

REQUEST FOR ACCESS TO RECORDS UNDER THE
FREEDOM OF INFORMATION ACT, 1997

FOI UNIT
CAVAN

10 MAY 2010

DEPARTMENT OF COMMUNICATIONS,
ENERGY & NATURAL RESOURCES
ROINN CUMARSAIDE, FUINNIMH
AGUS ACMHAINNÍ NADURTHA

Please address this request to relevant FOI Contact

Please use **BLOCK** letters

Details of Applicant

Surname: Paul O'Brien c/o Simon Conroy TD

First Name: _____

Postal Address: Fine Gael, Lemster House,
Kildare Street, Dublin 2.

Telephone Number(s)

OFFICIAL USE ONLY

Home : _____

Date FOI request Received: _____

Business: 6184404

Identity Verified: _____

Mobile: _____

Consent Confirmed: _____

Personal Information

My preferred form of access is: (please tick as appropriate)

to receive copies of the record by post
other – please specify _____

Details of Request

In accordance with **Section 7 of the Freedom of Information Act**, I request access to records which are: (please tick as appropriate)

Personal
Non-personal


In the space provided below, please describe the records as fully as you can. If you are requesting **Personal Information**, please state precisely, in whose name those

records are held. You will not normally be given access to personal information of another person unless you have obtained the written consent of that person.

I request the following records:

All records, including, but not exclusively, communications, briefing documents and representations, in the Department relating to the setting up of a 'one stop shop' for next generation broadband.

Please sign here: Paul Brin Date: 07/05/10



13/05/2010

Mr Paul O'Brien
Fine Gael
Leinster House
Kildare Street
Dublin 2

FOI Request Reference: FOI/2010/18

Dear Mr O'Brien,

I refer to your FOI request under Section 7 of the Freedom of Information Acts, 1997 and 2003, received in this office on 10/05/2010 requesting all records, including, but not exclusively, communications, briefing documents and representations, in the Department relating to the setting up of a "one stop shop" for next generation broadband. The application was received along with the associated fee.

The officer handling your request will be Ms Nessa McKeivitt, Communications Development Division, Department of Communications, Energy and Natural Resources, 29-31 Adelaide Road, Dublin 2. Nessa can be contacted on 01 6782132.

You can expect to receive your decision by the 08/06/2010.

If you have not received a decision by that time, you are automatically entitled to appeal to the Department for a review of the matter. This review proceeds on the legal basis that the initial request is considered to be refused once the specified time for responding to it has expired. A request for a review should be addressed to the undersigned at the address shown.

Please note the Department of Communications, Energy and Natural Resources has a policy of posting a summary of non-personal requests and decisions on the Departments website for reference purposes.

Yours sincerely,


Carmel Conaty

FOI Unit
Department of Communications,
Energy and Natural Resources
Elm House,
Earlsvale Rd
Cavan
Phone: 01 6782902



Our Ref: FOI/2010/18

July 2010-07-19

Mr. Paul O'Brien
c/o Simon Coveney
Leinster House
Kildare Street
Dublin 2

Dear Mr O'Brien

I refer to the request which you made under the Freedom of Information Acts 1997-2003 (FOI Acts) for a copy of all records of "all briefing materials relating to the progress on setting up a one stop shop, limited to Assistant Secretary level and above".

I have made a final decision to grant your request and I am part-granting access to three of the records as they contain confidential and commercially sensitive information under section 26 (1) (a) and S 27 (1) (b) and (c) of the FOI Act. I am part granting access to one of the records as it contains personal information under section 28 (1) of the FOI Acts. The purpose of this letter is to clarify that decision. This clarification has the following parts:

1. a schedule of records covered by your request;
2. an explanation of the relevant findings concerning the records to which part access is denied, and
3. a statement of how you can appeal this decision should you wish to.

This letter addresses each of these three parts in turn,

1. Schedule of Records

A schedule of the relevant records is attached to this letter. It shows the documents that this Department considers relevant to your request. It describes the documents and in four cases refers to the section of the FOI Act which applies to prevent part-release. The schedule also provides brief reasons for the decision which are meant to supplement the fuller and more detailed explanation given under heading 2 below.

2. Findings, particulars and reasons for decisions to deny part-access.

The sections of the Act which can apply to deny access to documents or part of documents are known as its exemption provision. With regard to denying part access to documents 3 and 7, which are reports on the progress of the one-stops-shop, the redacted information contains information relating to one-stop-shop that was given in confidence and on the basis that it would not be released to third parties and contains commercially sensitive information and therefore Sections 21 (a) Section 27 (1) (a) and (b) apply.

3. Rights of Appeal

The Freedom of Information Act provides the right to appeal a decision taken under the Act within four weeks of the initial decision. Should you wish to make such an appeal, you can, you can do so by writing to Mr. Frank O'Brien, Freedom of Information Unit, Department of Communications, Energy and Natural Resources, Elm House, Earlsvale Rd, Cavan. Please note that there is a charge for all appeals of FOI requests which is currently €75 or €25 for medical card holders. The appeal will involve a complete reconsideration of the matter by a more senior member of staff of this Department.

Fees

I am also returning €229.58 of the search and retrieval fee of €333.33, which you paid on 23rd June 2010. That fee was based on a search and retrieval fee based on 14 hours work and a photocopying fee of €40.00, the actual search and retrieval took 5 hours and therefore amounts to €103.75. I am returning in full the €40.00 you paid for photocopying.

Yours sincerely,

Nessa McKeivitt

Nessa McKeivitt
Communications Development Division
Ph: 01-6782132

€229.58
TO BE
AID
DIRECTLY
TO YOU
IN
ACCOUNTS

FOI Request Reference: FOI/2010/18

Requesting all records re all briefing materials relating to the progress of setting up the one-stop-shop, limited to Assistant Secretary and above.

Record No.	Brief Description & Date of Record	File Ref.	No. of Pages	Relevant facts	Findings/ conclusions (Public Interest Considerations, (If applicable))	Grant/refuse/part-grant	Basis of Refusal: Section of Act	Record edited/Identifydeletions
1	Draft Action Plan for OSS. 29 October 2008	G:\one stop shop for state fibre and ducting\scoping\briefings, updates, general docs re OSS	9 (please note the report erroneously contains two blank pages (pages 8 and 9))	Draft action plan regarding work schedule for one-stop-shop.		Part - Grant	S. 27 (1) (b), (c)	Commercially sensitive material deleted.
2	One-Stop-Shop - Progress to Date. 11 December 2008	G:\one stop shop for state fibre and ducting\scoping\briefings, updates, general docs re OSS	2	Progress report on one-stop-shop for Minister Eamon Ryan		Grant		
3	Progress report on the one-stop-shop. 19 February 2009	G:\one stop shop for state fibre and ducting\scoping\briefings, updates, general docs re OSS	7	Progress report to update Minister Eamon Ryan on ongoing work being conducted to progress the one-stop-shop.	3 rd Party Consultation. Deleted material was commercially sensitive and given on a mutual understanding of confidence and	Part -Grant	S. 26 (1) (a) S. 27 (1) (b), (c)	Commercially sensitive/confidential material deleted.

4	TAB A Maps of State Infrastructure. 19 February 2009	Hard copy available only from Progress report that went to Minister Ryan.	7	Early draft of maps of State infrastructure, which were attached as supporting material to Record 3	Early draft of maps of State infrastructure, which were published in their finalised form alongside the Department's <i>Next Generation Broadband Gateway to a Knowledge Ireland</i> Paper, in June 2009.	Grant		
5	TAB B Potential State Infrastructure for Fibre purposes. 19 February 2009	G:\one stop shop for state fibre and ducting\scoping\Demand Assessment\general info on demand	10	Table that shows possible backhaul fibre routes using State infrastructure, this table was attached as supporting material to Record 3.	Information regarding public infrastructure in towns derived from maps in Record 4.	Grant		
6	One Stop Shop for State Owned Telecoms Infrastructure cover note to report (record 7). 29 July 2009	G:\one stop shop for state fibre and ducting\scoping\loss models	2	Cover note which gives a synopsis of findings to report on one-stop-shop (record 7)		Grant		

7	One Stop Shop for State Owned Telecoms Infrastructure report. 29 July 2009	G:\one stop shop for state fibre and ducting\scoping\loss models	21	Internal Report for Minister Ryan which sets out rationale for proceeding with one-stop-shop proposal and makes recommendations on models.	3 rd Party consultation. Deleted material was commercially sensitive and given on a mutual understanding of confidence and the public interest test favours non-disclosure.	Part-Grant	S. 26 (1) (a) S. 27 (1) (b) (c)	Commercially sensitive and confidential material deleted.
8	Review of "One-Stop-Shop" Initiative, by Analysys Mason 13 th November 2009	G:\one stop shop for state fibre and ducting\scoping\loss models	5	Commissioned Review by Analysys Mason of the One-Stop-Shop for State Infrastructure report (record 7)	3 rd Party Consultation.	Grant		
9	Position Paper on the One-Stop-Shop. 23 rd November 2009	G:\one stop shop for state fibre and ducting\scoping\loss models	2	Position Paper on the one-stop-shop by Assistant Secretary, Peter O'Neill.		Grant		
10	Email from Caoimhin Smith to Orla Murray, Department of An Taoiseach with attachment on	G:\one stop shop for state fibre and ducting\scoping\briefings, updates, general docs re OSS	3			Part - Grant	S 28 (1)	Personal information deleted.

