



Commission for
Communications Regulation

Response to Consultation

Response to Consultation on Draft Strategy Statement 2010 – 2012

**Response to consultation on ComReg Documents 10/31,
10/31a, 10/31b, 10/31c**

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An Coimisiún um Rialáil Cumarsáide

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1 Introduction

This response to consultation focuses on addressing the issues raised in the consultation on the Draft Strategy Statement 2010-2012. A summary of both respondent and ComReg views are contained in this document and attached in the amended strategy statement. The consultation process initially involved ComReg issuing a Call for Input and meeting with interested stakeholders. ComReg then published a consultation paper (ComReg Document 10/31), which sought written responses from interested parties (see the list of respondents in the table below). Within this document, ComReg has considered the submissions received in response to the consultation.

The strategic direction proposed by ComReg in the Draft Strategy consultation was largely supported by stakeholders. However, a number of issues were raised with regard to the approach taken by ComReg, and in respect of persistent regulatory issues. The main strategic issues which were commented on include:

- The trends, PESTEL¹ analysis and strategic priorities.
- ComReg's long term vision for action in the communications sector and for next generation roll out.
- Improving the functioning of fixed wholesale markets.
- Consideration of the terms and conditions for USO and for the funding of the USO.
- Providing certainty and flexibility for spectrum strategy management.
- Consumer issues including broadband quality, consumer awareness and complaints handling.
- Reducing the regulatory burden and effective performance measurement.

In this document we attempt to develop our position and actions which are relevant to the points raised by stakeholders. This response to consultation should be read in conjunction with our published Strategy Statement and the relevant Annexes.

¹ Political, Economic, Social, Technical, Environmental and Legal.

1.1 List of responses

There were fourteen written responses to the Consultation on the Draft Strategy Statement.

Respondents
Alternative Operators in the Communications markets (Alto)
BT Communications Ireland Ltd
Chambers Ireland
Eircom Ltd
Meteor
Forfás
Ericsson
Hutchison 3G Ireland
IDA Ireland
The Consumers' Association of Ireland
National Disability Authority
O2
Telecoms & Internet Federation

A copy of all non-confidential responses received is available on ComReg's website and a high level summary of general views is set out below. The views expressed below identify the main issues of concern. This is a summary which does not attempt to enumerate each point raised, but focuses on the key issues.

2 Trends, PESTEL analysis and strategic priorities

ComReg raised the following specific questions in the Draft Strategy Statement (ComReg Document 10/31 published on 16 April 2010), in order to ensure that it had correctly identified key trends and challenges in the industry. The information gained by ComReg through this process was ultimately intended to assist ComReg in preparing its strategy for the next two years.

1. Are the trends identified in Annex 2 accurate and complete?
2. Are the implications of these trends correctly identified?
3. What are the main challenges for the industry and for regulation over the next two years?
4. Given the trends, market conditions and consumer needs, is ComReg's strategy focused on the correct priorities?
5. Are there any additional priority areas that need attention over the period of this strategy statement?

ComReg has considered the views expressed by interested parties in their submissions, and has responded to these within this document.

2.1 Respondent's views

Annex 2 of the Draft Strategy Statement for the period 2010 – 2012 identified central trends for the communications sector. These trends were largely endorsed by respondents, who emphasised that consumer mobility and convergence are driving structural changes in the industry and additional demand for high-speed broadband services, across a range of platforms. Servicing consumer demand in this environment will be challenging, and can only be achieved through an industry wide approach to next generation access that includes both fixed and wireless platforms. Respondents called upon ComReg to provide appropriate regulatory investment conditions for next generation networks and to ensure early and efficient release of valuable spectrum resources.

Moreover, the macro-economic environment was highlighted as a crucial factor dominating the operational and strategic focus of service providers. A number of respondents have drawn attention to the severe economic conditions that prevail in Ireland, and in particular conditions that impact upon communications markets. Specific attention is drawn to the effects on revenues, consumer demand and purchasing patterns and to the long term investment outlook. A number of respondents believe that competition is strong and that preserving competition is paramount in any move to next generation access.

