



Commission for
Communications Regulation

Provision of Public Pay Telephones

Submissions to Consultation 13/119

Submissions to Consultation

Reference: ComReg 14/27s

Version: Final

Date: 09/04/2014

An Coimisiún um Rialáil Cumarsáide
Commission for Communications Regulation

Abbey Court Irish Life Centre Lower Abbey Street Dublin 1 Ireland

Telephone +353 1 804 9600 Fax +353 1 804 9680 Email info@comreg.ie Web www.comreg.ie

Submissions Received from Respondents

Document No:	14/27s
Date:	9 April 2014

Consultation:	13/119
Response to Consultation:	14/27

Content

Section	Page
1: Eircom	4
2: Solitaire Payphones	5

1: Eircom

eircom Group

Response to ComReg Consultation Paper:

**Provision of Public Pay Telephones
Universal service: Scope and Designation**

ComReg Document 13/119



7 February 2014

DOCUMENT CONTROL

Document name	eircom Group response to ComReg Consultation Paper 13/119
Document Owner	eircom Group
Last updated	<i>07/02/14</i>
Status	Non-Confidential

The comments submitted to this consultation are those of Meteor Mobile Communications Ltd. (MMC) and eircom Ltd (eircom) collectively referred to as eircom Group.

Executive Summary

eircom welcomes the opportunity to respond to this consultation from ComReg regarding the scope and designation of USO for the provision of public payphones. Having considered the consultation paper, our conclusion is that in recommending the continuation of the public payphone Universal Service Obligation (USO) on eircom, ComReg has not reached any properly analysed position and this is a material flaw in its approach to this matter.

For example, ComReg has not used expert evidence or any sufficient or contemporary empirical evidence to justify its conclusions. Section 5 of the European Communities (Electronic Communications) Networks and Services) (Universal Service and Users Rights) Regulations 2011¹ requires:

"5. (1) A designated undertaking shall ensure that public pay telephones or other public voice telephony access points are provided to meet the reasonable needs of end-users in terms of the geographical coverage, the number of telephones or other access points, accessibility to disabled end-users and the quality of services."

No analysis of any such "reasonable needs" has been carried-out.

Good regulatory practice requires ComReg to make regulatory decisions which are limited and proportionate to the public interests they serve. For the reasons set-out in this paper, eircom does not believe that this principle of good regulatory practice has been satisfied.

ComReg should review those aspects of economic regulation that are inconsistent with normal commercial practices and avoid decisions where the benefits outweigh the costs to the parties who are subject to the regulation. The costs to eircom of the public payphone USO outweigh any perceived benefits of the designation. Alternative arrangements are available to meet the objectives with less effect on eircom's business and also consistent with fair competition.

In this regard, ComReg's review of the need for universal service obligations must focus on the effectiveness of any USO on public payphones and clearly demonstrate a need to maintain such a designation on eircom for the next three to four years. ComReg has provided no evidence for such continued designation on eircom.

ComReg must re-evaluate whether this universal service has any prospective merit. There is evidence that, with the development of usage in Ireland and the overwhelming presence of a much more efficient and effective form of communication by way of mobile phones, public payphones are in decline and that there is no justification to re-impose a USO on eircom.

As a result, the scope of universal service for public payphones in Ireland deserves careful re-examination. It is clear that other services have become widespread and are considered more than adequate to achieve universal service goals. There no longer needs to be obligations imposed for the provision of public payphone services as the market ensures alternative and widely available, accessible and affordable services.

There is no justification for ComReg's preliminary conclusions that there should be a further USO designation for public payphones.

¹ <http://www.irishstatutebook.ie/pdf/2011/en.si.2011.0337.pdf>. In this regard, see Article 6 of Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (**2002 Directive**) and as amended by Directive 2009/136/EC of the European Parliament and of the Council of 25 November 2009 amending Directive 2002/22/EC (**2009 Directive**)

Response to Consultation

1 How did we get here?

eircom was designated as the USO provider of access to public payphones in 1999. The first review of this designation was completed in June 2003² when Response to Consultation 03/68 was published. The review did not specifically address the social need for a public payphone USO but rather focused on the detailed implementation of the obligation.

The next review was completed in July 2006 with the publication of the Response to Consultation document 06/29. eircom indicated its view that a payphone obligation was no longer necessary due to the fact that mobile penetration was over 100% and payphone usage was declining at more than 25% per annum. However ComReg was of the view that public payphones continued to be important for reasons of social and economic inclusion.

As noted by ComReg³, eircom undertook a significant rationalisation of the public payphone base in the first half of 2009 with the removal of c.1,900 payphones across the State.

The USO designation was reviewed and renewed in June 2010 in Decision 06/10. In its response to the consultation, eircom had argued that *“the volumes of calls from payphones is declining rapidly. Specifically, the number of calls per month has fallen by 84% since July 2006”* eircom highlighted market research which indicated that *“only 19% of those surveyed had used a payphone in the previous 12 months and most of those did so because of a problem with their mobile phone service. 83% of those surveyed indicated that they were unlikely to use a payphone in the next 12 months”*. On this basis, eircom urged ComReg to withdraw this obligation. Other operators such as O2 and Vodafone also questioned the requirement to continue an obligation around public payphones. In its response to this Consultation, ComReg stated that it *“recognises that payphone usage is declining and that there are alternatives available to the majority of consumers. However, while there is continued usage of payphones, albeit decreasing, ComReg acknowledges the importance of this facility to certain consumer groupings within society”*. [emphasis added]

In deciding to maintain the obligation on eircom, ComReg committed to *“continue to monitor the usage of payphones and to engage with consumers, including those with disabilities, and other key stakeholders with respect to their usage of such payphones, and to arrive at an understanding of the consumer detriment, if any, that would arise if the obligation was to be removed”*. ComReg did not undertake any such review.

The most recent review of the payphone obligation was conducted in 2012. In its response to consultation 12/39, eircom re-iterated its view that *“sufficient justification has not been presented for the continuation of public payphone universal service provision”*. eircom noted that the detailed review to which ComReg had committed in 2010 had not been conducted. In their responses to the consultation BT, Telefónica, Vodafone and UPC expressed the view that there was no requirement to continue an obligation in respect of payphones as part of the universal service.

Following the consultation in Decision Notice D07/12, ComReg re-imposed the payphone obligation stating that it *“remains of the view that until such an analysis has been completed, it is in the best interests of users of uneconomic payphones, considering the objectives of a universal service, to retain the obligation”*. No justification for this conclusion was offered by ComReg. ComReg again committed to conduct a review which has led to the current consultation.

²See ComReg 03/68

³Paragraph 36, ComReg 13/119

The 2006 review was the last substantive review of the social need for public payphones undertaken by ComReg. Subsequent renewals of the public payphone USO have been predicated on ComReg assuming that if a public payphone is used, there is a social need. ComReg has carried forward this simplistic view into the current review and consequently reached erroneous preliminary conclusions. It is ComReg's "*preliminary view that, although public payphone usage is declining, public payphones continue to provide a basic service to people throughout the state and therefore there appears to be a continued requirement to provide public payphones.*"⁴

It is difficult to see how ComReg has been able to reach this view from the evidence before it. It is eircom's firm view that it is neither efficient nor proportionate to impose a Universal Service Payphone Obligation throughout the State. Indeed this has been the general view of industry for many years.

The imposition of Universal Service Obligations (USO) on a Universal Service Provider (USP) is a significant regulatory intervention that must be objectively justified by ComReg. It is incumbent on the regulator to clearly define the social objectives under consideration and determine whether those objectives are already being met by the market. If the objectives are not being fully met by the communications market and are not expected to be met in the near future then, consistent with its statutory duties, ComReg must define and implement an efficient solution for the identified problem.

Article 3(2)⁵ provides "*Member States shall determine the most efficient and appropriate approach for ensuring the implementation of universal service, whilst respecting the principles of objectivity, transparency, non-discrimination and proportionality. They shall seek to minimise market distortions, in particular the provision of services at prices or subject to other terms and conditions which depart from normal commercial conditions, whilst safeguarding the public interest.*" [emphasis added]

It is clear that any intervention should be specific and targeted. In our view ComReg's proposals in the consultation document are not compatible with the legislative framework.

