



Commission for
Communications Regulation

Information Notice

Provision of Universal Service by Eircom

Performance Indicators Q1 2008

Document No:	08/69
Date:	22 August 2008

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Foreword

The Commission for Communications Regulation (ComReg) is responsible for the regulation of the electronic communications sector in accordance with national and EU legislation. Among ComReg's functions in this regard is to determine the scope of the Universal Service Obligation ("USO") for the Irish market and decide which undertaking(s) should be designated as the Universal Service Provider(s) ("USP"). In July 2003, Eircom was designated as the Universal Service Provider (USP) for a period of three years. Following a public consultation, in July 2006, Eircom was again designated as the USP for a period to end June 2010.

Regulation 10 of the Universal Service Regulations requires the USP to publish information on its performance in relation to the provision of the Universal Service Obligation (USO). In exercise of ComReg's general powers to publish information under regulation 17 of the Framework Regulations, ComReg has decided to publish the performance indicators simultaneously with Eircom and the data will continue to be updated on a quarterly basis. ComReg considers that publication provides increased transparency regarding the fulfilment of the USO and will help to inform debate regarding related matters.

A Response to Consultation on USO Quality of Service Performance Targets, (ComReg Decision No D02/08, ComReg Document No 08/37), was published on 28 May 2008 setting legally binding performance targets for the provisioning of connections, the rate of fault occurrence and fault repair timescales. These legally binding targets take effect for Eircom, as designated universal service provider, from 1 July 2008, and are subject to enforcement from 30 June 2009. ComReg expects that these legally binding targets will act as an incentive for Eircom to improve its quality of service performance for the benefit of its consumers and stakeholders.

The legally binding targets, in accordance with ComReg Decision No D02/08, do not take effect until 1st July 2008. However, ComReg intends to publish the Eircom USO Quality of Service Performance data in accordance with the targets set out in ComReg Decision D02/08 commencing with the information notice reflecting the performance data for the period Q2 2008.

ComReg intends that this and subsequent information notices will reflect data relating to these performance targets together with other elements of USO data which are also currently published. It is intended that the information notice relating to Q2 2008 data will provide an overview of the key performance targets being reported and measured.

This information notice reflects Eircom's performance relating to Q1 2008 and is in accordance with previous reporting formats. As stated above ComReg intends that this will be the final information notice in this format. Regarding the performance data for Q1 2008, it is of particular concern to note the overall serious decline in performance for both service provisioning and for fault rate occurrence. From the provisioning perspective the Business retail sector suffered more acutely than the Residential retail sector. Adverse variances of 50% and 40% for Business supply time fastest 95% and Business supply time fastest 99% were recorded respectively. Fault rate occurrence for Q1 2008 recorded the highest level of residential customer fault reporting since ComReg commenced publication of performance information in this format. In relation to fault repair performance, the fastest 80% repair time shows signs of performance decline over Q4 2007 while the fastest 95% repair time continues to show a trend of improvement, which is encouraging.

Overall, these results emphasise the need for mandatory performance targets.

John Doherty
Chairperson

1 About the Universal Service Obligation

The Universal Service Obligation (USO) is a set of requirements designed to ensure that all persons have access to a minimum set of telephone services.

The services to be provided under the Universal Service Obligation as set out in the USO Regulations¹ are as follows:

- Meeting reasonable requests for connections at a fixed location to the public telephone network and access to publicly available telephone service. The connection is required to be capable of allowing voice calls, fax communications and data communications at data rates which would permit functional internet access
- Directory services – provision of Printed Directories and Directory Inquiry service along with the operation and maintenance of the National Directory Database
- Provision of Public payphones
- Specific measures for disabled users
- Affordability of tariffs for consumers and options to control expenditure

Eircom was designated as the Universal Service Provider (USP) in July 2003 for a 3 year period. Following a public consultation, in July 2006, Eircom was again designated as USP for a period to end June 2010².

Detailed requirements have been set in respect of some aspects of the above. Document 05/64³ amended an earlier decision requiring the production of telephone directories in CD format.

¹ European Communities (Electronic Communications Networks and Services) Universal Service and Users' Rights) regulations 2003 – S.I. No. 308 of 2003, as amended.

² The Future Provision of Telephony Services Under Universal Service Obligations

Document 05/70⁴ set out requirements to be followed by the USP when considering the reasonableness of requests for connections and it also set out guidelines to be followed (including performance targets) in providing such connections. The document also provided guidelines in respect of a target data rate for Functional Internet Access.

Document 06/14⁵ provided guidance on the criteria to be applied when considering requests for the removal or re-location of public payphones.

