

Introductory Brief

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Key Immediate/Priority Issues

Implementation of Transfer of Ownership of Transmission Assets from ESB to Eirgrid

- Negotiations to be progressed with ESB, Eirgrid, Unions, ESOT in conjunction with CER, Department of Finance
- Priority drafting of legislation to underpin transfer is getting underway

CER-ESB Asset Strategy to be finalised by end June

[REDACTED]

- The Agreement provides for the sale/divestment of approximately 1500MW of ESB generation capacity and making available ESB 'brown-field' sites for the development of new generation by independent players. This includes 1300MW of existing ageing plant expected to be closed by 2011.

Security of Supply

- Generation capacity is very tight due to underperformance of ageing ESB plant, technical difficulties with new peat stations and maintenance programmes.
- [REDACTED]
- EirGrid and CER to provide winter outlook shortly. The situation is being monitored closely with CER and EirGrid.

[REDACTED]

Energy Efficiency Action Plan

- Finalisation and approval of National Energy Efficiency Action Plan for public consultation by end June
- Next phase of "Power of One" campaign to be finalised and launched

Petroleum Terms Review

[REDACTED]

National Broadband Strategy

The Department issued a contract notice on 2 May 2007, initiating the procurement process to select a service provider to provide broadband services to the last 10% of the population that cannot be served on a commercial basis. It is expected to announce a winner before year end. Eircom have also threatened action in relation to Phase II of the MANs programme.

Broadband Policy

A Policy Paper is being prepared on Broadband and Next Generation Networks.

Television Licence Fee

The Annual Review of the licence fee will conclude shortly. Government will be faced with a decision as to whether or not the licence fee should be increased.

Digital Terrestrial Television (DTT)

A pilot DTT programme is underway, however in order to ensure that the analogue system is replaced nationwide ("analogue switch off") with a fully digital system. Continued progress will be required on this front and a formal arrangement will need to be put in place in the coming months to prepare for this.

Marine Environment

A problem has emerged with regard to the Marine Environmental Policy area. This policy area is becoming increasingly important, not least due to an imminent judgement from the ECJ with respect of the Shellfish Waters Directive. A decision is required in the short term as to the future configuration and institutional location of divisions responsible for this policy area. Currently, responsibility is shared between a number of Departments, with no designated 'lead' and no effective resources assigned to the work.

Sea Lice

A disagreement has emerged between the Aquaculture Industry and the Angling Community over the causes of Sea Lice infestation in wild fish. Resolution will take a concerted effort at both political and administrative level. A draft report is being finalised.

R&D Effort

Department spends around 10% of its operating budget (€50-55m) on Research, with three award schemes currently in place (Griffith, Beaufort, Parsons). A coherent structure has been put in place to monitor and guide this research, including membership of the main Steering Groups in the state. Further effort is required however in order to focus research spend on policy issues, in order to facilitate future evidence based policy making.

Integration of OSI

It has been agreed that Ordnance Survey Ireland is to join this Department in the near future. If that process is to proceed, a decision is required as to how this will be achieved.