11.	<p>update on One-Stop-Shop for Smart Economy Action Plan. 5th February 2010</p> <p>Briefing Note on the One-Stop-Shop for Minister's press interview on Thursday 1 April. 30 March 2010</p>	<p>G:\one stop shop for state fibre and ducting\scoping\briefings, updates, general docs re OSS</p>	1	<p>Press briefing on one-stop-shop for Minister Eamon Ryan for an interview on communications infrastructure and broadband</p>		Grant		
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Draft Action Plan for OSS 29/10/2008

Developmental Objective

The key motivation for advancing a one stop shop is to reduce the cost of fibre roll-out. It is estimate that civil engineering works associated with fibre rollout can represent over 70% of total costs. By facilitating open access to existing state ducting assets, the potential exists to reduce costs for companies wishing to roll-out of NGB to the regions and thus contribute to balanced regional economic and social development.

Immediate Objective

To establish a one stop shop for State owned ducting and fibre, from NSS gateway, hub and other larger towns with MANs to points of presence (POPs) in Dublin, Cork or other areas, where there is international connectivity. This will provide telcos a single point of contact, to access state telecoms and ducting infrastructure on an open access basis which will provide end-to-end solution for the fibre product mix that they require: dark fibre, unlit fibre, lit fibre, managed fibre.

The one stop shop will also provide State agencies with a single point of contact instead of having to deal with multiple state agencies.

Resources

There will be three staff members working on this project:

- Patricia Cronin (20% of her time)
- Caoimhin Smith (50% of his time)
- Nessa McKeivitt (80% of her time)

The attached work plan contains a break down of the actions involved with outputs and indicative timelines. Many of these actions will take place in parallel


Overall Action	Output	Indicative Timeline
Produce a worked up proposal for a one stop shop	Worked up proposal for a one stop shop	June 2009

	Sub Action	Output	Indicative Timeline
1.	<p>Action: Identify State assets that could facilitate fibre roll-out</p> <ul style="list-style-type: none"> This work will involve collecting information available to DCENR, ComReg, Forfas and contacting the relevant agencies. The key state agencies with ducting/fibre assets include: ESB-Telecoms (ESB-T), Bord Gais (BG), the National Roads Authority (NRA), Irish Rail (IR), and RTE. 	Map of state infrastructure that could be useful in serving a town	End December 2008
2.	<p>Action: Scope out the towns we will be examining</p> <ul style="list-style-type: none"> aligned with the National Spatial Strategy focus particularly where there is existing market failure in the provision 	List of the towns that we will be examining	End November 2008

	Sub Action	Output	Indicative Timeline
	<p>of fibre to the regions.</p> <ul style="list-style-type: none"> • focus on connectivity to international points of presence to the National Spatial Strategy Hub and gateway towns. • also focus on other regional towns where there are major infrastructure projects, such as project Kelvin. 		
3.	<p>Action: Identify Gaps in Infrastructure</p> <ul style="list-style-type: none"> • This involves identifying key gaps in the product (ducting, dark fibre and lit fibre) infrastructure connecting the towns under study. • Consulting on the gaps and the best way of filling the gaps with stakeholders such as telcos and their representative organisations, ComReg, IDA, chambers of commerce etc. 	<p>List of gaps in infrastructure where additional State investment may be needed and an estimation of the cost of filling any gaps</p>	<p>End January 2009</p>
4.	<p>Action: Assessing Demand in the short/medium term</p> <ul style="list-style-type: none"> • Assess the type of services/infrastructure likely to be 	<ul style="list-style-type: none"> • list of services/infrastructure that is required by telcos, and • estimated prices that they would be willing to pay 	<p>end February 2009</p>

	Sub Action	Output	Indicative Timeline
	<p>demand demanded, and</p> <ul style="list-style-type: none"> • the price points at which operators will be willing to pay. • This task will involve consulting key stakeholders: e.g. telcos and their representative organisations and ComReg • Any potential state intervention resulting in an open access infrastructure at a certain price will be demanded in the short and medium term at the price that it is likely to cost. 		
5.	<p>Action: Identifying and addressing Agency issues</p> <ul style="list-style-type: none"> • e.g health and safety • ensuring that their core business is not adversely affected. • liability • Addressing issues necessitate service level agreements between the entity managing the OSS and each agency. 	List of agency issues that need to be addressed and a process identified for addressing agency issues.	end December 2008
6.	Action: Identify important network issues	Core issues integral for an end to end	end January 2009

	Sub Action	Output	Indicative Timeline
	<p>For example</p> <ul style="list-style-type: none"> • resilience (e.g. the need for an alternative root in case of a break in the network) • reliability, • end to end connectivity 	resilient network identified.	
7.	<p>Action: Identify possible impact on private sector investment</p> <p>For example</p> <ul style="list-style-type: none"> • displacement of current or potential private sector investment: (For example inland fibre provide dark fibre along the Royal Canal from Dublin, providing a OSS all the way back to Dublin may displace this investment.) • introduce uncertainty and prevent other potential investors. • Need to provide OSS only where there is market failure. • wish to avoid a situation where state investment is redundant if the private sector was likely to roll out an adequate solution in a particular area. <p>This work will involve consultation with the telecoms industry and ComReg</p>	Assessment of locations where OSS could adversely impact of private sector investment.	end February 2009

Sub Action	Output	Indicative Timeline
<p>8. Action: Identify model for one stop shop</p> <p>For example <u>Single Agency with ownership oflity for assets</u> Project Dingle (2005) examined the amalgamation of State Assets into a single entity.</p> <p><u>Virtual OSS</u> A different model would be to enable an entity to provide a service using state infrastructure of different agencies, without having the assets transferred from the agencies.</p>	<p><u>Output</u> List of options for models; listing pros and cons and an assessment of the model we should adapt.</p>	<p>Timeline: End February 2009</p>
<p>9. Action: Method of selecting entity to run OSS</p> <p>Some possible candidates</p> <ul style="list-style-type: none"> •  • e-Net type operator • Local Authority 	<ul style="list-style-type: none"> • list of different options, including pros and cons, with • a recommendation for our preferred entity 	<p>end of February 2009</p>

	Sub Action	Output	Indicative Timeline
	<p>Consultation will be needed with the industry and ComReg on the preferred entity.</p>		
10.	<p>Action: Identify State Aid issues</p>	<p>letter to EU Cion outlining our proposals</p>	<p>end December 2009</p>
11.	<p>Action: identify Legislation needed</p>	<p><u>Output:</u> list of legislative changes requested by the agencies with advice from AG on requested changes</p>	<p>end March 2009</p>
12.	<p>Action: Identify Implications for Exchequer These costs could include:</p> <ul style="list-style-type: none"> • infrastructure installation to address gaps in infrastructure, • maintenance, • organisational change, • staffing and administrative costs. <p>These will vary depending on the model chosen.</p>	<p>lists of costs associated with proposed intervention</p>	<p>end March 2009</p>

One-stop-shop – Progress to date

1. Identify State assets that could facilitate fibre roll-out

- Data-sets of the telecommunications infrastructure of the following State companies are being acquired– GSI has created maps with these data.
 - RTE sites
 - CIE Fibre Optic Infrastructure Cable
 - CIE Shared Fibre Optic Infrastructure Cable
 - National Roads Authority Duct Coverage
 - Canals
 - ESB Route
 - Gas Network Infrastructure

2. Engagement with State Agencies

- Meetings held with Bord Gais/Aurora and ESB-T, these meetings were broadly positive and the agencies have outlined their legitimate concerns (e.g. health and safety) regarding the one-stop-shop. The meetings also provided an opportunity to highlight the benefits of the one-stop-shop to the agencies.
- Meeting held with the NRA and following the meeting, the NRA has agreed to outline in detail the difficulty from its point of view which arises in respect of each piece of legislation, the precise change required and how changing legislation will resolve current difficulties, having regard to the fact that the Department must also take account of the legitimate business needs of telcos.
- Meetings with Eirgrid and National Railway Procurement Agency arranged
- Letter sent to Dublin City Council re possible utilisation of their assets

3. Information on Gathering/Market Analysis

- Have gathered market information in relation to MANs 1 towns (from e-net), this information provides an indication of the likely use of State owned fibre, as well as the type of services presently being demanded
- Have examined submissions from the County Councils to the MANs Phase 2 Call, which details some market information per town. This includes information in relation to potential business demand for ngb services.
- Have met with the IDA to determine future services for fibre.
- Examining Project Dingle for information on existing and potential backhaul supply per towns as well as analysis on potential models.
- Reviewing submissions from service providers to the NGB Consultation Paper, to gather their views on the one-stop-shop. (in general, largely positive)
- Have met with a number of telcos (Inland Fibre, Magnet) to discuss their current and future investment plans, and get their views on the one-stop-shop.

4. Models of one-stop-shop

- In 2009 we will analyse suitable models for the one-stop-shop.

aHu sve

Progress report on the one-stop-shop

EU 24/2

Identification of State Assets
Background and context

↳ Copy made for
the (CENR Council
25/02/09)

The next generation broadband (NGB) consultation paper set out proposed policy actions including a One Stop Shop (OSS) for relevant State infrastructure that could facilitate the roll-out of backhaul fibre to the regions. The OSS received a broadly positive reaction in the responses to the consultation and at the Dublin Castle forum. Since then the Department has met with all of the State bodies that own infrastructure and has drawn up a series of maps showing relevant infrastructure and undertaken preliminary work on an OSS.

