

Mr Paschal Donohoe T.D.  
Minister for Finance  
Department of Finance  
Upper Merrion Street  
Dublin 2

30 August 2021

**Re: Telecommunications Industry Ireland Budget Submission 2022**

Dear Minister,

The following are the Budget 2022 recommendations of Ibec's Telecommunications Industry Ireland, whose members account for the majority of industry investment and employment.

Economic and social significance

Telecommunications is the backbone of Ireland's digital economy and underpins it. In 2020 the OECD recognised Ireland as one of several 'global hubs of digitally delivered services'. Some 240,000 are employed in digital intensive sectors, up 17% since 2016, and an estimated 30% of data held in the European Union is held in Ireland.

Every industry will need to become increasingly digitised to remain competitive, and this requires the constant upgrading of advanced telecommunications infrastructure (fibre, masts etc.) to host the necessary high-speed networks.

Access to public services, educational resources, cultural and leisure pursuits is increasingly done digitally over telecommunications infrastructure.

Advanced telecommunications infrastructure made the Government's 'stay at home' policy response to the Covid-19 crisis possible, during which networks experienced a substantial growth in traffic but no growth in revenue. This policy would not have been possible without the network investment made by the industry over the last few years and the economic and social impact of Covid-19 would have been more severe.

The proposals below are aimed at facilitating the maximum availability and regular upgrading of this infrastructure to ensure future national competitiveness and an equitable regional distribution of economic growth.

Industry contribution

The telecoms sector employs 25,000 people, has invested approximately €3.3 billion in the network over the past five years, paid €932 million for spectrum over the last 9 years, and is estimated to contribute c.€2.5bn to the economy annually.

Covid-19 crisis commitments

Telecoms operators made a set of voluntary commitments to help keep citizens connected and the country working during the Covid-19 crisis. They include the provision of affordable unlimited data packages and a commitment to work with customers having difficulty paying bills to keep them connected.

Investment bottlenecks

All telecommunications policies should be checked to ensure that the state maintains a policy and regulatory environment that encourages continued investment in telecommunications networks and technologies because they are essential for national competitiveness.

Investment bottlenecks due to administrative and regulatory issues should be removed. Unnecessary administrative, planning, and regulatory hurdles hinder the deployment of very high-capacity networks, in particular fibre (both in the National Broadband Plan intervention area and in areas served by the private sector) and mobile networks, including 5G. The objective should be fewer obstacles to obtaining any permits required to deploy high-capacity networks, easier access to public infrastructure and making spectrum available quickly and at a reasonable cost.

#### Improving mobile coverage

The forthcoming spectrum licensing process should be used to encourage investment in expanding the capacity of national mobile networks and strengthening resilience while avoiding unnecessary diversion of capital budgets towards spectrum fees. A long-term approach should be taken by focusing on the strategic goals of maximising network investment, and the concomitant service improvement, through the acquired spectrum. Previously, coverage improvement was sacrificed in favour of the short-term goal of higher immediate fees for the Exchequer.

#### 5G rollout

A government communications campaign is needed to counter the enormous and sophisticated deluge of online disinformation that 5G is harmful to human health, a claim contrary to all reputable scientific opinion. This disinformation has caused a significant level of objection to the deployment of 5G due to the public concern it has generated. The public are entitled to be informed on a proactive basis by the State of the facts regarding 5G in way that is both accessible and independent. It will only take a tiny proportion of the enormous sums the State will receive from industry in 5G spectrum fees to do this. Such a campaign will complement industry's ongoing efforts to communicate with the public regarding 5G. It is very important for future competitiveness that Ireland will be able to compete for the estimated €12 trillion of global economic output enabled by 5G in the period to 2035.

#### Address structural connectivity shortages:

To ensure balanced regional development it is essential that structural connectivity shortages are addressed through measures such as the following.

- Establish a rural mobile connectivity scheme to target rural mobile 'blackspots' where there is no commercial business case for the private sector to deliver services. The scheme should fund open access telecoms infrastructure in 'blackspot' areas available to all mobile telecoms operators.
- Provide subventions for costs incurred by SMEs when connecting to very high-capacity networks by means of a new fibre access line to their premises. These last few metres to the premises which are on private property can often act as an obstacle to take up of the high-speed connections, delaying the digital transition, when work (such as the reinstatement of private property underground ducting) is required on the part of the customer. Fibre networks are essential to SME competitiveness because they provide a faster, more reliable and more energy efficient service than traditional copper networks.
- Provide a targeted subsidy to increase the amount of shared multi-purpose street hubs which can enable multi-operator equipment and facilities. This will increase high speed coverage, including 5G.

#### Cybersecurity

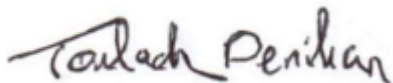
It is crucial that funding is made available to enable prompt and complete implementation of the most welcome decision by Government on 13 July 2021 to significantly expand the National Cyber Security Centre (N.C.S.C.). Telecommunications Industry Ireland has called for a significant increase in resources for the N.C.S.C. in its Budget submissions for the past several years. This is because while the telecommunications sector invests heavily in cybersecurity, certain essential functions in this regard can only be discharged by government via the N.C.S.C. The adequate discharge of these functions is essential to protect both citizens and the digital economy and requires appropriate resources.

Bridging the digital divide

It is recommended that more resources be allocated to the Department of Communications 'Getting Citizens Online' Programme and for the Trading Online Voucher Scheme for SMEs. This will generate a greater social and economic dividend for investment in high-speed broadband, whether by the state or by the private sector.

Telecommunications Industry Ireland would welcome the opportunity to brief your officials further on the above or answer any questions.

Yours sincerely,

A handwritten signature in dark ink, reading 'Torlach Denihan'. The signature is written in a cursive, flowing style.

Torlach Denihan  
Director