⁴Para. 3, ComReg 13/119

⁵Universal Service Directive (as amended), USD 2009

2. A service across the State?

Throughout the consultation ComReg seeks to justify the continued provision of public payphones on the basis that they serve 'extreme' or 'remote' rural areas. As we demonstrate below this is not the case.

It is eircom's strong view that ComReg has begun this review from an incorrect starting point by posing the question from the perspective that the status quo should be retained or modified slightly, i.e. if an existing public payphone is used it must be needed by society. ComReg has effectively adopted the current provision of 1,329⁶ public payphones in their present approximate 712 locations⁷ as the definition of the payphone USO to provide basic services to people throughout the State.

This is the wrong place to start because it ignores the fact that the current level of public payphones can in no way be considered to provide a basic service throughout the State. The situation in relation to the ubiquity of public payphones has changed dramatically over the years. In the first half of 2003⁸ there were 10,400 payphones in operation in Ireland of which 4,690 fell within the definition of a public payphone. There are currently 1,329 public payphones, less than 30% of the public payphones in 2003.

As a consequence of the ongoing rationalisation of the public payphone base in accordance with the Removals Policy, large areas of rural Ireland do not have payphone coverage. In many cases the nearest payphone could typically be 20-30 km away. For example, from the northern end of County Monaghan, the closest public payphone is in Monaghan town, over 20 km away, while from northern County Donegal on the Lough Swilly peninsula beyond Portsalon the nearest public payphone would be in Falcarragh or Letterkenny, some 40 km away. Many large communities are more the 20km from the nearest payphone such as Carrickmacross in county Monaghan (population approx. 8,000). As a further example, since 2009, the remaining payphones were removed from a number of off-shore islands such as Inishmaan, Inisheer, Inishboffin, and Cape Clear, which, of course, meant that people on these islands had no access to public payphones. In spite of this, there were no material objections from these communities at the time of the removals, nor are we aware of any public concern that these areas currently operate under any kind of disadvantage arising from their lack of access to a public payphone. It is also pertinent that these islands are probably more dependent on tourism than the general population, (and, as alluded to by ComReg⁹ tourists might be a particular population segment who would be more likely than others to use a payphone). Similarly, the off-shore islands have a higher age profile than the general population ($p\text{-value}=0.4939$)¹⁰, and this demographic might also be considered somewhat more likely than the average to consider using a public payphone. The fact that even these areas have no particular need for public payphones demonstrates clearly the degree to which public payphones have become outdated as a communications tool.

For a proper assessment to be conducted in terms of the availability of public payphones in the State consideration must be given to the number of unique locations. As noted above there are

⁶Consistent with the consultation we refer to the current number of public payphones as 1,329. Please note the most recent total, as at end 30 September 2013 is 1,325. This figure was reported to ComReg after the consultation document was published.

⁷eircom has undertaken analysis of the public payphone address database to identify unique locations. This means, for example, where there are multiple phones in a local area, such as the 10 phones in Eyre Square, Galway City, these will be counted as one unique location.

⁸See figure 3.3, ComReg 06/40

⁹Paragraph 54, ComReg 13/119

¹⁰ The Hypothesis tested was whether the average age profile on the islands was greater than the general population. The test was performed using the chi-squared test. See Annex 2 for data tables.

approximately 712 unique locations with one or more public payphones in near vicinity¹¹. The results of this analysis are presented in Table 1 below.

Table 1: Average population and average area served per payphone

County	Unique locations	Average population served by payphone location ¹²	Average Area served by payphone location (Sq. Km) ¹³
Monaghan	4	15,121	324
Meath	15	12,276	156
Louth	11	11,172	75
Kildare	21	10,015	81
Offaly	8	9,586	250
Carlow	6	9,102	149
Wexford	16	9,083	147
Limerick	22	8,719	122
Wicklow	18	7,591	112
Dublin	173	7,359	5
Kilkenny	13	7,340	159
Westmeath	12	7,180	153
Laois	12	6,713	143
Galway	40	6,266	154
Tipperary	26	6,106	166
Cork	86	6,035	87
Donegal	32	5,036	151
Roscommon	13	4,928	196
Clare	24	4,883	131
Longford	8	4,875	136
Sligo	14	4,671	131
Cavan	17	4,305	114
Waterford	27	4,215	68
Mayo	38	3,438	147
Leitrim	10	3,180	159
Kerry	46	3,163	103

What we can see is that the density of public payphone distribution varies significantly across the State. Unsurprisingly, Dublin has the highest concentration of payphones (by area) although there is only one payphone, on average, for every 7,359 citizens. Monaghan is by far the least served county in terms of public payphones. In contrast Kerry has the highest number of public payphone locations per head of population albeit the average area served by a public payphone location is 103 Sq. Km. This means that many citizens would have to travel at 5 or 6 km to their nearest public payphone.

¹¹As at 30th September 2013

¹²<http://www.cso.ie/en/statistics/population/populationofeachprovincecountyandcity2011/>

¹³<http://homepage.tinet.ie/~cronews/geog/census/cosize.html>

The analysis undertaken to generate the results in Table 1 is quite high level assuming an even distribution of population and geographic payphone location within a county. As such it will paint a more favourable picture of public payphone availability to rural communities than is reality. For example, in the case of Co. Limerick, if we exclude public payphones in Limerick City, there are only 6 other unique locations in the rest of the county.

The number of public payphones and locations of public payphones has declined significantly since ComReg's 2006 review. Whilst this has been undertaken in accordance with the specified rules, the significant variances between counties illustrated in Table 1 suggests that the distribution of payphones has evolved in response to declining usage and third party damage rather than against a scheme that *"ensures the provision of basic telecommunications services throughout the State, particularly in areas of the State (such as rural or sparsely populated areas) where the market might not deliver these services. Thus, the universal service contributes to social and economic inclusiveness in society."*¹⁴

Further analysis could be conducted to consider the area and population realistically served by a public payphone. If we assume that people may be willing to travel 1 Km to use a payphone this means that public payphones serve approximately 3% of the geographic area of the State and 30% of the population, at most, is served by the current footprint of public payphones.

It should be noted that all public payphones are situated in population centres. eircom has compared its mobile coverage relative to the location of the public payphones and can confirm that there is mobile coverage at all public payphone locations. It is reasonable to expect that these areas will be covered by other mobile networks as well.

In summary, it is unreasonable for ComReg to suggest that the current payphone base provides nationwide service and in particular a meaningful service to rural or sparsely populated areas.

¹⁴Paragraph 5, ComReg 13/119

3. ComReg has failed to define what social need it is seeking to meet

As previously noted ComReg has not explicitly defined the social need or needs that should be met by USO payphones. Rather ComReg has started from the perspective that if a public payphone is being used at all it must be needed by society. *“ComReg recognises that payphone usage is declining and that there are alternatives available to the majority of consumers. However, while there is continued usage of payphones, albeit decreasing, ComReg acknowledges the importance of this facility to certain consumer groupings within society”¹⁵.*

In our view ComReg has failed to properly define the consumer groupings within society whose needs justify the continued provision of public payphones under universal service obligations throughout the State. In the absence of a clear definition of relevant consumer groupings ComReg seeks to rely on broad generalisations such as *“payphones which are located in more extreme rural areas may be more relied upon by vulnerable consumers. Payphones may be particularly valued in rural areas, if there is limited mobile coverage, and in both urban and rural communities, where there are disadvantaged and vulnerable consumers who rely on payphones.”*¹⁶ As stated earlier, there are no payphones in extreme rural areas, nor are there any payphones in areas without mobile coverage.

There are numerous references to very rural customers throughout the consultation document. However, as evidenced above, the remaining public payphones offer no benefit to this grouping. Thus, we are left with the consideration of ‘disadvantaged and vulnerable consumers who rely on payphones’.