A. Engagement with State Bodies that own infrastructure

While all the Bodies are positively disposed to the idea of an OSS, each has expressed concerns that span commercial, legal, technical and health and safety issues. To date, we have met with the main State bodies that have relevant infrastructure, to progress our views on models for the OSS and to gain details on their existing and potential network infrastructure. The next step is to engage with the State bodies, to gain their views on our proposed models.

Meetings/communication with State bodies, to date.

ESB-T - preliminary meeting on 10th October 2008. ESB-T is in principle, supportive of the OSS. ESB-T asked that information be given to them on what models and infrastructure would be proposed for an OSS and that they would be fully consulted. DCENR agreed to keep them informed.

Eirgrid - met in December to discuss OSS proposal and letter sent in January from Minister requesting that Eirgrid consider installing fibre on any current and future infrastructure builds. Reply from CEO of Eirgrid, dated 9th February 2009, which states that Eirgrid is fully supportive of the proposal for providing broadband infrastructure where possible, in conjunction with high voltage transmission infrastructure developments. The letter also noted that there are energy-related regulatory issues to be addressed.

Bord Gáis Aurora (BGE-A) - preliminary meeting in November. BGE_A expressed its support for the OSS. A letter from the Minister, was sent to Bord Gáis on 13 February 2009, requesting that they consider installing fibre on any current and future infrastructure builds.

The main issues for BGE-A are that it:

- strongly believes that the OSS should be carrier neutral
- Propose that third party access to duct infrastructure or gas sites should not be permitted, from a health and safety perspective.
- [REDACTED]
- proposes that OSS should incentivise business by access and not be involved in service provision.
- [REDACTED]
- Envisages that there may be energy related regulatory issues to be addressed

Railway Procurement Agency - letter re the OSS issued in December and subsequently met with RPA. Following a useful meeting, Frank Allen, CEO of RPA, wrote in January 2009 to confirm that the RPA will co-operate fully with our initiative to maximise the opportunities for rolling out broadband.

Dublin City Council - wrote to John Tierney, Dublin City Manager in December 2009 on the OSS proposal and requesting information on ducting that might be available through Dublin Bus. There has been no response to date from Dublin City Council, and will contact John Tierney's office to request follow-up.

Waterways Ireland (WI)- wrote to John Martin, CEO, WI, in relation to the OSS in December, requesting information on ducting that might be available through the WI network. Met with Brian Darcy, Director of Operations, WI, on 5th February 2009, to discuss the future potential of using the WI network to lay fibre. At the meeting, we discussed the nature of the WI agreement with Inland Fibre Telecom Ltd. (IFTL) The deal between IFTL and WI is for a 15-year period and is for open access dark fibre on part of the canals. The current fibre infrastructure line extends from Pakenham bridge (near Barberstown) to Kilcock and from Kilcock by road to Naas. WI gets a share of income for per metre use of its infrastructure. W.I. is interested in working on future plans for laying fibre on its network, on an open access basis and this will require a new tender process.

NRA - A critical player that, despite statements of support for the OSS, foresaw numerous legal, technical and health and safety problems. Over a series of meetings we have gotten them to a stage where they are prepared to engage constructively. Most recent meeting on the 3rd February 2009 with NRA and the Department of Transport advanced the legislative issues that need to be addressed and the NRA has agreed to commence talks now with

3
e | net regarding operational issues related to access to N22 duct. A meeting took between the NRA and e | net on the 13.2.09.

Forfás/IDA

Meetings have been held with Forfás and they have given us some information they had collated on fibre demand in the regions. We met with IDA in December. At this meeting, the IDA identified NSS towns as priority in terms of requiring next generation broadband access. The IDA also stressed that the availability of a resilient communications infrastructure is a crucial factor for multinational companies locating in the regions.

B. Mapping

i) Maps of State infrastructure are attached in **TAB A**. Relevant infrastructure for ESB, CIE, Waterways Ireland, NRA and RTE are attached.

ii) Table "Potential State infrastructure for fibre purposes" is also attached in **TAB B**; it shows possible backhaul routes and existing State fibre provision for NSS gateway and hub towns.

C. Preliminary work on one stop shop model

An analysis of potential models for an OSS is set out below, it takes into account the issues flagged by the relevant agencies.

Developmental Objective

The key motivation for advancing a one stop shop (OSS) is to reduce the cost of fibre roll-out. It is estimated that civil engineering works associated with fibre rollout can represent over 70% of total costs. By facilitating open access to existing state ducting assets, the potential exists to reduce costs for companies wishing to roll-out NGB to the regions and thus contribute to balanced regional economic and social development.

Immediate Objective

To establish an OSS for State owned ducting and fibre, from NSS gateway, hub and other larger towns with MANs to points of presence (POPs) in Dublin, Cork or other areas, where there is international connectivity. This will provide telcos a single point of contact, to access state telecoms and ducting infrastructure on an open access basis which will provide end-to-end solution for the fibre product mix that they require: dark fibre, unlit fibre, lit fibre, managed fibre.

Ideal features for a one stop shop model

If there were no constraints it would be desirable that:

- OSS model would operate for all state owned infrastructure that could be potentially of benefit
- There would be end-to-end connectivity to NSS gateway and hub towns

- There would be competitive pricing
- There would be open access for all products
- The OSS would also provide public infrastructure bodies (PIBs) with a single point of contact instead of having to deal with multiple state agencies and vice-versa.
- OSS to provide end-to-end backhaul pricing
- OSS to provide information on available state infrastructure
- OSS to provide a quick service
- Service level agreements between OSS and relevant PIBs
- Ownership of relevant infrastructure assets remaining with PIBs

Current situation

The PIBs likely to be covered by the OSS, range from ESB-T, which has a significant backhaul business, to the NRA, which currently has no telecoms related business.

Relevant Considerations

There are a number of constraints on what model of OSS can be chosen:

- Different levels of telecom expertise. While some PIBs have telecoms businesses, they do not necessarily operate similar business models. Other PIBs have no telecom business.
- As there are no end to end routes for dark fibre from designated towns to international points of connectivity, it may be necessary to connect various State infrastructure together and the maintenance and capital costs of this are unclear.
- The OSS will not solve the problem of "last mile" connectivity.
- Not all PIB telco networks are open access. For example BT has an exclusive deal with Iarnród Éireann (IE). There is currently no mechanism to prevent State agencies from entering exclusive deals with telcos.

Assessment Criteria

The Models are analysed in relation to how they could address issues of concern to the PIBs with relevant infrastructure, service providers (at whom the OSS will be targeted) and government.

Issues for PIBs with relevant infrastructure

- Core business activity of the PIBs are not adversely affected;
- Health and safety issues are addressed;
- The OSS would not have exclusive rights to deal with customers. PIBs would be able to continue with their existing individual different business models whether that is selling duct access, dark fibre or managed services to customers. This could have implications for the business case and ultimately the viability of the OSS.

Issues for telcos

- Service providers must have at least the same certainty and clarity as existing service level agreements between telecoms operators today. For example this could cover such issues as network reliability and resilience, network operation, maintenance and fault repairs
- Telcos need clear sight of the prices that are going to be charged, what services and infrastructure to be provided, in order to make business decisions in relation to their willingness to pay for the products or services that may be provided by an OSS.
- Service providers have different business requirements. For example some may be targeting businesses. Others may be carrying their own traffic over backhaul.
- Competition in the market is not distorted.

Issues for government

- Reduce the cost of fibre roll-out to the regions
- Maintain flexibility to expand the OSS either by including new assets or adding in the assets of some agencies at a later date as befits evolving market conditions
- Demand for OSS services and its ongoing viability

Analysis of potential OSS models

Four models are analysed below having regard to the criteria identified above. The first three models are those set out in project Dingle: a joint venture company; an existing PIB¹ running the OSS; and forming a new state company. The fourth model is an e | net type PPP arrangement.

These models will be analysed on the assumption that the relevant State assets will remain in the ownership of their existing PIBs, primarily for reasons of control and safety.

It will be necessary to ensure open access in whichever model is selected.

Option 1: Joint-venture-company

In this model a new company would be formed by PIBs who would remain shareholders. This company would be contracted to carry out some or all operational activities such as marketing, sales, operation, management and maintenance of the network on their behalf.

Option 2: Giving a single PIB responsibility for running the one stop shop

In this model one PIB would be contracted to carry out some or all operational activities such as marketing, sales, operation, management and maintenance of the network on their behalf.

¹ Dingle was considering semi state bodies (SSB) but the OSS could potentially be wider than just SSBs so the term public infrastructure body (PIB) is used.

PIBs, with an existing or planned telecoms business model, may also be concerned if one of their competitors was effectively managing the OSS

This solution may cause concerns over the potential to create a monopoly type position.

There would also be a question over how new assets would be added to the OSS over time.

Option 3: Forming a new State owned company

In this model a new state owned company would be formed to carry out some or all operational activities such as marketing, sales, operation, management and maintenance of the network on their behalf.

This model could be designed to facilitate the expansion of participation by PIBs in OSS over time.

Potential disadvantages expertise of such a new state organisation and the overhead cost involved in setting it up.

