Commission for
Communications Regulation

Irish Communications Market

Quarterly Market Commentary

Document No:	**04/121a**
Date:	**14 December 2004**

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Contents

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1 Foreword

This report updates information on the Irish Communications Sector for the period 1st July to 30th September 2004. In this report we also publish a survey on Internet-related activity.

Mobile penetration remained steady at 88% with over 3.5m mobile subscribers. SMS messages reached 921m during the quarter. Furthermore over 200,000 subscribers have ported their mobile number since the introduction of Mobile Number Portability in August 2003. Vodafone and O_2's market share has remained relatively stable for the past three years. Meteor's share of mobile subscribers has increased to 7% since last quarter.

Overall revenues for the fixed, mobile and broadcasting sectors have increased by approximately 3.6% since the same quarter last year, mainly due to an increase in mobile revenues, while OAO (Other Authorised Operators) share of overall fixed line revenues remains in the 20-21% range. There are now approximately 300,000 CPS lines, up from 276,000 last quarter. DSL subscriptions have also grown by almost 50% since last quarter. This is the first quarter of the wholesale line rental product which allows consumers to have a single bill for both their fixed line rental and fixed calls. This product is currently offered by three OAOs. In the period from launch to the end of September 2004, over 34,000 subscribers have taken the product. This level of interest from consumers would indicate that Single Billing can play a valuable role in stimulating further competition in the market place here.

The number of subscribers to digital television has reached 470,000 this period, representing 55% of all Pay TV households and 35% of all households with a television. More than one in four of all digital subscribers now subscribe via cable/MMDS.

ComReg commissioned Amarach Consulting to carry out a Consumer TrendWatch survey in order to track trends in information and communications technologies in Ireland the results of which are included in section three of the report. In the last five years, since Amárach began tracking trends in the ICT sector, perhaps the biggest single change reported has been the surge in mobile phone ownership; up from a little over two in ten adults in 1999 to over eight in ten today. In relation to awareness of developments on single billing for fixed line phones, of those consumers who had a residential fixed phone, 50% were aware of single billing.

ComReg also commissioned qualitative and quantitative research on consumer attitudes to Broadcasting services. The research informs the market review process and is included in section four of the report. The research covers the take up of broadcasting services, awareness of and attitudes to digital services and the barriers and motivations to "going digital". Around a third (31%) of all respondents and 49% of pay TV subscribers claimed to have digital TV. The key drivers for 'going digital' were a wider range of channels (20%), better picture and sound quality (19%) and sports channels (13%). Almost six in ten (58%) of all digital subscribers regarded digital TV as 'much better' than analogue, with a further 18% claiming digital was 'a little better'.

ComReg's annual survey on attitudes of business and residential customers to the Irish postal service shows that letter post volumes are up. Respondents appear to view current prices of postal items as generally acceptable, although satisfaction levels are falling. In overall terms customers are satisfied with the postal service they receive.

Key regulatory developments were the publication of a number of market reviews under the new regulatory framework. These included a consultation on the Interconnection market review, a response to consultation on the implementation of remedies for the Wholesale Broadcasting Transmission market, a response to consultation on the Wholesale Broadband Access market review and notification to the European Commission of the

Mobile Access and Call Origination market review. The notification to the European Commission on the Wholesale Mobile Access and Call Origination market review follows a comprehensive analysis of the Irish mobile market. ComReg has found that the mobile operators, Vodafone and O2, have joint dominance and is proposing to open the networks of these operators to alternative service providers such as Mobile Virtual Network Operators (MVNOs).In addition, ComReg has initiated its joint ERG review of the wholesale mobile international roaming market.

ComReg's Annual Conference entitled "Serving the e-consumer" took place on the 13th October in the Royal Hospital Kilmainham. The main emphasis of the conference was on current and future demands of the consumer within the telecommunications market against the backdrop of competition and regulation. ComReg's new consumer website www.askcomreg.ie was also launched at the conference. While our main website www.comreg.ie is the main information source for all stakeholders in the communications industries; consumers, operators, researchers etc., the aim of the Ask ComReg website is to provide consumers with a user friendly website that provides relevant information and answers on the main issues which affect them in their dealings with suppliers.

I would like to thank all those operators and organisations who have contributed information and comments for this review and I appreciate their efforts in facilitating the publication of this document. I encourage all operators to complete the questionnaire sent to them on a quarterly basis to ensure as complete a picture as possible of the Irish market can be presented.

Isolde Goggin,
Chairperson
Commission for Communications Regulation.

2 Market Overview

This section of the report provides analysis of the main trends and developments in the various sectors of the Irish communications market and is based on the information contained in the Key Data Report. For more detailed information on the sectors please refer to the Key Data Report. The data covers the quarter 01 July to 30 September 2004, except where otherwise stated.

Total revenues for fixed, mobile and broadcasting increased by 2.7% this quarter. This is mainly attributable to a growth in mobile revenues. Additionally, total revenues increased 3.6% since 2003. The telecoms sector is estimated to account for approximately 3.1% of Irish GNP.

Fixed

The OAO (Other Authorised Operator) share of overall fixed telecommunication revenue was in the 20-21% range. OAO market share has been relatively stable a this range for the last two years

There are now approximately 300,000 CPS lines, 34,400 of which are also wholesale line rental. This number is up from 276,000 last quarter. There are approximately 406,000 ISDN channels. Basic rate ISDN access account for more than half of these channels. DSL take-up has increased over the last quarter by 49% (83,000 up from 55,500). FRIACO – wholesale flat rate services - were launched at the end of June 2003 and there are now approximately 93,600 FRIACO subscribers which represents an increase of 14% from 81,900 in the last quarter.

Mobile

The mobile penetration rate now stands at 88%, relatively unchanged since last quarter (due to an upward revision of the CSO population figure used; rate would have been 91% with old CSO estimate). Meteor has 7% of mobile subscribers with Vodafone and O_2 having 53% and 40% respectively. All operators have increased their subscriber base since the last quarter. There were 920 million SMS messages sent this quarter, an increase of almost 3% on the previous quarter. This equates to an average of 86 SMS messages per subscriber per month. In addition, Vodafone and Hutchison 3G Ireland have just agreed a contract which would allow 3's customers to roam onto Vodafone's GSM network in areas not covered by 3's third generation network.