Attention was drawn to the challenge of delivering high-speed broadband in such a tough economic environment, particularly since the cost of delivering high-speed broadband services is so high, yet communications revenues have been declining.

One submitting party noted that service providers have responded to the dampened economic conditions by endeavouring to implement cost-cutting measures, and by attempting to improve operational efficiencies that enable them to better cope with these market conditions. This respondent calls on the regulatory and legal framework to respond more quickly to the changes in the market.

2.2 ComReg's position

ComReg has considered the matters and views submitted by respondents. In particular, ComReg is aware of the challenging economic environment and the uncertain investment outlook. ComReg will take these factors into consideration in developing its strategy, by building policies which foster sustainable competition and regulatory certainty in the communications sector (by implementing effective regulation in a timely and proportionate manner).

ComReg is aware of the difficult macro-economic environment and the importance of regulatory certainty, and has taken on board suggestions from respondents to give clarity and visibility in our approach to regulation. The Strategy Statement is the first form of communication on our regulatory intentions for the period 2010 - 2012. This will be followed by the annual action plan (published at the end of June each year), which will be based on the strategic priorities established through this process.

ComReg continues to give guidance and direction to the industry on a number of important areas. For example, the Decision on the Market Review of Wholesale Physical Network Infrastructure Access (WIPNIA) recently provided certainty around the ongoing provision of regulated access to local loop unbundling, and set out the underlying principles upon which physical access to next generation broadband networks will be regulated going forward. Similarly, ComReg Document D05/10 and

other pricing decisions² have established certainty around the pricing of local loop and sub-loop unbundling going forward. These decisions, amongst others, provide greater clarity on our regulatory approach.

ComReg is taking other steps to provide regulatory certainty to operators and facilitate competition in the communications sector. For example, ComReg is undergoing a significant consultative process for the liberalisation of GSM spectrum in the 900 MHz and 1800 MHz bands, and is undertaking a consultation on the introduction of mobility in the 3400-3800 MHz band currently used for Fixed Wireless Access Local Area (FWALA). ComReg believes that allocation of these spectrum bands will render the industry in a better position to develop business models and corporate strategy, and therefore will be well placed to make effective and informed investment decisions in the communications sector.

As an ongoing priority, ComReg will endeavour to set out its approach to regulation at the earliest practical juncture following consultation with all stakeholders.

ComReg is committed to working with the industry and other interested parties to establish the conditions that will act to foster competition, encourage efficient investment, and allow for progressive deregulation where justified and appropriate.

Under challenging economic conditions, ComReg is particularly mindful of the need to deliver efficiency as a public body. This involves setting transparent and measurable objectives, and then measuring its performance against those goals, and forms part of ComReg's commitment to the Government Statement on Economic Regulation. ComReg (like other public bodies) will publish an annual output statement, incorporated in the annual report. This will focus on expressing our public interest intentions and obligations and how we perform against these annually. It is intended that this will give a consistent message to communicating and measuring our strategy and output.

ComReg will continue to publish industry statistics, particularly on a quarterly basis and will make available the key statistics through our website www.comstat.ie. This will allow ComReg, as well as any interested parties, to monitor industry development and observe the impact of regulatory interventions. In turn, this information should better position ComReg to identify shortcomings in the regulatory suite, and support the industry in a regulatory role. The assistance of the industry in providing data is essential in ensuring that changes in the market are identified early, and responded to appropriately by the affected parties and by ComReg. Comprehensive and robust data allows ComReg to make informed regulatory decisions to effectively perform its function.

² ComReg Document 09/66, Decision 03/09, Revised rental price for shared access to the local loop

ComReg Document 09/77, Decision 05/09, clarification on intra migration charging from bitstream to LLU

ComReg Document 10/10, Decision 01/10, revised rental prices for LLU and SLU

3 Consumer

3.1 Respondent's views

3.1.1 USO

One respondent submitted that the terms and conditions for the USO should be examined with new focus. In particular, the respondent is of the view that the requirement to provide for legacy services needs review, and that the funding of the USO needs to reflect the current challenges and demands for a universal service. Moreover, another respondent considers that the role and contribution of the mobile industry in providing universal services should be recognised.

