

Welcome, to this, the 12th annual TiF annual charity ball. Before I say a few words about our industry I wish to turn normal protocol on its head and start with an acknowledgement which is normally left to the end of the evening. – I wish, on your behalf to acknowledge the great work undertaken by Tommy McCabe, Emer Condon and their team of volunteers - Anna Maria Barry, Niall Beirne, Denise Healy, Margaret Scally and Carolyn Doumeni in organising this event. – The auction items, the treasure chest items, the venue, the entertainment don't just happen they all require a significant degree of effort and I would like on your behalf to offer a very sincere thank you to all involved.

As I stand here this evening I feel a strange mix of humility and pride.

The Charity

The sense of humility arises from the nature of this event - a charity event in which the telecomms industry as a body, but more importantly we as individual members of the industry, seek to recognise the extraordinary and exemplary, work of those other organisations and individuals who have devoted their time and energy to improving the lives of others. - To helping people and communities all around the world, people and communities who face daily struggles in simply subsisting which make our issues of budget deficits, NAMA and broadband roll-out seem insignificant by comparison. And the challenge faced by the charities that seek to help these people and communities, often unseen, sometimes in very dangerous situations, usually very little if any reward, but always with great energy and commitment, should indeed make us, and our daily preoccupations, feel very small and humble by comparison.

In the past we have recognised the work of the St Vincent De Paul, Focus Ireland, Chernobyl fund, The Samaritans and others and raised over €200,000 in much needed funds. Tonight, in this our 12th annual ball, we recognise the work of a man not unconnected with our industry - Leslie Buckley - and the charity which he established – Haven. A charity which even before the devastation of the earthquake, had sought to improve living conditions of those in one of the poorest countries of the World – Haiti. Leslie and Maurice Healy will take the floor in a few minutes to outline the work of the charity so I will not dwell on it here; suffice to say that it is an exemplary charity which builds on all that is best of the Irish tradition of volunteer led aid for developing countries. I am sure that when the time comes later tonight we will all contribute wholeheartedly to raising what funds we can to support and sustain this very worthy cause.

Pride In our Industry

The sense of pride that I feel standing here tonight derives from the industry which we represent, an industry which every year spends c €4bn on purchasing goods and services in the Irish economy, which in addition invests c €500 - €700m every year on capital projects and which, through the firms represented here tonight, provides direct employment to over 20,000 people with many more employed indirectly in our suppliers.

But it is not just the scale of our industry which gives rise to the sense of pride but it is also the nature of the service we provide. – The telecommunications network is quite simply the biggest and most complex machine ever built by mankind. This 7oz device held in my hand allows me to make a connection and communicate with friends, family and colleagues all over the world whether that is a phone call to my niece in Sydney, a video call over Skype with my

nephew in Toronto, or an email or file exchange with my shareholder in Singapore or a customer in the London. And that connection is established and maintained over radio link to a base station, more than likely transferred at that base station onto copper and from copper on to fibre backhaul with that fibre extending through our networks, and through undersea fibre, all of the way to Toronto, Singapore, or Sydney, or London where it transfers back onto copper or radio before ending up in the hands, the ear or the eye of receiver, along the way being translated from circuits to packets and being multiplexed and de-multiplexed many times over. And the wonder of it all is not just that that connection can be made and maintained, but that its integrity is ensured alongside the billions of other simultaneous connections being made over the same networks in every second of every day. And all of this is done at a cost to the customer which is truly trivial when considered in the context of what is actually being achieved. Quite rightly the worldwide telecommunications network is often referred to as the world's nervous system, and when you think about it, that is exactly what it is; the system which enables the world's information to flow .

Our Responsibility

While we can rightly take pride that we, in this room, are the people that build and operate the Irish portion of this nervous system, we also need to be conscious that our role carries with it a great responsibility. It is our job to protect and nurture our networks , the neural pathways of Ireland's economy. It is our job to ensure that these pathways are healthy, that they establish the right connections between all the locations, all of the people and all of the businesses on our Island, and between our economy and the external world economy. And it is our job to ensure that these connections can carry the

huge volume of information which is now needed if economies, communities and people are to prosper.

Our Past Successes

In the past we did a good job of this. – My own background is in fixed communications and I know that the investment in fixed networks, made primarily during the recession of the early eighties paved the way for the export and services led growth of the 1990s. It was that investment, over €10Bn euro in today's prices, which built the digital network which helped attract foreign service based companies such as Dell to Bray and Cigna Insurance to Loughrea and which enabled local service based companies such as Fexco in Killorglin to establish a worldwide export services business.

More recently investment by mobile operators has created platforms which have helped maintain the competitiveness of Ireland's economy and extend the reach of broadband networks, and investments by the CATV industry and other fixed line operators are, today, helping to increase the capability of, and expand consumer choice in, broadband services particularly in urban areas.

