



Department of Communications, Marine and Natural Resources
Roinn Cumarsáide, Mara agus Acmhainní Nádurtha

1st Call for
Group Broadband Scheme
Proposals



➤ Background & Objectives



The widespread availability of high-speed, affordable, flat-rate, always-on internet access, referred to as 'broadband', is central to the development of Ireland as a knowledge and information society.

Background

The widespread availability of high-speed, affordable, flat-rate, always-on internet access, referred to as 'broadband', is central to the development of Ireland as a knowledge and information society. The availability of broadband will enable individuals and communities to take advantage of the internet and enhanced communications links and associated economic and social benefits. Broadband services will reduce the peripherality of many communities in Ireland and lead to improved employment opportunities, enhance the sustainability of those communities and create a more positive environment for investment.

At present, broadband services are being rolled out in Ireland by private broadband internet service providers such as telecoms companies, cable TV companies, wireless and satellite operators and internet service providers (ISPs). Experience suggests, however, that broadband services tend to focus mainly on cities and large towns. Small, rural or more remote communities must often wait longer for broadband investment. This trend runs counter to the

Government's objectives of promoting an information society for all and regional balanced development.

The Government has approved a national Group Broadband Scheme to address broadband needs in under-served areas. The Minister for Communications, Marine and Natural Resources, in launching this scheme, wishes to empower smaller communities to take the initiative to arrange for the provision of broadband services for themselves. This call represents the first phase of a national Group Broadband Scheme, which will be implemented over three years.

Objectives

The objective of the Group Broadband Scheme (GBS) is to promote the rollout of broadband access through the establishment of sustainable broadband services in small towns, villages and rural hinterlands, through local community-led initiatives. It is envisaged that the combination of local community initiative, market expertise and support from Government will accelerate the roll-out and take-up of broadband services.

The key characteristics of a GBS project should be:

- the local community, comprising of local community organisations, local development groups and/or local businesses, takes a leading role in driving the local GBS project, in partnership with a broadband internet service provider;
- meets the current and projected needs of the end-users in a community;
- a sustainable service – the service is technically and commercially viable on an on-going basis after initial start-up support;
- implementation of the group scheme is focused and readily achievable;
- a cost effective approach which minimises the public funding requirement; and,
- exploits existing resources, such as existing infrastructure or services, where suitable.

➤ Outline of a Group Broadband Scheme



Outline of a Group Broadband Scheme (GBS)

- (i) The GBS will be implemented on a rolling, phased basis. Calls for project proposals will be issued regularly over three years (e.g. on average once every 6 months).
- (ii) One or more local community organisations and a broadband internet service provider (BISP) will form a partnership to prepare, submit and implement a GBS project for the local community, where that community is not being provided with an adequate broadband service (at the time of application).
- (iii) The initiative aims to promote a partnership approach by local community interests (e.g. local businesses, chambers of commerce, city/county development boards, Leader groups, etc) and broadband internet service providers. An individual GBS proposal will consist of at least one local community organisation and one broadband internet service provider. A number of communities can combine with a service provider to submit a joint proposal.
- (iv) Up to €2 million may be made available to GBS projects under the first call.
- (v) The Minister will offer, subject to conditions, grant support to the participating broadband internet service provider in a local GBS project in respect of the capital costs associated with the provision of a broadband service. (This would include broadband access network infrastructure and some customer premises equipment.)¹ The grant support for capital costs will be subject to the limits set out in the table below.
- (vi) It is envisaged that the funding offered to a single GBS project proposal under this call shall not exceed €50,000.
- (vii) In the first call, eligible communities with populations up to 1,500 (based on CSO 2002 Census data) may apply. Communities can combine up to this level of population.
- (viii) Funding will be available to be drawn down by the selected projects over a period of 12 months (from the commencement date of the grant agreement with the Minister) on a two-phased basis on foot of:
 - (1) the launching of the broadband service in the community; and,
 - (2) the attainment of the minimum number of projected subscribers.

This phased basis is to encourage a timely provision and take-up of service by the local community.
- (ix) The participants in funded projects may be required to provide material (e.g. project details, project results) for public information (e.g. for other communities considering participation in subsequent calls for proposals) as well as for project auditing.
- (x) The funding available to any one service provider shall not exceed 40% of the total funding available for the call.