3.1.2 Broadband speed and quality

The speed and quality of broadband services has become an important factor for consumers. In some cases, the actual performance of broadband services experienced by consumers does not match up with the speed or quality of broadband that consumers are expecting (based on the level of performance advertised by the broadband provider). Some respondents expressed concern that the marketing of broadband products can be misleading, and that in some cases broadband providers are not meeting their contractual obligations. One respondent suggested that ComReg could take further measures to monitor and measure broadband performance.

3.1.3 Raising consumer awareness on choice, quality and cost

Communications costs in certain market segments are perceived as being high by one respondent, with retail line rental being of primary concern. Mobile costs are perceived to be high relative to other Member States, with persistently high ARPU (Average Revenue per User) prevailing.

Accordingly, respondents highlighted the importance of raising consumer awareness about choice, switching, and consumer rights. Two respondents propose that ComReg build on the consumer initiatives and platforms to reach a wider audience through a national marketing campaign on choice, price, quality and consumer rights.

3.1.4 Complaints handling

The quality of customer services and complaints handling amongst industry players is still viewed to be inadequate. The complexity of products and bundles is adding to consumer concern. Feedback suggests that service providers are failing to address customer complaints in a consistent and appropriate manner, with staff inadequately informed or trained to deal with customer communications issues.

3.1.5 Accessibility

One respondent submitted that accessibility for users with disabilities should be at the forefront of policy development in a number of areas. These include the liberalisation of the postal markets; universal design as part of communications innovation and ensuring accessibility throughout ComReg as an organisation.

3.2 ComReg's position

With a view to benefiting consumers, ComReg focuses on driving competition and product and service availability, across all platforms and making switching easy from a technical and operational viewpoint. The challenge for regulation is to facilitate product innovation, and to inform and empower the full range of consumers (including consumers with disabilities), in an increasingly complex market. Information and education enable consumers to evaluate product choices against their own needs.

ComReg's strategy is focused on a range of initiatives which empower and inform consumers. These include adaption of our consumer websites to product and price changes and targeted marketing to specific user groups. ComReg works with operators to ensure that there are open communication channels between service providers and customers, and that customer feedback can assist product and service improvements. In an increasingly complex communications market, ComReg is focused on ensuring easy access to a basic communications service to all users.

3.2.1 USO

The specific concerns surrounding any review of the terms and conditions of USO will be addressed in detail in upcoming consultations and decisions. ComReg has concluded its current consultation process and associated designation with respect to USO which has resulted in the designation of Eircom as the Universal Service Provider for the next two years. Any changes within the new European Regulatory Framework will be brought into force through transposition into Irish law. ComReg will fulfil all of its existing obligations under the Universal Service Regulations, including in respect of performance quality standards and any funding applications, as stated in the Draft Strategy Statement. The issues raised through this consultation will be taken into consideration as part of this process.

3.2.2 Broadband speed and quality

As mentioned above, actual broadband speeds and the consumer broadband experience are increasingly a cause for concern, where consumer anticipate a minimum level of quality which is not reflected in actual consumer experience. ComReg will continue to provide information for consumers supported by pricing and other information on www.callcosts.ie. ComReg will continue to actively monitor compliance by operators in order to ensure that service providers are delivering their obligations for the safeguard of consumer contracts.

3.2.3 Raising consumer awareness on choice, quality and costs

ComReg's role in facilitating switching is to ensure that consumers have appropriate, accessible information (prices, services, contracts) and to ensure that consumer rights on switching are upheld. ComReg intends to continue to improve product transparency and consumer awareness through its consumer websites (www.askcomreg.ie and www.callcosts.ie), our consumer guide ('Switching Service Provider') and through our outreach programme.

