



Office of the Director of
**Telecommunications
Regulation**

MEDIA RELEASE

For Immediate Release
Monday 24th July 2000

Telecoms Regulator welcomes new Interconnect Circuit Prices from *eircom*

Significant Savings for the Telecoms Industry

Etain Doyle, Telecoms Regulator, today (24th July 2000) welcomed the introduction by *eircom* of significant price reductions averaging 35% for their customer sited interconnect circuits. These are the “leased lines” of the telecoms industry enabling other telecoms companies to carry vast volumes of traffic over their networks. These new rates follow from the Director’s decision on interconnect matters published in April this year (D7/00).

According to the Regulator “These newly published rates by *eircom* provide other operators with significant savings for the most commonly used type of interconnect circuits. These lower rates together with the service level agreements for delivery of interconnect circuits provides other licensed operators with an excellent opportunity to compete effectively with *eircom* and as we have already seen, competition results in lower prices and better service for the telecoms user in Ireland. The scale of the reductions places Ireland in a very competitive position internationally, critical to the attraction of inward investment and the promotion of e commerce.”

The provision of interconnect circuits has been further aided by the introduction by *eircom* of an intensive circuit delivery programme, this was brokered by the Regulator. Interconnect services delivered in June alone are capable of delivering over one billion call minutes a year. This has resulted in a substantial increase in the number of operator connections to the *eircom* network.

ENDS

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Note to Editors

Interconnection is the term describing the connection of one network with another. New entrants have to connect with *eircom*'s network as it takes a number of years for them to build a nation-wide network of their own. The RIO sets out *eircom*'s stall of interconnection services for these operators and the charges for those services. Individual operators can then choose the elements they require to build their services and negotiate a specific agreement with *eircom* on those issues. The existence of the RIO gives new entrants and operators a starting point from which to negotiate. In a market where *eircom* is by far the strongest player, this is an essential tool for new players.