



Border, Midland and Western Regional Assembly

Submission to

Forfás

Benchmarking Ireland's Broadband Performance

February 2006

Introduction

The Border, Midland and Western Regional Assembly welcomes this opportunity to participate in the consultation process on improving Ireland's Broadband Performance. The Regional Assembly wishes to make this submission in the context of the following:

- The Regional Assembly is the designated Managing Authority for the Border, Midland and Western Regional Operational Programme under the current NDP 2000-2006. The E-Commerce and Communications Measure is an ERDF co-funded measure under this programme, and it is the responsibility of the Assembly, as Managing Authority to ensure the correctness of the implementation of the measure.
- The Regional Assembly provides the secretariat for the Monitoring Committee for the Regional Operational Programme and presents twice yearly progress reports on the performance of the E-Commerce and Communications Measure (prepared by the Communications Development Division) to the Monitoring Committee for consideration.
- The Regional Assembly is also concerned with the provision of an integrated infrastructure in the region, including telecommunications, and given the dispersed settlement pattern within the region, is particularly concerned with the provision of telecommunications infrastructure to smaller towns and rural locations.
- Under the auspices of the ERDF Innovative Actions Programme, the Regional Assembly developed and successfully implemented a pilot action on wireless broadband in the BMW Region. The Group Broadband Scheme uses an approach that is very similar to that applied in the pilot action. The BMW Assembly submitted proposals to the review of the Group Broadband Scheme in 2004 and many of the proposals raised in the submission were taken on board.
- The Director of the BMW Regional Assembly, Mr. Gerry Finn, is a member of the Consumer Advisory Group of Comreg.

Broadband and Regional Policy

The Forfás Report correctly states that broadband is of strategic importance in accelerating the contribution of ICT to economic growth in all sectors, enhancing social and cultural development and facilitating innovation. All of these are of particular relevance in the context of the stated Government objective of reducing the disparities in economic performance within and between the regions of Ireland. ICT policy can play a significant role in enhancing the attractiveness of regional centres, such as the gateways designated in the National Spatial Strategy 2002-2020, for the growth of indigenous

companies and the attraction of foreign direct investment. Success in delivering universal availability, high quality and customer choice would also contribute to regional policy in Ireland. An ambitious strategy is now required to make the transition to universal broadband availability and widespread usage.

The defining lines of the 'digital divide' in Ireland co-incide with the socio-economic divide on both a geographic and target group basis. The continued policy focus at the national level which is an over-arching objective of the Forfás study should not disregard the inherent regional and rural dimensions of many of the issues under consideration. State-level comparisons, while valuable for international benchmarking purposes, can mask significant differences in availability, quality, usage and costs across Ireland. The data presented on Figure 10 of the Forfás report showing that rural DSL availability stands at just 38% of the population illustrates this, given that approximately 40% of the Irish population lives in rural areas. In this regard, it is somewhat disappointing that Forfás is unable to quantify the percentage of the population without access to any broadband services.

Increasing Broadband Availability

The slow rate of service provision via the MANs has so far been disappointing. It would be instructive to study the Northern Ireland broadband strategy. It would appear that universal broadband availability, with significant bandwidth capacity has been achieved at a cost of just £10m to cover outstanding areas. A target date of say, December 2007, should be set by which universal broadband availability will be achieved in Ireland.

The County and Group Broadband Scheme is beginning to make significant in-roads into the coverage of large parts of rural Ireland. The combination of community demand stimulation and local telecommunications provider is proving to be a successful formula, first piloted by the BMW Regional Assembly and subsequently adopted by the Department of Communications, Marine and Natural Resources. Going forward, the design of future mainstream rural broadband initiatives must take cognisance of aggregating adjacent communities. Without the aggregation of demand for rural broadband, the economies of scale, necessary for longer term sustainability will not be realised.

However, there are two challenges to be addressed. Firstly, these locally-based initiatives may not deliver 100% availability and further initiatives may be required to achieve this. Secondly, while the introduction of several local telecommunications companies into the market place is very welcome, local monopolies are being created in many areas that may exploit their market position to keep rates higher than they would be in a competitive situation. The initial set-up costs (e.g., access to backhaul) can be high and the market size relatively small in these areas so that there is little or no incentive for new entrants to challenge the 'incumbent' at a local level. The non-feasibility of many of the potential broadband platforms in rural areas exacerbates this problem. It would be important

therefore for Forfás to look beyond eircom DSL rates in benchmarking broadband costs across Ireland.

Another point worth noting in relation to increasing the availability of broadband relates to actually knowing where fibre (either dormant or live) is located. At present there is no centralized website/information point where one can identify where fibre exists nationally. Some state agencies through various pieces of policy work have endeavoured to pinpoint the location of fibre. However an up to date centralised facility has yet to be put in place by the Department of Communications. Such a tool, we feel, would help both the citizen and the commercial provider in both accessing and providing broadband services respectively.

