



Commission for  
**Communications Regulation**

# **Provision of Universal Service by Eircom**

## **Quality of Service**

### **Information Notice**

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**An Coimisiún um Rialáil Cumarsáide**  
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## 1.1 The universal service

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

## 1.2 Performance improvement programme 2010 – 2012 (PIP)

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

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

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

<sup>3</sup> Eircom established a cash deposit form of guarantee in December 2012 for the annual performance period 2012/2013. Accordingly, if any of the performance targets are not achieved, ComReg is entitled to make a withdrawal for a corresponding proportion of the €10m held in cash deposit, by way of a financial penalty on Eircom.

## 1.3 Performance improvement programme 2012 - 2014 (PIP2)

4. Having regard to Eircom's performance improvements achieved over the periods 2010/2011 and 2011/2012, albeit that Eircom did not achieve a number of its targets for fault repair times in 2010/11 and 2011/2012, it was considered that the continued implementation of a performance improvement programme for a further two annual periods could potentially achieve additional USO performance improvements for consumers. In light of this, Eircom established a new performance improvement programme (PIP2) for the two annual periods (2012/2013 and 2013/2014). The related targets are in respect of timescales for connection, fault repairs and fault rate occurrence and are set out in **Appendix 2** which include, in some cases, more demanding targets than those that were in place for the initial PIP.
5. Eircom also put in place a financial security mechanism (cash deposit) to guarantee its performance for the annual periods 2012/2013 and 2013/2014. Eircom's maximum annual financial liability is €10m for each of the two annual periods. In addition, Eircom estimated that it would make an investment of €51m over the periods 2012/2013 and 2013/2014 (see also **Appendix 2**).

## 1.4 Eircom's USO quality of service performance for the period 1 July 2012 to 30 June 2013

6. A number of the targets for the USO quality of service performance improvement programme for the period 1 July 2012 to 30 June 2013 were achieved by Eircom while others were not. Please refer to **Appendix 1** for further details.
7. In summary, for the period 2012/2013 Eircom achieved its targets in relation to connections, fault occurrence, and certain fault repair targets. However, Eircom did not achieve its targets for fault repairs completed within 4 working days and fault repairs completed within 5 working days.

8. Eircom has now paid the sum of €80,000.00 to ComReg arising from its failure to achieve the relevant targets.<sup>4</sup>

## 1.5 Eircom's USO quality of service performance since 2008

9. Since ComReg established the legally binding performance targets, Eircom's performance in respect of connections, fault repairs and fault occurrence has improved markedly. There are also indications that this improvement in Eircom's performance is continuing for many of the performance metrics. The charts in **Appendix 3** detail this progress.<sup>5</sup>
10. Of particular note is that the number of line faults per 100 lines has decreased from 17.1 to 12.6.<sup>6</sup> The performance level for fault repairs completed by agreed date has increased from 73.1% in 2008 to 95.8% in 2012/2013.
11. ComReg has compared Eircom's quality of service performance for the year ended 2012/2013 using the performance levels achieved in 2008/2009 as the base year. In November 2011, ComReg published an Information Notice showing the benefits achieved from improved performance in 2010/2011<sup>7</sup> and in November 2012, ComReg also published an Information Notice showing the benefits achieved from improved performance in 2011/2012<sup>8</sup>. ComReg has estimated<sup>9</sup> the following totals of the benefits from improved connections, repair times, and lower fault occurrence rates:

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

<sup>5</sup> In some cases performance for 2012/2013 is not at the same level as in 2011/2012 but it has nonetheless met the PIP targets

<sup>6</sup> Excluding line faults which have occurred due to vandalism (including theft) and/or third party damage, and which have been verified and audited.

