



Commission for
Communications Regulation

Presentation to the Review Group on State Assets and Liabilities

5th October 2010



Agenda

- **ComReg**
- **Radio spectrum**
- **Broadcasting**
- **An Post**
- **Discussion**



ComReg

- **Established 2002 in succession to ODTR (1997)**
- **Regulates communications & post, manages spectrum**
- **Funded by industry levy**
- **Returns surplus from spectrum fees to Exchequer**
 - €314m in spectrum fees since body first set up
- **2010-2011 priorities include:**
 - Promoting cross-platform competition
 - Facilitating development of Next Generation Broadband
 - Digital Dividend & Spectrum Liberalisation
 - Implementing new regimes for communications, post, PRS



Radio spectrum

- **Regulatory reform of spectrum management has occurred at EU level**
 - Move to market-based approach
 - Service & technological neutrality
 - Harmonised approach to key bands
- **Member States can allocate spectrum to be used solely for a general interest objective**
 - Safety of life, promotion of cultural and linguistic diversity and media pluralism (radio and TV broadcasting)
 - Opportunity cost – commercial services foregone



Radio spectrum

- **Strategy is to drive competition, investment and innovation by use of radio spectrum - eg FWALA**
- **Allocate spectrum by competitive means – auctions**
- **Auctions generate spectrum fees: access + usage**
- **800 MHz & 900 MHz**
 - ComReg Document 10/71. Selling 13 (2x5 MHz) blocks. Proposed cap of 4 blocks in auction – move to 4G?
 - Mix of 'greenfield' spectrum (800) with 'brownfield' (900)
 - CCA second price auction. Suggested min price of €25m per block (50:50 upfront and usage). Outcome depends on competition in the auction.



Radio spectrum

- **Importance of independence of spectrum body and due process in spectrum awards - incentives for new entry & competition in the auction, less legal risk**
- **Commercial versus general interest use - how to balance**
- **Incentives for incumbents to delay and frustrate - UK**
- **Spectrum Strategy Statement**
 - Infrastructure vs spectrum sharing – competition issues
 - Trading & time-limited licences
 - Re-farming spectrum in use



Broadcasting

- ComReg currently regulates wholesale broadcast transmission for analogue TV and radio
- European Commission found that this market no longer had the characteristics that may warrant *ex ante* regulation across the EU.
- Draft ComReg finding that *ex ante* regulation may still be required in an Irish context
- ComReg has a duty under the Broadcasting Act, 2009 to issue spectrum licences for broadcasting digital TV and radio broadcasting to RTÉ and BAI



An Post

- ComReg currently regulates about 64% of An Post's business by value.
- ComReg's statutory objective is to promote the development of the postal sector and, in particular, Universal Postal Service at an affordable price for the benefit of all users.
- ComReg as regulator has imposed target of 94% next day delivery. Was 71% in 2003. Under pressure from ComReg has risen to 84% in 2009.
- Price of standard letter 55c since 2007. Large scale users now pay about 41c for a standard letter. Real price increase of 8.5% in last decade. Compares average of 28% real increase for EU



An Post

- **Transposition of Directive 2008/6/EC**
- **Two models of market opening**
 - Sweden, Netherlands, Germany, opened all or parts of their markets at an early stage
 - Others have sought to protect the incumbent on the basis of minimising alleged disruption to the market – may come at the cost of retarding market developments
- **Precise model will be chosen by Government and the Oireachtas as legislation is brought forward for transposition.**
- **ComReg will shortly publish a draft revised Postal Strategy Statement for public comment**



Discussion