There could be concerns about the potential for monopoly type behaviour to evolve.

Option 4: PPP model (i.e. e|net type model)

The e|net model is a PPP model. The state funded the provision of MANs infrastructure. e|net, a private sector organisation, was selected following a tendering process to manage and maintain the MANs on an open access basis.

Benefits would include telecoms expertise and the possibility of replacing them if they did not meet expectations. It should also be possible to extend the scope of the OSS. In addition DCENR may have greater scope for enforcing performance than it would have with the PIB run model.

Disadvantages could include the danger of an e|net type organisation becoming a monopoly. This danger has been highlighted in submissions to DCENR in the consultation on the NGB paper and previously in submissions on the future of the MANs.

Also, this would be the third management services entity (MSE) that the Department would be entering into (two for MANs) thus creating a heavy monitoring and administration burden on the Department

Overall analysis of different models


It is important to ensure open access. This militates against a joint venture company as there would be a lack of control.

3
Forming a new state company would be ideal provided MANs could be rolled into it. However, it is unlikely in the current climate of agency rationalisation.

The real choice rests between options 2 and 4 above.

D. Proposed Next Steps.

1. Amend Section 5 of the 2002 Communications Regulation Act to facilitate NRA to provide access to ducting on national roads. The legislative vehicle is the Communications Regulation Amendment Bill 2009.
2. Engage with telcos to get their views on our proposed models
3. Engage with State bodies to get their views on our proposals for a one-stop-shop.

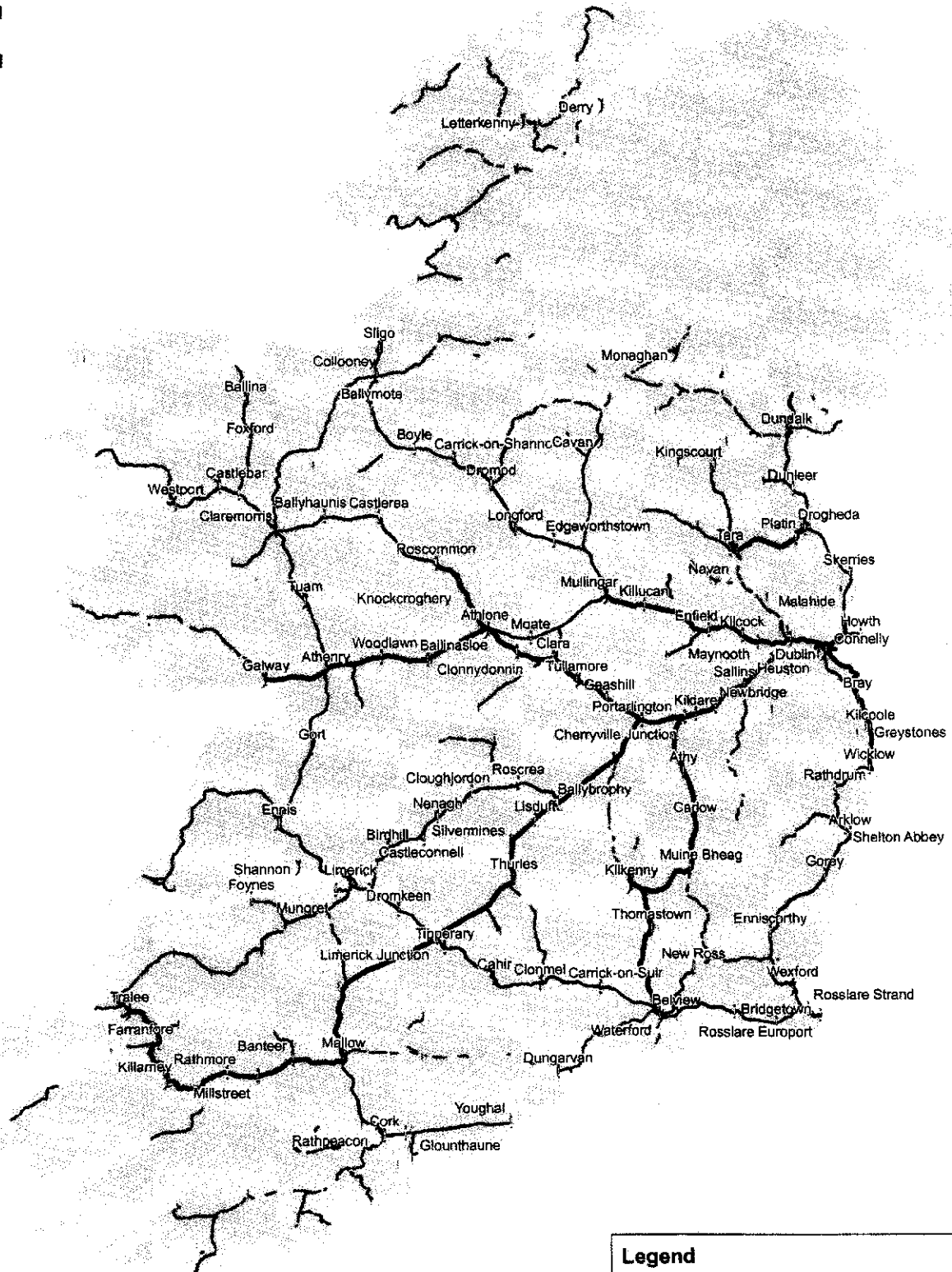


Caoimhin Smith

Communications (Regulation and Postal) Division

19 February 2009

Regional Broadband Programme & CIE Fibre Optic Infrastructure Cable

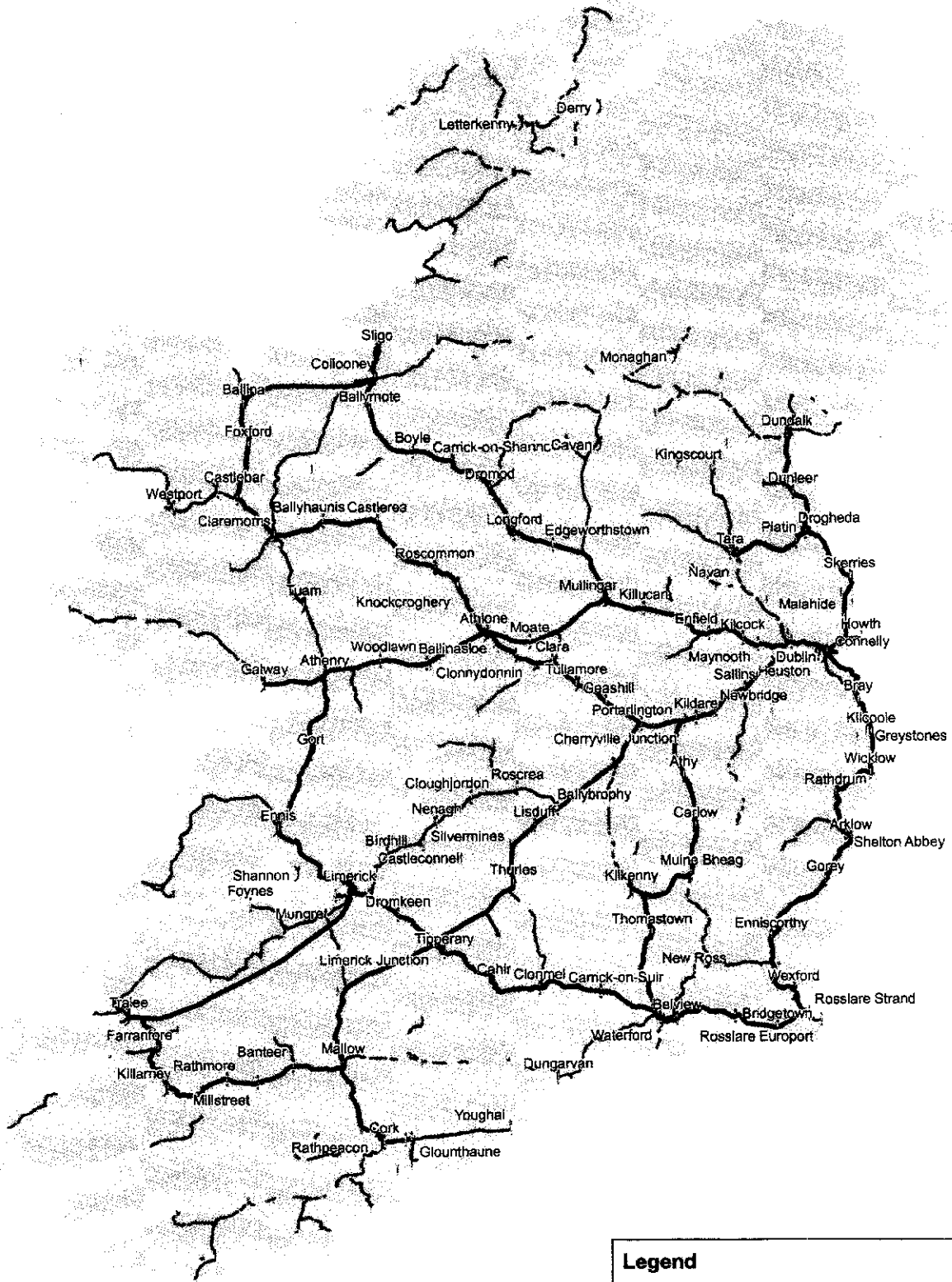


0 10 20 30 40 50 Kilometers

Legend

- Metropolitan Area Network Towns
-) National Spatial Strategy Towns
- ⋮ CIE Railway Stations
- CIE Cable
- CIE Railway Track No Telecoms
- CIE Disused Railway Track No Telecoms