Internet

The results of the Amárach Consumer TrendWatch research show that 6% of those with home internet access use DSL, up from 2% in the same quarter last year. E-commerce activity appears to have dropped off this quarter, with 37% of adults with a PC having made a purchase on the Internet in the last three months; however ComReg believes that this decrease may be primarily explained as due to seasonal factors at the time of sampling.

Cable/MMDS & Satellite

At 470,000, total digital subscribers in Ireland now represent 55% of all Pay TV households and 35% of all households with a television, up from 29% in 2003. Total cable/MMDS revenues have increased by 1% since last quarter.

Tariffs

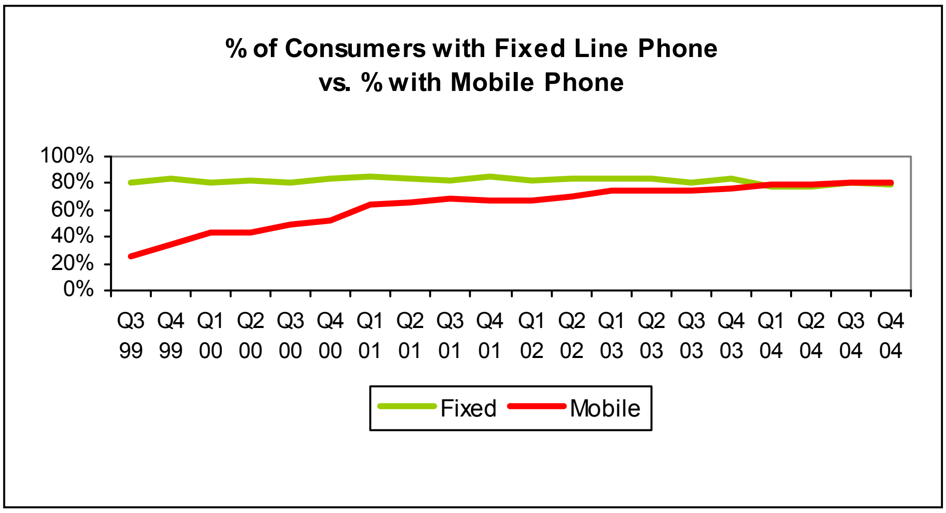
Ireland's position has remained unchanged in the national residential and international business PSTN baskets but has fallen by one place in both the international residential and national business PSTN baskets. Ireland remains in third and first place in the national and international leased line baskets respectively. Ireland's position has fallen by two places in the residential basic rate ISDN basket (due in part to a substantial jump of five places by Austria), but has improved by one place in the business primary rate ISDN basket. Ireland's position has fallen by two places in both of the ADSL baskets (due in part to improvements in Austria's performance in these baskets). Ireland's position remains unchanged in three of the mobile baskets but has improved by one place to 8^{th} in the low user basket.

3 Consumer TrendWatch

Each quarter Amárach Consulting carries out a Consumer TrendWatch survey in order to track trends in information and communications technologies in Ireland. This quarter's survey looks at trends in fixed and mobile phone usage, Internet usage and eCommerce. Given the sample size of just over 1,000 adults, there is a margin of error of +/- 3%. Reporting on the final quarter of 2004, the survey suggests that Ireland is emerging from a relatively stable year in the ICT arena and that a period of ICT consolidation continues to unfold.

3.1 Fixed and Mobile Phone Usage

In the last five years, since Amárach began tracking trends in the ICT sector, perhaps the biggest single change reported has been the surge in mobile phone ownership; up from a little over two in ten adults in 1999 to over eight in ten today. The survey results outline that for the first time in Ireland mobile phone penetration levels have outstripped fixed phone levels in the Irish consumer market.



Source: Amárach Consulting. Consumer TrendWatch Q04 2004

Of those without a fixed line, when asked why not, 50% cited having a current mobile subscription as being their reason for not having a fixed phone – this was particularly predominant for those in the 25-34 age category. Furthermore, 90% of the same sample of respondents had no intention of getting a fixed line phone in the next three months.

In relation to awareness of developments on single billing for fixed line phones, of those consumers who had a residential fixed phone, 50% were aware of single billing. Four in ten respondents were unlikely to switch suppliers based on the availability of single billing. At this early stage of development it would be expected that the awareness of single billing would be lower, however ComReg have issued a consumer guide on single billing and have launched a consumer website to raise awareness of such developments.

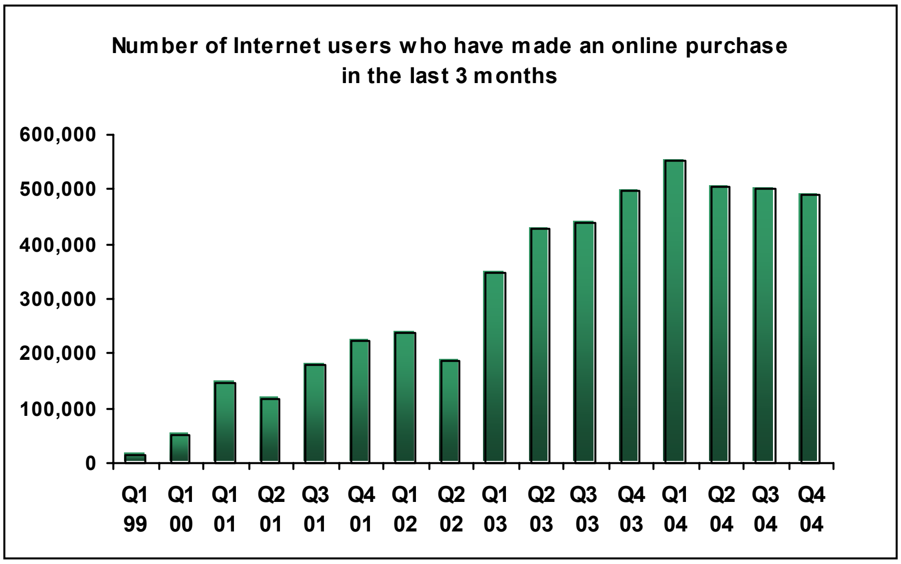
3.2 Internet Access & Usage

ComReg has tracked consumer access to and usage of the Internet since 2003 by means of a quarterly survey carried out by Amarach Consulting. Under the European Commission's e-Europe 2005 Action Plan, the Central Statistics Office collects annual data on access to and use of the Internet by both residential and business users. Collection began in 2003 and the first survey results are available on the CSO's web site[1]. Data for 2004 will be available shortly and will provide an accurate measure of the extent of Internet penetration and usage in Ireland.

