

## SECTION 4.6

### INCUMBENTS' LEASED LINES CHARGES

This section contains an overview of prices charged by incumbent operators in each Member State for national and international leased line services as of 1 August 1999. Price developments are also analysed over the period 1996-1999.

The figures and information are taken from a study carried out by Eurodata Foundation for the Commission. The data have been collected from primary sources (i.e. directly from telecom operators) and are presented for the incumbent operators in each country.

It should be noted that changes in national leased line tariffs after 1 August 1999 could not be taken into account in the analysis. This is particularly relevant in the case of Greece, where the recent reduction<sup>38</sup> in tariffs is not reflected in this section.

#### 4.6.1 – INCUMBENTS' NATIONAL LEASED LINES

This section examines the standard retail prices (monthly rental) for national leased line services charged by the incumbent operators in each Member State as of 1 August 1999. An analysis of the price development over the period from August 1996 to August 1999 is also included.

In the case of national leased line services, three distances are covered: 2 km (local circuits), 50 km and 200 km. 50 km and 200 km include a 2 km circuit tail at both ends. This means that the long distance part of the circuit will be 46 km and 196 km respectively.

Furthermore, 3 types of circuit are covered: analogue M.1020, digital 64 Kbit/s and 2 Mbit/s.

The following charts show the price levels and developments for the 9 combinations.

Where possible, comparisons are made between the EU average, USA and Japan.

The following should be noted:

- All charges are in euro per year, VAT excluded. See section 4.8 for details on exchange rates to euro used in this section.
- Prices used are standard prices, excluding any discounts.
- Finland is not included in the analysis of analogue and 64 Kbit/s circuits, because there are no comparable prices after 1998 for access circuits of these types. All access circuits are based on 2 Mbit/s.
- The data for Sweden refer to “green” tariffs.
- The expression “EU average” refers to the simple, non-weighted average across all EU countries.
- Due to the great number of operators providing leased lines, the US data represents the prices charged by Bell Atlantic/Nynex. Intra-LATA circuits have been used.

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<sup>38</sup> OTE published new leased lines prices in August. The operator has informed the Greek NRA that the new tariffs imply a 30% reduction in the cost of 64 Kbit/s lines and a 8% reduction in the cost of 2 Mbit/s lines.