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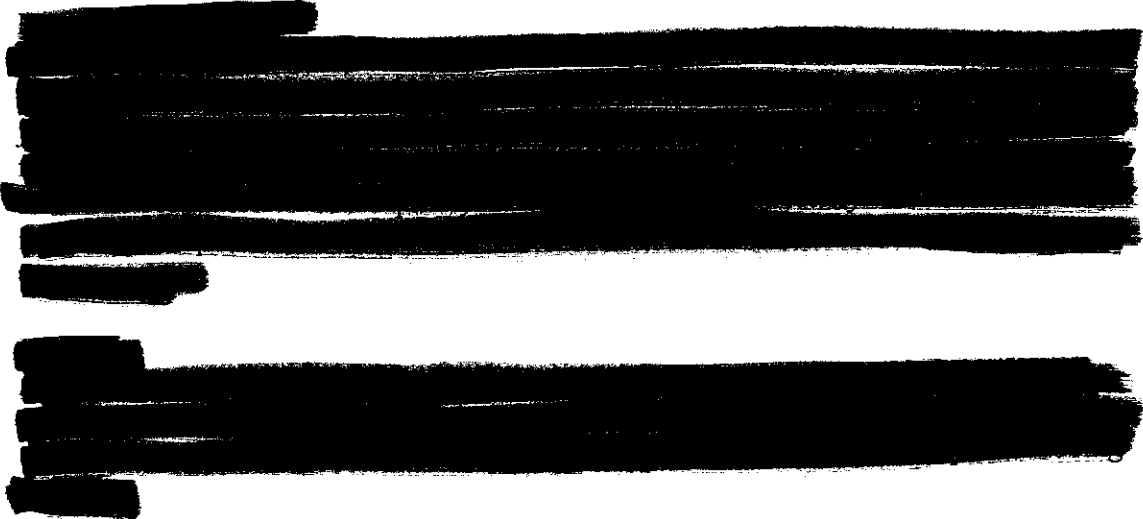
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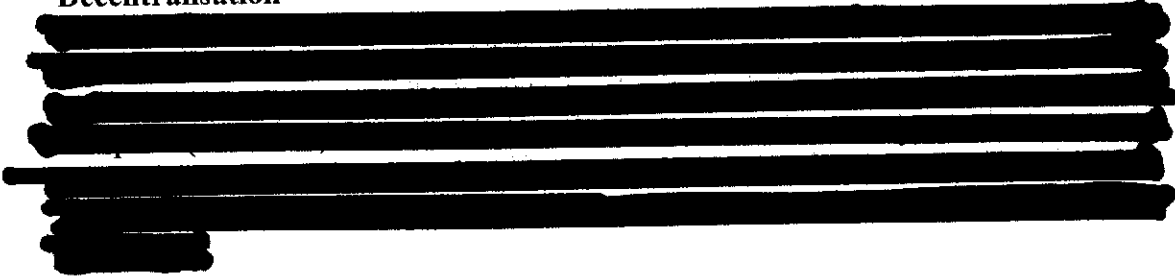
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Decentralisation



Implementation of 'Cawley' Seafood Development Strategy (2007-2013)

The 'Cawley' Seafood Development Strategy set out in the "steering a new Course" report requires a wide range of recommendations to be implemented in order to deliver the strategy. The Seafood Strategy Implementation Group, under the Chairmanship of Mr. Noel Cawley represents a wide section of the sector and Government Agencies and has been charged with overseeing the implementation of the strategy. The Group meets again on 1st July.

Implementation of the "Farrelly" Review of the Fisheries Control Services

The European Commission has initiated major infringement procedures against Ireland in relation to alleged failures in Ireland's Fisheries Control Regime. Mr. Jimmy Farrelly completed a major review of the Fishery Control Services and Minister Dempsey charged the Sea Fisheries Protection Authority with responsibility for implementing the recommendations of the report. The initiatives outlined need to be presented to the Commission as a work programme of reform, in order to address the infringement proceedings.