ComReg will focus its future market research on consumer attitudes to Information and Communications Technologies (ICTs) to compliment the CSO's data collection.

3.3 eCommerce

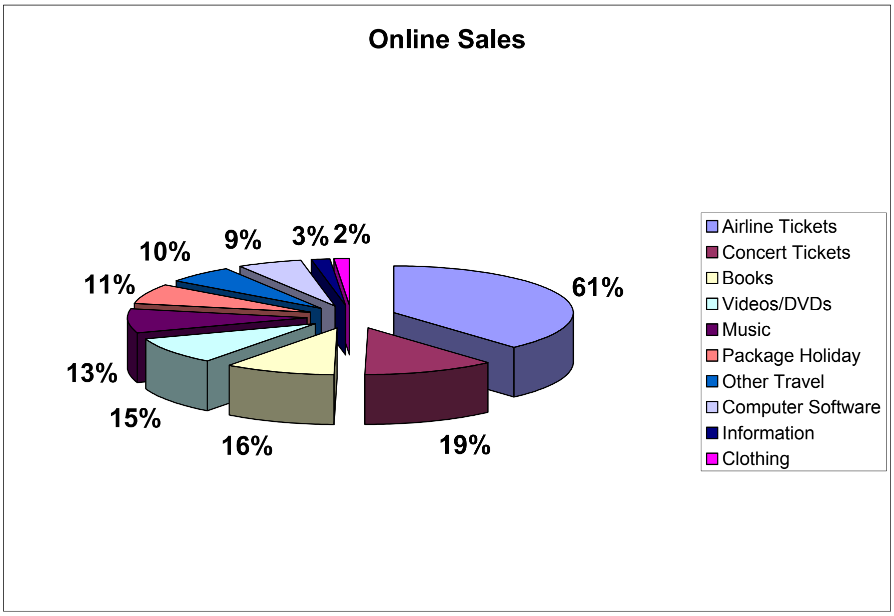
eCommerce activity for Irish consumers has stabilised throughout 2004, but there was a slight decrease in activity over the last three months. However, intentions to shop online in Q4 2004 suggest that eCommerce will play a key part in Christmas shopping activities this year.



Source: Amárach Consulting. Consumer TrendWatch Q04 2004

Online shopping during the quarter was most prevalent among 25-34 year olds, and the ABC1 group. Airline and concert tickets remained the top two online purchases, while books (16%), videos (15%) and music (13%) purchases followed closely behind. The popularity of purchasing package holidays, information and clothing continues to decline with each quarter. Fifty-six percent of those who made purchases in the last three months spent over €200 on products or services online during this time.

1 Information Society Statistics- Ireland 2003 which is available at http://www.cso.ie/publications/ict/ictirelandjune2003.pdf



Source: Amárach Consulting. Consumer TrendWatch Q4 2004

4 Attitudes to Broadcasting Services: Consumer Research

ComReg commissioned Millward Brown IMS and TNS MRBI to conduct qualitative and quantitative research, respectively, on consumer attitudes to broadcasting services.

Millward Brown carried out six focus groups around the country which explored people's attitudes to broadcasting services and digital services in particular. This research was used to feed into the design of the survey of consumer attitudes to broadcasting services and to supplement and enhance the findings of the survey.

In August, TNS MRBI conducted 1000 interviews with heads of households. Quotas[2] were applied on region, social class and on known take-up of Pay TV/non Pay TV as of the end of March 2004[3]. The main objective of the survey was to identify the type of broadcasting service accessed by households and the basis for doing so, in addition to understanding the barriers to subscribing to Pay TV and to taking up digital services.

4.1 Technologies in the Home

Take up of TV related technology and other technologies are higher amongst subscribers to pay TV and households with Children. Almost 9 in 10 respondents had a Video Recorder (89% of all respondents, 92% amongst subscribers and 95% in households with Children) and a mobile phone (89% of all respondents, 94% of subscribers and 97% in households with Children).

4.2 Non-Subscribers

A third of the sample did not subscribe to pay TV (38%). The majority of non-subscribers had never subscribed to pay TV (78% of 380 non-subscribers). The main reasons for stopping subscriptions to pay TV were due to moving house (22%) and cost (22%). The main reasons given for never having subscribed to pay TV were "happy with current range of free channels" (37%) and "just not bothered" (34%).

4.3 Subscribers

Almost two-thirds (62%) of respondents subscribed to pay TV. Subscribers tend to be younger, more affluent, are more likely to be Dublin-based and have children present in the household.

Fifty per cent of subscribers were connected to pay TV via cable, a third (35%) via satellite and 13% via MMDS. Two percent claimed to have both satellite and cable TV. Fifty-eight percent of subscribers only had access to pay TV via one TV set. This figure was higher in satellite homes (69%) than in homes with cable (49%) or MMDS (56%). Only 5% of subscribers claimed to have switched pay TV service provider over the last 2 years and 88% of all subscribers have not considered switching. One in five subscribers (22%) had used a "Pay-Per-View" service. Sixteen per cent of subscribers had bought a sports pay per view event while 12% had used it to buy a film.

2 Margin of error +/- 3.5%

3 Quotas of take up of Pay TV/non Pay TV were based on ComReg Quarterly Key Data (04/71) BSkyB Annual Report 2004 and ntl Q2 Quarterly Report 2004

4.4 Digital

Nine in Ten (89%) of all respondents were aware of/had heard of digital TV. Access to the internet via TV is the digital service of most interest to 15% of all respondents (both subscribers and non-subscribers). Fourteen per cent expressed an interest in information and entertainment guides, while the parental control option was popular amongst 11% of respondents.

The main reasons for pay TV subscribers not going digital were "happy with what we have" (25%), "don't watch much TV" (16%) and cost (12%). Around a third (31%) of all respondents and 49% of pay TV subscribers claimed to have digital TV. Sixteen per cent of all digital subscribers have signed up in the past year. The key drivers for 'going digital' were a wider range of channels (20%), better picture and sound quality (19%) and sports channels (13%). Almost six in ten (58%) of all digital subscribers regarded digital TV as 'much better' than analogue, with a further 18% claiming digital was 'a little better'.