Project Located in County	Grant Support Limits	
	Standard Aid Rate	If grantee holds SME status
Cavan, Donegal, Galway, Laois, Leitrim, Longford, Louth, Mayo, Monaghan, Offaly, Roscommon, Sligo, Westmeath	40%	55%
Carlow, Clare, Cork, Kerry, Kilkenny, Limerick, Tipperary, Waterford, Wexford	20%	30%
Kildare, Meath, Wicklow	18%	28%
Dublin	17.5%	27.5%

¹ i.e. a transmitter/receiver device, such as a modem or radio-receiver/antenna, where required

Technology and Telecommunications Regulation

Under the Group Broadband Scheme, the local Group Broadband Scheme partnership can select the access technology that suits its circumstances best.

Technology

The Group Broadband Scheme is technology neutral. There is a range of access technologies over which broadband services can be deployed. Broadly, these include:

- **Wireless:** Broadband services can be delivered by radiowave to a receiver inside or outside the customer's home or premises.
- **Satellite:** Broadband services are delivered via an orbiting satellite to a customer's satellite dish.
- **DSL:** DSL, or digital subscriber line, allows broadband access across the ordinary telephone line.
- **Cable:** Cable modem access provides a broadband service across a cable TV connection.
- **Fibre Optic:** A very high-speed broadband service is delivered along a fibre-optic line to a customer's home or premises.

Each of these access technologies has relative advantages and limitations. Under the Group Broadband Scheme, the local GBS partnership can select the access technology that best suits its circumstances.

While the scheme is technology neutral, it will, however, be a requirement of the



evaluation process that the Department is satisfied that the technology/equipment proposed meets the requirements specified by the Commission for Communications Regulation (www.comreg.ie) for use in telecommunications services in Ireland and that the project is technically viable and sound. Equipment manufactured to non-European standards can be used where there is compatibility with the European standard.

For the purposes of this scheme, a broadband service is defined as a flat-rate, always-on service of 512 Kbps (0.512 Mbps) or greater. However, higher speeds are encouraged. In certain very limited and unduly constrained situations, a broadband service speed of less than 512 Kbps may be considered.

Telecommunications Regulation

Under the new EU regulatory framework for the electronic communications sector, a telecommunications services provider requires an authorisation (similar to a licence) from the Commission for Communications Regulation to provide telecoms services, including broadband access, to the public in Ireland. Applicant communities should ensure that they, or their BISP partner, meet the requirements specified by the Commission for Communications Regulation for the provision of broadband services.

Role of the Department

The role of the Department of Communications, Marine and Natural Resources is principally to support and direct the objectives and activities of the Group Broadband Scheme Programme so that it is successful and reflects Government policy for the sector. The Department's role will include evaluating and selecting projects, monitoring the progress and implementation of the projects, auditing project development and costs, collecting and collating the findings and learning experiences from each GBS project. Where necessary the Department may be assisted by independent experts.

Role of the Community-BISP Partnership under the Group Broadband Scheme

It is envisaged that a local community(ies), through local community organisations, and a broadband internet service provider will act as partners for the purposes of setting up a GBS project. This service provider can be an existing service provider or a newly created service provider. The Community-BISP partnership will demonstrate the existing need/demand for broadband within the local community and will prepare and submit a jointly agreed GBS project proposal. Where a proposal is successful, it is envisaged that the Minister will offer a grant agreement to the participating BISP in the project, who will be responsible for deploying the broadband service. It is expected that, subsequent to preparing the proposal, the community will be actively engaged in promoting the broadband service.

Eligible Sectors

The call for proposals is open to all local community organisations and all entities capable of providing a broadband service, which form a partnership for the purpose of proposing and implementing a GBS project.

Consumer Pricing

Projects with competitive retail pricing for the basic broadband service to consumers will be considered favourably. In that regard project proposers may wish to refer to the website www.broadband.gov.ie which outlines the availability and pricing of a number of broadband services in Ireland.

Funding

In the case of this call, a grant may be payable to the participating BISP of a successful application. The grants will be subject to the rules and regulations

governing public funds. These rules require that grant payment will only be made on the basis of vouched expenditure.

The agreed grant amount will be paid in two equal parts subject to the following performance criteria:

- 50% of the grant amount upon the commercial launch of the broadband service to local residents/businesses;
- 50% of the grant amount upon attaining the minimum subscriber targets for the project.