<sup>7</sup> Information Notice - Provision of Universal Service by Eircom - Quality of Service - see ComReg 11/79

<sup>8</sup> Information Notice - Provision of Universal Service by Eircom - Quality of Service - see ComReg 12/122

<sup>9</sup> The estimates are based on the sum of improved performance achieved in 2012/2013 when compared with 2008/2009

- Almost 11,000 additional phone connections<sup>10</sup> have been completed within the specified time periods as a result of performance improvements achieved in 2012/2013<sup>11</sup> when compared with 2008/2009 performance levels;
- In excess of 61,000 additional fault repairs<sup>12</sup> have been completed within the specified time periods as a result of performance improvements achieved in 2012/2013<sup>13</sup> when compared with 2008/2009 performance levels; and
- In excess of 34,000 line faults have **not** occurred as a result of improvements achieved in 2012/2013<sup>14</sup> when compared with 2008/2009 performance levels.

## 1.6 Eircom's legally binding performance targets

12. The measures that ComReg has taken since 2008 to bring about improvements in Eircom's quality of service performance for the USO are clearly working. ComReg notes and welcomes the improvements made by Eircom since 2008.

13. In addition Eircom has now also achieved the majority of the targets set out in ComReg Decision D02/08. In total, fifteen performance targets were set out in ComReg's Decision; 9 of which relate to connection times, 5 relate to repair times and a glide path was put in place in relation to achieving the annual performance target of 12.5 for fault rate occurrence.

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<sup>10</sup> Including specified performance targets for in-situ connections, all other connections, and connections completed by agreed date.

<sup>11</sup> In excess of 12,500 additional connections were achieved in 2010/2011 and in excess of 9,000 additional connections were achieved in 2011/2012 when compared with 2008/2009 performance levels.

<sup>12</sup> Including specified performance targets for fault repairs and fault repairs completed by agreed date

<sup>13</sup> In excess of 80,000 additional repairs were completed in 2010/2011 and almost 54,000 additional repairs were completed in 2011/2012 when compared with 2008/2009 performance levels.

<sup>14</sup> In excess of 30,000 additional line faults did not occur in 2010/2011 and approximately 32,000 additional line faults did not occur in 2011/2012 when compared with 2008/2009 performance levels.

14. To date, while 3 of the targets for connection have not yet been achieved, the maximum margin of failure was 0.2%. 6 of the 9 performance targets connections have been exceeded.
15. The glide path set out in ComReg Decision D02/08 to achieve the performance target for fault rate occurrence was set at 15.5 moving to 12.5. Eircom's performance for 2012/2013 (12.6, which exceeded its PIP2 target) indicates that further improvement is required in order to achieve the ComReg Decision D02/08 performance target of 12.5.
16. In relation to performances for fault repairs, 3 of the 5 D02/08 targets in this regard have not yet been achieved. Again, the margin of failure for one of these targets was slim. However, performances for fault repairs completed within 4 working days and fault repairs completed within 5 working days fell short of the ComReg Decision, D02/08 performance targets by 1.4% and 4% respectively.
17. Therefore, the overall picture in respect of quality of service has significantly improved since 2008 and is now approaching the targets set in D02/08.
18. However, it is also clear that Eircom still has improvements to make. In particular, further improvements are needed in relation to repair times. Furthermore, it is just as important that Eircom ensures that the improvements it has made and continues to make are sustained and that the consumer gains made to date are not lost.
19. In light of all of the above, ComReg does not intend to take further enforcement action against Eircom for the period 2012/2013.
20. ComReg remains fully committed to ensuring the quality of the universal service and believes that the measures it has taken will continue to give benefits to large numbers of consumers in the State. ComReg will continue to closely monitor Eircom's USO performance and will publish quarterly reports on Eircom's USO performance. ComReg expects to see further improvements resulting from Eircom's efforts to fully achieve its required performance levels.