5 Regulatory Developments

The following publications and developments relate to the period 7th September to 16th December 2004:

5.1 Fixed

5.1.1 Interim Rates for NTC Services effective from 1October, 2004.

This information notice[4] states interim rates for NTC services proposed by ComReg for the period 1st October- 31st December. These figures are based on information supplied by *eircom*, and are currently applicable only to Esat-BT, the only operator to have currently implemented Near End Hand-Over (NEHO) of NTC calls with *eircom*.

5.1.2 Price Cap on eircom 2003/2004: Compliance Statement in accordance with the Telecommunications Tariff Regulation Order, 2003 (S.I. No. 31 of 2003

This compliance statement[5] outlines ComReg's satisfaction that *eircom* was in compliance with the Telecommunications Tariff Regulation Order, 2003, during the 2003/2004 price cap year.

5.1.3 Response to Consultation (04/69) and Decision Notice: Finalisation of the 2002/03 Interim Conveyance Rates

This response to consultation document[6] reports the conclusions from ComReg's review of 2002/03 Interim Interconnection Conveyance rates. The document includes a number of decision notices in light of the consultation process, including final interim conveyance rates, and further next steps for *eircom*'s implementation of changes.

5.1.4 Market Analysis- Interconnection Markets

This consultation document[7] is a review of the interconnection market as proposed by ComReg as a relevant market for the wholesale call origination services on the public telephone network provided at a fixed location. Preliminary conclusions including proposed SMP designations are included in this document.

5.1.5 Interconnection Market Analysis- Switched Call Case Scenarios

This document[8] is issued as part of the consultation on Interconnection Market Analysis and examines a number of switched call case scenarios.

5.1.6 Local Loop Unbundling- Review of eircom's ULMP Monthly Rental Charge

This decision notice[9] pertains to a review of *eircom*'s ULMP Monthly Rental Charge. The decision notice contained within the document directs *eircom* to amend its monthly ULMP

4 ComReg Document 04/98: Interim Rates for NTC Services Effective from October 1st, 2004

5 ComReg Document 04/100: Price Cap on eircom 2003/2004- Compliance Statement in accordance with the Telecommunications Tariff Regulation Order, 2003 (S.I. No. 31 of 2003)

6 ComReg Document 04/101: Decision Notice and Response to Consultation- Response to Consultation (04/69) and Decision Notice on finalisation of the 2002/03 Interim Interconnect Conveyance Rates

7 ComReg Document 04/106a: Market Analysis- Interconnection Markets

8 ComReg Document 04/106b: Interconnection Market Analysis- Switched Call Case Scenarios

9 ComReg Document 04/110: Local Loop Unbundling- Review of eircom's ULMP Monthly Rental Charge

charge to €14.65 effective 1st December, 2004, and outlines a restriction on the price increase limit equal to the change in CPI each year until 2008.

5.1.7 Local Loop Unbundling Line Sharing- Consultation on Pricing Principles

This consultation document[10] explores the methodology currently used to establish cost of an underlying loop where it is shared between two service providers. ComReg proposes to amend the basis of costing line share such that the price should equate to the incremental costs of the service only, i.e. the associated billing and administration activities- in effective reduction in price from €9.00 to €0.39.

5.1.8 Response to Consultation on Draft Decision on Obligations Market Analysis- Wholesale Broadband Access

This document[11] sets out the results of the consultation process with regard to the Wholesale Broadband Access market. The document includes ComReg's decision as a result of the consultation process, that *eircom* is designated as having Significant Market Power (SMP) for Wholesale Broadband Access in Ireland and outlines SMP obligations with regard to this decision.

5.1.9 Fixed Telephony Operator Performance- January to June 2004

This publication[12] is a comparative guide for consumers outlining quality of service performance results for leading operators in the Irish Business and residential fixed line telephony markets.

5.1.10 Fixed Telephony Operator Performance-SMP to OAO results January to June 2004.

This information notice[13] is a report on the quality of service performance by the SMP operator to Other Authorised Operators for the period January to June 2004.

5.1.11 Fixed Telephony Operator Performance- Detailed Business and Residential Results, January to June 2004

This report[14] contains detailed statistics on the Quality of Service provided by a number of fixed telephony operators from January to June 2004, particularly measures detailing quality of service on order, faults and complaints.

5.2 Mobile

5.2.1 Market Analysis – Wholesale Mobile Access and Call Origination

This response to consultation[15] contains ComReg's conclusions and notification to the European Commission on the Wholesale Mobile Access and Call Origination market. Following its comprehensive analysis of the Irish mobile market, ComReg has found that the mobile operators, Vodafone and O2, have joint dominance. ComReg is proposing to open the networks of these operators to alternative service providers such as Mobile Virtual Network Operators (MVNOs).

10 ComReg Document 04/111: Local Loop Unbundling- Consultation on Pricing Principles

11 ComReg Document 04/113: Response to Consultation on Draft Decision on Obligations Market Analysis- Wholesale Broadband Access

12 ComReg Document 04/116: Fixed Telephony Operator Performance- January to June 2004

13 ComReg Document 04/116a: Fixed Telephony Operator Performance- SMP to OAO results January to June 2004

14 ComReg Document 04/116b: Fixed Telephony Operator Performance- Detailed Business and Residential Results January to June 2004

15 ComReg Document 04/118a/b: Response to Consultation and Notification to the Commission – Wholesale Mobile Access and Call Origination

5.2.2 Market Analysis- Wholesale Mobile Access and Call Origination- Appendices

The document[16] contains the appendices relating to the market analysis on mobile access and call origination (04/118)

5.2.3 Wideband Digital Mobile Data Services in the 420 MHz and 900 MHz Bands

This consultation paper[17] and request for expressions of interest relates to proposals for licensing wideband digital mobile data services in the 420MHz and 900 MHz bands. This document encloses provisional proposals by ComReg regarding licensing options, processes, and spectrum fees.

5.2.4 Use of Mobile Telephony Interceptors in Ireland

This document[18] outlines responses to ComReg's consultation on the use of mobile telephony interceptors in Ireland, clarifying ComReg's position on the use and installation of interceptor base stations are to be allowed in Ireland. The installation of such equipment, while allowed by ComReg, is considered to be purely a commercial matter for those involved.

5.3 Consumer Issues

5.3.1 Protecting Phone Users from Internet Dialler Scam: Direction to Internet Access Providers and Providers of Publicly- Available Telephone Services

This direction[19] notes the outcomes of the consultation protecting phone users from the Internet Dialler Scam. The document outlines the submissions received during its consultation process and includes final directives by ComReg and a list of destinations for which direct dial facilities are to be suspended.