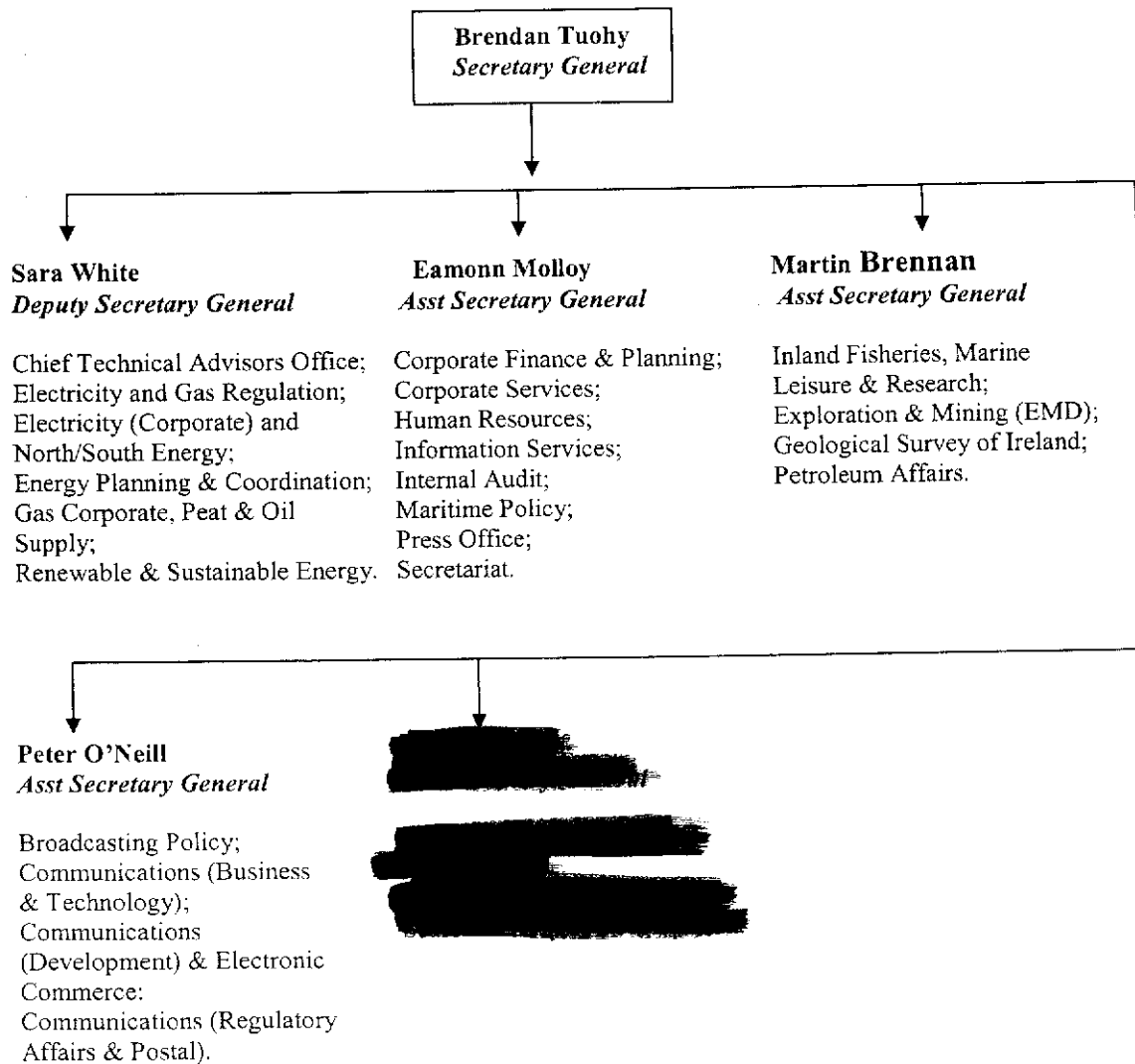
Overview of the Department

The Department of Communications, Marine and Natural Resources was established in June 2002 in the context of the restructuring of a number of Government Departments. The Department is responsible for Electronic and Postal Communications, Broadcasting, Energy Policy, Fisheries, Aquaculture and Coastal Zone Management, Mining, management of the State's Petroleum resources and the Geological Survey.

Mission Statement

"To promote the sustainable development, management and regulation of the communications, energy, marine and natural resources sectors in support of national economic and social policy objectives".

Senior Management Structure in the Department



Communications & Broadcasting

Communications deals with the Broadcasting, Telecommunications and Postal Sectors. It is divided into Broadcasting Policy, Communications (Business and Technology), Communications (Regulatory and Postal) and Communications (Development) Divisions.

Core Policy Objective of the Communications Sector

To contribute to sustained macro-economic growth and competitiveness and ensure that Ireland is best placed to avail of the emerging opportunities provided by the information and knowledge society, by promoting investment in state of the art infrastructures, by providing a supportive legislative and regulatory environment and by developing a leading edge research and development reputation in the information, communications and digital technologies.

