

28-July-2000

NCC Statements on Telecommunications, e-Business and the Information Society and Statement on Regulatory Reform

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## **Imperative that Planned Legislation to Unbundle Local Loop<sup>1</sup> Should be Introduced by Year End - National Competitiveness Council (NCC)**

### **NCC Also Calls for National Policy Statement on Regulatory Reform**

The National Competitiveness Council today (Friday, 28th July) called for the introduction of legislation by the year end to allow full physical and effective unbundling of the local loop throughout Ireland and completion of the necessary regulatory work by the Office of the Director of Telecommunications Regulation to make it happen. The Council has also called for the drawing up of a national policy statement on regulatory reform in the economy as a whole.

Backing up its call for action, the NCC has issued two policy documents, entitled '*Statement on Telecommunications, E-Business and the Information Society*' and '*Statement on Regulatory Reform*'.

#### **Telecommunications and E-Business**

In addition to the recommendations on the unbundling of the local loop, the main proposals put forward by the Council to promote high-quality service provision and competitiveness in the field of telecommunications and e-business include the following:

- The legislation required for the mandatory sharing of existing telecom infrastructures should be introduced by year end. This change, together with the unbundling of the local loop, is crucial to enhancing competition in the provision of services such as ADSL<sup>2</sup>.
- A common set of guidelines for local and planning authorities on the deployment of telecom infrastructures should be developed and applied. These guidelines should eliminate the uncertainty and inconsistency that are currently causing delay and additional cost for operators laying new fibre optic cable.
- A Minister of State should be appointed with responsibility for promoting e-business and the Information Society. The Minister should report directly to the Taoiseach and should be supported by a high-level advisor with the requisite technical, business and management expertise.
- The development of e-Government should be accorded urgent priority. All Government procurement should be conducted on-line by mid 2001. Also by mid-2001, users should have the option of completing and returning forms on-line for all state services.

The Chairman of the National Competitiveness Council, Mr Brian Patterson, said that while much had been achieved in the area of telecommunication and e-business, there was no room for complacency if Ireland was to keep pace with competitor countries.

'Throughout the world, governments are putting new policies in place to

capture the exceptional opportunities for economic and social progress that the revolution in information and communication technologies presents' said Council Chairman, Mr. Brian Patterson. 'Ireland has the full capacity to exploit these opportunities for all members of society, if our institutional structures are capable of responding quickly and effectively to the challenges of the digital economy.'

### **Regulatory Reform**

In a separate document, also published today, the National Competitiveness Council has called for a national policy statement on regulatory reform in the economy to be drawn up. According to the Council, such a statement should set out principles of competition and regulation and establish the national objectives to be achieved through regulatory reform. It should also set out specific steps that will be taken by the Government to give effect to the policy outlined, including indications of timing and responsibility.

The following are the Council's main recommendations on regulatory reform:

- A systematic programme of regulatory reform should be initiated in the economy to eliminate regulations unnecessarily restricting competition.
- The burden of red tape, in particular on small business, should be minimised.
- Competition and regulatory legislation should be reviewed regularly and quickly to reflect the changing profile and needs of regulated entities and their customers and changes in the business, technological and social environment.
- Criteria for the appointment of regulators in individual sectors of the economy should be established and put into operation. Regulatory intervention should only occur where there is clear market failure.
- New procedures for stakeholder participation in regulatory areas should be developed, ensuring that the views of all interested parties are solicited in a planned and systematic way.
- Clear, transparent and efficient appeal procedures should be put in place to ensure certainty, precision and timeliness in the regulatory process

In its statement, the Council points out that the OECD has already drawn up a series of principles for regulatory reform, based on the experience of a number of member countries. The Council believes that these principles are an appropriate starting point for regulatory reform in Ireland also. It recommends that the principles should be examined in detail and adapted and elaborated on to meet the specific requirements of Ireland's economic and social structures and long-term development goals.

The Council is also recommending that regulation in the future should be directed towards consumer interests, with an emphasis on the quality of goods and services. In addition, regulation should not only ensure that there is competition in the supply and demand for goods and services, but also that the resulting supply is of the standard required to meet consumer needs.

The Council's chairman, Mr. Brian Patterson, said that measures designed to reform regulatory structures and policies rarely receive unanimous support. 'Like any change in economic policy, reform of regulatory and competition policy will lead to losses for some members of society, even when the end result is improved economic performance and productivity overall.

'When regulatory or competition reform results in increased competition for incumbent firms, the employees and shareholders are likely to suffer economic losses. For this reason, universal support should not be seen as a requirement in implementing changes in regulatory and competition policy. Solutions cannot be found that will suit everyone, but the task of regulatory reform is one that will bring undoubted benefits to the economy as a whole while not adversely affecting the broader requirements of social and environmental regulation.'

(ENDS).

<sup>1</sup> Local Loop unbundling means the provision to competing operators of access to individual subscriber lines so that the costs to that operator are solely the basic costs of the subscriber line and do not include any other access network or overhead costs.

<sup>2</sup> Asymmetric Digital Subscriber Line technology allows delivery of large amounts of data over copper networks that were originally constructed simply to transmit the human voice.

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