5.3.2 Protecting Phone Users from Internet Dialler Scam- Withdrawal of Directions (D13/04)

This information notice[20] outlines new provisions with relation to the issue of a Directive relating to the Internet Dialler Scam. As a result of increased awareness and enhanced practices on the part of operators with relation to the detection of fraud, ComReg is in a position to withdraw its direction on Obligations on Internet Access Providers.

5.3.3 ComReg Annual National Conference October 2004, Royal Hospital Kilmainham - Serving the e-Consumer: Chairperson's Foreword

This document[21] contains the opening address by Mr John Doherty, Chairman, ComReg at the ComReg Annual Conference- Serving the e-consumer on 13th October, 2004.

16 ComReg Document 04/118a: Market Analysis- Wholesale Mobile Access and Call Origination- Appendices

17 ComReg Document 04/107: Wideband Digital Mobile Data Services in the 420 MHz and 900 MHz bands

18 ComReg Document 04/109: Use of Mobile Telephony Interceptors in Ireland

19 ComReg Document 04/99: Protecting Phone Users from Internet Dialler Scam- Direction to Internet Access Providers and Providers of Publicly available telephone services.

20 ComReg Document 04/117: Protecting Phone Users from Internet Dialler Scam- Withdrawal of Directions (D13/04) to Internet Access Providers and Providers of Publicly Available Telephone Services.

21 ComReg Document CP25: ComReg Annual National Conference October 2004, Royal Kilmainham- Serving the e-Consumer: Chairperson's Foreword

5.3.4 ComReg Annual Conference, October 2004: Serving the E-Consumer- Terry Calvani; Member, Competition Authority

This document[22] contains a presentation delivered by Terry Calvani of the Competition Authority at the ComReg Annual Conference- Serving the e-consumer on 13th October, 2004.

5.3.5 ComReg Annual Conference, October 2004: Case Study: Aer Arann, How Competition Benefits the E-consumer, presented by Managing Director Padraig O'Ceidigh

This document[23] contains a presentation delivered by Padraig O'Ceidigh, Managing Director of Aer Arran at the ComReg Annual Conference- Serving the e-consumer on 13th October, 2004.

5.3.6 ComReg Annual Conference, October 2004: Servicing the E-Consumer: Current and Future Trends, presented by Caroline Attwood-Reusser, Associate Director, Mason Catalyst

This document[24] contains a presentation delivered by Caroline Attwood-Reusser, Association Director, Mason Catalyst at the ComReg Annual Conference, 13th October, 2004.

5.3.7 ComReg Annual Conference, October 2004: Role of the Regulator in Promoting the Informed E-Consumer, presented by Jorgen Abild Andersen, Director General National IT and Telecom Agency, Denmark

This document[25] contains a presentation delivered by Jorgen Abild Andersen, Director General of the National IT and Telecom Agency, Denmark, at the ComReg Annual Conference, 13th October, 2004.

5.3.8 Voice over Internet Protocol (VoIP): A Guide

This user guide[26] details what Voice over IP is, how works, and what are its major benefits and disadvantages. The document looks at the challenges and expectations of providing a Voice over IP services in Ireland and includes a number of regulatory issues relating to the emergence of Voice over IP service development.

5.3.9 Consumer Guide- Introducing Single Billing

This consumer guide[27] contains information pertaining to the availability of single bill telecommunications services from Other Authorised Operators. The guide answers a number of frequently asked questions with regard to single billing.

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22 ComReg Document CP26: ComReg Annual National Conference, October 2004, Serving the e-Consumer- Terry Calvani, Member, Competition Authority

23 ComReg Document CP27: ComReg Annual National Conference, October 2004, Case Study: Aer Arran, How Competition benefits the e-Consumer, presented by Managing Director, Padráig O'Ceidigh

24 ComReg Document CP28: ComReg Annual National Conference, October 2004, Serving the e-Consumer, Current and Future Trends presented by Caroline Attwood- Reusser, Associate Director, Mason Catalyst

25 ComReg Document CP29: ComReg Annual National Conference, October 2004, Role of the Regulator in promoting the Informed e-Consumer presented by Jorgen Abild Anderson, Director General, National IT and Telecom Agency, Denmark

26 ComReg Document 04/103a: Voice Over Internet-Protocol (VoIP): A Guide

27 ComReg Document CG10: Consumer Guide- Introducing Single Billing

5.3.10 ComReg Interactive Tariff Guide

This information notice[28] outlines ComReg's plans to develop an interactive tariff guide enabling consumers to compare the cost of a range of communications services on offer in the market.

5.4 Broadcasting

5.4.1 Information Notice: Submission re. review of Radio Licensing- ComReg response to Department of Communications, Marine and Natural Resources Consultation paper on Review of Radio Licensing in Ireland

This information notice[29] details ComReg's response to a consultation paper on the review of radio licensing in Ireland by the Department of Communications, Marine and Natural Resources., outlining ComReg's position on a number of key questions asked within the consultation.

5.4.2 ComReg Response to Consultation on Frequency Spectrum Policy for Digital Broadcasting (DTT)

This document[30] sets outs the response by ComReg to a consultation issued by the Department of Communications, Marine and Natural Resources (DCMNR) on frequency spectrum policy for digital terrestrial television and other services.

5.4.3 ComReg Response to Consultation on Implementation of Remedies- Wholesale National Markets for Analogue Terrestrial Broadcasting Transmission and Draft Decision.

This document[31] is the response to consultation on the proposed remedies for the wholesale broadcasting markets consultation. The document includes proposed remedies considered by ComReg, the various issues arising from the consultation process, and draft decisions issued by ComReg with regard to wholesale broadcasting.

5.5 Post

5.5.1 Quality of Service Domestic single piece mail – Performance of An Post

This document[32] reports on An Post's quality of service performance for the third quarter of the year, July to September 2004.