Despite the view expressed by one respondent that mobile costs are high and that ComReg should do more to target cost reductions for retail customers, ComReg does not in fact regulate retail mobile prices. In respect of the mobile sector, ComReg assumes the role of providing up-to-date information to compare prices and services that are provided via www.callcosts.ie, to enable consumers in optimizing their usage/package to match their budgeted spend.

3.2.4 Complaints Handling

Complaints provide a useful source of information on consumer experience and unfair practices, and may also be used to identify systemic issues in the industry. ComReg supports and encourages improvements in the quality of customer service and the overall consumer experience in the electronic communications sector. Where quality parameters are not mandated, our strategy is to develop and encourage adoption of standards, which assist service providers in delivering quality to their customers while, simultaneously, assisting consumers in comparing alternatives where service quality is an important consideration. ComReg will continue to provide a quality complaints handling service to consumers. We will also introduce a quality standard for operator complaints handling.

3.2.5 Accessibility

ComReg has taken note of one respondent's emphasis on the continuous improvement of accessibility for people with disabilities. From an organisational point of view ComReg will continue to ensure that all ComReg websites are fully accessible to people with disabilities. Moreover, we put great importance on understanding and resolving the communications issues of people with disabilities by working with our Forum on Electronic Communications Services for People with Disabilities. The work within the forum will be guided by our second survey of consumers with disabilities. Based on a suggestion by one respondent, ComReg will, where possible, inform and encourage universal design for communications equipment with industry stakeholders.

4 Competition

The Draft Strategy Statement outlines ComReg's approach to driving sustainable competition across all platforms and to encouraging the roll-out of competitive next generation access. It focuses on a number of priorities which should give greater regulatory certainty to spectrum strategy and initiatives to facilitate competition and stimulate investment in future networks. This section reviews and assesses the feedback provided by respondents in respect of ComReg's proposed approach. ComReg also takes this opportunity to elaborate on, and to clarify, its strategy in this regard.

4.1 Respondent's views

4.1.1 Vision and strategy for realising next generation investment

The vision of the sector and development of Next Generation Access (NGA) is a primary focus for respondents. Some respondents are of the view that ComReg should be taking a more active role in defining how the sector should develop in the long term, stressing the importance of the Digital Agenda for Europe and the opportunity that it holds. These respondents are of the view that ComReg may have underestimated firstly the role of investment in driving innovation and as an enabler to economic recovery, and secondly the challenge faced by the industry in securing the funds or support required to invest (in the context of such a severe economic downturn). One view suggested that ComReg continues to put too great an emphasis on the ladder of investment, particularly in the context of investment in future networks.

4.1.2 Functioning of the wholesale market

A number of respondents suggested that the performance of the wholesale markets and SMP operator has not been satisfactory over the last number of years, and that insufficient progress had been made to enable competition and provision of wholesale products and services by alternative providers. In light of this view, a number of respondents suggested that ComReg should consider the remedy of functional separation, which will become a regulatory option when transposition of the New Regulatory Framework is in place mid-2011. Additionally, one respondent felt that improving the scope and implementation of service level agreements (SLAs) could be a precursor to full functional separation that would enhance the smooth functioning of the wholesale market.

4.1.3 Dispute resolution

One respondent advocated a new and alternative approach for resolving disputes, in order to achieve a satisfactory result for all. For example, the respondent suggested the use of bi-lateral negotiation by ComReg to resolve disputes.

4.2 ComReg's response

4.2.1 *Vision and strategy for realising next generation investment*

Respondents have called on ComReg to provide regulatory certainty for next generation investment, and ComReg recognises the importance of this to the market. ComReg's role, as will be reflected in its strategy, is to encourage the development of cross-platform competition, which in turn creates the incentives for future efficient investment in NGA networks. ComReg acknowledges the relationship between NGA investment and innovation, and recognises the part that it could play in supporting Ireland's economic recovery. The tools available to ComReg to foster the development of competition, innovation and investment stem from the legal framework within which ComReg operates. One such tool is ComReg's role to manage and allocate radio spectrum. Working within the established regulatory framework in itself provides consistency and clarity on potential regulatory approaches. The European Commission, on foot of its Draft Commission Recommendation on Regulated Access to Next Generation Access Networks (NGA)³ is shortly expected to finalise its guidance for National Regulatory Authorities on appropriate regulatory approaches to incentivising investment in NGA networks. ComReg, for its part, has given guidance and direction in our consultations on next generation broadband in Ireland⁴ and the recent WIPNA Decision, ComReg Document D 05/10. Additionally, ComReg will be focused on delivering a future-proof spectrum strategy to ensure efficient spectrum management and allocation.

