



**Submission by IDA Ireland to the Public  
Consultation on International Connectivity  
for Telecommunications.**

**November 27, 2020**

## **Introduction**

IDA Ireland welcomes the opportunity to input into the public consultation on international telecommunications' connectivity. IDA Ireland understands that the Department of the Environment, Climate and Communications (DECC), in publishing the consultation, is endeavouring to ascertain the views of interested parties on international connectivity, in order to inform policy development and decision making.

## **Current Position**

Over the years, Ireland's international telecommunications' connectivity (including the strategic Global Crossing network) has been important in helping develop the country's economy. Nowhere is this more evident than in the heavily-export oriented FDI (Foreign Direct Investment) sector, where FDI (direct) employment, at 245,000 and FDI exports, at two thirds of total exports, are at a record high, and the tech sector is one of the global leaders. With cloud computing, data storage and digitalisation expected to continue their rapid growth, international telecommunications' connectivity will again be increasingly strategically significant. Ireland's connectivity is well placed to underpin the potential growth, albeit there are some matters that need to be addressed, as outlined below, in order to maximise success.

## **Consultation Questions**

- 1. Is there sufficient capacity and diversity of routes available to meet current and future demand over the next five years (or over a longer timeframe if that information is available)?**

This is difficult for IDA Ireland to answer as the commercial plans of developers and users are not available to the agency. However, our understanding is that there are risks to capacity and connectivity. In capacity terms, many of the relied-upon cable systems are old. Compounding this, significant data volume growth means that newer and ever higher capacity routes are required on an ongoing basis. This means new systems on existing routes will be required, especially in the long term.

One specific risk is direct connectivity of Ireland to Continental Europe, which is a primary market for Irish-based FDI enterprise. This is particularly the case now with Brexit, as connectivity from Ireland to the Continent is via the UK. In light of this, IDA Ireland believes that there is a need to have direct telecommunications' connectivity between Ireland and Continental Europe.

- 2. What are the key challenges and commercial barriers that exist in the development of international connectivity in Ireland?**

As an island nation on the far North West of Europe, we are at a comparative disadvantage, in both technical and cost terms, for any new intra-European cable systems. This has historically been somewhat offset by our proximity to the United States but is now potentially complicated by Brexit. Our tech industry base means that there is a strong need for reliable, scaled cable systems in both directions (US and Europe). In general, for US-Ireland and Ireland-UK connectivity there seems to be a reasonable commercial basis for new fibre systems.

However, the process and timeline to acquire a new foreshore license is viewed as a significant barrier to new systems being developed on time to meet demand and also affects areas such as booking of scarce cable deployment ships, driving cost and risk to projects. IDA Ireland also understands that there is a considerable cost differential in foreshore licence fees between Ireland and other European countries (excluding the UK), which puts the country at a disadvantage.

With respect to building direct connectivity from Ireland to Continental Europe, IDA Ireland understands that the business case for establishing connectivity may not be sufficiently clear for fibre infrastructure providers, pending final developments on Brexit and especially because of potentially much more significant costs of building such systems.

**3. What measures are required, including actions by the State, to alleviate the key challenges and commercial barriers in the development of international connectivity in Ireland?**

The Marine Planning and Development Management Bill (MPDM) provides an opportunity to shorten and streamline the process for approving foreshore licences. Consideration should also be given to bringing foreshore licence fees in line with the most cost competitive European countries, which, like Ireland, are competing for strategic international connectivity projects (e.g. linking the respective country with North America).

The State also needs to fully understand and have a clear position on the potential requirement for connecting the country directly to Continental Europe, based on risk-free connectivity, the immediate situation post-Brexit, and also on any potential future actions or barriers that might arise for systems transiting UK territories. Appropriate market mechanisms should be applied to resolve any such risks, including with the co-operation of EU partners.

**4. Given that the most recently deployed and planned submarine cables on transatlantic routes have landed on the west coast of Ireland, are there likely to be any issues with onward connectivity from the land station to service provider hubs and data centres?**

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**5. How do you think Ireland is positioned when compared to other countries with best practice international connectivity?**

Ireland is generally well positioned today relative to other countries with respect to best practice international connectivity, and this is evidenced by, for example, the ongoing success and growth of the country's technology sector. However, the position needs constant attention and this review is a timely intervention by the Department of the Environment, Climate and Communications (DECC).

**6. How can Ireland position itself as the preferred location to land submarine fibre cables in Europe?**

Please see (7) below.

**7. How can Ireland make it attractive for companies to build new submarine fibre routes from other European countries to Ireland?**

Ireland can make itself attractive for building new fibre cables to/from Europe by continuing with the development of the country's technology sector and by integrating the economy seamlessly into the EU Digital Single Market (DSM). As a Government body, IDA Ireland will do its part to both drive and promote that development and integration of technology.

Any proposed specific interventions are a matter for the relevant Government Department, based on submissions from operators and user groups. However, we would respectfully suggest that any gaps are the subject of a clear plan of action and ongoing monitoring of commercial developments.