28 ComReg Document 04/114: Information Notice- ComReg Interactive Tariff Guide

29 ComReg Document 04/102: Information Notice: Submission re Review of Radio Licensing- ComReg response to Department of Communications, Marine and Natural Resources Consultation Paper on Review of Radio Licensing in Ireland

30 ComReg Document 04/108: ComReg Response to Consultation on Frequency Spectrum Policy for Digital Broadcasting (DTT)

31 ComReg Document 04/112: Response to Consultation on Implementation of Remedies- Wholesale National Markets for Analogue Terrestrial Broadcasting Transmission and Draft Decision

32 ComReg Document 04/119: Quality of Service Domestic Single Piece Mail- Performance of An Post Qtr 3, July-September 2004 and January-September YTD 2004

5.5.2 Universal Service Obligation – Bulk Mail Access – Draft Direction to An Post

This document notifies all interested parties that the deadline for submissions to ComReg Document No: 04/92 was extended to 17 January 2005

5.5.3 Universal Service Obligation – Continuity of Universal Service Obligation

ComReg has received a letter from An Post outlining its plans to ensure that continuity of service is maintained over the Christmas period.

5.5.4 Postcodes

The discussion on postcodes continues involving key stakeholders with a view to publishing a report in the New Year.

5.5.5 Levy

The charge for holders of a Postal Service Authorisation is being reviewed in relation to Other Operators. A publication on this matter is due in the New Year.

5.5.6 Universal Postal Service

A consultation paper on what services should be provided as part of the universal postal service in Ireland is being prepared and will be published in the near future.

5.6 Radio Spectrum/ Technology

5.6.1 Programme of Measurement of non-ionising Radiation Emissions: Fourth Interim Report

This report is the 4th interim report[33] on measurement of non-ionising radiation emissions, including the results of a Mason Communications report on a survey of 400 sites nationally. The document include ComReg's conclusion that emission levels fall significantly below the international ICNIRP general exposure levels.

5.6.2 VoIP Services in Ireland: Numbering and Related Issues

This document[34] is a response to the consultation on the number of VoIP services. The consultation document considers opening a new geographic numbering range for VoIP services. The document concludes with a number of directives with relation to a number of VoIP numbering issues, including the provision of the '076' range for VoIP services.

5.6.3 Information Notice: Report of the Irish ENUM Forum

This information notice[35] announces the publication of a report from the ENUM forum recording the progress made to date on understanding ENUM protocol and its relevance to the Irish communications market.

5.6.4 Irish ENUM Forum- Final Report

This document[36] is a report issued by the ENUM Forum in November 2004. ENUM is the protocol that matches phone numbers to the corresponding internet domain names. As it is

33 ComReg Document 04/97: Programme of Measurement of Non-ionising Radiation emissions fourth interim report

34 ComReg Document 04/103: VoIP Services in Ireland: Numbering and Related Issues

35 ComReg Document 04/105: Information Notice: Report of the Irish ENUM Forum

36 ComReg Document 04/105a: Irish ENUM Forum- Final Report

considered a possible enabler for convergence solutions in next generation networks, the ENUM Forum final report outlines its research, findings and recommendations for ENUM development in Ireland, including that ENUM delegation should be managed by ComReg in the future.

5.6.5 A Race Between Spectrum Policy and Research and Technology Developments; presentation by Jim Connolly, Senior Manager, Spectrum Management, ComReg

This document contains a presentation delivered by Jim Connolly, Senior Manager, Spectrum Management entitled, "A Race between Spectrum Policy and Research and Technology Developments" at the EC Workshop on Research and Technology Development and Spectrum Policy.

5.6.6 Opportunities for Trialling Wireless services and technologies in Ireland

This document is a response to consultation on "Opportunities for Trialling Wireless Technologies in Ireland", including a summary of responses to the consultation and ComReg initiatives that will be introduced in light of the consultation to promote radio technology and service trials in Ireland. These initiatives include permitting commercial trials of wireless technologies and services, and the test and development of emerging technologies such as Wi-Max and Ultra Wideband (UWB).

5.7 General

5.7.1 Dublin Economic Workshop, Kenmare: Competition in the Communications Market- the Challenges Ahead, by Isolde Goggin

This document[37] contains a presentation delivered by Isolde Goggin at the Dublin Economic Workshop, Kenmare on 16th October, 2004 outlining the current regulatory market and the challenges ahead in the promotion of competition within the market.

5.7.2 Competition in the Communications Market- the Challenges Ahead. Dublin Economic Workshop, Kenmare, 16th October 2004- Speech by Isolde Goggin

This document[38] is a paper delivered by Isolde Goggin to the Dublin Economic workshop of the Challenges ahead for competition within the communications market. This paper was delivered at the Dublin Economic Workshop in Kenmare, 16th October, 2004.

5.7.3 ComReg Newsletter, Winter 2004

This newsletter[39] contains updates on ComReg's work in the last 3 months on a range of consumer, technology and regulatory issues.

37 ComReg Document CP30: Dublin Economic Workshop, Kenmare- Competition in the Communications Market- The Challenges Ahead, by Isolde Goggin

38 ComReg Document 04/104: Competition in the Communications Market- The Challenges Ahead; Dublin Economic Workshop, Kenmare. 16th October, 2004- Speech by Isolde Goggin

39 ComReg Document NL12/04: ComReg Newsletter, Winter 04

6 Consumer Focus

6.1 Consumer Complaints

6.1.1 Lodging your complaint/query with ComReg

Each operator is required to have a Code of Conduct for Complaint Handling. Each operator's code may be obtained directly from the operator concerned either by telephoning the customer care line or directly from the operator's website. ComReg offer a customer complaint service for consumers who have exhausted the complaint procedures with an operator having failed to get a satisfactory resolution

When examined on an annual basis, there has been a very significant increase in the number of complaints and queries received by ComReg in 2004 in comparison to 2003 as the following table indicates. Issues such as single-billing, consumer overcharging by operators and the general availability of broadband services have driven much of this increase in consumer contact. The increase may also be partly due to a growing awareness of the role ComReg plays in the consumer arena in addition to a number of high profile issues concerning consumer in recent months. ComReg is concerned by both the level and nature of the queries received by our office are working with the industry to establish whether the current processes and staffing levels by the operators with regard to customer complaints is commensurate with current consumer needs and demands.

Table 5.1 below illustrates the volume of queries received during this quarter compared to earlier quarters.

Table 5.1 Consumer Queries

	July-Sept '03	*Apr-June '04*	*July-Sept '04*	*% change July-Sept '04 v Apr-June '04*	*% change July-Sept '4 v '03*
Complaints	390	365	465	27%	19%
Queries	1032	1746	2706	55%	162%
Total	1422	2111	3171	50%	123%

Regarding fixed line consumer complaints specifically, the majority of complaints related to billing and included disputed call charges due to poor quality of service, incorrect billing (charges for services not requested or provided) and single billing.