Market forces, and in particular, cross platform competition and emerging consumer demand for high speed broadband, will ultimately drive such investment. ComReg, like the European Commission, continues to believe that the ladder of investment is pertinent to competition. Future networks are evolving within the industry, and the most efficient form of investment is driven by the private sector, particularly where competition is present. As has been seen in other countries, the presence of alternative NGA infrastructure platforms can be an important driver for the development of competing next generation broadband platforms. The upgrading of cable TV infrastructure to support NGA broadband in certain parts of Ireland is likely to act as a stimulus for further fibre investments by the incumbent or alternative operators. Furthermore, wireless investment and the eventual development of network capabilities will likely play an important role in serving particular market segments and in further augmenting the competitive tension.

³ The European Commission published its draft recommendation on regulated access to Next Generation Access networks on 12 June 2009 and is available at http://ec.europa.eu/information_society/policy/ecomms/doc/library/public_consult/nga_2/090611_nga_recommendation_spc.pdf.

⁴ ComReg Document 09/56 and ComReg Document 09/88.

A number of respondents called for clarity on the role of public sector infrastructure and investment in next generation access. ComReg recognises the role that public policy can play in driving the availability of broadband, but considers that market forces and competition should, in the first instance, be the primary driver of investment in NGA networks. Public investment, in any Member State would need careful consideration, in order to avoid uncertainty amongst those operators already investing or contemplating investing in NGA networks and the need to minimise the potential for market distortions.

ComReg has already provided guidance on its regulatory approach to next generation access and investment through the principles set out in ComReg Document 09/88⁵. ComReg has, through its recent analysis and decision on the Wholesale Physical Network Infrastructure Access Market, ComReg Document D 05/10, provided further clarity on its regulatory approach to fibre investment by Eircom (as the SMP operator). ComReg's approach is to foster an environment that encourages incentives for efficient investment in communications networks and infrastructure while at the same time ensuring that the conditions exist to enable the development of competition. ComReg has encouraged and sought to provide for a commercially-driven solution for NGA investment, on the basis that investors and operators may find scope to reduce commercial risk by adopting a wholesale open-access model. An open-access model, if appropriately implemented on the basis of transparent, non-discriminatory and other access conditions, has the potential to drive the development of competition with the regulatory regime then being tailored accordingly (according to what type of regulatory intervention is justified and proportionate). The EC Draft NGA Recommendation⁶ provides for tailored levels of intervention where it is warranted by the competitive conditions. ComReg will take utmost account of the European Commission NGA Recommendation, when published, which should provide further guidance on its approach.

ComReg will shortly be publishing a consultation on its preliminary analysis of the Wholesale Broadband Access market. Amongst the issues to be considered within this review will be the extent to which competitive conditions are homogeneous, or differ, across certain regions of the country and. The regulatory approach taken by ComReg will reflect its determination in this regard.

4.2.2 Functioning of the wholesale markets

The new regulatory framework which will be transposed during 2011 provides for a remedy of functional separation for an operator with significant market power (SMP). This is framed as a remedy of last resort, to be considered in cases where existing forms of regulation can be shown to have failed in preventing discriminatory behaviour

⁵ Information Notice on Next Generation Broadband in Ireland, ComReg Document 09/88.

