



Virgin Media Ireland Limited
Response to:

Consultation on the 'Digital Connectivity Strategy'

Department of The Environment,
Climate and Communications.

Thursday 31st March 2021

1. Introduction

Virgin Media Ireland Limited (“Virgin Media”) welcomes the opportunity to respond to the Government’s consultation (“the Consultation”) on the “Digital Connectivity Strategy”.

Virgin Media Ireland employs 1,000 people and is the leading connected entertainment cable business offering homes and businesses award-winning services including broadband, TV, mobile and home phone. We also operate Virgin Media Television is Ireland’s leading independent, national, commercial public service broadcaster.

Virgin Media Ireland is supportive of the key targets that Government has identified in this consultation and agrees wholeheartedly with the Government’s stated objective of being at the forefront of European global digital developments.

Virgin Media is already playing a very significant part in helping to make these key targets a reality. In addition to our investments in Ireland already exceeding €1bn to date, in November 2021 Virgin Media announced a €200 million investment

(backed by Liberty Global, Virgin Media’s parent company) to upgrade its broadband network to full fibre, delivering speeds of up to 10 Gbps for 1 million homes and businesses.

Virgin Media’s broadband network already provides Ireland’s fastest broadband, offering 1 Gigabit speeds. In August 2020, Virgin Media completed its upgrade to DOCSIS 3.1, bringing gigabit-capable broadband to over 97.5% of its network, passing 1 million premises. Virgin Media’s new €200m investment bolsters our long-term network strategy, providing customers with far greater speeds and choice, fuels future Irish connectivity needs and underpins digital innovation for consumers, businesses, and communities nationwide.



2. Key Strategic Enablers identified in the Consultation; General observations and comments

i. Commercial Investment in Digital Connectivity

Virgin Media is Ireland's leading cable television provider and the largest national provider of high-speed broadband services to homes, consumers, SME's and large enterprises in the private and public sectors across Ireland. As mentioned above Virgin Media will upgrade 1 million homes and businesses to fibre. This upgrade is being financed by a €200 million investment (backed by Liberty Global, Virgin Media's parent company). This investment will create approximately 500 jobs and reflects our continued commitment to Ireland's long-term digital future and economic growth.

Virgin Media also owns Virgin Media Television and offers Virgin Media Mobile services nationwide. We are continually reimagining the technology we deploy to meet society's many opportunities and challenges, making communities smarter and more sustainable and enterprises more agile and efficient.

ii. National Broadband Plan (NBP)

Virgin Media notes the Government's commitment to ensure that every citizen has access to the internet via high-speed broadband. To this end, National Broadband Ireland using State Aid will deploy a Gigabit network service to the most rural locations in the State within the intervention area. This rollout is not limited to residential premises but includes businesses and libraries all of whom are within the intervention area.

To note, State Aid should only ever be used as a last resort. It is our experience that the market will provide for the vast majority of coverage needs through privately financed deployment of both fixed and mobile networks. Government therefore should continue to promote private investment and only thereafter consider public funding to those remote and economically challenging areas where it is proven beyond any doubt there is no prospect of commercial deployment.

It is vital that National Broadband Ireland's roll out remains targeted, efficient and contained to the specific intervention areas in question i.e., rural areas/key locations. This is crucial to ensuring that NBI broadband deployment does not create market distortions and thereby discourage investment by entities such as Virgin Media and its parent company.

iii. International Connectivity

Virgin Media supports the premise that high quality, secure and reliable connectivity to global telecommunications networks is of significant strategic importance to the Irish State and welcomes the Government's exploration of the strategic opportunity to position Ireland as a central connectivity hub in Europe and act as a gateway to Europe for a significant proportion of the transatlantic cables from North America. To this end, incentivising private investment in both transatlantic submarine infrastructure as well as international connectivity to mainland Europe will be key.

In line with the rapid developments in connectivity trends and the significant investments in transatlantic capacity taking place already today, it is important that the laying of additional capacity remains market driven. Incentivising additional 'drops' (i.e., landing stations) on planned transatlantic cables can be an efficient way of improving Ireland's position as an international connectivity hub. A robust and coherent marine planning system, as proposed by the Government, can be an additional contributing factor. The use of public funds should be restricted to clear instances of market failure.

iv. Mobile Phone and Broadband Taskforce

Virgin Media is a participant on the Mobile Phone and Broadband Taskforce aimed at improving access and addressing connectivity barriers to telecommunications services in Ireland. This has been a very useful forum for engagement between industry and Government. It resulted in concrete actions the benefits which were very evident during the Covid 19 pandemic. Virgin Media welcomed the reinstatement of the forum earlier this year and looks forward to work closely with the forum to assist with the delivery of many of the Government's key targets as set out in this Consultation.

v. Network Integrity, Security and Modernisation

Irish and EU policymakers recognise that cybersecurity is essential for economic prosperity and growth, as well as for user confidence in online activities. With the current security situation in Ukraine, cybersecurity considerations have never been of more importance.