Regarding Mobile telephony the majority of complaints received in this category related to billing issues such as roaming and the receipt of invoices for calls from previous billing periods.

The number of complaints in the broadcasting area has remained low since the introduction of the regulatory framework for electronic communications, in July 2003. ComReg no longer regulates retail television programme distribution and can no longer handle complaints directly but will pass them to the operator in question. The majority of complaints related to service quality.

ComReg also receives requests for information on matters concerning a wide range of electronic communication network/electronic communication services (ECN/ECS). ComReg received 2,706 queries in Q3. The majority of queries in Q3 related to the availability of broadband, carrier pre selection (CPS), single billing, dialler programs, premium rate services and unsolicited communications.

This quarter has seen a substantial uptake of the Single Billing product with over 33,000 PSTN lines and over 900 ISDN working lines through Wholesale Line Rental (WLR). This is largely due to the additional WLR service providers who have entered the market during this period. As Single Billing is a still very new product, the sharp uptake has also seen a corresponding increase in queries and complaints associated with Single Billing as operators deal with start up issues. Going forward, the ComReg Consumer Website and Consumer Guide "Introducing Single Billing", which were also launched this quarter, should address customer concerns and queries about the Single Billing product and how it works.

6.2 AskComReg Consumer website

As part of our ongoing commitment to the consumer and to consumer issues, ComReg developed the askcomreg website[40] dedicated to the consumer and their specific needs. The purpose of the site is to provide information in a concise and consumer friendly manner. This website was developed to be accessible to all types of users, with special consideration for those with disabilities. askcomreg.ie, was launched by the Minister for Communications, Marine and Natural Resources, Mr Noel Dempsey, T.D. at ComReg's National Conference on 13th October 2004.

6.3 Annual National Conference

ComReg's Annual Conference entitle "Serving the e-consumer" took place on the 13th October in the Royal Hospital Kilmainham.

This year's conference was opened by the Minister for Communications, Marine and Natural Resources, Noel Dempsey TD and it was the Minister's first official engagement in his new portfolio.

The main emphasis of the conference was on current and future demands of the consumer within the telecommunications market against the backdrop of competition and regulation.

All presentations from this conference are available on the ComReg main website at **www.comreg.ie** or on CD.

6.4 Internet Dialler Scam

In September 2004, ComReg published measures for implementation by Internet Service Providers and Telecommunications Operators in order to protect consumers from rogue autodialler programs[41].

The issue of rogue autodialler programs and modem hi-jacking has affected a growing number of consumers in Ireland. Problems arise where consumers are not aware that their Internet dial-up settings have been changed to an international number. In many cases, the consumer will only realise they have fallen victim when they receive their phone bill with high call charges to international destinations.

ComReg has required that Internet Service Providers alert users of their service to the problem of rogue autodialler programs and recommend measures users can take to protect themselves from the problem. In addition, ComReg has directed that Direct Dialling Facilities to a number of destinations from which the majority of the current problems

40 www.askcomreg.ie

41 Protecting Phone Users from Internet Dialler Scam- Direction to Internet Access Providers and Providers of Publicly available telephone services Decision No. D13/04 Doc. No. 04/99 – 20 September 2004

appear to arise be suspended but that specific phone numbers may be unblocked at the request of a telephone subscriber.

As a result of ongoing industry consultation, increased awareness and enhanced practices relating to detection of internet fraud and customer protection measures now in place, ComReg has deemed it appropriate to withdraw the Direction (D13/04) and will continue to actively monitor the situation with regard to this, and similar fraudulent activities in the future.

6.5 Single Billing Consumer Guide

This guide[42] informs consumers of a new era of increased choice in Service Providers for all their fixed line telephone requirements. The principal benefit for consumers is that Single Billing means receiving just one bill from the Service Provider of their choice for every aspect of their telephone service requirements, including all calls and line rental. Consumers don't need to change their telephone number or equipment and their existing call or data services should not be interrupted in any way during the changeover.

The guide informs consumers on how they can avail of this new service and what they can expect when changing to a single bill with an alternative provider. The guide also offers advice to consumers on what questions they should ask before changing to any alternative operator to ensure that the offer best suits their individual telecommunication needs.

6.6 Interactive Tariff Guide

At the recent consumer conference 'Serving the e-consumer', ComReg announced plans to develop an interactive tariff guide that will enable consumers to compare the cost of the range of communications services on offer in the market. ComReg is undertaking this initiative as part of its role to promote the interests of consumers, promote the provision of clear information and in particular, transparency of tariff information.

This purpose of this information notice[43] is to advise consumers, their representative groups and the broader telecommunications industry on the planned approach. More detailed information is available through the tender document which is also available on our website.

42 ComReg Document CG10: Consumer Guide- Introducing Single Billing

43 ComReg Document 04/114: Information Notice- ComReg Interactive Tariff Guide

7 Postal Regulation

7.1 ComReg publishes annual postal survey

The principle findings of ComReg's annual survey to examine the attitudes of business and residential consumers to the Irish postal service, which was conducted by TNS MRBI, are outlined below.

Letter post volumes up

The survey shows that volumes of mail items received by residential customers increased in comparison to 2003 and this rise is concentrated on specific types of customers (ABC1 Social class and the 25-44 age group). Although the headline volume figure for business customers is down, this is thought not to represent a decline in real market volumes as the study covers all businesses and not exclusively the small number of large businesses who send the bulk of letter post (telecoms, utilities and financial services). For example, respondents from the finance sector, who are the largest users of post, claimed to send an average of almost 1600 letters per week in 2004, up from c.1400 in 2003.

Prices acceptable but satisfaction levels falling

People seem to view current prices of postal items as generally acceptable although satisfaction levels are falling. The proportion of residential customers claiming to be satisfied with the cost of stamps has declined from 53% to 40% and a sizeable minority (38%) of businesses think that postal services do not represent better value for money than they did last year. As in 2003, 2004 results show that a large proportion (46% for 'within the state' mail and 44% for 'international' mail) of business respondents consider the postal tariffs for heavier items expensive.