# Appendix: 1 Performance Improvement Programme (PIP2) 2012-2013 – Annual quality of service performance targets and annual performance cash deposit

**Table**

Description of Target	Annual PIP Target Value %	Performance Achieved %	Annual Performance Cash Deposit €	PIP Target Achieved (Yes/No)	Cash Deposit Payment Due €
<b>Provision of In-situ connections</b>					
Within 24 hours of request	80.00	84.3	€5,000 per 0.1% deviation below PIP Target	Yes	NA
Within 2 weeks of request	99.50	99.6	€4,000 per 0.1% deviation below PIP Target	Yes	NA
Within 2 months of request	99.80	100.0	€5,000 per 0.1% deviation below PIP Target	Yes	NA

Description of Target	Annual PIP Target Value %	Performance Achieved %	Annual Performance Cash Deposit €	PIP Target Achieved (Yes/No)	Cash Deposit Payment Due €
<b>Provision of All Other Connections</b>					
Within 2 weeks of request	80.00	89.9	€5,000 per 0.1% deviation below PIP Target	Yes	NA
Within 4 weeks of request	85.00	96.6	€5,000 per 0.1% deviation below PIP Target	Yes	NA
Within 8 weeks of request	90.00	98.9	€5,000 per 0.1% deviation below PIP Target	Yes	NA
Within 13 weeks of request	95.00	99.5	€5,000 per 0.1% deviation below PIP Target	Yes	NA
Within 26 weeks of request	99.80	99.9	€5,000 per 0.1% deviation below PIP Target	Yes	NA
Connections completed by agreed date	94.00	94.8	€5,000 per 0.1% deviation below PIP Target	Yes	NA

Description of Target	Annual PIP Target Value %	Performance Achieved %	Annual Performance Cash Deposit €	PIP Target Achieved (Yes/No)	Cash Deposit Payment Due €
<b>Fault Repairs</b>					
Fault Repairs completed by agreed date	95.00	95.8	€2,500 per 0.1% deviation below PIP Target	Yes	NA
Within 2 working days	80.00	80.1	€5,000 per 0.1% deviation below PIP Target	Yes	NA
<b>Within 4 working days</b>	<b>95.00</b>	<b>93.6</b>	<b>€5,000 per 0.1% deviation below PIP Target</b>	<b>No</b>	<b>70,000.00</b>
<b>Within 5 working days</b>	<b>96.00</b>	<b>95.8</b>	<b>€5,000 per 0.1% deviation below PIP Target</b>	<b>No</b>	<b>10,000.00</b>
Within 10 working days	99.00	99.0	€2,500 per 0.1% deviation below PIP Target	Yes	NA

Description of Target	Annual PIP Target Value	Performance Achieved	Annual Performance Cash Deposit €	PIP Target Achieved (Yes/No)	Cash Deposit Payment Due €
<b>Fault Occurrence</b>					
Line faults per 100 lines	13.1	12.6	€1,000,000 per 0.1 above PIP Target	Yes	NA