The Department of Communications, Marine and Natural Resources reserves the right to combine or disaggregate any submission and part fund elements thereof. The Department of Communications, Marine and Natural Resources reserves the right not to proceed with projects envisaged in this call.

Financial & Reporting Requirements

The keeping of comprehensive financial records will be a requirement of project grant aiding. GBS projects will be subject to financial inspection. Detailed guidelines will be given to successful applicants in this regard. These guidelines will be available on the website www.gbs.gov.ie.

Submissions

All proposals should provide concise and complete information, where possible not exceeding 20 pages. This information should be sufficient to address all the questions/issues set out in the attached Annex I.

The submission period is open-ended, subject to the exhaustion of available funding in the call, or further notice by the Department.

All project proposals submitted during a calendar month will be evaluated together



for awarding of a grant. (e.g. All proposals received during March will be evaluated together after the end of March, and so forth for proposals received during April, May, June, etc.)

By email: please send a copy of your project proposal to: gbs@dcmnr.ie

By post: please send 4 copies of your project proposal to:

Group Broadband Scheme
(Project Proposals),
FAO: Ms Máiread O Donovan,
Department of Communications, Marine
and Natural Resources,
29-31 Adelaide Road, Dublin 2.

Queries

For further information on the Group Broadband Scheme, please contact:

Web: www.gbs.gov.ie
Email: gbs@dcmnr.ie
Post: Group Broadband Scheme,
Communications Development Division,
Department of Communications, Marine
and Natural Resources,
29-31 Adelaide Road, Dublin 2.
Tel: Ms Máiread O Donovan,
01-6782168 or LoCall: 1890-449900



Evaluation of Proposals

Proposals will be evaluated by, or on behalf of, the Department of Communications, Marine and Natural Resources. Clarification of project details may be requested from applicants. Applicants may be called for discussions and every effort will be made to accommodate applicants regarding the date, time and location of these meetings. The Department of Communications, Marine and Natural Resources reserves the right not to proceed with a project under this initiative.

Freedom of Information

Respondents are asked to consider if any of the information supplied by them in response to this notice should not be disclosed because of its sensitivity. If this is the case, respondents should, when providing the information, identify same and specify the reasons for its sensitivity. The Department will consult with respondents about sensitive information before making a decision on any request received pursuant to the Freedom of Information Acts.

Selection Criteria

Project proposals will be evaluated against the following criteria:

Parameter	Evaluation Criteria
Broadband Service	<ul style="list-style-type: none"> Affordability/Cost of the basic service to the subscriber Downloading & uploading speeds. Contention ratio. Coverage/Availability of services (share of households in locality). Range and details of various services offered.
Grant Aid	<ul style="list-style-type: none"> Grant per (minimum) projected subscriber. Grant per inhabitant of project area. Grant as proportion of total project cost.
Feasibility/Viability	<ul style="list-style-type: none"> Minimum projected number of subscribers. Minimum projected penetration rate (proportion of inhabitants/households). Projected set-up costs. Financial sustainability. Future scalability of the services and the community project Choice of access technology and technical feasibility of project.
Experience & Implementation	<ul style="list-style-type: none"> Community & BISP roles under GBS proposal. Technical expertise/experience. Implementation plan, including milestones.

1st Call for Group Broadband Scheme Proposals

ANNEX I – STRUCTURE OF PROJECT PROPOSAL

All Group Broadband Scheme (GBS) project proposals should contain the following information. Proposal submissions should be in the range of about 20 A4 pages. The structure of this document may be used to reply to questions. Alternatively, it is a requirement that the answers to these questions should be provided within your own project proposal document in order that proposals can be as comprehensive as possible.

Part I – Details of the Promoting Partnership/Consortium/Organisation

1. Please provide the following details:
 - 1(a) name of the GBS project.
 - 1(b) name(s) of the geographic area(s) covered by the project.
2. Names of local community organisations and the Broadband Internet Service Provider (BISP) that are members of the GBS partnership.
3. Name of project coordinator.
4. Contact details for project co-ordinator.
5. Identify the project management/co-ordination team of the GBS project and describe the administrative structure.