Increasing Competition in the Market Place

Successful implementation of local loop unbundling has been shown to greatly increase the availability of innovative choice and products. With only 2% of lines currently unbundled in Ireland, this must be addressed as a matter of urgency. Eircom must not be allowed to continue to stall progress in this. Legislative change should be introduced, as a matter of urgency, to accelerate the unbundling of the local loop in order to give Comreg the legal authority to proceed in an expeditious and fair manner.

While the enabling of competition in the DSL market would be a major step forward, it should be understood that a significant number of customers reside more than 3km from telephone exchanges and thus outside the normal reach of DSL broadband. Measures to expand choice and competition in DSL provision do not extend choice and competition to all. DSL service providers should be encouraged to offer a wireless broadband service, using the same backhaul connection. This would potentially serve a large number of additional customers who reside outside the 3km range of the exchange (provided there are no line-of-sight difficulties) and also those customers within the 3km range whose lines are unsuitable for DSL (up to one third of customers fall within this category).

It is important to consider not just state-owned, but also state-funded infrastructure. Much of the privately-owned infrastructure has been grant aided using exchequer and EU structural funds under both the 1994-1999 and 2000-2006 programmes. Perhaps the grant conditions pertaining to any future such publicly funded private investment should obligate the private owners to make access to such infrastructure more affordable.

The cost of connecting to the backbone network is prohibitively expensive for community-based broadband providers and in the absence of competition they are effectively being held to ransom by the backbone network owners. Competitively-priced backhaul capacity is essential if the full value of the MANs and the existing backhaul capacity is to be realized.

The potential to use innovative wireless platforms such as Wi-Max to extend services from the existing and future MANs to a wider hinterland should be fully explored and promoted in co-operation with e-Net.

In September 2004, Comreg initiated a public consultation process on improving the wireless test licensing regime in Ireland, making it more attractive to those involved in wireless research and development in Ireland and to encourage developers to choose Ireland as their preferred location for trialling new technologies and services in Europe. The Assembly views these changes to current regulatory systems as very positive. The continued enhancement and liberalisation of test and other systems is critical to increasing competition in broadband service provision.

The forthcoming 2007-2013 Regional Operational Programmes are currently being prepared. The draft ERDF regulation and the draft EU Community Strategic Guidelines make specific provision for investment in ICT Infrastructure. It is essential that a clear strategy be devised by the end of March this year so that it can be considered for inclusion before the Regional OPs are finalised.

Similarly, the exchequer-funded National Development Plan 2007-2013 is currently being prepared and is due for completion later this year. There must be a comprehensive ICT strategy included in the NDP in relation to addressing the issues affecting take-up, availability, quality and choice of broadband services in Ireland. The National Information Society Priorities Report that is required as part of the EU's i2010 strategy should dovetail with the NDP.

The Information Society Commission which was established under the auspices of the Department of An Taoiseach was established to shape Broadband policy in Ireland going forward, acted as a very useful mechanism in bringing key stakeholders together from the state and private sectors and using this expertise to identify key strategic priorities for Ireland's broadband future. The reconvening of the ISC would be a useful means, we feel, of examining the i2010 strategy in the context of its application to the NDP 2007-2013.

Creating Awareness to Increase Demand

Local development initiatives have been quite successful in introducing groups to the use of computers and the internet. Such initiatives have been run by LEADER Groups and Area-based Partnerships, using in some cases mobile computer suites located in community centres to make them accessible to all. Similarly, County Enterprise Boards have promoted the concept of E-Commerce over the past years. These initiatives can greatly increase ICT literacy. Increasingly, full participation in the Irish economy and

society requires equality of access to on-line services. Specific budgets should be provided to such organizations to continue these initiatives.

The Schools Broadband Initiative has enormous potential to stimulate interest in and demand for broadband uptake. However, the success of the initiative depends largely on the motivation and computer skills of teachers which are not always present. The potential for use of on-line teaching tools to complement conventional teaching methods is not being fully utilized.

ICT policies and education policies have not been integrated in Ireland. The roll-out of lifelong learning initiatives and the application of the 'One Step Up' initiative through the use of ICT-based teaching and learning, needs a new impetus.

Consideration must be given to the subsidization of PC purchase for lower income groups as part of an overall package of measures to bridge the digital divide.

Consideration should be also to the following: -

- Greater and more effective communication of the positive results and value added experiences gained from the County and Group Broadband scheme
- Creation of an up to date, effective & interactive government website offering valid information on broadband availability nationwide; e.g.. who is providing broadband services in Gort, Co. Galway? ; What technologies are available there? If there is a service currently available there how many customers are connected presently? Who can I contact to find out more? From a technical point of view where is the nearest backhaul availability/POP? Such a website could be positioned on www.oasis.gov.ie
- Making broadband part of the secondary school curriculum; perhaps a core module as part of ICT/Computing studies?