

REQUEST FOR MARKET INFORMATION

Procurement of an Economic Operator to Manage the Galway Mayo Telecommunications Network

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1 Introduction

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2 Response

2.1 How might the footprint of the Galway-Mayo Network be further expanded in the future?

It seems that the most logical ways to expand the reach /footprint of the Galway Mayo Duct would be to do so with spurs off it in the directions of towns and population centres (most likely not ones constricted by the State Aid decisions). For Example, towns like Kiltimagh and Knock/ Knock Airport. There is no real need for expansion northward as the network already extends practically to the coast the only other direction that may prove viable would be southerly, or in the direction of centres like Athenry, Loughrea, Gort etc.

2.2 Do you perceive any future demand/ requirement for (l) bringing the Westport spur into operation?

[REDACTED] feel while the State Aid rules remain where it prohibits Westport and Castlebar from Access and Backhaul then this new span will ultimately be a stranded asset. Telcos will not be able to connect to the Galway Mayo span. We feel there is limited use requirements linking Castlebar to Westport on its own.

2.2.1 (ii) for the completion of the 24kms of ducting from the end of Segment A – B (Bellanaboy) to the coastal area of Belmullet in County Mayo as is referred to in the State Aid Decision, but for which the Department has no current plans for completion?

██ the only current fibre backhaul available is with Open Eir. By connecting Belmullet to the Galway-Mayo network would allow options for backhaul from Belmullet. ██████ would also connect to wireless high sites in the area and access to fibre backhaul in Belmullet would complement this wireless network.

2.3 How might the Galway–Mayo Network be interconnected with other existing or planned backhaul networks?

The primary focus would be agreeing terms for connectivity from the Galway – Mayo network to Aurora network. ESBt fibre network also cross the Galway- Mayo network near Galway and could equally be used for connectivity into Galway if they were open to connectivity arrangements. The Irish rail fibre also intersects near Castlebar and could be interconnected with this network.

2.4 How could the Galway-Mayo Network be utilised to promote greater competition in the region?

Given the restrictions on the services that can be supplied in the State aid decision for the larger towns in the surrounding areas (especially in relation to backhaul services from Castlebar, Ballina, Tuam, Claremorris etc.) it is hard to see how this network would be used to be able to increase competition in the region. It is likely that most of these locations have only 1 or 2 backhaul routes currently. If this network could be used to provide a 2nd or 3rd route, then that would increase market competition in the region that appears to be prohibited by the state aid decision. One example being Ballinrobe – currently to our knowledge only eir Backhaul exists from Ballinrobe. None of the town of Ballinrobe has been deemed competitive enough by Comreg to include it in their deregulation area for the Leased Line Market – that would suggest they understand eir to have significant market power there still. Logically that suggests that the scope exists for competition to play a useful role in the area. From our reading of the restrictions, this network would not be allowed to be used to provide some competition this area.

2.5 How could the Galway-Mayo Network be utilised to support the Government's Digital Connectivity Strategy as referred to previously?

It would seem that it is under the International Connectivity element of the Strategy is where the Galway Mayo duct may play its most useful roles (given the restrictions on Backhaul and Access services (with changes to those it could be a useful addition to the national effort against all the other elements of the plan also).

2.6 What level of demand for services and/ or potential revenue generation might be expected over the proposed term?

Given the restriction on backhaul on access services in the main locations along the network it is difficult to understand what level of demand will be generated for service along this network. There may be future demand driven by additional subsea cables being brought ashore in the vicinity and perhaps some operators may be able to make a business case to invest in an extension to Kiltimagh, Knock, Ballyhaunis, etc. (the centres where sale of services is not restricted). Those cases will be difficult for any commercial entity to make given the total bandwidth out of each of those location is likely sub 100G, and the distance involved to reach them from the network are 10-40km away.

2.7 The Department would like to receive any relevant information from the market with regard to the management of this infrastructure on behalf of the State?

The main areas ████ feel need to be covered in the next stage of the tender process is clarity surrounding State Aid restrictions regards access to the Galway Mayo network in towns listed. Under section 34 of the State Aid decision, clarity is needed on "... However, in the areas covered by the subsidised backhaul network where an NGA network already exists and there are no indications that it is not sufficient to satisfy the needs of citizens and business (Castlebar, Westport, Ballina, Tuam, Claremorris and Ballinrobe), no access operator will be able to connect to the subsidised ".

████ would feel there is no network in these areas that can support readily available dark fibre backhaul and 100G+ backhaul and therefore the State aid decision should be relooked at. Such areas will therefore be excluded from the access target areas. ██████████ Castlebar and Ballinrobe and access to an alternative fibre backhaul network would help growth in these areas.

Agreed rates regards access along the GNI network for repairs and provisioning will be needed rather than an operating procedure. Unless there are clear commercial agreed rates surrounding access to the duct network via GNI and clarity on access for repairs it will be difficult to offer SLAs to customers on this network.

Clarity surrounding the 5 PoP's along the route is needed as these PoP's look to be in GNI property. Who maintains these PoP's?. Who is responsible for the power? etc.

Clarity surrounding the 'clawback' clause regards section 50 of the state aid decision is also required specifically on the possible percentage profits that may need to be returned based on over performance.

“..... if the profit generated on the subsidised network is higher than a certain percentage of the forecasted revenue, a certain percentage of the revenue will have to be paid back to the granting authority.....”

ENDS.