Part II – Business Model of Proposed GBS Project

6. Describe the objectives of the project for which funding is being sought.
7. Description of the project area and customers that will be served:
 - 7(a) Name(s) and total area size of Community(ies) where service will be available.
 - 7(b) Total population of project area.
 - 7(c) Number of households in project area.
 - 7(d) Number of businesses in project area.
 - 7(e) Number of non-commercial institutions/facilities in project area.
8. Provide a description of the planned broadband services portfolio, including:
 - 8(a) Basic broadband internet services to be provided – setting out:
 - minimum downloading speed
 - minimum uploading speed
 - contention ratio
 - 8(b) Any value added services to be provided (e.g. email, VoIP, community portal, etc.).
 - 8(c) Outline of technical specifications of the broadband access network.
9. Pricing of each broadband service for end-users (i.e. for range of proposed services – see item 8), shown both VAT inclusive and VAT exclusive, including:
 - 9(a) Monthly subscription charge (and details of what it covers).

- 9(b) Customer equipment charge (if any).
- 9(c) Customer connection/installation charge (if any).
- 9(d) Excess usage charge (if any).
- 9(e) Minimum contract period.
10. Provide an implementation plan, including:
 - 10(a) Describe who (which community organisation, project member, or service operator) is responsible for carrying out the following tasks:
 - Setting the objectives for the project.
 - Promoting the project within the community.
 - Assessing the feasibility of the project.
 - Estimating the level of demand in the project area.
 - Designing the network for the broadband services.
 - Managing the operation of the network and broadband service.
 - Sales, installation, billing and customer support.
 - 10(b) Set out milestones for the project implementation schedule and completion.
11. Provide evidence of the level of demand for broadband services in the local community, which includes estimates for the number of (i) households, (ii) businesses and (iii) non-commercial users interested in subscribing to broadband in the project area.
12. Indicate the service coverage that will be available when the GBS service is launched (include the stated minimum downloading speed that will be available to these users):
 - 12(a) What number of households in the project area will be able to receive the GBS service?
 - 12(b) What number of businesses in the project area will be able to receive the GBS service?
 - 12(c) What number of non-commercial users in the project area will be able to receive the GBS service?
13. Give projections for the minimum number of GBS subscribers (i) at the launch, (ii) at 6 months and (iii) at 12 months of operation as follows:
 - 13(a) Number of household/residential broadband subscribers.
 - 13(b) Number of business broadband subscribers.
 - 13(c) Number of non-commercial subscribers.
14. Provide detailed projected annual revenues and expenses of operating the broadband service over three years.

Part III – Costs and Funding of Project

15. State the total amount of grant aid sought under the GBS initiative.
16. Provide the estimated total set-up cost of implementing the GBS project proposal, including:
 - 16(a) Detail the total capital costs seeking grant aid.
 - 16(b) Detail the total capital costs not seeking grant aid.
 - 16(c) Detail the total non-capital set-up costs.
17. Provide a detailed breakdown of proposed capital expenditure seeking grant aid on a month-by-month basis for the initial 12 months of the project.
18. Give details of other sources of funding/support being provided for this project (e.g. contribution by the BISP, or a local business/community organisation).
19. Demonstrate how the GBS service can be financially sustainable after one year of operation.

Part IV – Other Issues

20. Identify any risks that could prevent the project being completed successfully and contingency measures to address these.
21. Indicate how the proposed community broadband service is scalable (i.e. how it can be easily expanded or improved?) particularly in relation to the following criteria:
 - improved downloading and uploading speeds
 - improved contention ratios
 - extended broadband coverage or availability within the community project area
 - extension of service to hinterland or neighbouring communities
22. Indicate if the project makes use of existing telecommunications assets
23. Indicate whether any broadband infrastructural/service initiatives, involving public funding, have taken place within the area of the proposed broadband service.
24. Indicate whether the GBS project and members of the project partnership/consortium/organisation will be in a position to provide evidence of compliance with the following, where necessary:
 - any telecommunications regulatory and licensing arrangements
 - any planning and environmental legislation
 - tax clearance
25. Indicate whether or not the BISP holds SME status.
26. Indicate the broadband provision experience of the BISP

March 2004

www.gbs.gov.ie www.dcmnr.ie



EUROPEAN REGIONAL
DEVELOPMENT FUND



Your Plan - Your Future



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