⁶ The European Commission published its draft recommendation on regulated access to Next Generation Access networks on 12 June 2009 and is available at http://ec.europa.eu/information_society/policy/ecomms/doc/library/public_consult/nga_2/090611_nga_recommendation_spc.pdf.

from a vertically integrated operator (and as a result there is persistent market failure⁷). There are potentially significant costs associated with this regulatory option, so consideration would need to be given to:

- Whether or not it is required and proportionate.
- Are there more appropriate, effective, and proportionate alternatives?
- If functional separation were imposed, what impact and effectiveness would it have?

Evidence from other Member States suggests that any form of separation is likely to achieve a better regulatory outcome, if separation of the SMP operator is instigated on a voluntary basis, as has been observed in other Member States.

Under the current regulatory framework, ComReg is using the full suite of remedies to ensure non-discriminatory behaviour from Eircom. While there have been issues associated with some wholesale products over the last number of years, significant improvements in particular products have been made. Notwithstanding this, ComReg will continue to fully engage with industry on the wholesale provision of products and services. Where appropriate, ComReg will exercise its functions and powers, including the consideration and the appropriate application of any remedies derived post - transposition of the new regulatory framework.

Respondents suggested the use of Service Level Agreements (SLAs) as an alternative method of enhancing non-discriminatory behaviour. ComReg recognizes the benefits of well developed and implemented SLAs and notes that in many markets, in addition to obligations of non-discrimination and negotiation in good faith, the SMP operator has an obligation to conclude an SLA. ComReg facilitates the negotiation of SLAs through an industry forum. Where required, ComReg will continue to assist in the further development of an effective SLA regime for regulated wholesale products.

4.2.3 Dispute resolution

As a normal part of industry interaction, ComReg deals with informal “disputes” through a combination of the fora and bilateral processes. Generally, if an issue arises where there is a gap between parties that cannot be resolved at the fora, ComReg engages in bilateral dispute resolution discussions with the parties in question. In most cases this results in a successful outcome, thereby reducing the number of issues which have the potential to become formal disputes.

⁷ Article 13A of Access Directive states “Where the national regulatory authority concludes that the appropriate obligations imposed under Articles 9 to 13 have failed to achieve effective competition and that there are important and persisting competition problems and/or market failures identified in relation to the wholesale provision of certain access product markets, it may, as an exceptional measure, in accordance with the provisions of the second subparagraph of Article 8(3), impose an obligation on vertically integrated undertakings to place activities related to the wholesale provision of relevant access products in an independently operating business entity.”

In respect of formal disputes, ComReg has recently consulted on and published a revised dispute resolution process (Document 10/18R) which will ensure disputes are handled within the required four month timeframe.

ComReg will take on board any legislative changes and policy guidance emerging from the EU and transposition of the new telecoms package and continue to keep the effectiveness of its approach under review.

5 Innovation

5.1 Respondent's views

5.1.1 Spectrum planning and management

Some respondents submitted that ComReg should take a holistic approach to spectrum planning and management, and commented that the simultaneous release of spectrum bands would benefit operator planning and resource allocation. Respondents emphasised that mobile broadband is a priority, and therefore that the early and efficient release of spectrum is paramount. Respondents considered that using market based techniques for spectrum management is the most appropriate form of management, but suggested that this approach should be taken a step further by enabling secondary trading and transfer of spectrum. Respondents noted that spectrum regulations and licensing conditions need to be developed for at least a twenty year time horizon, with built-in flexibility to facilitate a changing marketplace. Future licences should ensure flexibility whilst at the same time encouraging competition.

Additionally, a number of respondents commented on the importance of the 'Digital Dividend' as a trend capable of bringing significant change within the industry. The common message from respondents was that release of the digital dividend should be timely and efficient.

5.2 ComReg's response

5.2.1 Spectrum planning and management

A number of the issues raised by respondents will be addressed through our upcoming Spectrum Strategy for 2011 – 2013.

The importance of 1800 MHz for LTE was raised by one respondent and ComReg confirms that it is aware of the potential in this regard. Indeed, this issue is currently being addressed as part of the 900/1800 MHz liberalisation process and was also examined as part of our Consultation Documents 09/14 and 09/99.

