



Office of the Director of  
**Telecommunications  
Regulation**

## Media Release

For **Immediate** Release  
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### **REGULATOR REVIEWS EIRCOM'S COMPLIANCE WITH PRICE CAP IN 2000**

Etain Doyle, Telecoms Regulator, today (2nd April 2001) announced that following a review of information supplied by *eircom* to the ODTR, she is satisfied that *eircom* has complied fully with the price cap imposed upon them under Telecommunications Tariff Regulation.

Welcoming Eircom's compliance with the price cap, she said "compliance with the requirements means cheaper fixed line services for business and residential customers alike."

Under the price cap, *eircom* was required to reduce charges for a selected basket of services in 2000 by 4.6%. This figure was arrived at by using the Regulation's formula of  $CPI - 8\%$ , with CPI being defined as the inflation rate in the previous year (1999). The overall reduction achieved by *eircom* for this basket of services in 2000 was actually 15.5%. Within the overall price cap, *eircom* may increase tariffs for certain services provided that the increases do not exceed inflation in the previous year plus 2% ( $CPI + 2\%$ ). Eircom has also complied with this requirement.

To protect the most vulnerable users who make few calls, the Tariff Regulation places an additional requirement on *eircom* not to increase the average bill of low volume user (bottom quartile) by any more than inflation in the previous year. Again, *eircom* complied with this requirement and the Director notes with satisfaction that the average bill of the low volume user fell by just over 9% in 2000.

**ENDS**

**Issued by:**

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