³ Directory Enquiry Services and Directories - Amendment of requirement to make directories available in CD format

⁴ Universal Service Requirements: Provision of Access at a Fixed Location – Connections to Public Telephone Network and Provision of Functional Internet Access

⁵ Universal Service Obligations - Removal/Relocation of Public Pay Telephones

2 Methodology for Quality of Service Performance Indicators

Regulation 10(1) of the Regulations requires the USP to publish adequate and up to date information on its performance in respect of the USO. The information is to be based on the quality of service parameters, definitions and measurement methods which are set out in the relevant EU Directive⁶. These, in turn are based on European Telecommunications Standards Institute (ETSI) standards which provide precise detail on definitions and methodologies and have been used in recording the performance indicators. Where the ETSI standards do not cover an aspect of the USO, specific indicators have been developed to ensure that the performance is measured.

In summary the performance indicators address the following aspects of the Universal Service Obligation:

2.1 Direct Access Public Service Telephone Network (PSTN) Provision

This section deals with the USP's record in completing fixed line installations. This section provides information on the percentage of installations which were completed by the date agreed with the customer. Also measured is the time taken for 95% and 99% of all installations in elapsed days. Both of these metrics are as specified in the ETSI standard.

In September 2005, ComReg issued as guidelines, performance targets for installations. The distribution of actual installations against the time periods set out in the performance targets is also shown.

2.2 Direct Access PSTN Repair

This section deals with how many line faults were reported to Eircom and how many were fixed during the reporting period.

⁶ 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 (Universal Service Directive)

All faulty lines that are reported in the specified quarterly period are included and reported as a percentage of total installed lines. It should be noted that fault reports which are subsequently found not to be justified (e.g. If a customer reports a fault and it turns out not to be a fault) are excluded i.e. the data reported here represents actual faults.

In terms of reporting on repair rates, the ETSI standard calls for the measurement in working hours for the fastest 80% and 95% of fault repairs which have been completed.

2.3 Functional Internet Access (FIA)

Broadband access does not fall within the scope of the USO with the Directive making clear that the requirement is for a single narrowband connection. In September 2005, ComReg specified a target data rate of 28.8 kbps (kilobits per second) as the minimum data rate which could be considered as capable of delivering functional internet access. Also issued by way of guidance was a performance target of 94% of lines to be capable of the target data speed by June 2006.

This section records the percentage of PSTN lines which are capable of the minimum data rate 28.8 kbps (kilobits per second) or greater. This is calculated by combining the total of working lines taking broadband (by definition, line capability will be above the target rate) and residual lines which are estimated as having a capability greater than 28.8kbps based on sample measurement of data speeds encountered by customers of Eircom's dial-up services.

2.4 Public Payphones

This section provides figures on the numbers of USO payphones provided and the proportion in full working order during the reporting period.

2.5 Affordability of Tariffs

This section provides information on the numbers of bill complaints and records the availability of the Vulnerable Users Scheme and support under the Department of Social and Family Affairs (DSFA) household benefit scheme.

2.6 Specific Measures for Disabled Users

This section records the services and equipment available for people with disabilities.

3 Appendix

All data relates to Eircom retail services only as the performance indicators are for the purpose of measuring compliance with the Universal Service Obligation. The data has been supplied by Eircom in accordance with Regulation 10(1) of the USO Regulations.

3.1 Direct Access PSTN Provision

	Q2 2007		Q3 2007		Q4 2007		Q1 2008	
	Res	Bus	Res	Bus	Res	Bus	Res	Bus
Supply time fastest 95%	28	26	24	35	25	30	32	45
Supply time fastest 99%	151	103	131	105	131	101	141	140
Percentage of requests completed by agreed date	90%	82%	90%	82%	90.2%	82.9%	89.8%	81.5%

Table 1.1 – Provision of Access in elapsed days

Supply time fastest for both 95% and 99% for both the Residential and the Business segments shows a striking decline in performance over Quarter 4 2007 performances. This decline is particularly apparent in the business sector figures. ComReg is seriously concerned about this downward trend and stresses the need for overall improvement of this measure. Eircom informs that during Q1 2008 it targeted those orders which have been outstanding for an extended period of time. Eircom states that an increased number of older orders were completed throughout this period which contributed to an increase in the supply time reported.

Requests completed by agreed date also shows a slight decline in performances for both the Residential and the Business segments throughout Q1 2008.