It is interesting to note that ComReg has not undertaken any recent consumer research to establish the sections of society that rely on payphones. ComReg’s previous research in 2005 identified *“The primary reason consumers used a payphone was that it was convenient or it was less expensive”*¹⁷ as mentioned in the current consultation. In the current consultation ComReg goes on to note that *“When mobile phones were introduced, the cost of calls from mobiles was relatively high and therefore in some cases payphone calls were cheaper. This is no longer the case”*. The reverse has occurred, with significant increases in payphone call rates and substantial reductions in mobile call charges. The relative value of payphone calls versus mobile calls appears to conflict with ComReg’s inference that there are significant communities of disadvantaged and vulnerable consumers who rely on payphones.

ComReg’s 2005 research¹⁸ considered the reasons why people chose to use a payphone and the reasons why they did not.

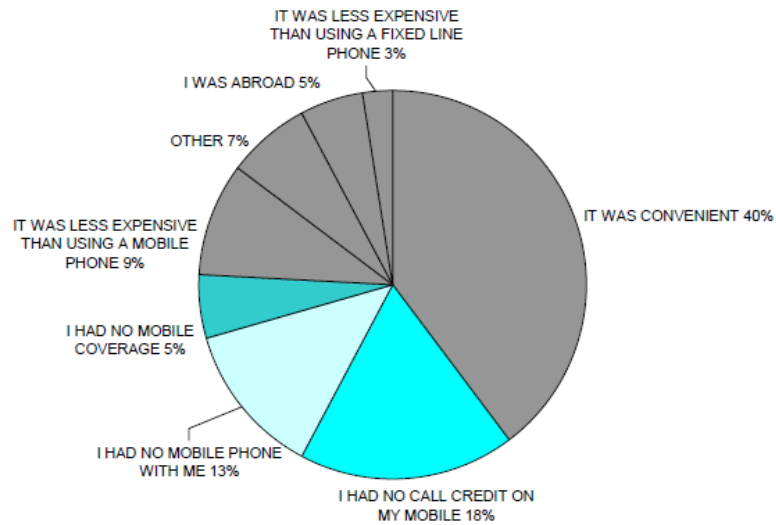
¹⁵Section 8.3, ComReg 10/46

¹⁶Paragraph 80, ComReg 13/119

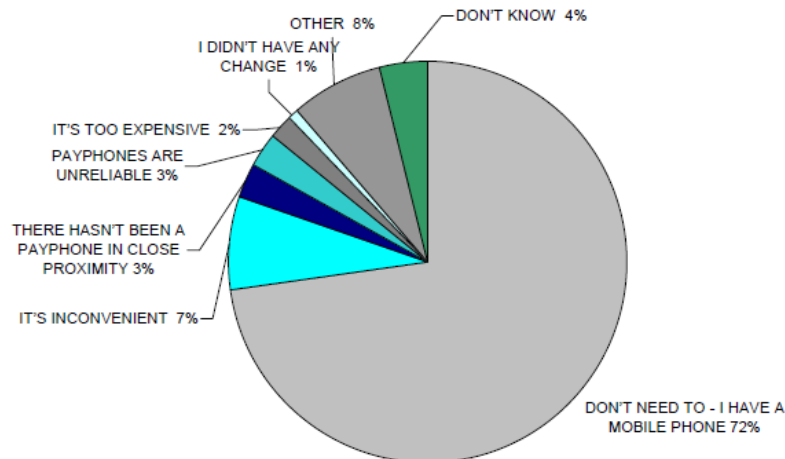
¹⁷Paragraph 34, ComReg 13/119

¹⁸See ComReg 06/40

Why did you choose to use a payphone?



Why did you choose NOT to use a payphone?



It is striking that in 2005, 85% of respondents used a payphone because it was convenient or they had an issue with their mobile. 72% of people did not use a payphone because they had a mobile. This research does not appear to demonstrate a critical need for public payphones and there were already 3% of respondents who explicitly stated they did not have a payphone in close proximity. Over 8 years has passed since that research was conducted and as illustrated in this response a lot has changed. In our view, if similar research was conducted now it would demonstrate the even more prominent role that mobile phones now have in Irish society. We note that a 2005 study is not a sound basis to establish reasonable needs for the period 2014-2018.

ComReg has consistently acknowledged over the years that payphone usage has declined. However ComReg continues to seek to justify intrusive regulation on the basis that some usage, no matter how small, demonstrates a clear societal need.

Public payphone usage is a tiny fraction of what it used to be.

Figure 4: Payphone usage 2006-2013

	Jul-06 ¹⁹	Monthly average H1 2013	% remaining
Minutes (ex freephone)	1,820,517	27,584	2%
Freephone minutes	522,321	75,858	15%
Total minutes	2,342,838	103,442	4%
USO Public Payphone Base	4,073	1,329	33%
Minutes per payphone (ex free phone)	447	21	5%
Freephone Minutes per Payphone	128	57	45%
Total minutes per public payphone	575	78	14%

Total minutes are 4% of what they were in 2006. Part of this reduction can be attributed to the reduction in number of payphones however when we consider usage per public payphone we see that total minutes has reduced to 14% of 2006 levels.

Whilst Freephone minutes have not declined by the same rate as other usage, average Freephone usage per public payphone is less than 50% of what it was in 2006. It is essential that ComReg does not draw unjustifiable conclusions from payphone usage patterns. For instance, ComReg²⁰ makes the point that “*The number of minutes to Freephone numbers accounted for 72% of all minutes from public payphones in the first 6 months of 2013*”, and proceeds to analyse this figure in two subsequent pie charts. On its own, this 72% is a meaningless figure.

62% of Freephone minutes relate to international calling card and reverse charge calls. Absent any consumer research it is not possible to identify the drivers behind these calls. It may be the case that international calling cards are being used in public payphones because of the high Freephone origination charges levied by mobile operators²¹. If this is the case ComReg should seek to resolve that issue rather than mandate the provision of public payphones. It may also be the case that reverse charge calls are being made by mobile users who are out of credit. Again, this would not be sufficient justification for the mandatory provision of public payphones given that there are more access points to purchase mobile phone credit in the State than there are public payphone locations. It should be noted that the Payphone Access Charge has not been reviewed in several years and it is now significantly below the appropriate cost based rate and below the level of charge applied by several of the mobile operators for Freephone origination.

The other substantial category of calls is to helplines (26%). As ComReg will be aware from the data provided to ComReg in 2013, 85% of these calls (Helpline A) relate to calls to a service specific to the Dublin City Council area. It is clear that ComReg’s cursory analysis of Freephone usage is not a suitable basis from which to draw generalised conclusions, and ComReg’s assertion²² that payphones “*provide a vital service to those vulnerable in society*” appears to be

¹⁹ eircom Response to ComReg letter of 3rd February 2010

²⁰ Paragraph 45, ComReg 13/119

²¹ Some freephone service providers will not accept calls from mobiles due to the high mobile origination charges at the wholesale level.

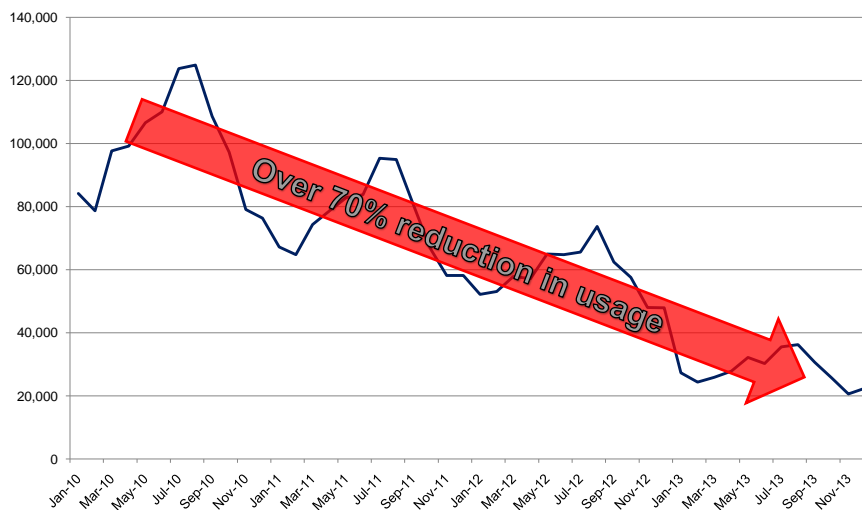
²² Paragraph 49, ComReg 13/119

simplistic and misguided. The fact that the overwhelming majority of calls to helplines are Dublin City centric cannot be held to justify a national obligation.

