Office of the Director of
**Telecommunications
Regulation**

**21 August 2001**

# NTL seeking price increases for basic television services - ODTR to Consult

Etain Doyle, Director of Telecommunications Regulation, today (Tuesday, 21 August 2001) announced that she is considering a price increase application from ntl in respect of their basic cable television services. Ntl has applied to the ODTR for a standard price of £136 per annum in each of its three cabled areas where it currently delivers identical services. The proposed rates would result in increases ranging from £1.64 to £3.09 in basic monthly subscriptions. The increases range from 15% in Galway to 34% in Dublin, with a 26% increase in Waterford. (See note to editors for details).

The Dublin network in particular has suffered from under investment for many years and since acquiring the former Cablelink operation, ntl has invested heavily in upgrading the cable networks and developing its customers services.

According to the Regulator "In the context of additional capital expenditure by the company and a clear improvement in service, I am prepared to consider a review of prices. The last price increase for the company was in January 1999. In taking a decision on these proposals, I would wish to take into consideration views and alternatives that may be expressed in response to this consultation."

She continued " According to ntl, operating and capital expenditure costs have increased by more than 30% in the last two years. Ntl have carried out substantial work on their network and are committed to providing a quality service to their customers. They will be rolling out a digital television service to 140,000 customers, in Dublin, Galway and Waterford by the end of September.

Ntl did not meet its end March milestone for digitalisation of 110,000 households and had not completed essential basic network upgrade work.  However, ntl have indicated that the upgrade programmes agreed with the ODTR at that time are now complete and ntl is now ready to launch digital television services to 140,000 households before the end of September.   The upgrade work will be verified over the period of the consultation. It is committed to rolling out additional 10,000 households in Dublin per month between September 2001 and end March 2002.  The districts to be covered are given in the notes to the editor below. The Director has also received assurances from the company of its funding to meet its rollout targets going forward.

According to the Regulator "Price increases are not popular however I have to acknowledge the substantial investment by Ntl in network and services and the effects of inflation compounded over the last few years. I am particularly concerned with the difficulties companies are experiencing in building out networks and the resulting increased costs due to delays and uncertainties about planning issues."

A copy of the consultation paper 01/64 ntl Price Increase Application for Cable Licensed Areas is available on the ODTR website www.odtr.ie. The consultation period will run from the 21st August 2001 to the 17th September 2001. The Director welcomes comments from interested parties in relation to any of the issues raised in the paper.  The ODTR will publish a report in September/October on the consultation.

**ENDS**

**Issued By**

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Ntl's cable networks provide services in Dublin, Galway and Waterford. The company also has three MMDS licences and serves Counties Dublin, Galway, Mayo and Waterford and adjoining areas. The company is currently selling its MMDS operations and has indicated it is in discussions with a number of bidders.

# APPENDIX 1
## Areas to receive digital services by September 2001

**Dublin**

| Leixlip | Finglas | Tallaght |
|---------|---------|----------|
| Ballyfermot | Castleknock | St. Helen's |
| Clondalkin | Clonsilla | Santry |
| Lucan | Navan Road | Coolock |
| Baldoyle | City Centre | |

**Waterford**
Whole licensed area

**Galway**
Whole licensed area

**Areas in Dublin where NTL plan to offer digital services 2001 –2002**

| Area | 2001 | 2002 | Total end 2002 |
|---|---|---|---|
| Tallaght* | 26,000 | 7,500 | 33,500 |
| Lucan/Leixlip* | 5,000 | 7,500 | 12,500 |
| Glasnevin/Finglas* | 5,000 | 7,500 | 12,500 |
| Blanchardstown/ Castleknock / Clonsilla* | 9,500 | 5,500 | 15,000 |
| Navan Rd. / Cabra / Chesterfield* | 5,000 | 3,500 | 8,500 |
| Ballyfermot* | 5,000 | 4,500 | 9,500 |
| Clondalkin* | 5,500 | 5,000 | 10,500 |
| Coolock / Santry* | 4,000 | 6,500 | 10,500 |
| Sutton / Baldoyle* | 6,500 | 6,000 | 12,500 |
| Griffith Avenue | 2,500 | 5,500 | 8,000 |
| Harolds Cross | 2,500 | 6,000 | 8,500 |
| City Centre (South) / Sandymount* | 8,500 | 6,500 | 15,000 |
| City Centre (North)* | 8,000 | 7,500 | 15,500 |
| Portmarnock | 500 | | 500 |
| Crumlin / Kimmage | 7,000 | 3,000 | 10,000 |
| Blackrock / St Helens / Stillorgan* | 4,000 | 7,000 | 11,000 |
| Balally / Ballyogan | 1,500 | 6,000 | 7,500 |
| Shankill | 3,500 | 5,500 | 9,000 |
| Drimnagh | 3,500 | 6,500 | 10,000 |
| Clonee | 2,500 | 0 | 2,500 |
| Marley | 2,500 | 4,000 | 6,500 |
| Rathfarnham | 2,000 | 4,000 | 6,000 |
| Taney | 2,000 | 4,000 | 6,000 |
| Clontarf | 1,500 | 6,000 | 7,500 |
| **TOTAL** | **123,500** | **125,000** | **248,500** |

* Area to receive digital services by end September 2001

# APPENDIX 2

## ntl's Pricing Proposals

All prices shown include VAT at 20%. The Euro figures are the proposed ntl prices converted at the rate of 1Euro = £0.787564, rounded to the nearest cent. These are included for illustrative purposes.

| Area | Category of payment | Current Charge | Proposed Charge (£) | Euro Equivalent | Increase (£) | Increase (%) |
|------|---------------------|----------------|---------------------|-----------------|--------------|--------------|
| Dublin | Annual | £101.65 | £136.00 | €172.68 | £34.35 | 33.8% |
| | Six monthly | £53.06 | £71.04 | €90.20 | £17.98 | 33.9% |
| | Monthly | £9.12 | £12.21 | €15.50 | £3.09 | 33.9% |

| Area | Category of payment | Current Charge | Proposed Charge (£) | Euro Equivalent | Increase (£) | Increase (%) |
|------|---------------------|----------------|---------------------|-----------------|--------------|--------------|
| Galway | Annual | £117.52 | £136.00 | €172.68 | £18.48 | 15.7% |
| | Six monthly | £61.49 | £71.04 | €90.20 | £9.55 | 15.5% |
| | Monthly | £10.57 | £12.21 | €15.50 | £1.64 | 15.5% |

| Area | Category of payment | Current Charge | Proposed Charge (£) | Euro Equivalent | Increase (£) | Increase (%) |
|------|---------------------|----------------|---------------------|-----------------|--------------|--------------|
| Waterford | Annual | £108.10 | £136.00 | €172.68 | £27.90 | 25.8% |
| | Six monthly | £56.53 | £71.04 | €90.20 | £14.51 | 25.7% |
| | Monthly | £9.72 | £12.21 | €15.50 | £2.49 | 25.6% |

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