Regional Broadband Programme & CIE Shared Fibre Optic Infrastructure Cable



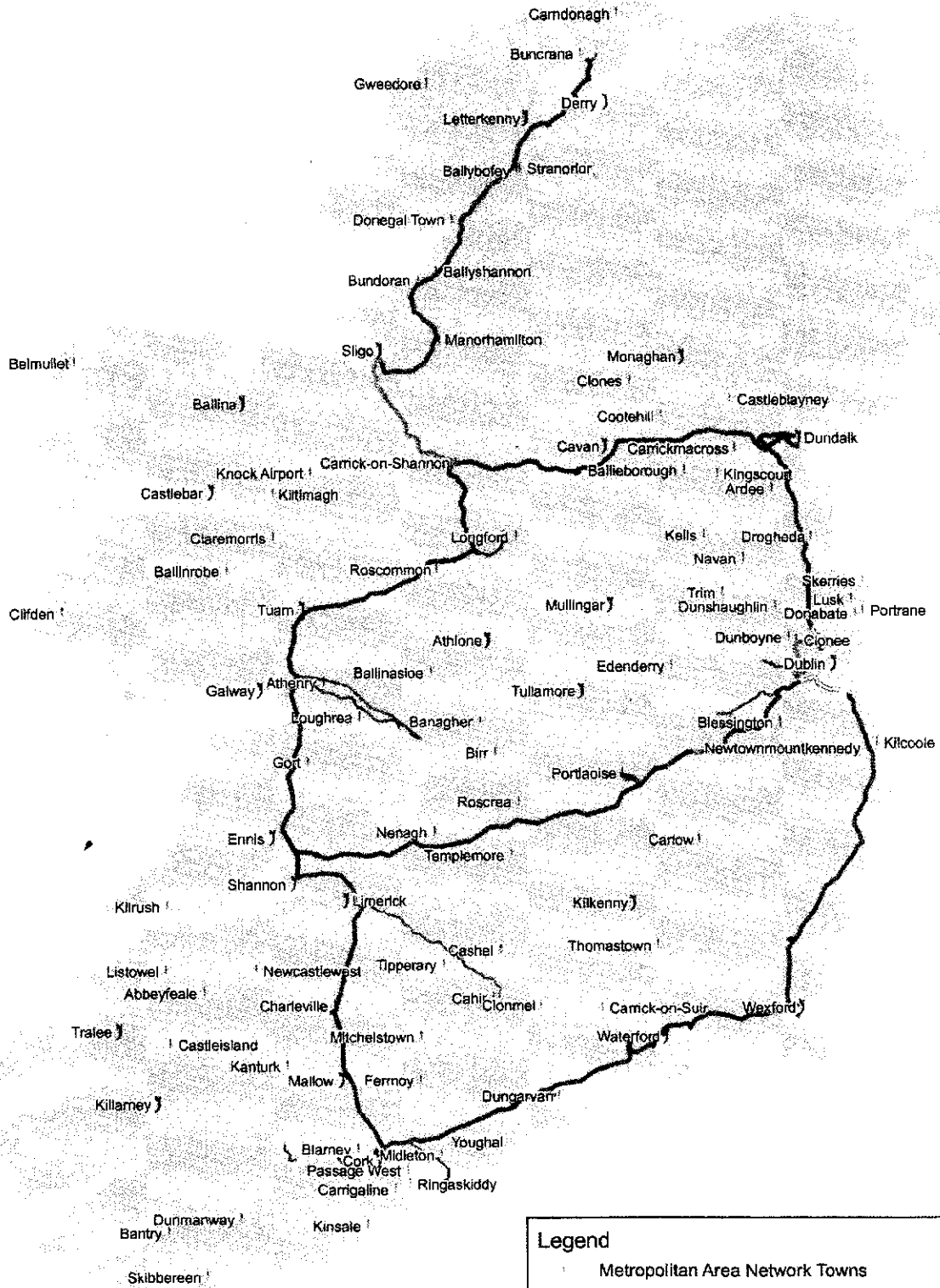
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Legend

- Metropolitan Area Network Towns
- National Spatial Strategy Towns
- CIE Railway Stations
- Shared Fibre Optic Cable
- CIE Railway Track No Telecoms
- CIE Disused Railway Track No Telecoms

Regional Broadband Programme & ESB Route

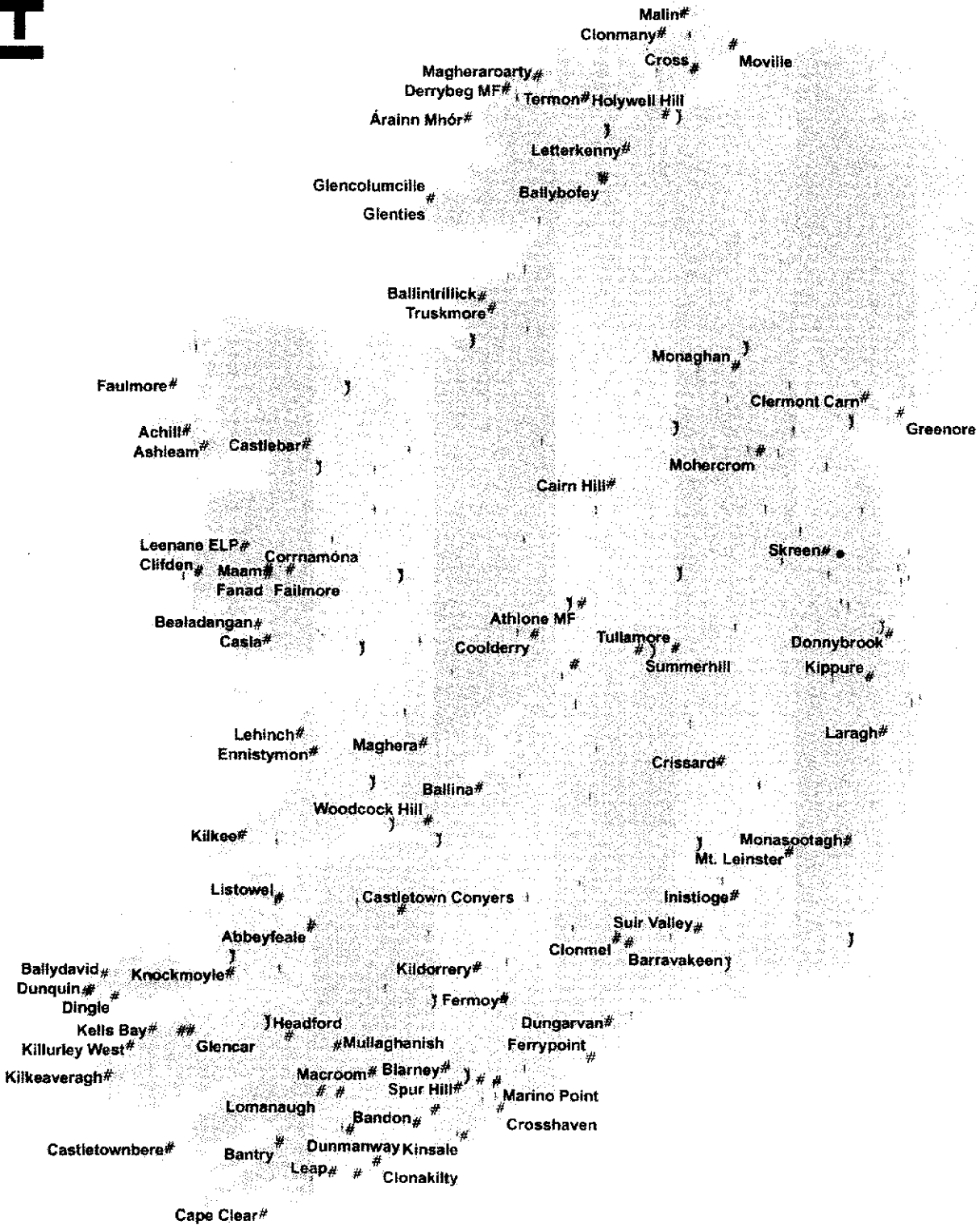


0 10 20 30 40 50 Kilometers

Legend

- Metropolitan Area Network Towns
-) National Spatial Strategy Towns
- ESB Fibre Dublin
- ESB Fibre Assets Optical Ground Wire (OPGW)
- ESB Fibre Assets Optical Phase Conductors (OPPC)
- ESB Fibre Assets Overhead Wrap Fibre
- ESB Fibre Assets Underground Fibre
- ESB Core Network Underground Fibre
- ESB Core Network Overhead Wrap Fibre

