



Office of the Director of
**Telecommunications
Regulation**

MEDIA RELEASE

1st May 2002

Regulator Reviews Eircom's compliance with Price Cap in 2001

Etain Doyle, Telecoms Regulator, today (1st May 2002) 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.

Under the price cap, *eircom* was able to change prices by CPI -8%, which equated to -2.1% for 2001 (change in CPI in 2001 = 5.9%), plus the carryover of the excess reductions of 10.8% from 2000 making an allowable total of 8.79%. 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.

eircom supplied information showing an aggregate increase in the tariffs charged for the basket of services totalling 4.14% (change in CPI in 2001 = 5.9%), in 2001. *eircom* also confirmed that there were no increases in the tariffs charged for any individual items within the basket of telecommunications services which exceeded the permitted levels under the Telecommunications Tariff Regulation (Modification) Order 1999. Tariffs for line rental, connections, payphone calls and directory enquires all increased, while no tariff changes were made to local, national or operator calls

ENDS

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Note to Editors:

Documents issued today:

- ODTR 02/42 D7/02 Price Cap on *eircom* – Compliance Statement