Given the serious questions around the Freephone minutes as outlined above, it would seem sensible to exclude these from any analysis of “average usage” in paragraphs 50-59 of ComReg’s document.

ComReg initially looks at the number of calls (which exclude Freephone), and concludes that “some payphones have a lot of usage whereas others have little or no usage”. eircom would question ComReg’s portrayal of some payphones having “a lot of usage”. Even the “busiest” payphone on the list has a total of 4 calls per day – hardly a flood of calls. However, the second part of ComReg’s statement that “others have little or no usage” is certainly true – over 1,300 of the 1,329 have less than 2 calls per day and over 1,100 have less than one call per day. In this context, it’s difficult to imagine why ComReg has not already removed the USO on payphones, and even more difficult to comprehend how ComReg is now proposing the complete or partial retention of this obligation going forward.

USO Payphone Retail Minutes



© eircom

Payphone usage has been on a persistent decline for years and as the graph above illustrates there is no reason to expect this trend to change.

ComReg goes on to look at the issue of emergency calls and concludes that “Public payphones, in certain locations, therefore appear to be a necessary resource for consumers in need of emergency assistance”. Again, eircom would take issue with this statement and the analysis done to support it. In practical terms, it is difficult to envisage a situation where, faced with an emergency situation, a bystander would search for the nearest payphone in preference to a mobile phone. The latter will invariably in this day and age be more convenient and accessible.

Based on information obtained from BT ECAS²³, it would seem that emergency calls made from public payphones are more open to abuse. In the month of December only 3% of emergency calls from public payphones were deemed to be ‘normal’, i.e. calls routed to one of the emergency services. This contrasts with the overall average of 3% ‘normal’ calls for all calls received by BT

²³Emergency calls made from public payphones in December 2013

ECAS in the period July 2013 to December 2013. Furthermore the overall average is negatively impacted by false calls originating from mobile phones due to technological issues²⁴ with SIM-less calls. It would be more appropriate to compare the proportion of 'normal' calls originating from public payphones with 'normal' calls originating from fixed lines given the common underlying technology. eircom estimates that by removing the distortion caused by SIM-less calls, 'normal' calls would make up approximately 3% of the remaining calls which contrasts starkly with the figure of just 3% from payphones²⁵. We do not have access to precise information but would suggest that this is an area that ComReg should evaluate further. It is conceivable that the higher levels of abuse from public payphones may be tying up vital resources in the ECAS.

Mobile phone use is already both cheaper and more convenient than payphone use. Regarding emergency use, we note there is coverage from multiple mobile networks at every payphone location. Even in the event of a mobile user having no credit, or any individual mobile network being out of service, emergency calls to ECAS are still possible on other mobile networks. We note in this regard, that the Belgian Regulator (BIPT) did not accept that emergency or other reasons were sufficient for maintaining a USO designation for public payphones in its decision removing the USO designation in Belgium in 2013

"The respondents cite, for example, the usefulness of telephone booths to make emergency calls or other important telephone calls in case of breakdown either of a mobile telephone network, or of a user's phone. It should nevertheless be noted that emergency calls from mobile phones are available on any network (even if the user does not have a contractual link with the operator). Thus, if the network of a mobile operator should have a breakdown, its subscribers (pre- or post-paid) can still make emergency calls using the networks of the other mobile operators. If it is the phone itself that is failing then the solution is to find another cell phone nearby to make the call. And one can reasonably estimate that the probability is low that, simultaneously, (i) an emergency should happen, (ii) the phone of the user who wants to make an emergency call should fail, (iii) another functioning phone cannot be found nearby. Moreover, even in this case, it is not guaranteed that a functioning phone booth could be found nearby."²⁶

These reasons are applicable in Ireland and further underscore the reasons for not designating eircom with a USO in relation to public pay phones in Ireland.

Hence, we do not consider ComReg's analysis of usage to be sufficient to justify the imposition of a public payphone obligation throughout the State. The fact that a public payphone may be used, albeit on a sporadic and dramatically decreasing basis, is not of itself a clear demonstration of a societal need.

²⁴The cause of SIMless calls is not clear however based on data provided at the Emergency Call Answering Service Forum hosted by ComReg a far lower proportion 3% are transferred to the emergency services. According to European Emergency Number Association (ENNA) "The short duration of many SIM-less calls suggest that a large proportion of them are test calls. In some countries emergency service organisations have defended to block SIM-less calls as the high volume of SIM-less false emergency calls handled presents a severe risk to their operational efficiency and effectiveness by diverting resources from attending to genuine emergencies." See <http://www.eena.org/view/en/Committees/112operations/index/psaps.html>

²⁵Based on usage profiles provided at the ECAS Forum, 3% of emergency calls originate on mobiles, 3% of mobile calls are SIMless calls and 3% of SIMless calls are transferred to the emergency services.

²⁶ Translated from footnote 2 on page 10

(http://www.ibpt.be/public/files/fr/20988/_Decision_06052013_FR.pdf)

3. ComReg has failed to consider comparable services

As previously noted ComReg has not explicitly defined the social need or needs that should be met by USO payphones. Rather ComReg has started from the perspective that if a public payphone is being used it must be needed by society. ComReg states that it “recognises that payphone usage is declining and that there are alternatives available to the majority of consumers”. However ComReg surprisingly goes on to say “while there is continued usage of payphones, albeit decreasing, ComReg acknowledges the importance of this facility to certain consumer groupings within society”²⁷.

In the previous sections we have highlighted there are significant proportions of society that are not served by public payphones on a geographical basis and yet we are not aware of these members of society suffering any detriment from the absence of a public payphone. This is because society is now amply served by mobile services which are widely available throughout the State. ComReg has failed to fully consider the availability of mobile services.

Article 6(2)²⁸ requires that “A Member State shall ensure that its national regulatory authority can decide not to impose obligations under paragraph 1 in all or part of its territory, if it is satisfied that these facilities or comparable services are widely available, on the basis of a consultation of interested parties as referred to in Article 33.”

It has long been accepted that mobile services provide a substitute for payphones. For example the following chart was produced by ComReg in 2006²⁹ and ComReg observed that “As a consequence of the growth in mobile telephony, some further reductions in the number of payphones in both urban and rural areas may be unavoidable due to a possible further fall in demand for Payphones.” [emphasis added].

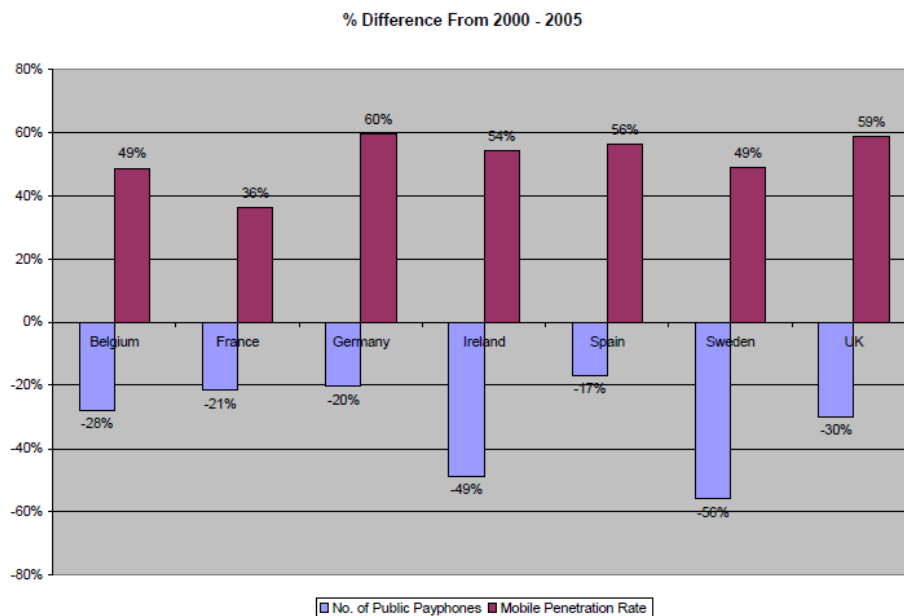


Figure 2: Public Payphones and Mobile Penetration

²⁷ Section 8.3, ComReg 10/46

²⁸ USD 2009

²⁹ ComReg 06/16

The chart above demonstrates the substantial reduction in the number of payphones as mobile penetration increase in example countries including Ireland over the period 2000-2005. Over the last decade the mobile market has continued to grow whilst the payphone market has contracted.