Regional Broadband Programme & RTE Sites

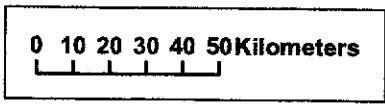
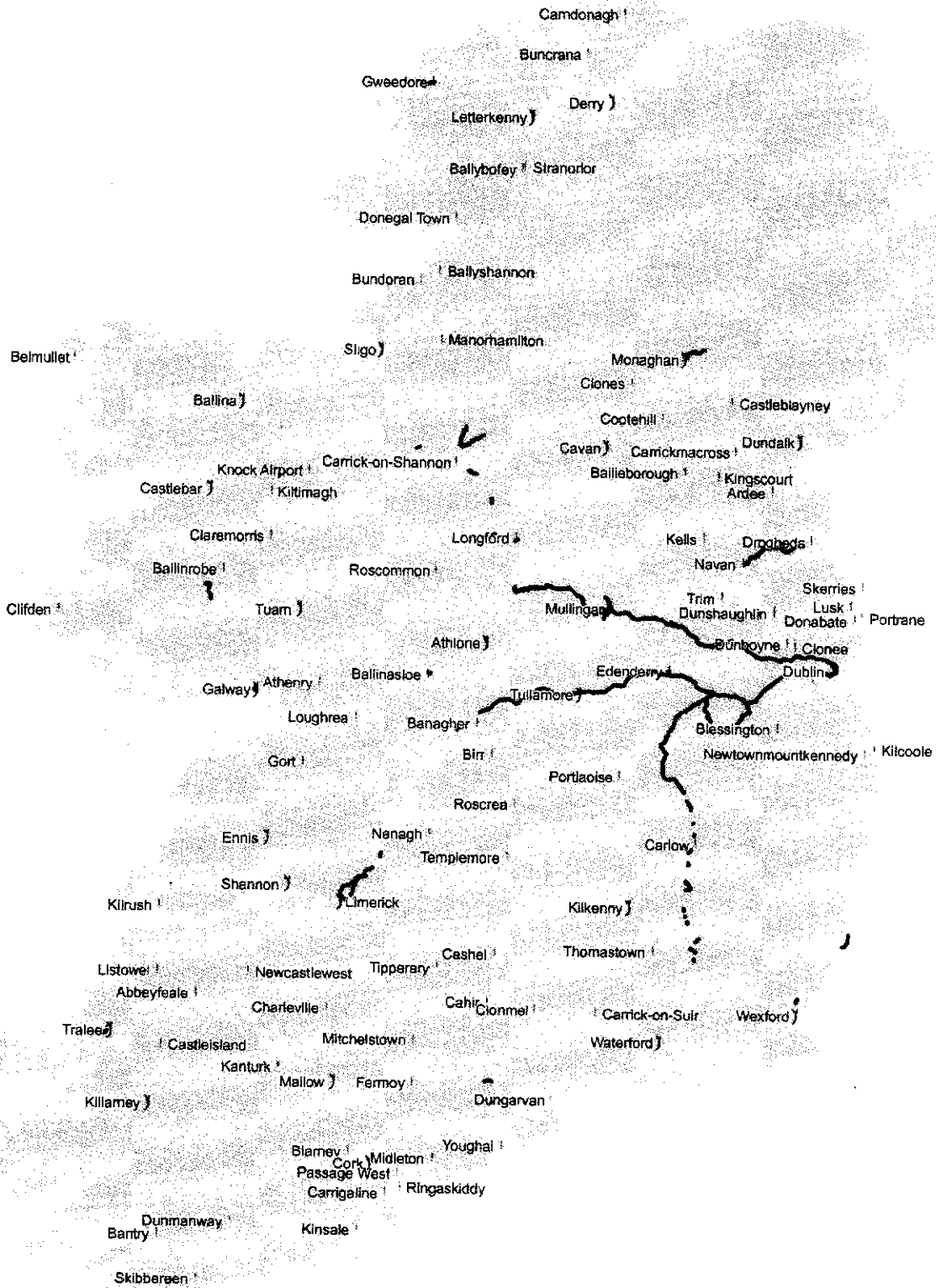


0 10 20 30 40 50 Kilometers

Legend

- # RTE Sites
- | Metropolitan Area Network Towns
-) National Spatial Strategy Towns

Regional Broadband Programme & Canals



Legend

- Canals
- Metropolitan Area Network Towns
- National Spatial Strategy Towns

Recard S

Potential State infrastructure for fibre purposes

Name of town	Population	MSS Gateway/Hub	MAN status	IDA priority - approach to MAN 2 towns and potential MAN 3 towns	No. of service providers interested or existing	ESB/ENET	CIE	Bord Gais	Waterways	RTE	NRA	Gaitha Pipeline	Project Kelvin	Potential dark fibre route
Cork	190,394	Gateway	Phase 1		15 existing service providers	yes - MAN is connected to ESBT network	yes - however no fibre at Limerick (fibre starts at Limerick junction)	no	no	possible - near	possible some ducting	no	no	through ESB
Limerick	90,757	Gateway	Phase 1		16 service providers	yes - Man is connected to ESBT network	yes - Man is connected to ESBT network	no	yes Shannon meets Grand Canal Banagher	yes	yes - practically to Dublin	no	no	through Waterways or ESB
Galway	72,729	Gateway	Phase 1		8 service providers	yes - MAN is connected to ESBT network	yes	yes spur from balina to pipeline	no	possible nearby	possible - ducting from Athlone to AINONA	yes - spur from b.p. to galway city		through Bord Gais or ESB
Waterford	49,213	Gateway	Phase 1		6 service providers	yes - Man is connected to ESBT network	yes - 2 routes	no	yes - Barrow meets Royal Canal in Kildare	possible	ducting to North Kildare (N11 NRA route possible ducting)	no	no	
Drogheda	35,090	County Town	Phase 1		3 service providers	yes - Man is connected to ESBT network	yes - railway line but no fibre on route to Dublin	no	no	yes	no ducting	no	no	yes through Kelvin. Drogheda is on the proposed Kelvin line
Dundalk	35,065	Gateway	Phase 1		7 service providers	yes - Man is connected to ESBT network	yes - but no fibre	no	no	yes	Dundalk - Castleblayney	no	yes	through Kelvin or possible ESB

Potential State infrastructure for fibre purposes

Name of Town	Population	NIS Gateway/Hub	MAN status	IDA priority - applicable to MANs 2 towns and potential MANs 3 towns	No. of service providers interested or existing	ESB/ENP/rd	CIE	Bord Gais	Waterways	RTE	NRA	Ballina Pipeline	Project Kevlin	Potential GRTs, NIRA routes
Swords	33,998	County Town												
Bray	31,901	County Town												
Navan	24,851	County Town	Phase 2											
Ennis	24,253	Gateway		Yes - 15/15	***service providers recommended 5/20	near est ring of 8	yes	yes	no	no	no ducting	no	no	no - through Bord Gais (or Aurore waterways if you link Ennis to Sharnon).
Trillick	22,744	Gateway	Phase 2	Yes - high	Yes - high - 50/50	not on ESB ring of 8, but planned ESB power centre in Tisbury	yes	no	no	not likely	road but no ducting possible	no	no	no

Potential State infrastructure for fibre purposes

Name of Town	Population	NIS Gateway/Hub	MAN status	IDA priority - applicable to MANs 2 towns and potential MANs 3 towns	ESB/ETSI/ID	CIE	Bord Gais	Wearways	RTE	NRA	Balfin Pipelines	Project Kelvin	Potential dark fibre route
Kilbenny Carlow	22,178 20,724	Gateway County Town	Phase 1 Phase 1		no	yes	no	no	no	possible route via M9 - needs to be completed.	no	no	possible through in new duct to Waterf ord and then esp from Waterf ord to Dublin
Sligo	19,402	Gateway	Phase 1 Suspended		yes - esp core network underground fibre linking it to ring of 8	no	no	no	yes	ducting planned on the n17 (Collooney to Tubercoury n17 and sligo to county boundary n15)	no	no	possible through in esp
Newbridge	18,520	County Town	Phase 2		no	no	no	yes on the royal canal	possible not far points	no available ducting	no	no	possible dark fibre link through waterw sys.
Mullingar	18,416	Gateway	Phase 1		no	yes	not far but not on the line	yes on the royal canal	possible not far points	no	no	no	no

5

Potential State infrastructure for fibre purposes

Name of Town	Population	NIS Gateway/Hub	MAN status	IA priority - applicable to MANs 2 towns and potential MANs 3 towns	No. of service providers interested or existing	ESB/ENFD	CIE	Bord Gais	Waterways	RTE	NRA	Balena Pipeline	Project Kelvin	Potential dark fibre route
Wexford	18,163	Gateway	Phase 1		3 existing providers	Yes - MAN is connected to ESBT network	yes	no	no	no	no available ducting - (new)	no	no	ESBT is the only link. No other dark fibre ducting available. dark fibre route to internal point of connectivity through Mahon
Limerick	17,686	Gateway	Phase 1		7 existing providers	very near ring of 8	no	no	no	not far from transmitter	no	no	yes	

Potential State infrastructure for fibre purposes

Name of Town	Population	NIS Gateway/Hub	MAN status	IDA priority - applicable to MANs 2 towns and potential MANs 3 towns	ESB/Engid	CIE	Bord Gais	Waterways	RTE	NRA	Balena Pipelins	Project Kavan	Potential dark fibre route
Athlone	17,544	Gateway	Phase 1										
Carlingford	17,262	County Town											
Chanel	17,009	County Town	Phase 1										
Ballyogan	15,659	County Town											
Malahide	14,937	County Town											
Lallop	14,876	County Town											
Portlaoise	14,813	County Town	Phase 1										
Kilmealy	14,803	Gateway	Phase 2	Yes - 15/15	not an ESB site of 8, but planned ESB power centre in Terbert	yes	no	yes on the Shannon	near to station	yes ducting to Athlone and to Dunboyne			
Greystones	14,669	County Town		~50/50					not likely	road but no ducting			no

