

Response by Ireland to European Commission's consultation on their NGA recommendation

Ireland strongly welcomes the publication of this recommendation. It recognises the practical need to incentivise investment in next generation access networks. It seeks to strike a necessary balance between the concerns of potential investors and the need to maintain a competitive dynamic in the market.

We agree that there should be a common yet flexible approach across Member States that will allow consideration of particular market conditions in individual Member States.

We agree in general that investment in fibre to the home (FTTH) access networks will be more risky than investment in fibre to the node (FTTN) access networks and will be likely to have a higher risk premium. However, this will vary from Member State to Member State. For example in Ireland likely investment would be in FTTN. This is likely to carry a greater investment risks than in other Member States due to the extent of our dispersed rural population. We would like to see this recognised in the recommendation and that NRAs, in assessing the risk, should take into account the network topology, total investment and demand conditions when assessing risk premiums.

While we support the proposed aim to encourage investment, we believe that these should take place within the context of the market analysis framework, with NRAs having due regard to the recommendation when carrying out their analysis, and if necessary, when imposing remedies. We believe that appropriate market analysis should take place before the imposition of remedies. Given the benefits that the existing framework has delivered it is important that the Commission recommendation should complement the overall regulatory framework

Given that a key aim is to encourage investment, we believe that this should be made more explicit in the main body of the recommendation. For example Para 17 and Para 36 refer to cost oriented prices. These could be broadened to include a reference to considering the need to promote FTTH investment. There are number of other opportunities to include the promotion of investment as a consideration for NRAs throughout the body of the draft recommendation.

We support the aim of the recommendation to promote co-investment. This is a sensible approach that will help avoid duplication. We believe however, that there is a role for the regulator to ensure that undesirable competitive behaviour does not emerge (e.g. duopolies, cartels, or barriers to open access). The draft recommendation refers to co-investment in multifibre strands but does not explicitly state that the network is on an open access basis. We believe that the draft recommendation should set out that the multi-fibre deployment should be open access to all telcos wishing to use it.

The existing EU regulatory framework for telecoms sets out the importance of technology neutrality. We believe the Commission should ensure that the final recommendation does not detrimentally affect the important principle of technology neutrality.

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24/7/2009