Virgin Media is a member of a taskforce set up by ComReg to look at issues undermining confidence in telecommunications such as spoof text messages and calls. Virgin Media also participated and contributed to the working group, resulting in the development by the National Cyber Security Centre ("NCSC") of the series of ten documents known as the Electronic Communications Security Measures or ECSMs, which reflects on our commitment with the industry to safeguard against cyber threats.

Earlier this year we responded to the Department's consultation on these Electronic Communications Security Measures. We continue to work tirelessly to ensure the integrity and security of our network at all times and will continue to engage with key stakeholders on this important subject.

vi. Regulation – Principles of Regulation

Virgin Media operates in one of the most regulated business sectors. Regulatory intervention must first and foremost always look to identify a demonstrated absence of effective competition and thereafter obligations contemplated must always be reasonable and proportionate to achieving fair competition. Regulatory intervention should also preserve the investment incentives and innovation dynamics in the market.

It is largely through private investment that Government is most likely to meet its stated aims that "All Irish households and businesses will be covered by Gigabit network no later than 2028."

Regulatory certainty is needed by existing providers such as Virgin Media to continually invest.

The new European Electronic Communications Code (EECC) represents a revision of the entire EU regulatory framework for the telecommunications sector. Virgin Media would urge Government when finalising its Digital Connectivity Strategy to keep in mind the provisions in the EECC aimed at encouraging investment and promoting the deployment of electronic communications networks particularly Very High Capacity Communications Networks (VHCNs). Actions taken by Government in finalising and implementing this strategy should not dilute or negate these provisions.

vii. Research and Innovation

"Partnerships across industry and the State are needed and the State will take an active role both in the direct development of initiatives and through facilitating stakeholders in forming these partnerships". More publicity would assist with raising awareness. Research and Development in third level institutions could help generate data / case studies. Virgin Media is more than happy to work with Government to deliver this stated aim.

viii. Smart Cities/Towns, Rural Communities and Transport Corridors

Virgin Media is the partner chosen by Dublin City Council (DCC) for WiFi4EU, where we provide open access wi-fi on behalf of DCC across over 60 locations. These include community centres, tourist attractions, learning centres and thoroughfares. The local broadband officer and Smart City group are leading this initiative for DCC and an innovative collaboration has formed by the two key stakeholders in digital enablement in the DCC jurisdiction. Virgin Media is happy to work with Government as it looks to deliver more smart solutions in our cities and town.

3. Virgin Media Response to Consultation Questions

1 Is the ambition level set out in the State's Digital Connectivity Strategy appropriate

Virgin Media considers that the ambition level as set out in the State's Digital Connectivity Strategy is appropriate. We believe given the rapid pace of change that there may be scope for review in terms of a further evolving long-term strategy.

Government overall targets for Digital Connectivity

All Irish households and businesses will be covered by a Gigabit network no later than 2028

- Virgin Media has surpassed this target eight years ahead of schedule. To note, over-regulation could disincentivise investment and potentially stifle consumer choice.

All populated areas covered by 5G by no later than 2030's

- 5G and the capacity for 5G enables industry to be resource efficient, less wasteful, and more productive, paving the way for the Fourth Industrial Revolution. New technology will empower individuals and communities. Regulation must consider a mix of technology and prepare for the arrival of future platforms such as 6G.¹

Complete the delivery of digital connectivity to all Connected Hubs and all Schools by 2023

- Virgin Media is one of the most progressive leaders in digital enablement in Ireland. We are leading on network expansion to bring high-speed broadband to new areas and also providing choice to consumers and businesses in nearly 1m premises nationally. Specifically, Virgin Media are a leading participant in both primary and post-primary school frameworks for high-speed secure connectivity for schools. We also specifically cater for schools in our build programme so we can include as many schools as possible as we grow our network reach.
- Virgin Media is also passionately committed to digital literacy including the P-Tech industry, education and community-based programme for schools which the business supports annually through employee participation and further inputs.

2 The Department invites commercial operators to submit details of their existing or future planned networks delivering broadband services to premises with at least 1Gbps download speed? Details should include the list of premises that are or will be covered and the expected date by which the Gigabit broadband service will be made available to each premises.

In August 2020, Virgin Media completed its upgrade to DOCSIS 3.1 and currently offers 1Gbps broadband speed, which is available across 97.5% of our network passing 1m premises. In terms of planned works, we have also undertaken an investment of €200 million^{2 3} in fibre upgrade, to take place over 3 to 5 years from early 2022, which will bring speeds of up to 10Gbps for over 1 million premises, both business and residential customers, principally based in cities and towns.⁴ This is in the preparatory stage and is not yet available to customers. Potentially, we may consider, based on the business case, to open up our network to other operators on a wholesale basis. We believe that this will strongly contribute to Ireland being at the forefront of European Union in terms of gigabit connectivity.