Potential State infrastructure for fibre purposes

Name of town	Population	NSS Gateway/Hub	MAN status	IDA priority - applicable to MANs 2 towns and potential MANs 3 towns	No. of service providers interested or existing	ESBT/ESBT	C/E	Bord Gais	Wearways	NTE	RIA	Belted pipeline	Project Kevlin	Potential dark fibre route
Mallow	10,241	Gateway	Yes - High 15/15	Yes	no	no	no	no	no	no	ducting planned on the N20 - Malrow to Croom	no	no	link by rail to Cork and dark fibre available
Wicklow	10,070	County Town	Phase 2											
Middleton	10,048	County Town	Suspended											
Trenure	9,634	County Town	Phase 2											
Ennisceorthy	9,539	County Town	Phase 1											
Sherrins	9,535	County Town	Phase 1											
Shannon	9,222	Gateway	Yes - High 15/15	no - but near	yes	yes	yes	yes	yes	very near	no ducting available	no	no	through Bord Gais
Parrismock	9,979	County Town	Phase 2											
Laytown-Bellye	8,978	town - County	Phase 2											
Longford	8,936	County Town	Phase 2											
Ashbourne	8,628	County Town	Phase 2											
Dunganvan	8,362	County Town	Phase 1	*1 existing customer	yes	yes	yes	no	no	yes	road to Waterford but no ducting	no	no	
Rush	8,286	County Town	Suspended											
Athy	8,216	County Town	Phase 2											

Potential State infrastructure for fibre purposes

Name of Town	Population	NSS Gateway/Hub	MAN status	IDA priority - applicable to MANs 2 towns and potential MANs 3 towns	No. of service providers interested or existing	ESBT/STP	CIE	Bord Gais	Waterways	RTE	MFA	Baltic Pipeline	Project Kevin	Potential dark fibre route
Cavan	7,683	Gateway	Phase 1											
New Ross	7,761	County Town	Phase 2											
Thurles	7,709	County Town												
Thurles	7,682	County Town												
Kildare	7,538	County Town	Surveys/Phase 2											
Rebooth	7,248	County Town	Phase 2											
Conry	7,193	County Town	Phase 2											
					8 existing customers	yes - MAN is connected to ESBT network	yes - MAN is connected to Cavan line to the Dublin Sligo route		no	no	no ducting	no	no	use of disused railway to connect to Dublin Sligo Route for link Cavan to Man to ESBT line of 8 or link Cavan to Monaghan Kevin line

Potential State infrastructure for fibre purposes

Name of Town	Population	MSB Gateway/MSB	MAK status	IDA priority - applicable to MAKs 2 towns and potential MAKs 3 towns	ESB/ENP/ID	CPE	Bord Gais	Wearneys	RTE	MFA	Gating Pipelines	Project Kevin	Potential dark fibre route
Tuam	6,885	Gateway	Phase 2	15715	no	no	yes	no	no	no	ducting linking gateway to Tuam (n17)	no	bord gais dark fibre available
Trillick	6,870	County Town	Phase 2		yes								
Youghal	6,785	County Town	Phase 2										
Monaghan	6,710	Gateway	Phase 1						yes	no	no - some ducting between castibane y and monaghan	yes this will connect Monaghan to Dublin and to international point of connectivity in N.I.	yes through Kevin
Ballynasc	6,303	County Town	Phase 2		no	no	no	no	no	no			
Portlington	6,004	County Town	Suspended										
Buncrana	5,911	County Town	Phase 2										
Camrack-on-Suir	5,908	County Town	Phase 2										
Edinburgh	5,888	County Town	Phase 2										
Fermoy	5,873	County Town	Phase 2										
Bandon	5,822	County Town	Phase 2										
Dunboyne	5,713	County Town	Phase 2										
Drogheda	5,499	County Town	Phase 2										
Wexford	5,475	County Town	Phase 2										
Kells	5,248	County Town	Phase 2										
Lusk	5,236	County Town	Phase 2										
Passage West	5,203		Suspended										
Newcastlewest	5,088		Phase 2										
Birr	5,081		Phase 2										
Tipperary	5,065		Phase 2										

5

Potential State infrastructure for fibre purposes

Name of Town	Population	N/S Gateway/Hub	MAN status	BA priority - applies to MANs 2 towns and potential MANs 3 towns	No. of service providers interested or existing	ERB/Eng'd	CPE	Bond Data	Wasteway	KTE	NRA	Bibha pipeline	Project KATHM	Potential dark fibre route
Rescarmon	5,017	County Town	Phase 1											

* Service Providers MANS 1 - data available from what on existing service providers currently in each town
 ** Service Providers MANS 2 - data available from surveys conducted by DCENR on potential interest from service providers in each town - marked out of 50.
 *** Service Providers Towns with no MANS - data available from Evaluation on Potential MANS 3 towns by DCENR - potential interest from service providers marked out of 20

One Stop Shop for State Owned Telecoms Infrastructure

The attached report prepared by Caoimhin Smith and Nessa McKeivitt sets out the rationale for proceeding with the One Stop Shop proposal and recommends that a Managed Services Entity should be adopted as the operational model.

Rationale

- High speed broadband networks will underpin the SMART economy
- Knowledge enterprises in the regions, both foreign and indigenous, will require access to high speed networks in order to compete in a global market
- The country is already crisscrossed by fibre networks or infrastructure that is suitable for fibre networks but the development of these networks has been ad hoc, not coherent and left to individual SSBs
- For this reason, the leveraging of our competitive advantage in this area has been sub optimal.
- In order to optimise our assets we should develop a more coherent approach to the use and development of these assets in order to support national goals.
- This means adopting the One Stop Shop model
- IDA is strongly in favour of the idea and sees it as promoting FDI in the regions.
- Other countries, which have retained State-owned infrastructure, such as Germany are also planning to leverage those assets to improve fibre connectivity.

Demand

- Demand for bandwidth in the regions is growing at the retail and wholesale level though incrementally rather than exponentially
- Already, service providers are looking for access to State assets (particularly CIE)
- Telcos are in favour of the OSS. Clearly more work is required on assessing the true level of demand. Price levels and conditions of access will help determine this demand.
- We need to avoid further exclusive deals leading to islands of exclusivity/ bottleneck facilities in relation to State owned infrastructure. Open access OSS can be the solution.

- 6
- eircom has indicated for the first time, that it will use State owned infrastructure if it suits their plans

Supply

- Key to the success of the OSS will be engagement with the State Bodies and a clear roadmap on the way forward. This will be tricky. Without SSB buy in, however, the OSS will never work
- As demand will be incremental, any Exchequer funding for infrastructure provision should be in response to real demand.

MSE

MSE model is superior to assigning the project to an existing State body because:

- An MSE will be more responsive to market demand
- Will be incentivised to make the model work
- Will operate according to open access principles

Patricia Cronin
29 July, 2009

Report for Minister on Preferred Model for One Stop Shop (OSS)

Main Finding; The implementation of the OSS is worthwhile and should have a significant and positive effect on the provision of high speed fibre connections to the regions.

Decision Sought: That a Managed Services Entity (MSE) be chosen as the operational model for the OSS.

Background and Context

In terms of critical infrastructure, Next Generation broadband is recognised as a key enabler for the Smart Economy, on which our future prosperity will increasingly depend and which will also drive national and regional competitiveness, especially the development of dynamic city regions.

The policy paper *Next Generation Broadband – Gateway to a Knowledge Ireland*, published in June 2009, contains the policy initiative to establish a one stop shop (OSS) to provide service providers with flexible and open access to existing and future relevant State infrastructure. The OSS is also a commitment in the Government's action plan "Building Ireland's Smart Economy"

The OSS initiative is not a simple quick solution but a long term incremental process intended to solve a future challenge that is expected to arise. In the next five years demands for bandwidth will increase dramatically, with higher speed video applications emerging that operate on multiple devices over internet protocols. This process has already started with existing networks such as UPC and Vodafone carrying an increasing amount of traffic in Ireland. This in turn will result demand for more fibre capacity to carry this additional traffic to points of international connectivity. The OSS is central to ensuring that Ireland responds in a timely manner to address this future demand.

The roll-out of fibre to regional towns is a key infrastructure:

- to support the delivery of "knowledge economy" jobs that require high speed links to points of international connectivity
- To ensure regional towns in Ireland do not lose out on thousands of future jobs to competitor countries who are currently upgrading their own networks.
- To facilitate the increasing demand for bandwidth that is already emerging in Ireland
- To provide multinationals with multiple resilient pathways that they need to ensure their communications

The OSS is an initiative to help service providers and will:

- Reduce cost of fibre roll-out by using existing State ducting and fibre infrastructure in order to reduce the civil engineering 'digging' costs of fibre rollout, which can represent over 70% of the cost
- Leverage greater utility from existing State assets with a better return on assets for the State
- Open up access to state infrastructure that is not currently being used for telecoms purposes
- Connect up State infrastructure rather than having disparate islands of fibre
- Provide open access rather than islands of exclusivity, such as the CIE deal with BT, in the interest of the greater national goal of sustainable regional development
- Improve customer service at a single point of access
- Assist the IDA, which strongly supports the OSS, in attracting and retaining foreign direct investment to our regions by being able to present a cohesive framework for fibre connectivity to our regions to investors.