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

**Table**

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

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

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

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

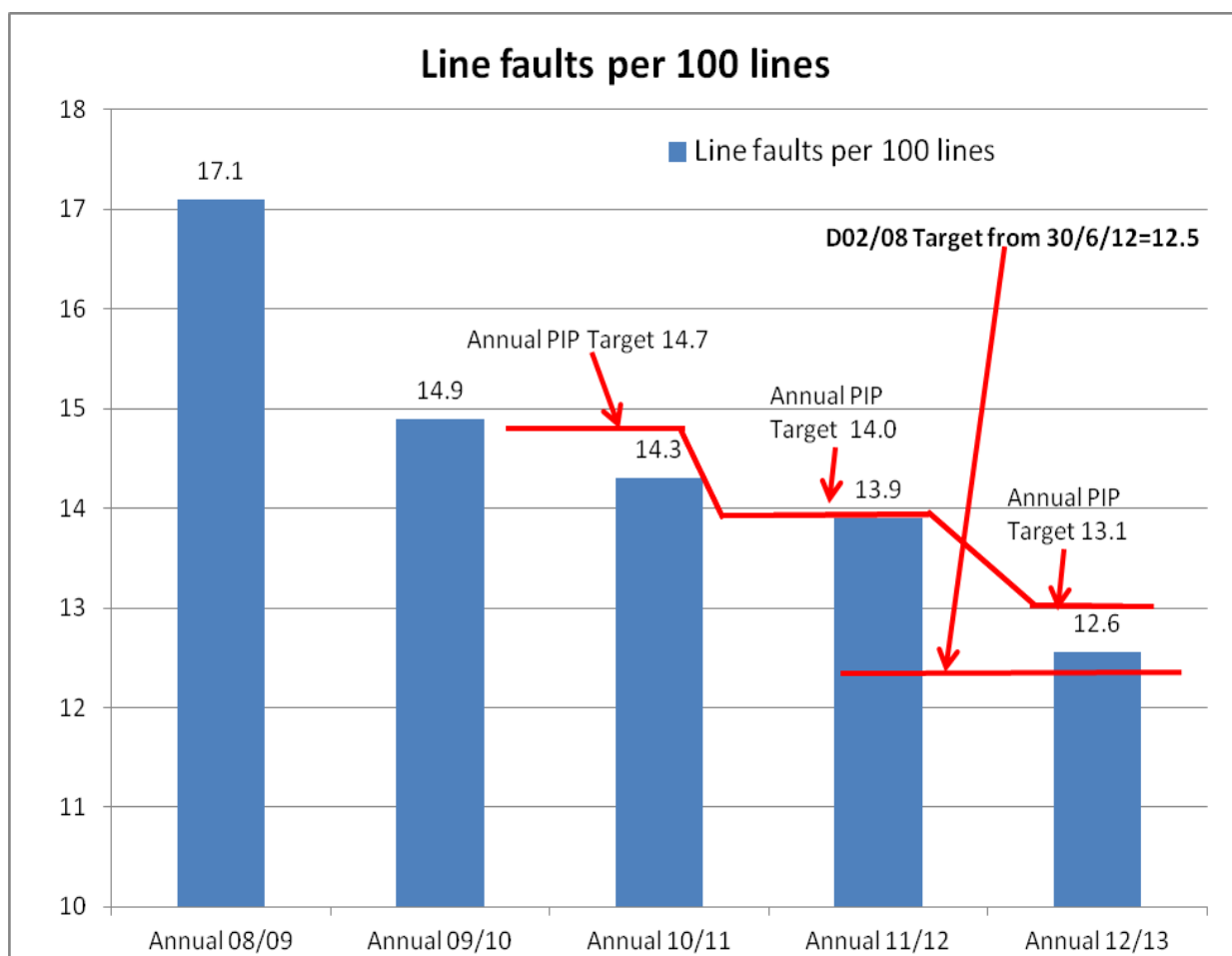
The maximum annual liability to Eircom against all of the targets above is capped at €10m per annum.

<b>Annual indicative Investment Levels</b>	
<b>01 July 2012- 30 June 2013</b>	<b>01 July 2013- 30 June 2014</b>
<b>€30.5 million</b>	<b>€20.5 million</b>