In the first half of 2003³⁰ there were 10,400 payphones in operation in Ireland provided by four operators. 4,690 of these fell within the definition of a public payphone and 4,370 of these were provided by eircom. Since that time national consumer demand for payphone services has collapsed. The three other providers have exited the market. The total number of payphones in operation is approx. 20% of 2003 levels with less than 30% of public payphones remaining.

In contrast the mobile market has flourished in the last decade. At the start of 2003 there were three active mobile providers in the market with a fourth new entrant commencing service in May 2003. Mobile penetration was at 80%³¹ and blended mobile ARPU was €46 per month³². In 2013 there were four MNOs and two MVNOs operating in the market along with other retail providers such as Postfone. In 2013 mobile handset penetration (excluding mobile broadband and machine to machine) was 103.6% and blended ARPU was €26.20 per month, following a sustained downward trend³³. There are no significant financial barriers to mobile ownership. Prepay handsets are available on the market from as a little as €10³⁴. This is equivalent to the cost of making 5 calls from a public payphone. For the equivalent of a further 2.5 calls from a public payphone an individual could top-up the mobile phone by the minimum increment of €5. Bearing in mind there is mobile coverage at all public payphone sites, a citizen could have a fully working (and far more convenient and accessible) alternative to the public payphone for as little as €15.

The following table compares the value for money of €15 spent on a mobile service³⁵ relative to the same amount spent in a public payphone.

³⁰See Figure 3.3, ComReg 06/40

³¹ComReg 03/67a

³²ComReg 03/118R

³³ComReg 13/120

³⁴Samsung E1200 available from Tesco Mobile at €9.99. Correct on 31 January 2013.

³⁵For consistency mobile usage charges based on Tesco Mobile standard Pay as You Go tariffs

Figure 3: what does €15 buy?

	Payphone service	Mobile service
Access	Access to approx. 1,300 payphones dotted around the country at approx. 700 locations. Some disabled users may experience accessibility restrictions. Service limited to voice only.	Near ubiquitous access to mobile service anywhere in the State and in other countries. A range of devices from basic large keypad handsets to smart phones which are universally recognised as facilitators of access for disabled users. Voice, text and web based services available.
Ability to receive calls	Individual would have to pre-arrange specific time to be called and ensure in vicinity of payphone, and that another is not already using the payphone (unlikely)	Ability to receive calls almost anywhere in the State and at any time of the day
Privacy	Calls made in glass fronted call kiosks, albeit could offer some privacy relative to using a shared domestic landline. Calls cannot be traced to an individual which is considered a benefit by some narrow segments of society.	Significantly more scope to find a convenient and private place to make a call. No requirement to register pre-pay service ensuring anonymity.
National calls: first €15	€15 buys 30 minutes to Irish landlines or 15 minutes to Irish mobiles provided no more than 7 calls are made.	Purchase of handset and €5 credit equates to 20 minutes of calls to Irish landlines or Irish mobiles.
National calls: Subsequent €5	€5 buys 10 minutes to Irish landlines or 5 minutes to Irish mobiles provided no more than 2 calls are made.	€5 credit equates to 20 minutes of calls to Irish landlines or Irish mobiles.

eircom cannot see how ComReg can dismiss mobile telephony as a widely available comparable service. Mobile telephony is in fact a superior service in terms of accessibility, convenience and affordability.

It is noteworthy that the Belgian regulator (BIPT) decided in May 2013 to remove the public payphone USO following a more rigorous analysis relative to that presented by ComReg in the consultation document.

The BIPT ultimately decided that it was appropriate to lift the USO designation in relation to public payphones because the analysis showed that those services or similar services were widely available in Belgium.³⁶ Some of the key features of the BIPT process on whether or not a USO designation was appropriate in Belgium were that:

- BIPT carried out a survey of public pay phone usage, coverage and cost (i.e. in relation to the main mobile phone operators in Belgium and in relation to public pay phones in Belgium);
- In order to conduct an international comparison, the BIPT sent 35 regulators (members of the BEREC), a questionnaire on universal service. The question of the relevance of the

³⁶ http://www.ibpt.be/public/files/fr/20988/_Decision_06052013_FR.pdf

maintenance of the public payphone obligations is raised in particular in regard to the international precedents and to the evolution of the Belgian telecommunications market;

- Key issues for the BIPT in its analysis were the decline in use of public payphones and the existence of services that are comparable to public payphones at affordable rates;
- The BIPT concluded that mobile telephone services were broadly accessible and comparable services to public payphones in Belgium because more than 99% of the public pay telephone booths were located in the zones of coverage of the three mobile operators;
- After a cost comparison exercise in Belgium, mobile telephone services were found to be available at rates that were at least as affordable as those of public payphones;
- The BIPT noted that the usefulness of public payphones was in question (e.g. the general inability and inconvenience for people to make return calls to payphones);
- There was a large year-on-year decrease in public payphone usage in Belgium; and
- Public payphones could still be used on a commercial basis where actual usage justifies such use.

For these reasons and based on a full analysis of market characteristics in Belgium, the BIPT removed the USO designation.

In summary, a proper and complete analysis of the current situation by ComReg can arrive at only one justifiable conclusion – the complete removal of the USO from public payphones in Ireland.

Responses to Consultation Questions

Q.1 Do you agree or disagree that there is a continued requirement to provide public payphones to meet the reasonable needs of end-users? Please provide reasons to support your views.

For the reasons outlined above eircom does not agree that there is a continued requirement to impose a Universal Service Obligation in respect of the provision of public payphones.

As noted above, the Universal Service Directive requires that Member States ensure that their NRAs are empowered to “*decide not to impose obligations under paragraph 1 in all or part of its territory, if [the NRA] is satisfied that these facilities or comparable services are widely available*”³⁷. The purpose of this obligation is to ensure that universal service obligations are not imposed where they are not required and where there is evidence that facilities are widely available or, as in the case of public payphones, comparable services are available. This means that where a universal service obligation is no longer justified, a Member State is not entitled to intervene so as to require its continuation and prevent the NRA to remove the obligation, as it ought to do, having regard to the purpose and justification for the universal service.

ComReg’s over-arching concern, as described in Par. 87, seems to stem from the prospect that all of the payphones from a particular area might be removed, although ComReg does not explain the precise meaning of “*geographic area*”. This should not be a cause of concern for ComReg since payphones are now of negligible practical value in the world of telecommunications, having long ago been effectively replaced by more modern infrastructure such as mobile. In addition, public payphones are almost exclusively loss-making. Therefore, rather than attempting to impede or delay the removal of uneconomic payphones, ComReg should welcome and encourage the removals and rationalisation process, since this would obviously improve efficiency, both for eircom and the market in general. Clearly, this would be in keeping with one of ComReg’s high level goals and statutory objective to “*promote competition*” and encourage efficient investment in infrastructure and promote innovation³⁸.

The evidence in the preceding sections of this response is conclusive that there is no continued justification for the public payphone USO. This has been the case for some time now and it is disappointing that ComReg appears to be unwilling to accept this. Over the years ComReg has failed to offer reasonable justification for the continued regulation of public payphones. This is evidenced in the current consultation by ComReg’s reasoning in Par.85 where it states that “*Additionally, public payphones often use different energy sources so after natural disasters, for example, they may still be in working order. This is of particular relevance in remote rural areas.*”

As highlighted previously, public payphones do not exist in remote rural areas. In any event, as ComReg will be aware from its own expertise, public payphones will be served from the same exchange as fixed lines in the local area. In the event of a power failure the exchange will continue to power all lines on back-up power supply for as long as possible. Consequently a public payphone does not have any particular advantage over another eircom line in the area.