Likewise, enabling the Digital Dividend in the UHF band is crucial and ComReg is working with stakeholders to plan to free up spectrum which can deliver a Digital Dividend. However a pre-requisite to making it available is that analogue switch-off must take place, a policy decision outside of ComReg's direct control.

In terms of policy development for spectrum, ComReg takes an active role in developing EU policies through its active participation and leading work in, various groups such as Radio Spectrum Policy Group (RSPG) and Radio Spectrum Radio Spectrum Committee (RSCOM), etc. Moreover, ComReg monitors international developments at the global level (our proposals on 2.3GHz band is one example).

Industry input would suggest that Next Generation investment plays a significant role in driving innovation and should be identified as an area of priority for ComReg's strategy. ComReg agrees with this view and will follow through to highlight the significance of NGA in priority work streams for both competition and innovation, which are intricately linked.

6 Organisation

ComReg's strategy as an organisation is to ensure highly effective, reasoned and balanced decision making. Our role involves communicating and informing all stakeholders and consumers of the decision we take and of progress as an organisation and as a sector. The Draft Strategy Statement publicly presented our intentions as an organisation for the purpose of consulting with stakeholders and interested parties. Feedback from respondents is presented and addressed below.

6.1 Respondent's views

6.1.1 Regulatory burden, planning and performance management

A number of respondents were of the opinion that ComReg should do more to reduce regulation and the form it takes. For example, respondents believe that ComReg should simplify or reduce regulation and that progress should be measured in the publication of the biennial strategy statement.

One respondent believes that ComReg could do more to measure its own effectiveness and performance as a regulatory body, particularly in the areas of market regulation, decision making and value for money. Respondents also called for greater visibility and clarity on the ComReg action plan.

6.1.2 Consultation process

Adequacy of consultation periods and the process around consultation procedures was raised by two respondents. The view is that ComReg should take greater care to understand the impact that a complex consultation will have on stakeholder resources and their ability to respond. Greater visibility of planned consultations is requested along with varying consultation periods, depending on the complexity and importance of the issues.

6.2 ComReg's response

6.2.1 Regulatory burden

The level of regulation is intricately linked to the progress achieved in realising sustainable competition in the communications sector. ComReg's goals and objectives are centred on a number of key areas in terms of driving competition and the subsequent reduction in regulation. Progress has been made in the areas noted:

- Shifting the emphasis of regulation from retail markets to wholesale markets, in order to directly address the specific vertical levels of the market where competition problems exist (and facilitating the ladder of investment). The premise is that regulation of wholesale markets will lead to self-sustaining competition in retail markets, thus negating the need for retail market regulation.
- Regulating only where necessary by taking utmost account of the revised Recommendation on Relevant Markets⁸, which reduces the number of relevant markets from eighteen to seven;
- Intervening only where necessary, by ensuring an efficient and legally robust structure for compliance and dispute resolution;
- Pursuing a flexible, efficient and market orientated approach to spectrum management and allocation.

In terms of evaluating and understanding the impact of regulation, ComReg ensures that this objective guides any regulatory initiative. Major regulatory decisions taken by ComReg contain a Regulatory Impact Assessment (RIA). The published RIA is just part of the process in terms of understanding the steps taken to ensure that correct, justified and objective decisions are taken by the Commission. For example, strategic priorities are debated and regulatory options tested by the External Advisory Panel, thereby helping to bring to bear objective expertise and to ensure conformance with the best international norms. Further, the decision making process requires regulatory decisions to go through a rigorous multi-stage internal assessment and analysis by the management and the executive of ComReg. Furthermore, each decision is subject to a public consultation, where stakeholder's input, data and opinion is taken on board. These processes, along with the analysis of data and options, form part of ensuring that the impact of regulation is understood and deemed necessary.

ComReg will take on board the concerns of respondents in terms of longer consultation periods, depending on the complexity and importance of the consultation issues.