### 4.6.1.1 – NATIONAL LEASED LINE CHARGES AS OF 1 AUGUST 1999

Chart 84

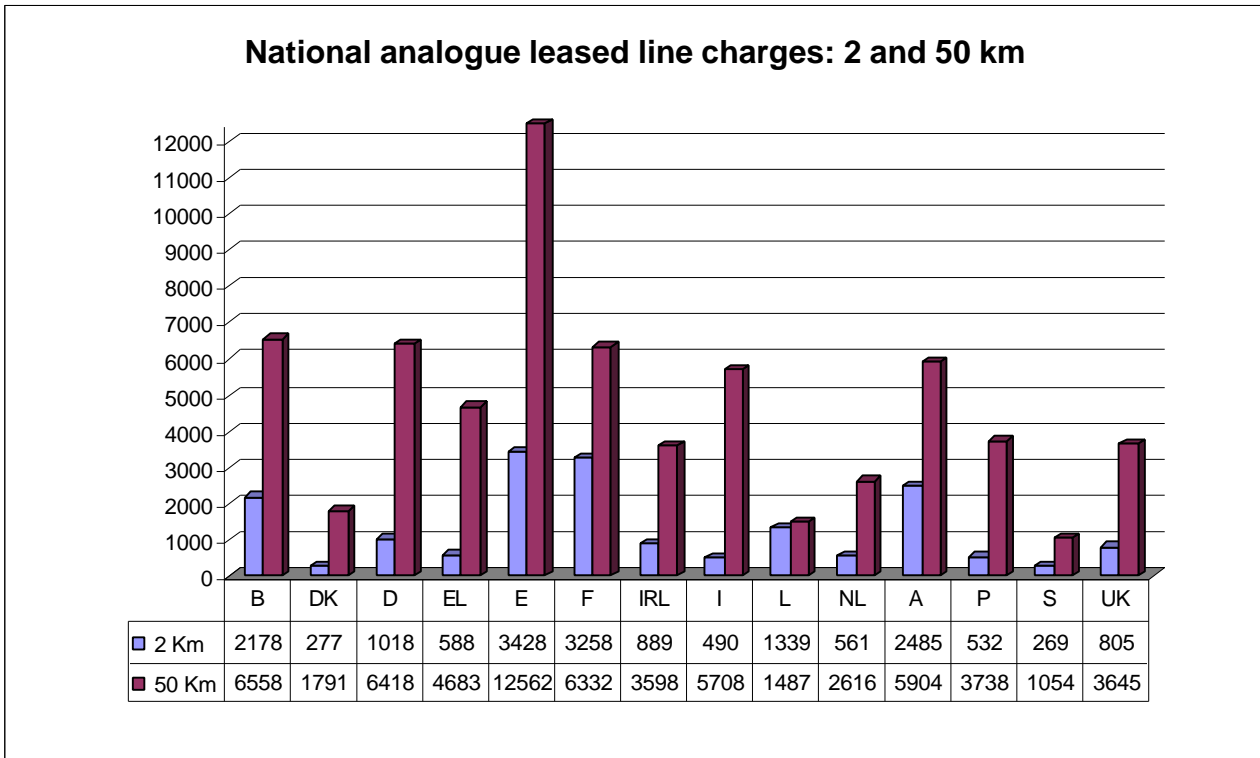