Fig 1.1 below illustrates the quarterly supply time trend from January 2006 to March 2008 for the provision of Access (in elapsed days)

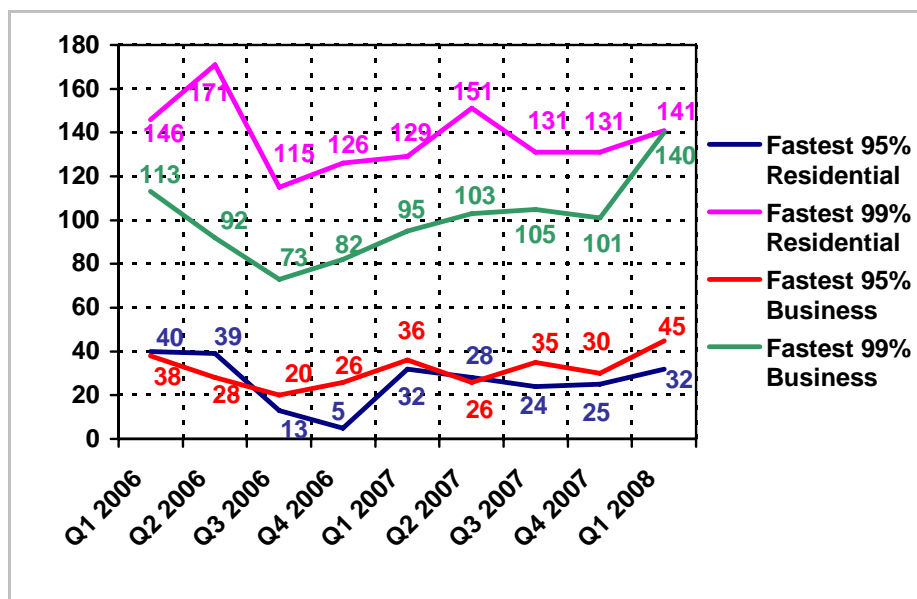


Table 1.2 – Age Profile of Completed Connections

	Performance Targets (ComReg Doc 05/70)	Q2 2007		Q3 2007		Q4 2007		Q1 2008	
		Res (%)	Bus (%)	Res (%)	Bus (%)	Res (%)	Bus (%)	Res (%)	Bus (%)
Less than 4 weeks	60% of requests to be met in this time period	94.90	95.26	95.47	94.11	95.39	94.77	94.68	93.06
4 – 8 weeks	80% of requests to be met in this time period	96.79	97.87	97.33	97.06	97.15	97.45	96.51	95.87
8 – 13 weeks	90% of requests to be met in this time period	97.96	98.89	98.36	98.76	98.32	98.85	97.93	97.82
13 – 26 weeks	95% of requests to be met in this time period	99.34	99.83	99.45	99.74	99.43	99.57	99.40	99.48
26 – 52 weeks	All requests to be met in this time period	99.87	99.99	99.93	99.99	99.92	99.93	99.89	99.97

Table 1.2 – Completed Connections for Q2, Q3, Q4 2007 & Q1 2008

Table 1.2 shows the age profile of completed connections. Both the Residential and the Business segments met the set guideline performance targets (ComReg Document 05/70) throughout Quarter 1 2008. However, it is noted that a small percentage of overall connections took more than a year to complete. This is not satisfactory from a consumer perspective.

3.2 Direct Access PSTN Repair

Table 1.3–Reported Faults and Fault Repair Time

	Q2 2007		Q3 2007		Q4 2007		Q1 2008	
	Res	Bus	Res	Bus	Res	Bus	Res	Bus
Faults per 100 lines	6.1	2.8	6.4	2.8	6.3	2.7	7.8	3.1
Fastest 80% completed (working hrs)	31.7	27.8	32.2	29.6	28.6	24.2	33.1	28.1
Fastest 95% completed (working hrs)	67.1	61.5	67.1	65.3	65.8	59.5	63.9	57.0

Table 1.3 – Reported Faults and Fault Repair Times for Q2 Q3, Q4 2007 & Q1 2008

Table 1.3 shows the reported fault rate per 100 lines and fault repair times for Q2, Q3, Q4 2007 & Q1 2008. Performance for Q1 2008 shows an increase in the proportion of faults per 100 lines for both business and residential over Q4 2007 and recording the highest rate of reported fault occurrences per 100 lines for residential customers since Eircom commenced reporting in this format in Q1 2006. Of note, however, is that performance for Q1 2008 for fault repair time shows encouraging signs of improvement, with the metric of the fastest 95% completed showing a continuous trend of improvement since Q2 2007.