Furthermore, as ComReg is aware, mobile networks also have resiliency to power failure. It is difficult to envisage a situation where a public payphone would provide any form of relief in the unlikely event of a natural disaster. If it ever did happen, a mobile phone would be far more likely to be useful than a public payphone.

³⁷ Article 6(2), USD (as amended)

³⁸ Section 12 of the Communications Regulations Act, 2002 to 2010

We also note ComReg's over emphasis that "*many countries, such as the UK, adopt a policy similar to that adopted in Ireland.*"³⁹ As we highlight in Annex 1 the reality is that only a handful of countries maintain this outdated obligation. ComReg has ignored the many different types of approach taken by other Member States in relation this USO as more fully explained in the BEREC 2010 Report (**BEREC Report**)⁴⁰ and therefore ComReg has not provided a sufficient level of regulatory justification for the continued USO designation.

For example, BEREC noted at p.6 of its report that:

*"However, in some countries there are services which are not or no longer included in the USO, particularly the comprehensive Directory Enquiry Service, the Directory of Subscribers, the **Public Pay Telephones.**"*

In the absence of any need to continue the public payphone USO in Ireland and given the very changed circumstances in Ireland in relation to phone services as described in this response, there is a clear and compelling case for removal of the USO designation on eircom.

At page 11 of the BEREC Report, it was stated that:

*"The majority of respondents to this question agreed that an evaluation of the scope of the USO within two (or three) years is enough in light of technological, economic and social developments with some countries pointing to the need to give sufficient time for thorough analysis and evaluation of the data. Discussions should not be only on extending the USO **but also on eliminating some of the services.** The main elements discussed by respondents to this question were the obligations relating to **the provision of public pay phones** and the provision of telephone directory enquiry services and the printed telephone directory. However it is clear that the decision of excluding any element within the scope of the Universal Service should be left to each Member State to decide, taking national circumstances into account." [emphasis added]*

eircom notes that any USO designation must depend on national circumstances. It is clear that the circumstances in Ireland do not require any such USO designation and eircom would urge ComReg to follow an increasing trend across the EU not to seek to impose a public payphone USO.

Q.2 Do you agree or disagree with the regulatory options as set out above? Are there other options that ComReg should consider? Please give reasons to support your view.

It is our firm view that there is no justification for the continuation of the public payphone USO. Seeking to maintain the obligation in its current form or a slightly amended form is unnecessary. eircom does not believe that any of the options in sections 4.2.1 (p. 23) and 4.1.2 (p. 24) offer any meaningful solution to the terminal decline and increasing irrelevance to society of public payphones. ComReg should neither maintain nor amend the existing USO in relation to public payphones. Instead, it should remove it entirely.

In section 4.1.2 ComReg addresses the possibility of amending the existing obligation. Initially, the prospect of removing the need for coin payment is discussed, and ComReg correctly comes to the

³⁹Para 68, ComReg 13/119

⁴⁰[http://www.irg.eu/streaming/BoR%20\(10\)%2035%20BEREC%20Report%20on%20USO_final.pdf?contentId=546910&field=ATTACHED_FILE](http://www.irg.eu/streaming/BoR%20(10)%2035%20BEREC%20Report%20on%20USO_final.pdf?contentId=546910&field=ATTACHED_FILE)

conclusion that this is essentially not an option that would provide incremental benefit or relief to eircom.

The second option considered is that ComReg would define certain payphones to be retained. Again, this is not a valid option. The starting premise here (i.e. that there is some residual “need” for payphones) is incorrect. We would also agree with ComReg that such an approach is much too inflexible.

The third option considered is an amended removals policy. Without prejudice to eircom’s evidence based view that there is no justification for the continuation of the public payphone’s USO, if there was an objective justification for a continuation of the USO obligation, this could be slightly preferable to either of the previous two options but only if it provided eircom with the flexibility to remove any payphone that does not reach a particular usage threshold, without the need for the current complex engagement process. In this context, the proposed removal of the ability of community representation to prevent the removal of unprofitable payphones would be welcomed. However, if the proposal is to replace the current regime with a series of pre-conditions in the form of “*the reasonable needs of consumers*”, “*geographical coverage*”, “*the number of telephones*”, etc, we do not believe that this option will go nearly far enough to make an appreciable difference for eircom, as far as facilitating the efficient removal of uneconomic payphones is concerned.

For the avoidance of doubt, and as eircom makes clear throughout this response, eircom believes that none of the three options listed above goes far enough, and that the USO on payphones should be removed entirely.

Q.3 Which of the above options, in your opinion, would best ensure that public payphones continue to meet the reasonable needs of consumers? Please give reasons to support your view.

None of the proposed options offer any meaningful basis for the continuation of the public payphone USO. The question assumes that there is a “reasonable need” and as outlined in earlier sections of this response, ComReg has not demonstrated a reasonable need while the facts suggest that there is no longer a reasonable need for a payphones USO.

Q.4 Do you agree or disagree with ComReg’s preliminary view that the next designation period should be 3 or 4 years? Please provide reasons to support your view.

It is worth noting that this review of the USO on payphones is a forward-looking review and that ComReg is proposing that eircom should continue as USP up to possibly 2018. Based on the current position, and trends over recent years and months, (which will, no doubt, continue apace into the future⁴¹), it is quite likely that there will be practically no usage of payphones well before 2018. In any case as highlighted elsewhere in this response, the continuation of the USO obligation cannot be predicated on payphone usage as eircom has demonstrated an extremely high level of substitutability of payphone use with mobile phone use. Therefore there can be no justifiable basis for ComReg doing anything other than lifting completely the USO on public payphones in Ireland.

⁴¹For example, overall payphone minutes decreased by over 22% in Q4, 2013 (compared to Q3, 2013), and by over 35% annually.

Q.5 Do you agree or disagree with ComReg's proposal that, for the proposed next designation period, the required universal services should be designated for the entire State and that prices should be geographically averaged? Please provide reasons to support your view.

eircom does not agree for the reasons presented in this response document.

Q.6 Do you agree or disagree with ComReg's proposal that Eircom should continue to be the universal service provider for public payphones during the next designation period, unless there are expressions of interest from other providers? Please provide reasons to support your view.

Article 8(2)⁴² requires “*When Member States designate undertakings in part or all of the national territory as having universal service obligations, they shall do so using an efficient, objective, transparent and non-discriminatory designation mechanism, whereby no undertaking is a priori excluded from being designated. Such designation methods shall ensure that universal service is provided in a cost-effective manner and may be used as a means of determining the net cost of the universal service obligation in accordance with Article 12.*”

ComReg’s proposed designation process is that eircom will be the de facto USP unless another entity expresses an interest in fulfilling universal service objectives associated with public payphones. We do not consider this to be a fair and non-discriminatory mechanism. The proposed mechanism is fundamentally flawed because it does not provide any indication to interested parties as to how they would be compensated in the event that a positive net cost is incurred by the USP for the provision of public payphones.

In this regard, ComReg’s recent Decision⁴³ in respect of eircom’s application for universal service funding for the period 2009/10 calls into serious question the ability of a USP to be compensated in the event that a net positive cost (including of a substantial amount) is incurred. It is also clear from the Decision that a net positive cost that is materially more than €300,000 to €400,000 would have to be incurred before compensation might be considered⁴⁴ - and granted only if a series of very difficult cumulative hurdles have to be passed. What rational entity would express an interest in providing a loss making service without compensation?

ComReg states, absent expressions of interest, “*eircom, should continue to be the universal service provider due to its ubiquity, experience and capability, during the next designation period*”⁴⁵ [emphasis added]. This ignores the fact that the communications market has been liberalised for over a decade. There are a number of well established operators that have the experience and capability to provide communications services. Nor does eircom have any unique advantage in respect of ubiquity given that public payphones are located in areas with one or more alternative network infrastructure operators present. It is therefore entirely plausible that other experienced and capable operators could provide public payphones and as such a proper designation process could be established.

With the convergence of fixed and mobile services, eircom has a smaller market share given the strength of other operators. As a result, there is less reason for eircom to be designated as a USO in relation to public pay phones. In Ireland, there is competition from fixed and mobile providing a high degree of availability, quality and affordability for the basic connection and services – the

⁴²USD 2009

⁴³Decision 01/14

⁴⁴See the ‘administrative test’ in section 9.3 of ComReg 14/03

⁴⁵Paragraph 161

market now delivers and makes a separate USO requirement unnecessary. The inclusion of public pay phones should be reviewed in the light of near ubiquitous mobile coverage in Ireland.

