Chambers Ireland Submission to the Commission for Communications Regulation on the Electronic Communications Draft Strategy Statement 2023-25

February 2023

About Chambers Ireland

Chambers Ireland, the voice of business throughout Ireland, is an all-island organisation with a unique geographical reach. Our members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

In September 2019, our network pledged to advocate for and support the advancement of the Sustainable Development Goals. In doing so, we use the Goals as a framework to identify policy priorities and communicate our recommendations, and we have a particular focus on five of the goals encompassing decent work and economic growth (SDG 8), sustainable cities and communities (SDG 11), advancement in gender equality (SDG 5), viable industries, innovation, and infrastructure (SDG 9) and progress in climate action (SDG 13).[1] The most relevant Sustainable Development Goals for this consultation are Decent Work and Economic Growth (SDG 8), and Industry, Innovation, and Infrastructure (SDG 9).

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[1] The Chambers Ireland SDGs. Available at https://www.chambers.ie/policy/sustainable-development-goals/chambers-ireland-sdgs/

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Chambers Ireland's Perspective

As we move into 2023, the risks for Irish telecommunication companies are likely to be more prominent than other regions of the world. External factors like the 38-year record high inflation rate of 9%, will lead to a significant impact on consumer affordability and the general sector spend. Additionally, consumer sentiment hit a 14-year low in September[2]. This has the potential to lead to a value-seeker approach to the Irish marketplace.

The availability of a good telecommunication infrastructure underpins much of the economic development, productivity, innovation, job creation and attracting investment in a country. Therefore, it is important to our network that these issues are adequately addressed, i.e., affordability of telecommunication services, network reliability, data security in the wake of rising cyberthreats and the proper management of the sustainability agendas by the telecommunication sector.

The Covid-19 pandemic increased dependence on electronic communication services by manifold because of the need to stay digitally connected at all times. Therefore, there is now an increased need for telecommunication services to be affordable, secure, reliant, and resilient.

Ireland and Europe as a whole, is experiencing a cost-of-living crisis due to various external factors and affordability has become the main priority of consumers. A recent EY Study[3] shows that 44% of users think that their broadband provider doesn't give them cost-effective deals, while 60% of consumers are concerned about their broadband provider increasing the monthly price they pay.

Commission for Communication Regulation's current Electronic Communications Draft Strategy Statement continues with the same vision and strategy as the last period, we believe this approach is inefficient as the context of the strategy has changed, the trends and challenges

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[2] Credit Union, (2022), Consumer Sentiment Index Survey Results

[3] See - https://www.ey.com/en_gl/tmt/decoding-the-digital-home-study

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that will shape this strategy have changed as we experience this cost-of-living crisis. Dependence on telecommunication services has increased significantly and as a result, expectations from the telecommunication sector have increased and that needs to be reflected in the vision and strategy.

Questions

Q1. Do you agree that the Draft Strategy Statement appropriately captures Commission for Communication Regulation's Mission, Vision, and Role for the period? In providing your view, please also provide support evidence.

We believe that the Draft Strategy Statement encapsulates most aspects but does not adequately capture the Commission for Communication Regulation's Mission of attracting investment, encouraging innovation, and empowering consumers to choose and use communications services with confidence. It also does not completely capture its vision to provide affordable, high quality and widespread access to secure communications services.

For Instance, Goal 2.7 aims to provide affordable access and adequate broadband and voice services. However, there is no mention of how services are going to be made affordable. Commission for Communications Regulation needs to play a bigger role in making these services more affordable given the current crisis. It needs to underline a precise plan and actions that will be undertaken to ensure that service providers remain competitive and provide the cheapest and best services to consumers.

Confidence in choosing and using telecommunication services does not only come from having effective redress mechanism as indicated in Goal 2.8, it comes from having affordable services which will provide high quality reliable and secure services in all parts of the country. Even though consumer complaints over the last few months have decreased, it does not paint the complete picture. Service providers have not been completely efficient in addressing consumer complaints, due to the asymmetry in information available some consumers may be unaware of their rights and may not even raise complaints. Other strategies, like having long periods on

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hold before calls are answered results in fewer customers persisting until the point at which they can make a complaint.

Commission for Communication Regulations needs to expand its role as a regulator by playing a stricter and more comprehensive role in ensuring compliance with the Broadband Cost Reduction Regulation. The Strategy should include specific actions that ComReg is promising to take to ensure compliance and the repercussions of non-compliance.

Simply publishing information on Eircom's Universal Service Obligation quality of service performance on its website will not be enough. There needs to be a benchmark set for acceptable quality of service provided. A follow up plan should be put in place along with a separate team to monitor if this quality of service is being provided.

