



Media Release- Tuesday, 21 October 2003

ComReg Outlines PPC Savings

ComReg would like to acknowledge the efforts of operators during the development of the Partial Private Circuit [PPC] product after ComReg directed its development in June 2002. We note the efforts of operators who helped to define the product many of whom are members of the Association of Licensed Telecommunications Operators (ALTO).

ComReg does not, however, accept or agree with ALTO's criticisms of the PPC product. ComReg believes that this is a valuable addition to existing wholesale leased line products. Both these products are now available to operators who wish to provide leased lines to end users. The combination of products will offer significantly reduced costs for operators, increased competition in the retail leased line market and should result in savings which can be passed on to end users.

Using a combination of the new PPC product and the existing wholesale products operators who resell significant numbers of eircom leased lines can achieve a minimum discount of 20%, with discounts reaching as high as 40%, in many cases.

Mr Iarla Flynn of ALTO expressed the view that the PPC product doesn't contain the benefits that he expected. However, this view appears to ignore the savings identified above. Such savings could make a material difference as they potentially run into millions of euros each year. Operators, some of whom are members of ALTO, have told ComReg that this product offers real and significant savings. These savings are available immediately because - in addition to savings on offer for new circuits sold by operators - ComReg has put in place a facility which will allow operators to migrate existing circuits and get the associated benefits. In ComReg's view, this justifies the investment made in the development of the product.

ALTO expressed a concern that this product is not as attractive as existing products for longer circuits, such as e.g., Dublin to Shannon. ComReg is keen to promote infrastructural investment outside of Dublin in order to boost sustainable competition for broadband. Combined with initiatives from the Government, such as Metropolitan Area Networks, this new PPC product will reward operators who invest in infrastructure in areas such as Shannon and will encourage further investment in infrastructure outside of Dublin.

However, in addition to the further discounts available with this product - in excess of 20% above existing wholesale discounts for shorter circuits - PPCs will enable significant savings in areas where operators have already made investments, such as Dublin.

ENDS

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