1 [6G: The Next Horizon - Huawei](#)

2 <https://www.rte.ie/news/business/2021/1103/1257676-virgin-media-to-invest-200m-in-making-network-fibre/>

3 Virgin announces €200m upgrade and 500 new jobs ([irishtimes.com](https://www.irishtimes.com))

Key Timelines

Timelines	
4 November 2021	<ul style="list-style-type: none"> ▪ Virgin Media Ireland's €200m investment - upgrading fibre to more than 1 million homes and businesses across our network - was announced. ▪ Enabling speeds of up to 10Gbps for Virgin Media broadband customers. ▪ Potentially providing wholesale opportunities by opening up third party access to the Virgin Media network. ▪ Creation of 500 jobs in support of Virgin Media Ireland's mission to supercharge communities with fibre broadband.
20 August 2020	<ul style="list-style-type: none"> ▪ Virgin Media switches on 1 Gigabit Broadband network⁴ covering almost 1 million homes across Ireland.

As gigabit connectivity is available across our network (97.5% availability) we have not provided a specific list of premises to the Department.

3 Are the strategic enablers set out in the State's Digital Connectivity Strategy appropriate? Do these strategic enablers need to be amended? Are further strategic enablers, initiatives or measures needed?

Virgin Media considers that the enablers as set out in the State's Digital Connectivity Strategy are generally appropriate.

In terms of enabler "4.5 Regulation" the EECC enables Member States to introduce a Universal Service Obligation (USO) for broadband where appropriate. Under article 84 of the EECC, Member States must ensure that all consumers in their territory have access to a basic list of adequate broadband internet access service at an affordable price.

Virgin Media recognises the role of USO in supporting social inclusion and welcomes the focus on closing the gap between availability and take up of broadband internet services.

The goal of USO under the EECC therefore is to avoid the risk of social exclusion, which prevents citizens from full social and economic participation in society, through a lack of access to electronic communications services.

However, we believe that digital markets are working well and will provide for the vast majority of Ireland's coverage needs, especially through privately financed deployment of both fixed and mobile networks.

Regulators and governments should continue to promote private investment through a mix of technologies (not only fixed), and only thereafter consider public funding to those remote and economically challenging areas where it is proven beyond any doubt that there is no prospect of commercial deployment.

Where there is an enduring availability or coverage problem, State Aid is a more targeted and calibrated instrument than USO. State Aid has already been applied in the Irish market through Government's funding of NBI and it makes no sense to seek to apply a universal service obligation in a market where one provider (through State Aid) is tasked with ensuring that those remote and economically challenging areas are catered for.

⁴ Virgin Media becomes Ireland's largest Gigabit Broadband Provider

It is important to note that, consumers are already able to obtain access to basic electronic communications services in the absence of USO through a range of technologies and products including mobile, broadband, and over-the-top services for personal and business communication.

The right regulatory environment is crucial to enable the investment that will allow the continued development of networks digital transformation. Therefore, Virgin Media believe, a focus on broadband affordability and capability of service should be the preferred approach.

4 The Department welcomes any views on the State structures, agencies and resources needed to oversee and ultimately secure the delivery of the Digital Connectivity Strategy.

The Connectivity Strategy should apply to every household and business across the whole country. Delivering this strategy will require a joint effort between Government and Industry. This will make our digital economy stronger, and accessible to everyone. Many State agencies should become more digital in service enablement and delivery. For example, the Passport Office has introduced very effective digital tools. Virgin Media would encourage other State entities to take similar steps.

Virgin Media believes that a Working Group would be beneficial in terms of securing the delivery and implementation of the Digital Connectivity Strategy. Virgin Media suggests industry stakeholders should be a part of this group and is happy to join such a group.

5 The Department welcomes any views on how to ensure a sufficiently skilled workforce, with the necessary competence and experience, is available to industry and the State so that Digital Connectivity Strategy can be delivered? The Department would welcome suggestions on the State's role in encouraging the development of this workforce?

Industry and Government can work to upskill workforce from school age. Ireland has the youngest population⁵ in Europe, forecast to increase by almost one million people to 5.75 million by 2040.

Ireland was the first country in Europe to adopt the P-TECH Model⁶ to boost students' opportunities in the Digital Economy. Virgin Media is supportive of this initiative as one of the P-TECH's first industry partners. The P-TECH (Pathways in Technology) Model, pioneered by IBM in partnership with educators, is a global initiative that integrates elements of third-level education and workplace experience alongside second-level schooling, with a focus on college attainment and career readiness. P-TECH enables students to complete their Leaving Certificate while also potentially attaining a Quality and Qualifications Ireland (QQI) Level 6 Award that is directly aligned to job opportunities in the area of digital technology. P-TECH also works as a way to show students career opportunities that may not have previously considered or been aware of. The focus is on students from underserved communities.

We believe that it would make an enormously positive difference if digital/ICT skills formed part of the curriculum in schools beginning at primary level. Initiatives that enhance the participation in STEM subjects and in the interest of diversity particularity for women would also be very welcome.

6 The Department welcomes any other general observations and views on the State's Digital Connectivity Strategy and how it can be improved?

A review of progress periodically in order to remove, fine tune, introduce new elements or accelerate areas would be useful.

Virgin Media welcomes the opportunity to contribute to this important consultation and thanks the Department of the Environment, Climate and Communications. We look forward to the findings and recommendations arising from the consultation in due course.

⁵ <https://www.idaireland.com/invest-in-ireland/ireland-demographic>

⁶ [P-TECH school model](#).



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