The process of defining "adequate broadband" should be expediated. If required ComReg should take the lead and approach the ministry themselves as these quality standards will help Commission of Communications Regulation shape various regulations associated with this standard.

The digital and green transitions are very closely linked. Digital technologies offer many solutions for change; however, we must ensure they do not contribute to the problems themselves. Digital products and services should be designed, produced, and disposed of in a way that reduces their impact on the environment and society. Commission for Communications Regulation should ensure that there is more information regarding environmental impact and energy consumption of such services.

Telecommunication companies have consistently failed to disclose and improve their reporting of environmental, social and governance (ESG) metrics such as renewable energy consumption and e-waste management, is often lacking. Almost 40%[4] telecommunication companies do not disclose a specific net zero strategy, transition plan or decarbonisation pathway. The strategy

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[4] See – EY Global Climate Risk Barometer - https://www.ey.com/en_gl/climate-change-sustainability-services/risk-barometer-survey-2022

document does include these sustainability issues as part of the trends and challenges observed but does not mandate telecommunication companies to develop and better manage their sustainability agenda.

Q2. Do you agree that the Draft Strategy Statement captures the most important sectoral trends and challenges over the period covered by the Strategy? In providing your view, please also provide supporting evidence.

We believe that the Draft Strategy Statement to a large extent does capture the most important sectoral trends challenges over the period covered by the Strategy.

Demand for faster download speed, lower latency, emergence of new and more sustainable networks like Fiber-to-the-home broadbands and 5G, growing reliance on connectivity for personal and economic activity, evolution in related markets and climate change are some of the key trends that will shape the telecommunications sector in the coming future.

However, some of the challenges that the Strategy fails to take into account are:

- The cost-of-living crisis.
- Changing imperative in trust and security
- Data Analytics

There is increased anxiety regarding anticipation of rising mobile and broadband costs among consumers. The telecommunication companies have not responded appropriately and effectively to the pressures that their customers are facing from this cost-of-living crisis. There is increasing sentiment among consumers that they overpay for their services and that the prices for these services are likely to increase in the coming future.

Similarly, telecommunication companies are struggling to stay ahead of the growing cyberthreats. Unfortunately, when it comes to cybersecurity the Department of Communications has taken a rather passive approach, it seems they are doing the bare

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minimum to meet our obligations under the Network and Information System Directive[5]. There doesn't seem to be actual efforts taken by them to protect consumers from cyberthreats.

Irish businesses face various Cyber Security risks, like the HSE incidents and risks associated with misinformation campaigns. Policymakers are of the thought that our State is perhaps too peripheral to be a target of these attacks, it is not. What we need is to be proactive in our approach towards Cyber Security.

There are mainly two ways in which our members are affected by Cyber Security, one is through the direct effects of disruptive cyberattacks and the area of financially motivated cybercrime. It is the network provider's job to provide security towards businesses and consumers against cybercrime and ensure that there are processes in place to reduce and handle these risks. Contracts with network providers often require Cyber Security insurance coverage, this does help the vulnerable sectors.

Data Analytics is an area that has thus far seen slow adoption across the telecommunication industry. Previously, analytics, reporting and data management have been regarded as add-ons. However, we believe that analytics should be mandatory. Analytical tools can show operators customer profiles, device information, network data, customer usage pattern, location data and more. They can be used to monitor how customers interact with a telecoms service, providing an opportunity to enhance the user's experience.

Q3. Do you agree with the Strategic Intents discussed in detail in the Draft Strategy Statement? In providing your view, please also provide supporting evidence.

Chambers Ireland agrees with the Strategic Intents discussed in the draft Strategy Statement. However, we think there is scope for the Commission of Communication Regulation to expand the Strategic Intents in all aspects as "the ability to use these tools depends on the skills and

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[5] NIS Directive - ENISA - European Union

resources of the organisation". The Commission should address concerns surrounding affordability, security, and sustainability in an adequate manner, which means not simply monitoring providers or publishing data but having follow up plans after this process of gathering information.

The projects underway/planned like monitoring retail ECS and relevant OTT Markets, key related/adjacent markets and the evolution of network demand need to have follow up plans post monitoring stage. The follow up plans should attempt to understand the reason for market failures in these cases and have strategies in place to allow agents in the markets to fix these issues. Particular attention should be paid to avoid and highly regulate any operator that might emerge as a Significant Market Power or a monopoly.

According to the Consumer line report[6], most consumer complaints relate to billing and service issues. Most of these complaints concern consumers being billed more than the agreed amount and loss of service. The various measures taken by the Commission of Communications Regulation are noteworthy. However, despite this information being widely available, it should also be noted that when these issues of cost and lack of services are raised, they are not addressed efficiently by service providers.