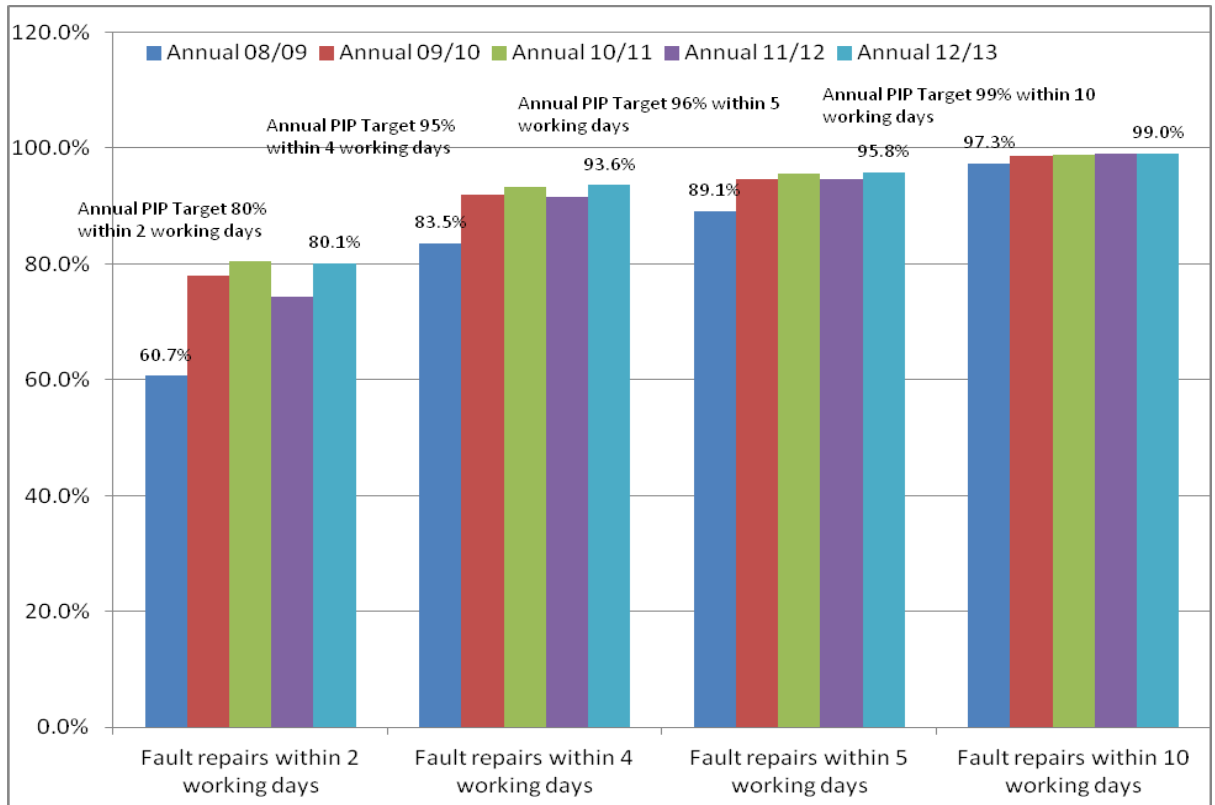


## Appendix: 3 Eircom's annual quality of service performance since 2008

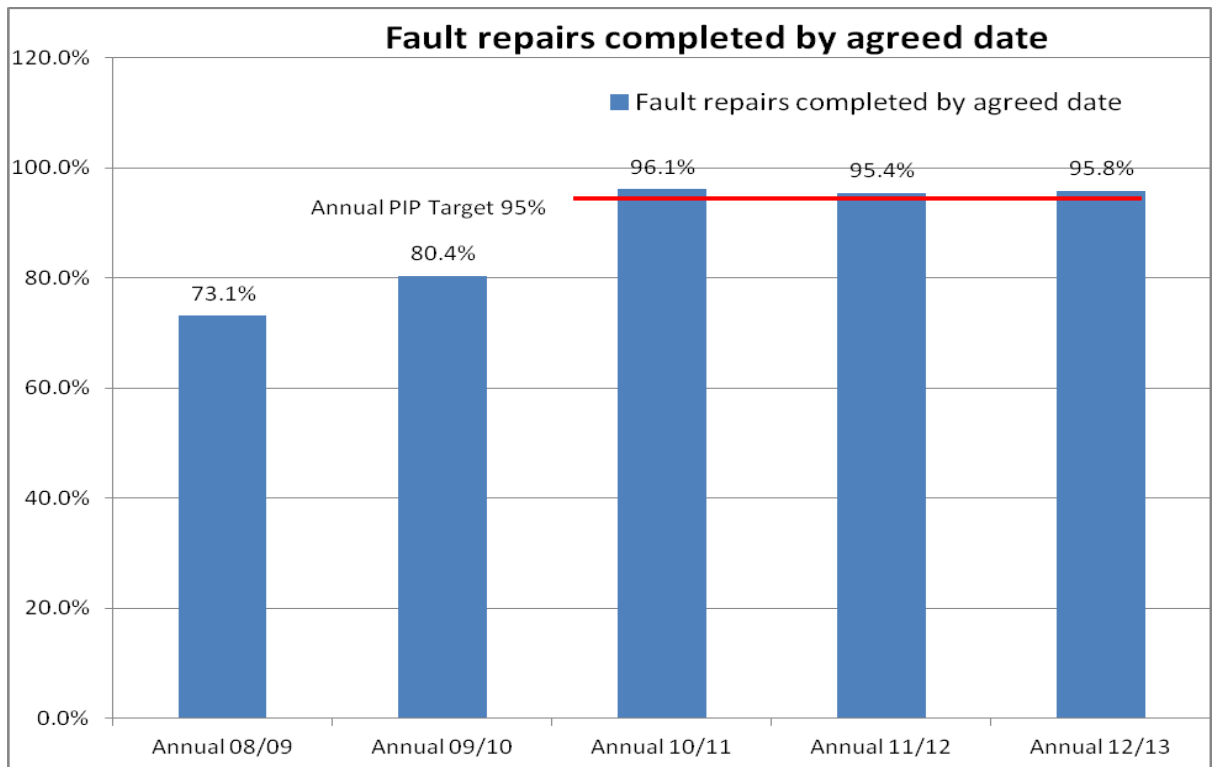