ComReg has not explored the role of wireless networks in fulfilling universal services such as public pay phones. The OECD addressed this issue in its report⁴⁶ at page 28 where it stated:

*"Wireless connections also feature prominently in discussions regarding the role of public payphones in universal service policies. **Widespread service availability and mass mobile service take-up has significantly reduced the use and profitability of payphones.** In some countries like the United States this has led to a significant decrease in the number of available payphones from a peak of 2.1 million in 1999 to fewer than 750 000 in 2009. Other countries like Denmark, Austria and the Netherlands have recently withdrawn payphones from the scope of universal service obligations. In those countries that choose to keep payphones as part of universal service policies, wireless technologies could help make payphones a cost-effective option. **Payphones connected to wireless broadband networks as opposed to conventional fixed networks could have costs and service advantages.** Where wireless networks are already in existence it would be unnecessary to install and maintain an extra line. Furthermore, wireless payphones could offer Internet services to help recoup maintenance costs at no extra expense."* [emphasis added]

As part of a comprehensive regulatory review, ComReg should, if it believes there is continued justification to mandate USO payphones, explore the option of connecting pay phones to wireless technologies. With the number of mobile service providers in Ireland, there would be no need to designate eircom with a USO and indeed ComReg could more efficiently explore ways of incentivising the use of pay phones with wireless services as outlined above without any designation. Given the extensive coverage of mobile networks in Ireland, no part of Ireland would be disadvantaged by such an approach (including all remote areas of Ireland). For this reason also, eircom believes that the designation process being used by ComReg is materially flawed and inconsistent with the principle of technology neutrality.

However it is eircom's firm view, as highlighted earlier in this response, even if ComReg was to undertake a fair and competitive designation process, it would be a futile effort in respect of public payphones because there is no objective justification for the continuation of mandating public payphones as a universal service.

Q.7 Do you agree or disagree with ComReg's draft assessment of the impact of the proposed options? Please set out reasons for your answer?

eircom does not agree with ComReg's draft impact assessment. The assessment in section 6 of the consultation is arbitrary and subjective. ComReg has failed to undertake an objective and evidence based analysis and as a result has reached the wrong conclusion.

ComReg must substantiate its assertions⁴⁷.

"Some payphones may remain, however it is likely that all public payphones in certain geographic areas would be removed." It is already the case that large areas of the population are not served by public payphones and do not appear to suffer any detriment as a direct result.

⁴⁶[http://search.oecd.org/officialdocuments/displaydocumentpdf/?cote=DSTI/ICCP/CISP\(2011\)10/FINAL&docLanguage=En](http://search.oecd.org/officialdocuments/displaydocumentpdf/?cote=DSTI/ICCP/CISP(2011)10/FINAL&docLanguage=En)

⁴⁷Quotes taken from the table presented on pages 37 to 39, ComReg 13/119

“Vulnerable consumers and consumers in remote rural areas no longer have access to service that they currently use.” As we have demonstrated public payphones do not serve remote rural areas. Furthermore ComReg has not identified or defined the needs of the so-called vulnerable consumers that may suffer absent a nearby public payphone.

“Additional costs incurred if Eircom re-designated are minimal. Recent price increase will assist to minimise net cost but there is likely to be a net cost.” This is not correct. The net cost of providing public payphones is increasing. The terminal decline in traffic volumes is outstripping the addition revenue from the price increases. It is notable that ComReg has not considered reviewing the Payphone Access Charge. ComReg must properly consider the cost burden arising from its decisions including cost and revenue projections for the proposed designation period.

“Payphones still provided to meet reasonable needs of end users.” Reasonable need has not been defined.

“Obligation may exceed reasonable need and the benefit of some payphones is in doubt due to low usage.” This is a significant understatement!

“Where payphones are removed, consumers needing to make calls in certain locations may now need to find alternative payphone location.” As amply demonstrated in this response consumers could quite easily use a mobile phone service.

As mentioned previously, it is a fact that the USO for public payphones is redundant, having been effectively replaced long ago by far more effective and efficient substitutes. However this is ignored in ComReg’s ‘assessment’. ComReg must undertake a proper cost benefit analysis to inform its decision making. There is no proper justification offered by ComReg for proposing to maintain the current USO on eircom in relation to the supply of public payphones.

Annex 1: Cross country comparison

European Benchmark Comparisons

The increasing redundancy of public payphones is not unique to Ireland, and indeed has been widespread across Europe and the world for many years. As long ago as 2010, a report by BEREC⁴⁸ outlined the situation in many EU benchmark countries. Some of these situations are outlined below. Considering the situation at that time as outlined below, and the developments since then (especially in relation to the proliferation of portable hand-held communications device and the expansion of mobile substitution), it is well past the time when ComReg should remove the USO around payphones provision in Ireland.

The following extracts from the 2010 BEREC report illustrate that, even then, there was a huge move for the removal of the USO as it related to payphones. Today, four years later, these sentiments and positions should carry even more weight.

Country	Extract	Page Ref.
Austria	Provision of public pay telephones is no longer part of the USO.	25
Netherlands	Provision of public pay telephones is no longer part of the USO.	25
Denmark	Provision of public pay telephones is no longer part of the USO.	25
Belgium	The opportunity to include public payphones in the USO scope might be reconsidered, because of the decline of their usage.	70
Bulgaria	Access to public payphones should be excluded from the scope of the US.	70
France	...it might be appropriate to redefine coverage obligations to reflect changes in the telecoms markets.	70
Germany	With the extensive spread of mobile telephony and full coverage of fixed telephony network a complete change of behaviour has emerged resulting in low demand for public payphones. The mobile phone represents a substitute for public telephones and therefore resulting in lower profitability for public telephones.	70
Italy	Public pay phone services should be excluded from the USO as usage is low and it continues to decrease due to the popularity and accessibility of mobile phones.	71
Latvia	Public pay phone services should be excluded from the USO as usage is low and it continues to decrease due to the popularity and accessibility of mobile phones.	71
Poland	Exclusion of the public payphones obligation from the scope of the USO is being considered. End users demand for public pay phones is constantly declining. At the same time only a small part of the population uses them, which was confirmed with a consumer poll.	71
Romania	Access to public payphones should be reconsidered in terms of its inclusion in US. The criteria for assessment should include, the usage, the ubiquity of other means of communications which can substitute the payphone.	71

⁴⁸[http://www.irg.eu/streaming/BoR%20\(10\)%2035%20BEREC%20Report%20on%20USO_final.pdf?contentId=546910&field=ATTACHED_FILE](http://www.irg.eu/streaming/BoR%20(10)%2035%20BEREC%20Report%20on%20USO_final.pdf?contentId=546910&field=ATTACHED_FILE)
 “BEREC Report on Universal Service – reflections for the future” of June 2010

The 2013 Cross Country Analysis from Cullen⁴⁹ on the scope of USO across Europe is relevant in the current context. The country data listed by Cullen includes the EU 15 and 2 countries (Norway and Switzerland) from outside the EU.

The situation for 14 countries of the EU 15 (excl. Ireland), going forward from February 2014, is tabulated below, noting that the current partial USO on payphones in France expires in February 2014, and we also note that, although Italy is listed as having a USO, there is an attendant comment to the effect that phase-out is allowed. The Italian comment above from the BEREC Report (*“Public pay phone services should be excluded from the USO as usage is low and it continues to decrease due to the popularity and accessibility of mobile phones”*), also shows that Italy is less than 100% committed to the USO on payphones.