Fig 1.2 illustrates the trend for fault rates per 100 lines from January 2006

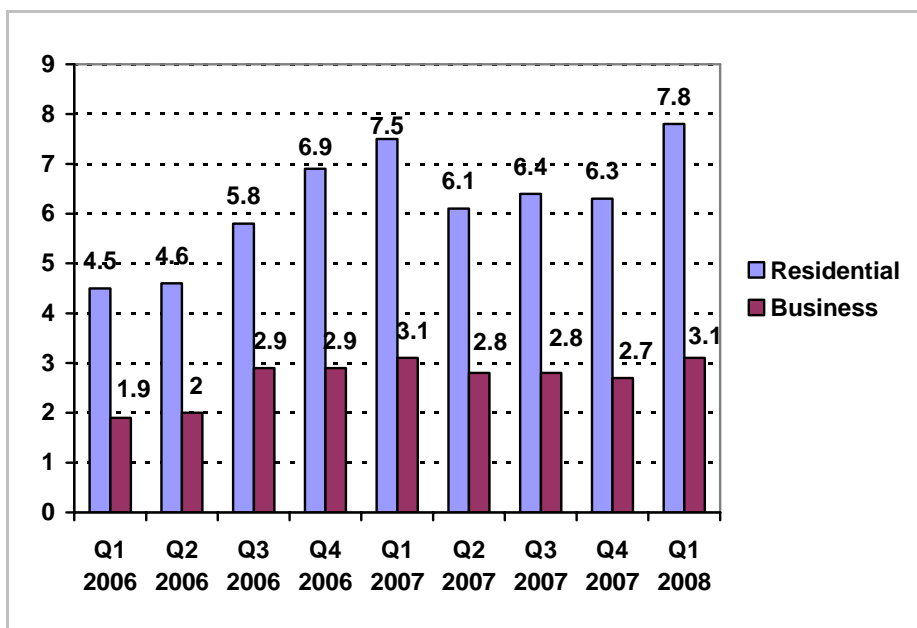


Fig 1.2 – Proportion of faults per 100 lines from January 2006 to March 2008

Figure 1.2 shows that the rate of fault reports has continued to increase since the beginning of 2006, with minor improvements to be seen from Q2 2007. However, Q1 2008 data reports the highest rate of faults per 100 lines for the Residential sector since Eircom commenced reporting in this format.

Eircom has commented that sustained adverse weather conditions during Q1 2008 have had a significant influence on the increased level of fault reporting by USO customers throughout this period.

Fig 1.3 illustrates the trend for Fault Repair times from January 2006 in working hours

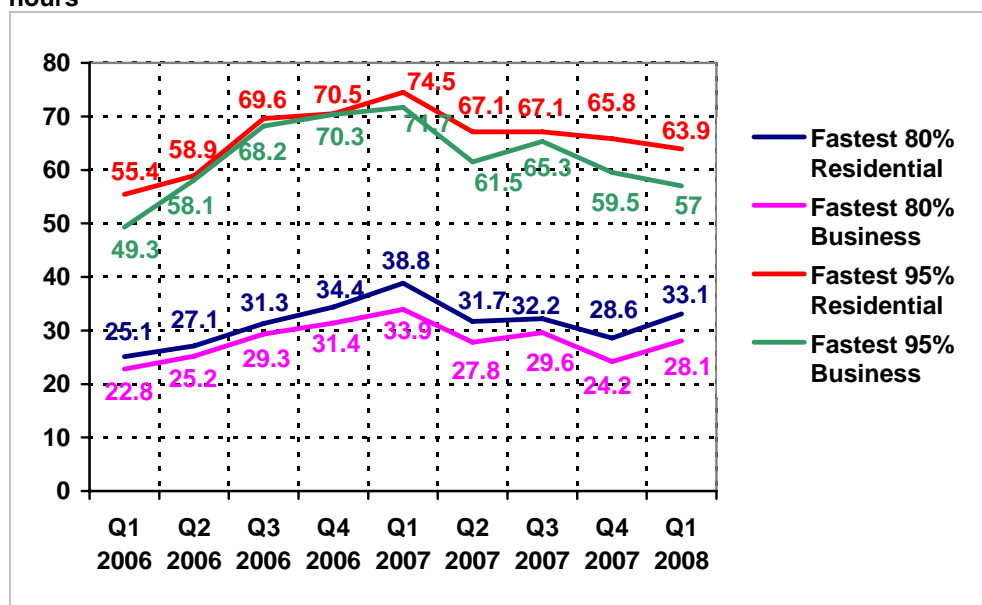


Fig 1.3 – Fault Repair times - Jan 2006 to March 2008

Figure 1.3 highlights the time taken to repair faults and restore service to customers. It should be noted that performance for Q1 2008 shows positive signs of improvement for the fastest 95% completed for both the Residential and the Business sectors. Nevertheless, when compared with early 2006 performances, there is considerable scope for improvement.