Our Vision

We know however that these investments, significant though they are, will not be enough...at least not if we are, as a nation, to realise a vision which I recently heard articulated by the Minister. – A vision of a knowledge based society in which a Creative Services sector plays a key role. Creative services in which the knowledge and information which is carried on our networks is transformed, through the intelligence and creativity of Irish people, into tradeable products and services. So a gifted animator might work in his/her home studio in a town like Blessington to craft key sequences for the next

animated 3D blockbuster and would use a next generation broadband network to download and (crucially) upload video and graphics. Within our own telecommunications industry a small Irish start-up might, employing graduates from some of our top engineering and physics courses, develop a world-leading optical switching technology knowing not only that it can test and deploy this technology on local networks but that it can use high bandwidth networking to access and utilise overseas skills and research capabilities, and use the same high bandwidth network to sell and market its services to operators all over the world.

If this is a vision that we share, and I believe that it is one we must share if we are to rebuild our economy and create the opportunities that make it unnecessary for my niece, my nephew, your nieces, nephews and children to seek knowledge and employment in the far flung corners of the world, then we must address the issue of how we deploy high speed broadband networks in all parts of our Island - not just in pockets of high density urban areas.

Our Challenges

Now I know that there are significant challenges in delivering this vision. –I know that as operators, the big five telecom companies who are best positioned to build out a national network have to justify their capital investments to international shareholders and compete for capital funds against other operating arms in other markets. And I know that our own TiF study, performed on our behalf by Analysys Mason, has estimated the cost of such a network at around €2.5bn and indicated that it would take about 20 years of revenues to just repay this cost not to mention cover operating and financing costs or pay a return to investors. So the business case is difficult and when compared with alternative investment opportunities available to

investors is not at all attractive...But I pose this question to all of us here tonight; do we really want to say to our children and future generations that we did not build the network that would have helped to safeguard their futures and the economic prosperity of their Island because we couldn't make a business case? And to our public policy makers and regulatory authorities I would ask: are you sure that you are doing everything you can to help support the Irish telecommunications industry to make the business case and draw in the funds from our investors? Funds which if secured will provide a great opportunity not only to support the long term prosperity of our economy but, in the short term, will lead to the creation of hundreds of jobs in the construction of the network. Are you sure that the big question of how this crucial national endeavour of building a next generation access network is to be incentivised and funded is being addressed, with the urgency that is needed, if Ireland is not to be left behind as other countries find means and ways of rolling out their networks?

Our Way Forward

It was just these issues which the TiF Analysys Mason study sought to address and it was the same questions which the TiF conference on Next Generation Broadband sought to discuss in September of last year. There are a number of themes that emerged from this work.

There is the theme of industry collaboration. In other words can a way be found through sharing networks which enables all operators earn a return which they could not earn as individual operators ploughing their own furrow?

There is the theme of pro-investment public policy and regulation. A theme which I recall was at the heart of Lord Stephen Carter's speech at our conference. In other words has the time come, not to shift from the focus on facilitating competition (which is key to protecting and enhancing consumer welfare) but to sharpen the focus on a parallel and equally important goal - that of incentivising investment. Can regulators in how they define markets, impose remedies and critically in how they manage radio spectrum find ways to reward those that are prepared to invest, *and reinvest*, in networks. Can public policy support investment, not necessarily through direct funding but perhaps through taxation supports, capital allowances or through the management of public costs for access to public assets such as duct trenches and mast sites and thereby help to create a more attractive investment environment?

And finally there is the theme of value realisation - who benefits and who pays. In other words, and I'll say this loudly, the topic of net neutrality. – In a world where the tangible monetary benefit of broadband networks flows to those who use the networks to publish and distribute content – is it not fair that these publishers should pay at least part of the cost of building, operating and maintaining these networks? Now I know that this is a contentious issue and that those who raise it are accused of trying to censor the internet but that is not the case; on the contrary we seek to find a way to sustain the internet on a solid foundation, a foundation built on the basis of an equitable return to all those who participate, and invest, in the value chain.

Our Future

So there are three themes which we need to address – industry collaboration, supportive public policy and regulation, and value distribution. None of these

issues if resolved will be sufficient of its own to help build the business case but if addressed in totality, by people coming together with an open mind as to possible outcomes, they hold the prospect of redefining the telecommunications landscape in a way which will allow us as an industry to take a bold and visionary step similar to that taken in the 1980s, a step-change in the level of investment which will allow Ireland to leap-frog other economies in terms of its network capabilities, and a step which might just define the knowledge infrastructure of 21st century Ireland, and will allow us to look our children in the eye and say yes we did that....And to all here present I say let us not be lacking in confidence in raising these issues, let us not be lacking in vision in identifying and considering solutions, and let us not be lacking in ambition as to what we seek to achieve. It is our network, our pride and our responsibility, it is up to us to take the lead and drive the agenda within our own agencies and organisations, in fora such as Tif and elsewhere. So let us, at least, commit ourselves to that endeavour in the year ahead.

Finally it is my pleasure to introduce, and may I ask you all to welcome, the Minister for Communications, Energy and Natural Resources, Mr Eamonn Ryan T.D.