USO on Payphones? Yes	USO on Payphones? No (From Feb 2014)
Greece	
Italy	
Portugal	
Spain	
United Kingdom	
	Austria
	Belgium
	Denmark
	Finland
	France
	Germany
	Luxembourg
	Netherlands
	Sweden
5	9

This is a somewhat more complete analysis of the situation in peer countries than that presented by ComReg in Section 3.3 of document 13/119. We see from this table that, even now, 9 of the 14 direct comparator countries to Ireland do not have a USO on payphones, and one of the remaining 5 (Italy) seems to be less than fully committed to the retention of the USO. It would also be interesting to note how many of the remaining 4 are but a legacy of old regulatory regimes, which will be removed at the time of the next review. For example the public payphone USO was last reviewed in the UK in 2005 and the absence of social need is reflected in BT’s ongoing Adopt a Kiosk programme. It is likely that, if these 4 countries were currently embarking on the type of review ComReg is currently initiating some or all of them would step into line with the other countries and remove the USO on payphones.

In this context, it is difficult to reconcile ComReg’s apparent proposal to maintain a payphones USO with the realities of the marketplace or with the situation in comparator countries.

⁴⁹<http://www.cullen-international.com/product/documents/CTTEEU20130207>

Annex 2: Age Profile

Age profile data for the general population and for the islands of Inishmaan, Inisheer, Inishbofin and Cape Clear for Census 2011 was sourced from the CSO website⁵⁰.

Table A2.1 below shows the population of each island and the total population of the country with Table A2.2 showing the proportion of the population in each age group for each island and the total population.

Table A2.1 Population (Number) by Age Group

AGE GROUP	INISHMAAN	INISHEER	CAPE CLEAR	INISHBOFIN	TOTAL POPULATION
All ages	157	249	124	160	4,588,252
0 - 4 years	5	15	6	4	356,329
5 - 12 years	9	19	14	22	344,931
13 - 18 years	12	19	11	1	354,313
19 - 24 years	5	7	7	12	755,067
25 - 34 years	10	32	5	16	695,073
35 - 44 years	9	24	15	31	579,571
45 - 54 years	35	44	26	22	504,267
55 - 64 years	32	43	23	19	463,308
65 - 74 years	16	24	9	21	304,828
75 years and over	24	22	8	12	230,565

Table A2.2 Population (Percentage of All Ages) by Age Group

AGE GROUP	INISHMAAN	INISHEER	CAPE CLEAR	INISHBOFIN	TOTAL POPULATION
0 - 4 years	3.2%	6.0%	4.8%	2.5%	7.8%
5 - 12 years	5.7%	7.6%	11.3%	13.8%	7.5%
13 - 18 years	7.6%	7.6%	8.9%	0.6%	7.7%
19 - 24 years	3.2%	2.8%	5.6%	7.5%	16.5%
25 - 34 years	6.4%	12.9%	4.0%	10.0%	15.1%
35 - 44 years	5.7%	9.6%	12.1%	19.4%	12.6%
45 - 54 years	22.3%	17.7%	21.0%	13.8%	11.0%
55 - 64 years	20.4%	17.3%	18.5%	11.9%	10.1%
65 - 74 years	10.2%	9.6%	7.3%	13.1%	6.6%
75 years and over	15.3%	8.8%	6.5%	7.5%	5.0%

The data table A2.2 was used in the chi-squared test.

⁵⁰<http://www.cso.ie/en/media/csoie/census/documents/saps2011files/AllThemesTablesSA.csv>

2: Solitaire Payphones

Hi Michelle

We have read with interest your Provision of Public Payphones USO Document , having spent 30 years in the Payphone business I would like to add my thoughts to your review process.

I have seen all sides of this debate as a previous supplier to Eircom via Landis & Gyr Communications (UK) Ltd and British Telecom via Rathdown Industries.

Our suggestion is that current USO is retained but if Eircom do decide that a Street Payphone should be removed then serious consideration is given to its local area replacement with a low cost , indoor supervised environment Solitaire 6000 or 6000 High Security Payphone , available in stock , already adapted to accept 20c 50c €1 & €2 coins , with ROI Tariffs. (Euro Brochure attached)

These new products to be sited on private premises, in supervised locations where weatherproofing , vandal protection , credit card operation etc are not required, such locations as mentioned in your report Shopping Centres, Supermarkets, Hotels , Hospital Reception Areas etc. where opening hours have been substantially extended during recent years. (Simple signage to indicate location of nearest such payphone)

We view this option as preferable to the disappearance of the Street payphone service, still allowing Emergency Calls, 1800 Service access and Prepaid Calling cards. Please note that we would not allow DQ calls if these are premium rate chargeable.

If Eircom could reach an arrangement with the private payphone site owner on subsidised product cost/ line rental, allow the owner to have keys to the payphone cashbox and retain a revenue share this should allow easement of the transfer process.

For our part we have seen a continued demand for the indoor supervised environment Solitaire Payphones in the UK as a means to control landline telephone costs in a wide range Domestic and Business locations.

If you have any more questions in relation to our suggestion we would be pleased to enter further dialogue.

Regards

Jeff Wilkes
Managing Director
Solitaire Payphones Ltd
www.solitairepayphones.com

Solitaire 6000 Euro Payphone

An attractive combination of price and features in a coin operated payphone.



QUESTIONS

- Need to provide a payphone service to your customers, tenants or holidaymakers?
- Problems with control of telephone calls to mobile phones or Premium rate numbers?
- Need to stop staff abuse of telephone whilst still allowing legitimate work related calls?
- Need to take money to cover cost of calls but be able to make calls yourself without coins?
- Need Business Income from Taxi calls

THE ANSWER

Solitaire 6000 Euro Payphone



Solitaire 6000HS

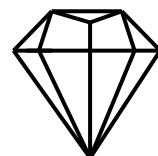
Solitaire Payphones Ltd.

PO Box 105, Ashted, Surrey KT21 1AQ England

Web www.solitairepayphones.com

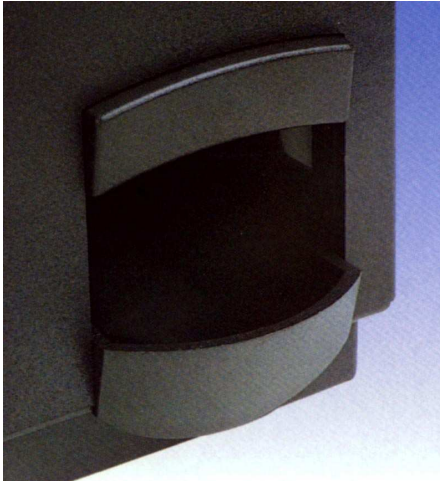
Tel. +44 1372 270111

Fax +44 1372 271143



Key Features

Refund



Electronic Coin Discriminator accepts 20c 50c €1 and €2 Coins

Pay On Answer, with refund of invalid coins

No Batteries - line powered

Electronic Coin Discriminator



Just Plug and Go - connect to telecom network socket (No requirement for Meter Pulses)

Table or Wall mountable without a bracket

Solitaire 6000 Euro Payphone

Features

- Accepts 20c 50c €1 and €2 Coins
- Pay On Answer operation
- Owner Programmable Call Charges
- Just Plug and Go
- LCD prompts
- Owner Mode
- Lockable Cashbox
- 3 Memory Buttons
- Next Call Button
- Coin Refund
- PABX Compatible
- Emergency calls without coins
- Line Powered
- RoHS Compliant

Owner Programmable



Owner programmable call tariffs:
Minimum fee
Unit Fee

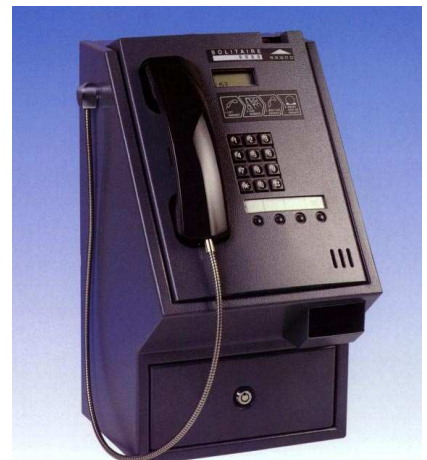
Owner PIN code allows calls without coins

Cash Records



Lockable cash box, with 600 coin capacity

LCD displays Cash Records



High Security Metal Cased Version available



Solitaire Payphones Ltd.

PO Box 105, Ashted, Surrey KT21 1AQ England

Web www.solitairepayphones.com

Tel. +44 1372 270111

Fax +44 1372 271143