Broadcasting

The Broadcasting Policy Division is responsible for the development of the legislative and regulatory framework for broadcasting in Ireland, the funding of public service broadcasters and the development of the broadcasting sector generally. It has corporate governance responsibility for RTE, TG4, the Broadcasting Commission of Ireland and the Broadcasting Complaints Commission.

Communications (Regulatory and Postal)

This division deals with policy on the regulation of the electronic and postal communications sector and management of the radio frequency spectrum. It also exercises the Departments corporate governance role in relation to An Post and the Commission for Communications Regulation (ComReg).

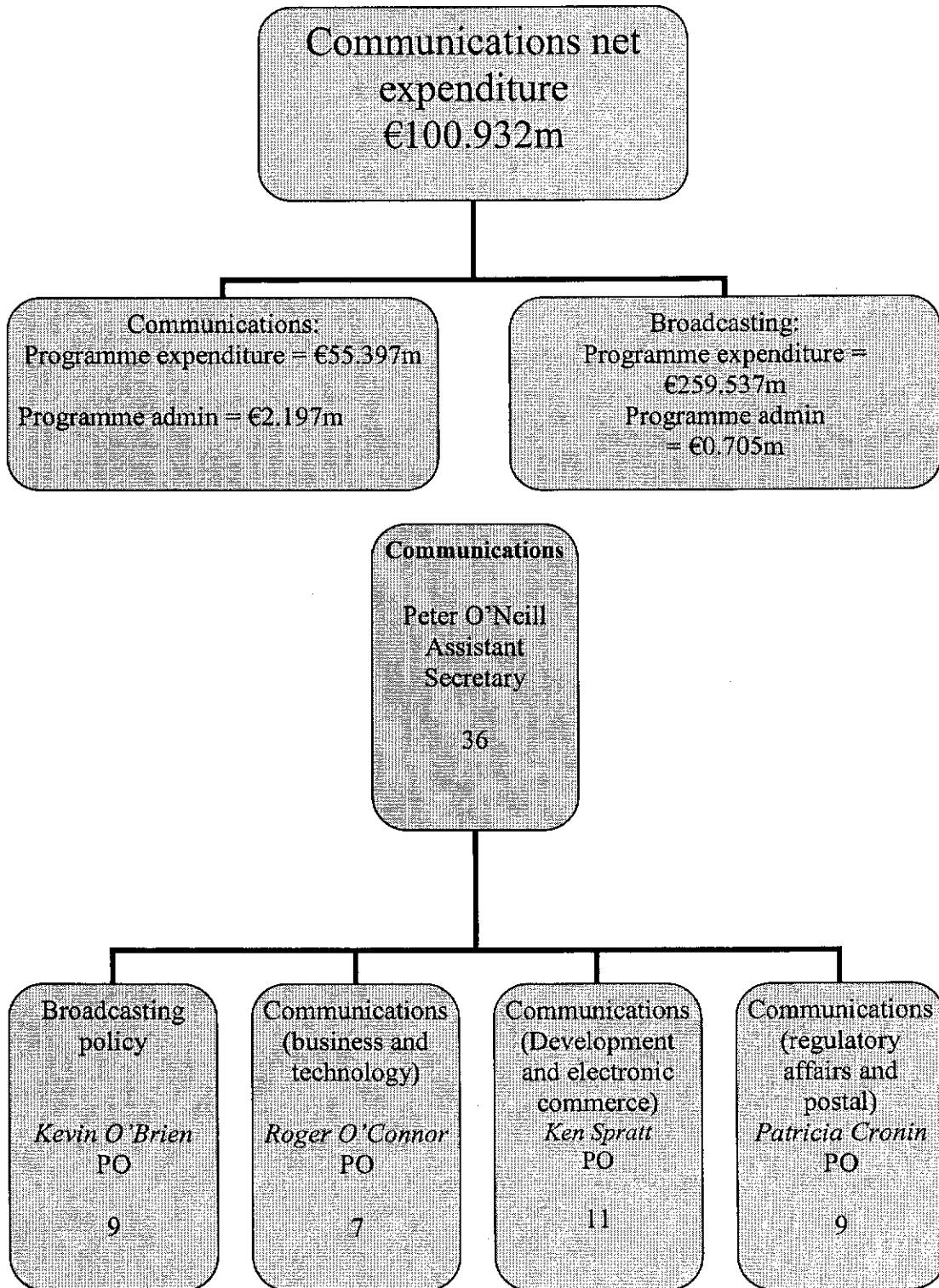
Communications (Development)