Operationally, ComReg aims to strike a balance between reducing the practical impact of regulation against achieving regulatory objectives. Where possible, ComReg will choose the least burdensome option to realize an obligation. Where opportunities arise, in terms of dealing directly with ComReg as an organisation, ComReg attempts to reduce the regulatory cost to operators by pursuing operational efficiencies such as e-licensing. Simplifying regulation and industry interaction with ComReg is a priority which ComReg will pursue over the period for which this strategy is set.

ComReg's approach is guided by an objective of making it easier for stakeholders and consumers to interact with and conduct business with ComReg. Examples of this include:

⁸ Commission Recommendation of 17 December 2007 on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services.

- Providing a high quality customer service, including a range of websites to inform consumer choice e.g. callcosts.ie; askcomreg.ie, comstat.ie, elicensing.comreg.ie and testandtrial.ie.
- Positioning Ireland as a place to invest through innovative offerings such as testandtrial.ie, which enables research and development usage of Ireland's spectrum resource.
- Simplifying processes and e-enabling consumers interacting with ourselves through electronic service delivery, e.g. e-licensing.
- Ensuring accessibility for our communication tools and channels.
- Enabling internal efficiencies through technology-driven smart working e.g. internally developed purchase order systems and intranet.
- Review of data collection processes and the burden on stakeholders.

There are a number of initiatives over the next 12 months that focus on the e-enablement of business processes and utilisation of online solutions in order to simplify interaction with ComReg and offer improved service to stakeholders. In particular, we will;

- Support consumer information and protection objectives in relation to our new powers to regulate premium rate services, including developing a new website aimed at the target youth audience www.phonesmart.ie.
- Provide new, on-line customer services, particularly a Personal Locator Beacon register and making the [testandtrial](http://testandtrial.ie) available in additional languages.
- Further enhance e-licensing arrangements to enable licensees to download an electronically signed version of their license.
- Implement PRS regulation into the current licensing environment.
- Review and consolidate content, format, navigation and audiences of current and proposed ComReg websites to ensure that specific organizational objectives are met in a manner that is as efficient and standardized as possible, including improving accessibility standards and search engine visibility.

6.2.2 *Planning and performance management*

With regard to calculating ComReg's performance measures, the Government Statement on Economic Regulation requires that all regulatory bodies coordinate and standardize planning, targets and performance management. ComReg will meet this requirement by publishing an annual Output Statement, which will detail ComReg's public interest objectives and relevant targets. This will be presented in a standardised and consistent format, and will communicate the objectives and targets set by ComReg, and the progress made from year to year.

Additionally, ComReg will publish an annual work plan, which will reflect its strategic priorities. ComReg will continue to refine this approach, where it recognises areas of potential improvement (i.e. potential for providing greater clarity and visibility of the regulatory work schedule).

ComReg will continue to monitor and evaluate developments within the Irish communications market through the Quarterly Report, and to assist the process of international benchmarking. ComReg will review the pertinence and robustness of data and benchmarking tools on an ongoing basis, to ensure relevance to market development. Much of this data will be shared, where possible, with stakeholders in an accessible format through www.comstat.ie. We will also continue to support international efforts by bodies and welcome the findings of the recent ECTA Scorecard and European Commission, 15th Implementation Report.

7 Conclusion

ComReg has carefully considered the inputs of the individuals and organisations that have responded to the consultation on its draft strategy. ComReg appreciates the breadth and depth of these contributions. In many cases, these have been helpful in validating our overall purposed approach. In other cases, we have re-evaluated whether there is more that we can do in particular areas highlighted by respondents and also considered whether our priority actions should be revised having regard to these inputs.

ComReg's strategy statement for 2010-2012 has been revised based on the input received through the consultation process, and its own subsequent analysis of the views provided. The revised strategy is published in conjunction with this response to consultation. ComReg's intention is to set out the direction we are taking for the next two years, and outline some of the specific actions that we will progress and report on annually.

The approach set out in the strategy statement, as revised following the consultation process, will be implemented through our published work and integrated into the performance objectives of ComReg's internal divisions, and the individual performance objectives of ComReg staff, as appropriate.