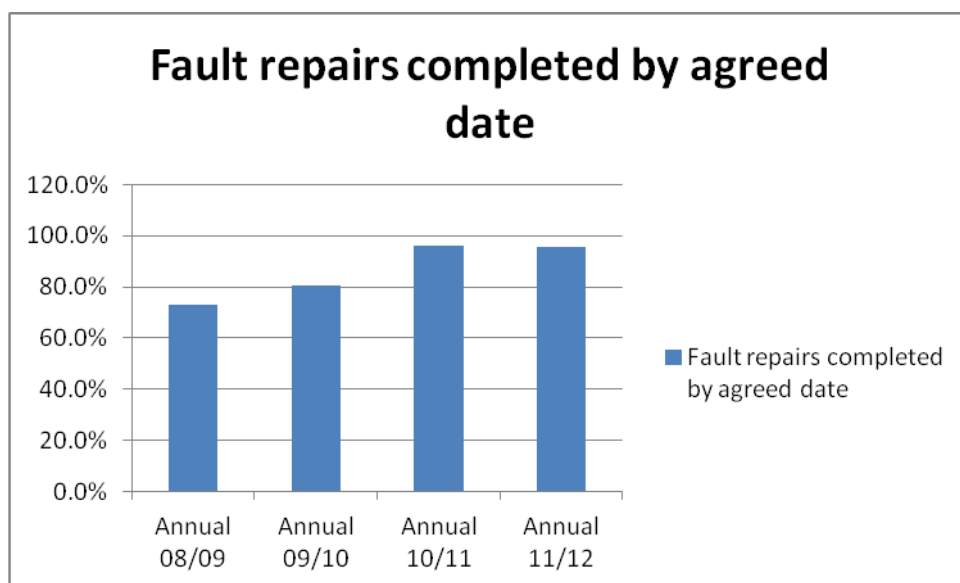
01 July 2012- 30 June 2013	01 July 2013- 30 June 2014
€30.5 million	€20.5 million