Communications (Development) Division is responsible for overseeing the development of broadband infrastructure and services. It does so by investing to address certain infrastructure gaps. The division administers a number of schemes, including the Metropolitan Area Networks (MANs) and the upcoming National Broadband Scheme (NBS). The Division has corporate governance responsibility for the Digital Hub and oversees the National Digital Research Centre.

Communications (Business and Technology)

This Division consists of technical staff who provide technical advice and deal with new technologies and new uses for existing technologies, including the use of the radio spectrum and internet.

Communications Expenditure and Staff by Division¹²



¹ Net programme expenditure represents the sum of programme expenditure, programme administration costs and support expenditure minus appropriations-in-aid. For example, while the total gross programme expenditure for Communications (Communications and Broadcasting) is €321.452 million, the net programme expenditure amounts to €100.932 million when €220.52 million of appropriations-in-aid (television licence fee) are deducted from the gross figure.

² All staff numbers used are indicative and exclusive of vacancies

Energy

The Energy area deals with the full range of state policy in the Energy sector, ranging from its corporate governance responsibilities towards the energy state companies, such as ESB, to regulatory policy to developing policy in the area of renewable energy. It is divided into Electricity and Gas Regulation, Electricity (Corporate) and North-South Energy, Energy Planning and Coordination, Gas Corporate, Peat and Oil Supply, and Renewable and Sustainable Energy Divisions. These Divisions are advised and supported by a Chief Technical Advisor.

Energy Core Policy Objectives

The ability of the economy to perform successfully critically depends on the supply of adequate, affordable, competitive and environmentally-acceptable energy. The three pillars of energy policy are:

- Security of supply
- Sustainability
- Competitiveness

Electricity (Corporate) and North-South Energy

Electricity (Corporate) Division's primary function is to ensure representation of the State as shareholder in ESB including, in particular, the effective discharge of the corporate governance role and the facilitation of the Company's future growth and development in a liberalised electricity market. There is also a significant North/South co-operation agenda on energy matters, particularly in the short term the rollout of Single Electricity Market.

Electricity and Gas Regulation

Electricity/Gas Regulation Division is responsible for the formulation and implementation of policy on the liberalisation and regulation of the electricity and gas markets in the State. It also has responsibility for the formulation of regulatory policy on safety and security of supply for gas and electricity for the State.

Gas Corporate, Peat and Oil Supply

This Division handles Corporate Governance for Bord Na Mona, Bord Gais, the Irish National Petroleum Corporation (INPC) and the National Oil Reserves Agency (NORA), as well as policy for the Oil and Gas sectors.

Renewable and Sustainable Energy Divisions

The Division is responsible for developing and implementing sustainable energy and energy efficiency policies and is also responsible for corporate governance in relation to Sustainable Energy Ireland. Policy is developed across four main areas: Renewable Electricity, Renewable Heat, Renewable Transport Fuels (Biofuels) and Energy Efficiency.

Energy Planning and Coordination

The Division has three main areas of responsibility: (1) the overall energy policy framework, (2) the preparation of coherent energy policy positions on cross-cutting issues and (3) the development of Irish energy research policy and programmes (together with the Chief Technical Adviser).

Office of the Chief Technical Advisor

The provision of a technical perspective on all energy matters which are relevant, and representation at relevant fora and external liaison with relevant stakeholders as appropriate, with a significant input to energy research policy..