General satisfaction with postal service

Although a slight fall in levels of satisfaction with the postal service is evident among customers, overall customers are satisfied with the postal service they receive (69% of business customers rate the postal service in Ireland as 'fairly good' and 17% as 'very good'). The incidence of complaints being made in relation to the postal service has declined somewhat, business complaints fell from 21% in 2003 to 16% in 2004 and residential customers from 11% to 8% over the same period. TNS comment that this remains a very high level of customer complaints and that over half the customers in both surveys felt that their complaint was handled badly, leaving 'much room for improvement in complaint handling'.

8 Technology Developments

8.1 Forward-looking Regulatory Developments

A key part of ComReg's role is to raise awareness of new and emerging telecommunications technologies in the ICT sector, with a view to encouraging the market's development. This work is carried out under ComReg's Forward-looking Programme (FLP) which is advised by a panel of external experts, the 'Forward-looking Programme Steering Panel', which held its fourth meeting in October.

The Steering Panel meeting was held at the Limerick Institute of Technology following this year's Information Technology and Telecommunications (IT&T) conference[44]. The main areas of discussion were on ComReg's Spectrum Management Strategy and forward-looking strategic analysis of the telecommunication sector project.

8.2 Voice over Internet Protocol (VoIP)

In October 2004 ComReg issued a response to consultation and user guide for Voice over Internet Protocol (VOIP) services in Ireland. The response to consultation[45] is the response to a consultation on the number for VoIP services. The consultation document considers opening a new geographic numbering range for VoIP services. The document concludes with a number of directives with relation to a number of VoIP numbering issues, including the provision of the '076' range for VoIP services.

The user guide[46] details what Voice over IP is, how it works, and what are its major benefits and disadvantages. The document looks at the challenges and expectations of providing a Voice over IP service in Ireland and includes a number of regulatory issues relating to the emergence of Voice over IP service development.

44 http://www.ittconference.com/

45 ComReg Document 04/103: VoIP Services in Ireland: Numbering and Related Issues

46 ComReg Document 04/103a: Voice Over Internet-Protocol (VoIP): A Guide

Appendix I: Documents Issued September 04 – November 04

Fixed

Document No.	*Title*
04/98	Interim Rates for NTC Services effective from 1 October 2004
04/100	Price Cap on eircom 2003/2004: Compliance Statement in accordance with the Telecommunications Tariff Regulation Order, 2003 (S. I. No. 31 of 2003)
04/101	Response to Consultation (04/69) and Decision Notice: Finalisation of the 2002/03 Interim Interconnect Conveyance Rates
04/106a	Market Analysis – Interconnection Markets
04106b	Interconnection Market Analysis – Switched Call Case Scenarios
04/95	Market Analysis: Retail Fixed Call Markets
04/110	Local Loop Unbundling – Review of eircom's ULMP Monthly Rental Charge
04/111	Local Loop Unbundling Line Sharing – Consultation on Pricing Principles
04/113	Response to Consultation on Draft Decision on Obligations Market Analysis – Wholesale Broadband Access
04/116	Fixed Telephony Operator Performance- January to June 2004
04/116a	Fixed Telephony Operator Performance- SMP to PAP results January to June 2004
04/116b	Fixed Telephony Operator Performance- Detailed Business and Residential Results January to June 2004

Mobile

Document No.	***Title***
04/118a	Market Analysis – Wholesale Mobile Access and Call Origination - Appendices
04/118	Market Analysis – Wholesale Mobile Access and Call Origination
04/107	Wideband Digital Mobile Data Services in the 420 MHz and 900 MHz Bands
04/109	Use of Mobile Telephony Interceptors in Ireland

Consumer Issues

Document No.	***Title***
04/99	Protecting Phone Users from Internet Dialler Scam: Direction to Internet Access Providers and Providers of Publicly-Available Telephone Services
CP/25	ComReg Annual National Conference, October 2004: Serving the E-Consumer: Chairperson's Foreword
CP/26	ComReg Annual National Conference, October 2004: Serving the E-Consumer- Terry Calvani, Member Competition Authority
CP/27	ComReg Annual National Conference, October 2004: Case Study: Aer Arann, How Competition Benefits the E-consumer, presented by

	Managing Director Padraig O'Ceidigh
CP/28	ComReg Annual National Conference, October 2004: Serving the E-Consumer: Current and Future Trends , presented by Caroline Attwood-Reusser, Associate Director Mason Catalyst
CP/29	ComReg Annual National Conference, October 2004: Role of the Regulator in Promoting the Informed E-Consumer, presented by Jorgen Abild Andersen, Director General National IT and Telecom Agency, Denmark
04/103a	Voice over Internet Protocol (VoIP): A Guide
CG10	Consumer Guide – Introducing Single Billing
04/114	Information Notice- ComReg Interactive Tariff Guide
04/117	Protecting Phone Users from Internet Dialler Scam- Withdrawal of Directions (D13/04) to Internet Access Providers and Providers of Publicly Available Telephone Services

Broadcasting

Document No.	*Title*
04/102	Information Notice: Submission re. review of Radio Licensing – ComReg response to Department of Communications, Marine & Natural Resources Consultation Paper on Review of Radio Licensing in Ireland
04/108	ComReg Response to Consultation on Frequency Spectrum Policy for Digital Broadcasting (DTT)
01/112	Response to Consultation on Implementation of Remedies – Wholesale National Markets for Analogue Terrestrial Broadcasting Transmission and Draft Decision

Post

Document No.	*Title*
04/119	Information Notice: Quality of Service Domestic Single Piece Mail-Performance of An Post Qtr 3, July-September 2004 and January-September YTD 2004

Radio Spectrum/Technology

Document No.	*Title*
04/97	Programme of Measurement of Non-Ionising Radiation Emissions: Fourth Interim Report
04/103	VoIP Services in Ireland: Numbering and Related Issues
04/105	Information Notice: Report of the Irish ENUM Forum
04/105a	Irish ENUM Forum – Final Report
CP31	Converging Wireless Access Platforms- A Race between Spectrum Policy and Research, and Technology Development presentation by Jim Connolly, Senior Manager, Spectrum Management, ComReg, presented at the EC Workshop on Research and Technology Development and Spectrum Policy
04/115	Opportunities for trialling wireless services and technologies in

	Ireland

General

Document No.	*Title*
NL12/04	ComReg Newsletter Winter 04
CP/30	Dublin Economic Workshop, Kenmare: Competition in the Communications Market- the Challenges Ahead, by Isolde Goggin
04/104	Competition in the Communications Market- the Challenges Ahead. Dublin Economic Workshop, Kenmare, 16th October 2004 – Speech by Isolde Goggin