The Commission of Communications Regulation promises to provide pre-contractual information, how it aims to do so in a user-friendly manner should be included in the Strategic Intent. In such cases, the main issue that arises is that either there is too much information, which becomes confusing for the consumers to interpret, or it is not presented in a user-friendly manner, bearing these two concerns in mind the Commission of Communications Regulation should design the portal accordingly.

There is scope to expand the Strategic Intent of Connectivity and Network Reliance. The Commission of Communications Regulations should go beyond just attempting to understand the "nature of the various connectivity risks facing the country". It should take a more active

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[6] https://www.comreg.ie/media/2022/12/ComReg-2292R.pdf

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role in collaboration with the Department of Environment, Climate and Communications to identify these risks and address them.

As the world embraces remote-working, Ireland needs to make full use of this opportunity and understand its importance in increasing economic development and productivity. Even though the National Broadband Plan[7] is making good progress in this area, some remote parts of the country still do not have high-quality and reliable services, the Commission of Communications Regulations should support this effort and set up a committee that focus on finding economical ways for commercial Electronic Communications Networks to deploy high quality, reliable network in these areas.

Q4. Do you believe that the Goals associated with the Strategic Intents are appropriate, and relevant? In providing your view, please also provide supporting evidence.

We believe that the Goals associated with the Strategic Intents are not completely appropriate and relevant and there is scope for expanding the actions within these goals.

The projects under the goal "effective and sustainable competition in retail Electronic Communications Network service markets", should go beyond the stage of monitoring retail Electronic Communications Services, over-the-top media services, related/adjacent Markets, and network demand. The goal or actions within the goal should be expanded to understand market failures and help agents within the market rectify these failures or avoid the causes altogether. This would ensure forward momentum in this concern, rather than simply collecting data/information. Reduction in market failures will then make it attractive for investors and thereby allow for efficient investment as proposed in the Strategic Intent.

The goals should aim to provide easy access to all communication services related information in a user-friendly manner without much confusion to the users. Consumers should not only be

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[7] See – National Broadband Plan - https://www.gov.ie/en/publication/c1b0c9-national-broadband-plan/

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able to understand their bills and be billed correctly, but in case of excessive billing complaints towards certain providers, the Commission should not hesitate to levy fines for wrongful billing and repeated loss of service.

The second Strategic Intent, and the goals within, will be most appropriate and relevant when it includes affordability and network reliability as part of consumer welfare therefore there is a broad scope for this to be expanded. The Strategic Intent and goals should include assurances of affordability, this can be done by exploring options such as "social tariffs." It should also include measures that the Commission is planning to take to ensure the affordability of services.

The Commission needs to lay out plans to ensure a move toward resilient network availability in all parts of the country. As part of the European Declaration on Digital Rights and Principles[8], Ireland is obliged to empower people to fully enjoy the opportunities that the digital decade brings therefore the proposed set of European digital rights and principles should be reflected in the Strategic Intents surrounding widespread access to high quality and secure communications networks.

The Commission of Communications Regulations in collaboration with the Department of Communication needs to take Cyber security more seriously and not just treat it as an obligation that needs to be fulfilled. Different risks experienced need to be analysed and responsibilities need to be divided among the state bodies. As of now, the stance of the state bodies is distributed as well as centralised. It looks like no one is responsible for Cyber Security within our state institutions because everyone seems to be responsible for security. Meanwhile institutional hurdles often prevent changes being made.

As a regulator and compliance enforcer, we believe that the Commission of Communications Regulations can do more and exercise its role in a more rigorous and comprehensive manner.

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[8] https://digital-strategy.ec.europa.eu/en/policies/digital-principles#tab_1

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The Broadband Cost Reduction Regulation is a vital measure that will reduce the cost of deploying high-speed public Networks. This Regulation, not being used to a great extent by Irish operators is a cause for concern. Therefore, it is imperative that the Commission ensures compliance with this Regulation and lays out measures that will be taken in cases of non-compliance.

The European Electronic Communications Code or "the Code", is a useful piece of legislation to refer to for the regulation related Strategic Intents as it aims to achieve Europe's Gigabit society and ensure full participation of all EU Citizens in the digital economy and society. The emphasis on connectivity in "the code" is reflected in the Strategic Intent, but we believe it fails to be comprehensive. The Commission of Communications Regulations has limited its role to only "having a holistic understanding of the nature of the various connectivity risks facing the country", we think this role needs expansion beyond understanding and getting to the issues of these connectivity issues and moving towards solutions.

Q5. In your view, is there anything else that should be added to, or omitted from, this Strategy Statement.

Apart from all points made previously concerning expansion of actions and enforcement of regulations, to ensure affordability, reliability, security and sustainability, Chambers Ireland does not believe that there is any further addition or omission required in this Strategy Statement.

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