



Westnet Submission to the Mobile Phone and Broadband Taskforce

Westnet is a broadband Internet service provider based in Castlebar. Set up in 2005 to address the near-total absence of broadband availability in rural Mayo, we now employ nine people and provide reliable broadband services to thousands of homes, businesses and schools throughout Mayo as well as parts of Sligo, Galway and Roscommon.

From our early roots in local broadband cooperatives, we built a network and a business focused on connecting communities to the Internet. This regional focus continues to inform our network planning: we have opted to build our network core in Castlebar instead of in Dublin as most operators do.

When we first set out over a decade ago to bring broadband to rural areas, there was no fibre infrastructure available to us in Mayo. In order to connect our customers to the wider Internet, we had to build a wireless backbone network from scratch, including a wireless radio link from Galway city to a hilltop outside Kiltimagh.

This situation has improved somewhat in the past few years. Now we have access to some fibre resources; for example we have a 10Gbit fibre circuit from our Castlebar data centre to Dublin, as well as managed service fibre connections from various points in Mayo back to Castlebar. The obstacles we face now are largely about diversity and cost.

There are some frustrating contradictions in the fibre market in Castlebar. First, the town is deemed to be insufficiently served by commercial operators to be considered a competitive market. This causes ComReg to impose a floor price on eir, below which they can't discount. The theory is that this will attract competition to the town; the actual effect is to artificially inflate our cost base by preventing eir from offering us prices that they could freely offer in a different town.

On the other hand, when it came to the EC decision on whether to allow the fibre in the Galway-Mayo gas duct to be used in Castlebar, it was decreed that it couldn't, because the town already had commercial services available! This has actively prevented the operator of this fibre from offering services in Castlebar, which - per the above - keeps our costs high.

Another, presumably unintended, consequence of regulation is the price of managed service fibre circuits between eir exchange boundaries. We can have a gigabit managed service from Castlebar to Ballyhaunis at a relatively reasonable cost, because they are both in the Castlebar exchange area. A similar service from Castlebar to Westport would cost several times more, because it crosses an exchange area boundary.

Again, there may have been well-intentioned reasons for setting these regulatory floor prices, but - again - the net effect is simply to inflate the cost to us of doing business.

Finally, it's worth pointing out that, where metro fibre is available (the Metro Area Networks, or MANs), the cost of accessing it is completely unrealistic. These networks were built with government funding, with a view to creating an open-access fibre network. The problem is that the cost of dark fibre on these networks is orders of magnitude greater than it would be in a functional competitive market.

For example, let's suppose an ISP had a requirement for 5km of dark fibre on a 26km MAN. On a 1-year contract, including the annual recurring costs for the handoffs at each end, this would cost more than €30,000 per annum, according to e|net's published pricing.¹

By contrast, ComReg in July set a regulated price on eir's dark fibre of 13c per metre for a single strand, which is 26c per metre for a pair.² This comes to €1,300 for the same 5km of dark fibre. Unfortunately, actually gaining access to eir's dark fibre is challenging.

In summary: regional ISPs stand ready to make use of national, regional and metro fibre assets once they become available, and when the price is realistic. Where there are regulatory barriers to realistic market pricing, those barriers need to be urgently addressed.

¹ <http://enet.ie/uploads/File/New%20Download%20Forms/2.%20Dark%20Fibre%20Pricing.pdf>

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<http://www.comreg.ie/publication-download/pricing-of-eiras-wholesale-fixed-access-services-response-to-consultation-document-1567-and-final-decision> page 24