3.3 Functional Internet Access

	Performance Target	Q2 2007	Q3 2007	Q4 2007	Q1 2008
% of access lines capable of data speed <= 28.8kbps	94%	94.44%	94.1%	94.51%	94.84%

Table 1.4 – FIA for Q2, Q3, Q4 2007 & Q1 2008

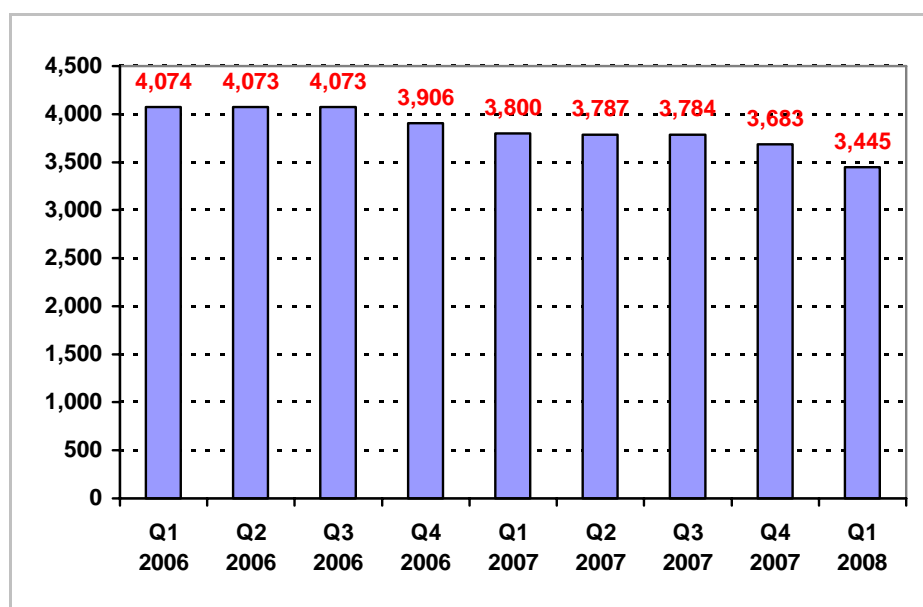
The percentage of lines capable of greater than 28.8kbps target (residential and business) for Q2, Q3, Q4 2007 & Q1 2008 meets the performance target set out in (ComReg Decision D9/05 and ComReg Document 05/70).

3.4 Public Payphones

Table 1.5 shows the number of USO payphones between April 2007 and March 2008.

	Q2 2007	Q3 2007	Q4 2007	Q1 2008
Number of USO payphones for the period	3,787	3,784	3,683	3,445
USO Payphones in full working order	92.51%	89.79%	93.80%	92.03%

Fig 1.4 below shows the number of payphones since the beginning of 2006.



3.5 Affordability of Tariffs

Residential consumers who qualify for the DSFA free telephone rental allowance	Under the Department of Social and Family Affairs' Household Benefit Package, qualifying customers can avail of the telephone allowance which is valued at €25.90 per month from 1 August 2007
Residential consumers subscribing to the Vulnerable Users Scheme	Customers can avail of the Vulnerable User Scheme which is targeted at users who need a telephone line but use it infrequently

Table 1.6 – Affordability of Tariffs

	Q2 2007		Q3 2007		Q4 2007 ⁷		Q1 2008	
	Res	Bus	Res	Bus	Res	Bus	Res	Bus
Gross number of bill correctness complaints per 100 bills	0.02	0.00	0.01	0.00	0.06	0.01	0.06	0.01

Table 1.7 – Billing Complaints for Q2, Q3, Q4 2007 & Q1 2008

3.6 Specific Measures for Disabled Users

For customers who are hearing impaired:

- Inductive Couplers
- An Amplified phone
- Visual indicator when phone rings
- The national relay service (Minicom)
- The STEP rebate scheme provides text telephone users with a rebate on text telephone charges

For customers with limited dexterity or mobility:

- Speed dial and automatic redial buttons
- Hands free facility
- Special directory enquiries

For customers with restricted vision:

- Braille billing
- Standardised layout of key pads around central number (5) with raised dot
- Extra large, high contrast buttons.

⁷ Eircom has stated that its original method of calculating statistics for bill correctness complaints for this period was incorrect. Eircom has provided revised data for this period and confirmed that it is now accurate.