Appendix: 3 Eircom's annual quality of service performance since 2008

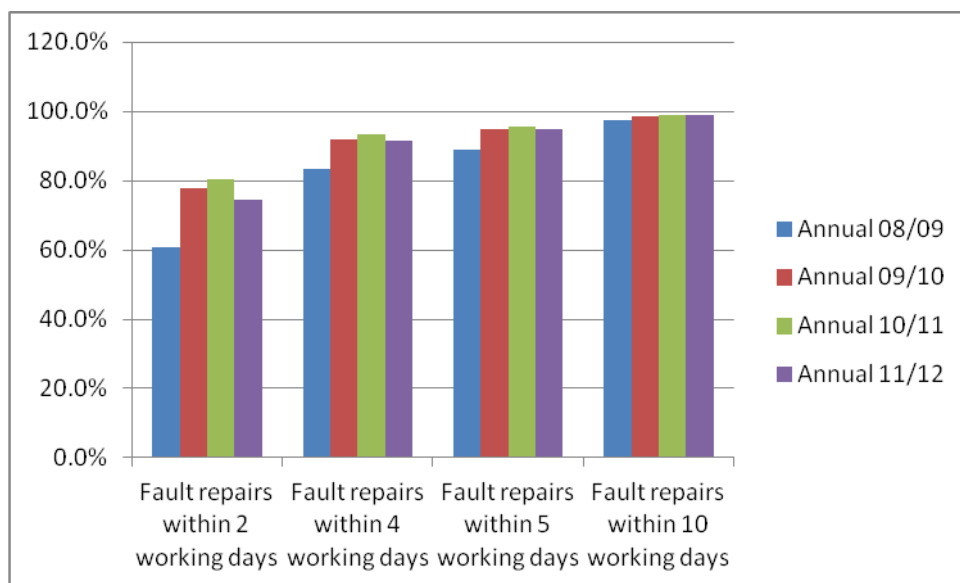
Line Faults per 100 Lines



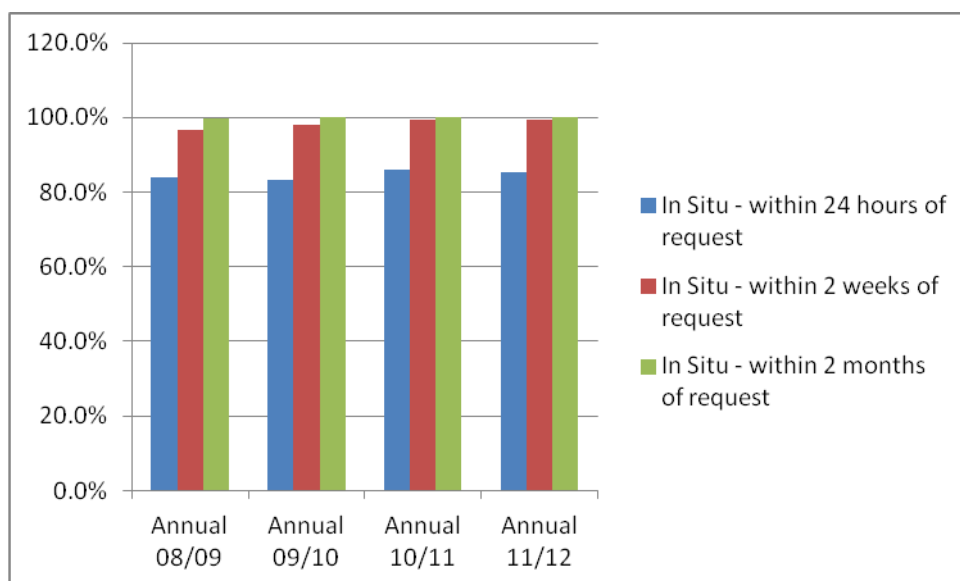
Fault Repairs completed by agreed date



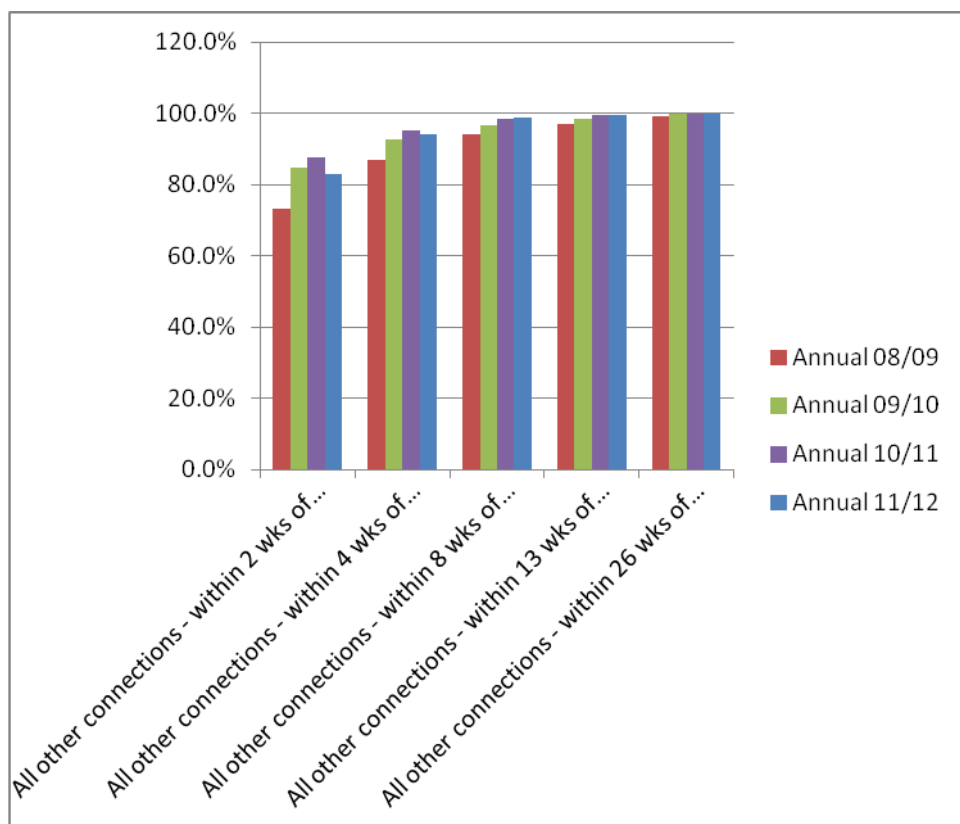
Fault Repairs



In Situ Connections



All Other Connections



Connections completed by agreed date

