



Office of the Director of
**Telecommunications
Regulation**

MEDIA RELEASE

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Cost reductions averaging 16-18% on national Leased Lines

Annual Savings of £20 million on National Leased Lines Costs

The Telecommunications Regulator, Eoin Doyle today (5th April 2000) welcomed the introduction by *eircom* of price reductions in their national leased line prices.

According to the regulator “ The new tariffs will effectively reduce the price of leased line by on average 16 – 18%. Some reductions will be much greater. In the crucial case of local ends for 2mb lines (the basic building block for private circuits and many broadband applications) the reduction in price amounts to 36%. It is estimated that these overall price reductions will result in cost savings of £20 million per annum.”

Welcoming the announcement by *eircom* the regulator said, “Leased lines are of great significance because they are purchased by both consumers and other operators. Usually large companies, but increasingly small ones, lease lines from *eircom* in order to develop their use of advanced communications and e-commerce. Other licensed operators also lease lines from *eircom* to provide service and to enhance the reach of their network. Both the charges to other operators and to users are crucial.”

According to Ms Doyle “ Today’s announcement is good news for the Irish economy in general and will help cement Ireland’s reputation as a nation with an advanced, cost

competitive telecommunications infrastructure. Leased lines are the fundamental building blocks for electronic commerce networks. Internet service providers rely extensively on the availability of leased lines to connect to the world-wide internet backbone. The decreases in leased line tariffs will increase the competitiveness of Irish industry generally and assist the further development of Internet services and electronic commerce.”

She continued “ we initiated work on this project with *eircom* a year ago and are pleased that finally this stage has concluded with big reductions in some rates. We expect to receive shortly from *eircom* details of tariff reductions for a “STM1” product, of key importance to very large telecoms users and OLO’s in particular. A further announcement will be made on this. Further work will also be carried out to ensure downward pressure on prices continues particularly on the key 2mb line.

ENDS

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