### Line Faults per 100 Lines



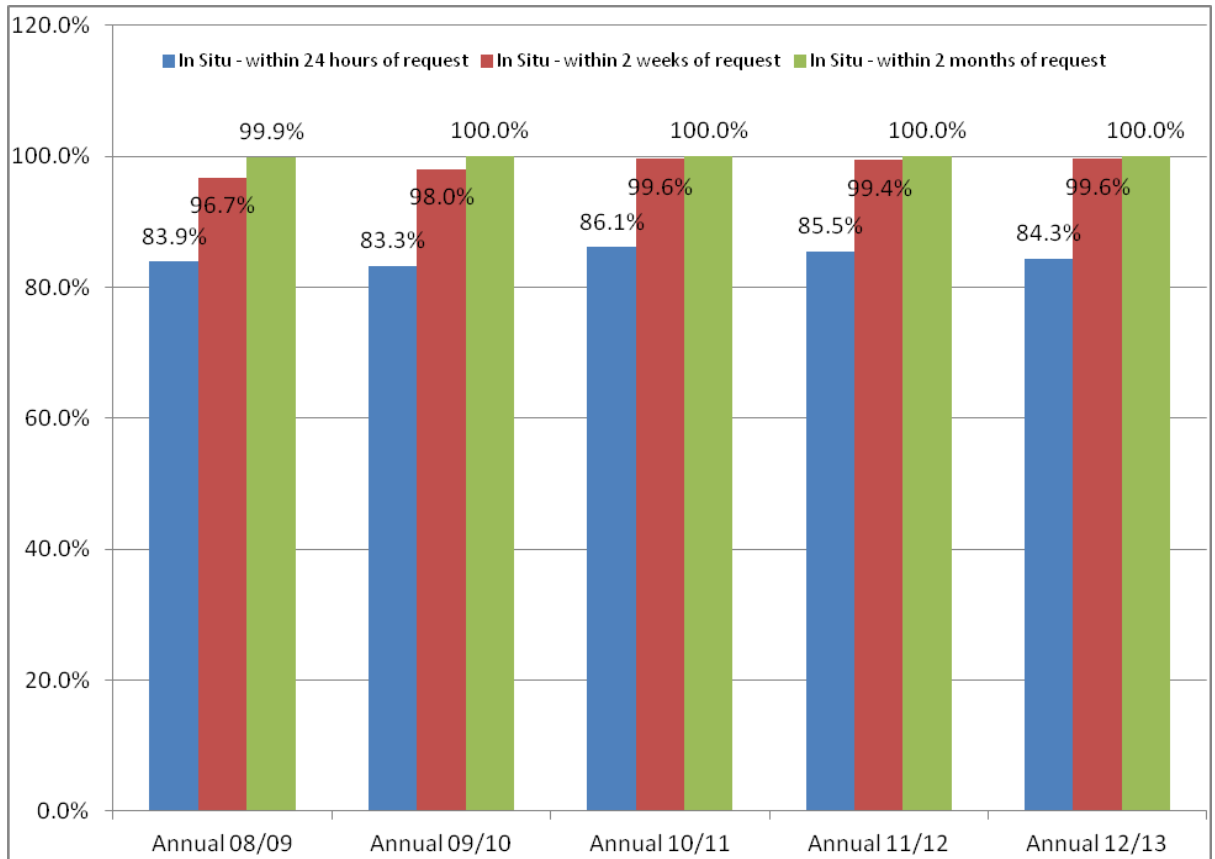
### Fault Repairs



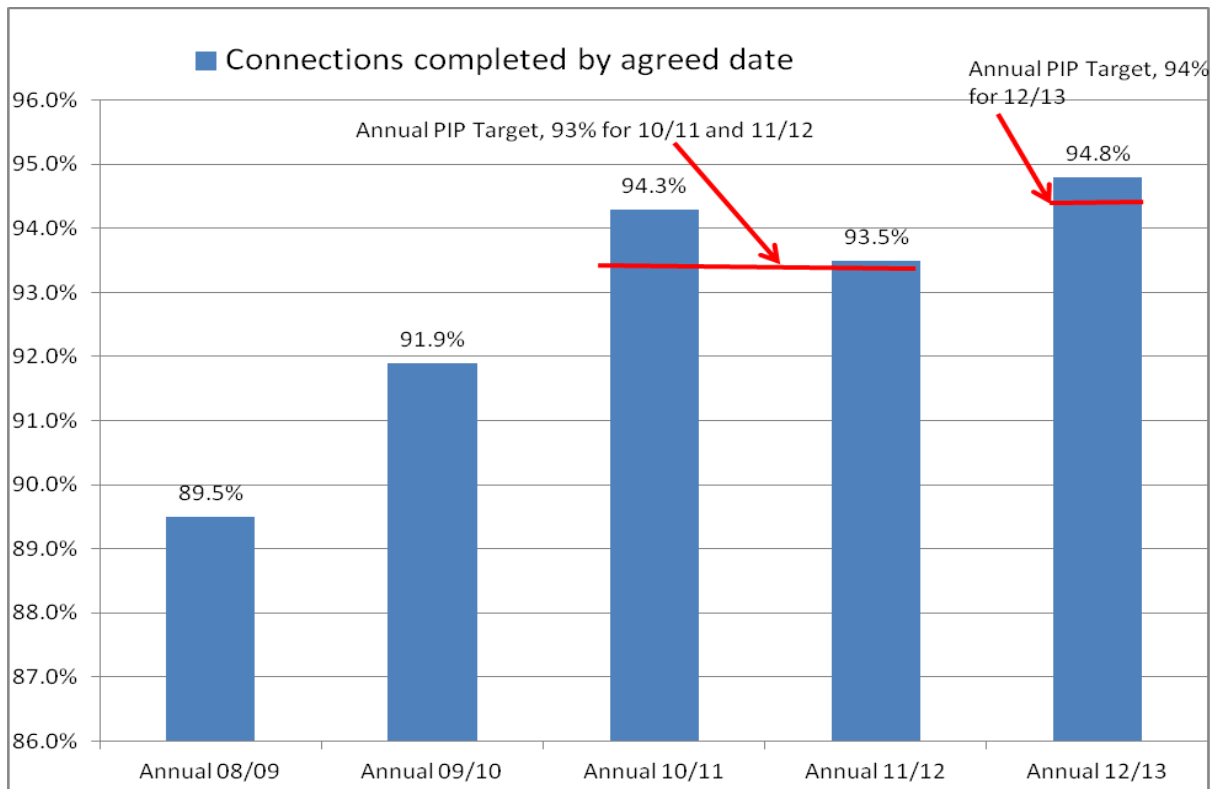
### Fault Repairs with an agreed date



### In Situ Connections



### Connections completed by agreed date



### All Other Connections