The organisations that we met with to update and consult on our work since our previous report (in February 2009) to the Minister were: ESB-T, NRA, RPA, e-net, Bord Gais/Aurora, Dublin City Council, Magnet, Colt, UPC, Vodafone, CIE and eircom.

Additionality of the OSS

During our consultation with the industry we asked what additionality a OSS could bring and would it have a substantive impact. The feedback received was positive. The following were highlighted as potential areas of significant additionality:

- OSS could improve access to infrastructure and could provide clarity with regard to what infrastructure is available (particularly in the case of agencies with no existing telecoms business)
- Joined-up information could reduce transactions costs
- Standardisation of terms of access to public infrastructure (incl. delivery times, addressing faults, performance metrics, prices, contract durations)
- Facilitate the provision of information on industry requirement at a single point to facilitate better targeting of State investment
- By providing clear information of where available State infrastructure is, the OSS could help service providers to forward plan investment to the regions
- Could provide flexible pricing and facilitate competition in the backhaul market.
- Facilitate more business by providing additional state infrastructure that could be used for fibre roll out
- Improve the overall competitive environment for telecoms in the regions

7

Current Infrastructure

State Body	Extent of Infrastructure	Telecoms Business
CIE	Most valuable infrastructure of all as railways go directly into many of the gateway and hub towns, whereas other infrastructure such as motorways or ESB does not.	CIE has done an exclusive deal with BT, who provide managed services over fibre, which is contained in cables buried in the ground beside the tracks. However, we understand from CIE that there is scope to lay additional ducting and fibre in a surface trough that runs adjacent to the tracks. The existing BT deal does not preclude or give BT rights over the use of this trough to lay additional ducting and fibre.
NRA	Ducting along motorways but there are gaps. Ducting in all bridges	No telecoms business
ESB-T	Figure of 8 fibre network and a spur to Donegal, using fibre wrapped around transmission lines.	Have a wholesale telecoms business offering managed services. [REDACTED] [REDACTED]
Bord Gais/Aurora	Ducting along side their gas pipeline to the West, outside Dublin, which could potentially be used to house dark fibre. There are way leave issues that would need to be sorted out.	Bord Gais has a telecoms business Aurora that leases dark fibre in Dublin.
Waterways Ireland	Dark fibre product along part of the Royal Canal towpath,	No telecoms business. Agreement with a private company to lease dark fibre on an open access basis
RTE	RTE transmission sites	No telecoms business
MANs	Providing dark fibre and managed services around towns	e net

Demand Findings

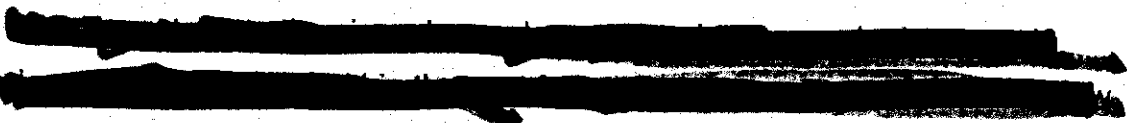
Feedback on demand received indicates:

- There is likely to be a significant increase in demand in the coming years including demand for managed service capacity and for dark fibres, even if emerging demand is slow to start with.
- This demand is likely to be in gateway and hub towns where respondents have existing markets.
- Without state intervention service providers will not be able to justify the cost of rolling out fibre to NSS and gateway towns
- The IDA are strongly in favour of the OSS as important in attracting and retaining foreign direct investment by providing a transparent cohesive framework for investors

The feedback indicated that there is currently demand for;

- improved ease of access to state infrastructure;
- common standards for excellent quality of service;
- access to additional State infrastructure, for example roads;
- flexible products, and flexible end-to-end pricing to meet customers needs;
- resilient physical routes to provide security to communications networks in the event of faults.

The middle and last mile were also identified by one party as more important than backhaul challenges. This refers to the cost of civil 'digging' works needed within a town to connect premises to backhaul. The OSS, while initially focussed on providing connectivity from towns to international points of presence, could evolve in future to include other infrastructures such as sewers that may address this issue. However these facilities are generally under the ownership of local councils rather than central State ownership of the infrastructure that is featured in this report such as road and rail.



[REDACTED]

A list of more specific feedback comments relating to demand that were noted during our meetings is contained in **Appendix 1**.

Operational Models

In a previous report that was submitted to the Minister in February 2009, four potential models were identified as potential operational models for a OSS: a joint venture company; a new State company; an existing State company with an existing telco business and a managed service entity.

Under a joint venture model it was envisaged that existing State bodies with relevant infrastructure, would jointly set up a company that would manage their assets to provide telecommunications services. Factors that militate against a joint venture company include: it could be difficult to ensure open access as there would be no state contractual control over the joint venture company; in practice it would be a very complex task to get the relevant State infrastructure to co-operate; and there could also be difficulties adding new State infrastructure at a future date, as it became available from other State bodies that were not part of the joint venture.

Forming a new State company could potentially help to consolidate the State's interest in broadband developments to date, and be a vehicle for developing and managing the OSS and other initiatives such as the National Broadband Scheme (NBS), 100 Megabits per second to schools, the proposed rural broadband scheme and any other future initiatives. However, this is unlikely in the current climate of agency rationalisation.

The real choice rests between an existing State company [REDACTED]

[REDACTED] or a managed service entity.

Ideal Principles

The analysis in this section assesses the relative merits of the MSE and existing State company models against an ideal OSS. There are trade-offs between the two models. Nine desirable principles are set out below for each of the two prospective models. While neither model is perfect, this analysis finds in favour of the MSE model over the existing State company model.

The nine principles, considered below are:

- Good customer service
- Good products and competitive prices
- All relevant State infrastructure to be made available to the OSS
- Effective governance of the OSS
- There should be end-to-end connectivity from regional towns to international points of presence
- Open Access
- Separation of provision of access from service provision
- Benefits of scale
- OSS should not displace current or potential private sector investment

Principle 1 – Customer Service

The OSS should provide service providers and State agencies with a single point of contact; provide a quick, effective service; respond flexibly to meet customer demands; provide transparent information on products and prices; and put in place service level agreements that are flexible and meet the needs of service providers and State bodies providing infrastructure.

On balance the MSE model would be preferred as it would be more proactive in seeking to generate business and reacting to customers' demands for flexible products.

Both an MSE model and an existing State company could provide a single point of contact, transparent information (though this may have to be mandated) and expertise to deal with State bodies.

[REDACTED]

Verdict: MSE

Principle 2 – Good products and competitive prices

There should be a wide range of flexible, transparent and competitively priced products.

There is a trade off here between well engineered products and flexibility of product and pricing. On balance the MSE would be preferred here due to the potential inflexibility of an existing State company.

[REDACTED]

Pricing will be a key issue with respondents pointing to the need for volume discounts, defined fees, end to end transparent pricing, flexibility of price, flexibility of contract periods, the need for lower prices and profit margins for more distant regional towns, and the need for revenue sharing arrangements between State agencies.

The development of a pricing model is a task likely to be given to the entity managing the OSS with DCENR in a governance role.

Verdict: MSE

Principle 3 – All relevant State infrastructure to be made available

All relevant infrastructure should be made available to the OSS. On balance there is no clear winner between the State company and MSE model.

State organisations with an existing telecoms business have indicated that they would wish to maintain their existing telecoms businesses in parallel with a OSS. This could create the potential for a competitive conflict between the State telecoms business and the OSS to which it will be expected to make its infrastructure assets available. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Strong feedback was received that for safety and operational reasons assets should not transfer to the OSS but remain in the ownership of their existing State bodies. It will therefore be necessary to consider which operational model would be best suited to working with the State bodies who would be contributing their assets.

If an MSE were chosen it may have difficulties in practice getting co-operation of other State companies with assets, as they would be perceived as competitors.

An existing State company, if chosen, may use alternative infrastructure only as a last resort, thus potentially taking business away from State companies contributing ducting to the OSS. While an existing State company [REDACTED] already has a working relationship with State agencies, this is not in

7
itself a guarantee that there will be effective access granted to infrastructure assets by State agencies.

It may be necessary to mandate making assets available and to require the continuous provision by participating State bodies of transparent updated information on assets to the OSS, and address organisational structures to avoid competitive conflicts between existing State companies with a telecoms business and the OSS.

Verdict: no clear winner

Principle 4 – Effective governance of the OSS

It will be necessary to ensure effective governance of the OSS to ensure that it leverages State assets in an optimum way.

On balance the MSE model would be preferred here as there is greater practical potential for delivery, through performance indicators and measures, than there would be with an existing State company, as there would be a contract in place with an MSE. However, if an existing state company were to tender for and win an MSE contract, the same degree of control would exist.

In order to ensure effective governance dedicated resources will be needed regardless of which operational model is chosen

Verdict: MSE

Principle 5 – end-to-end connectivity

The OSS should provide end-to-end connectivity to international points of presence and between the NSS gateway and hub towns. However, there are infrastructure gaps. This could necessitate investment including: installing a significant amount of fibre in ducts, which currently have no fibre; the need to