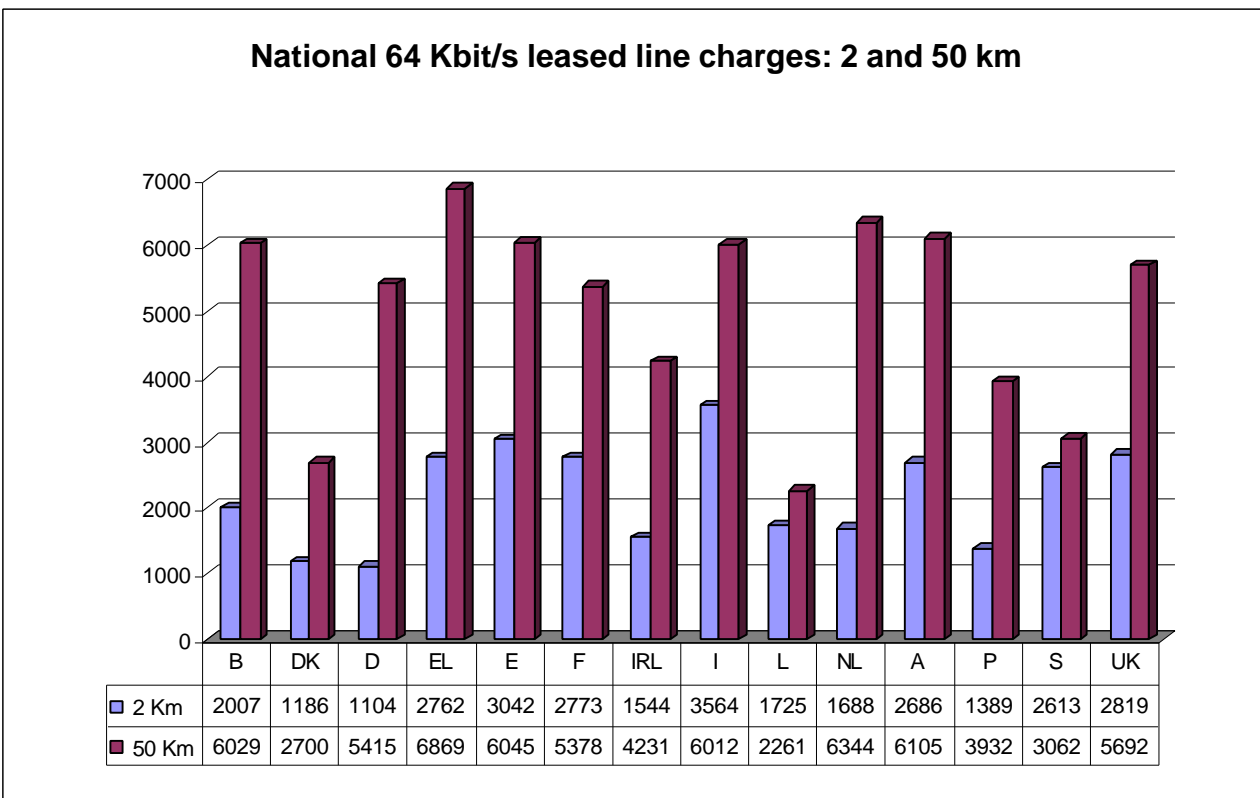
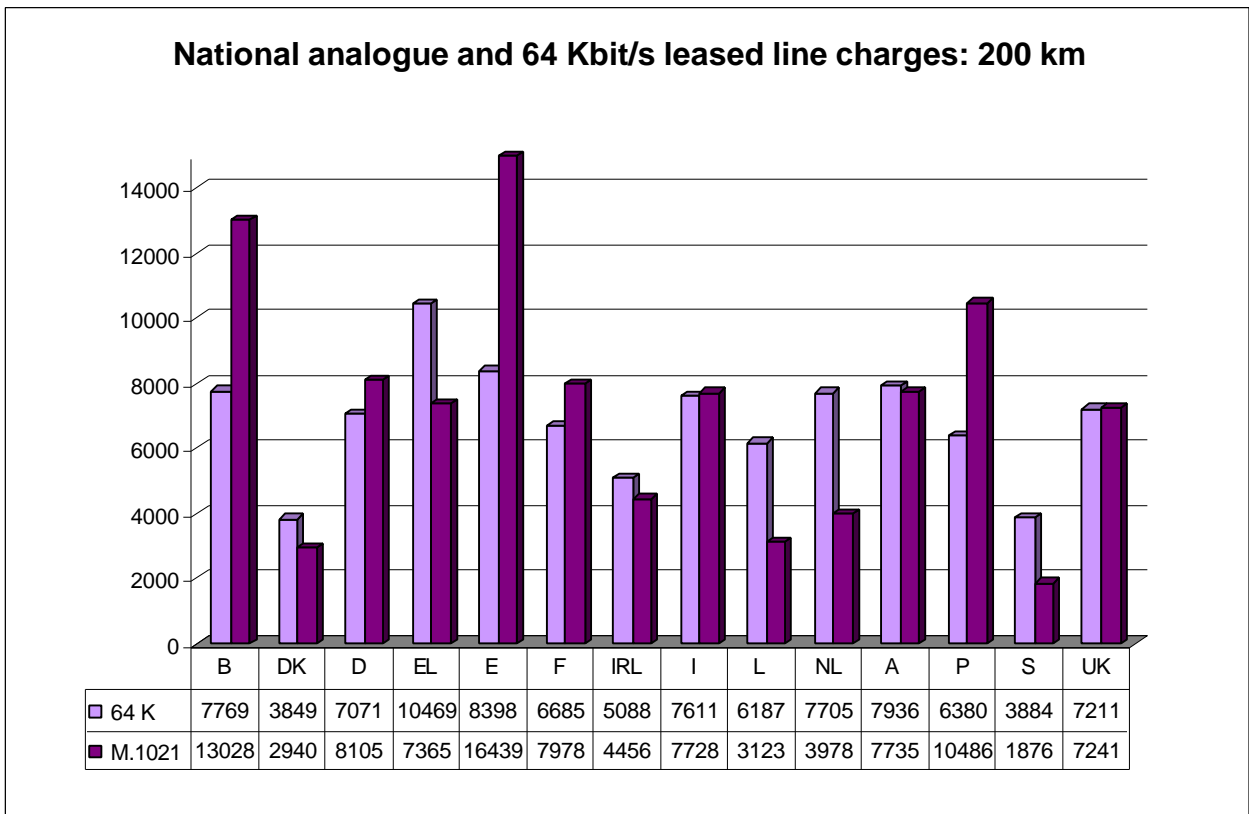


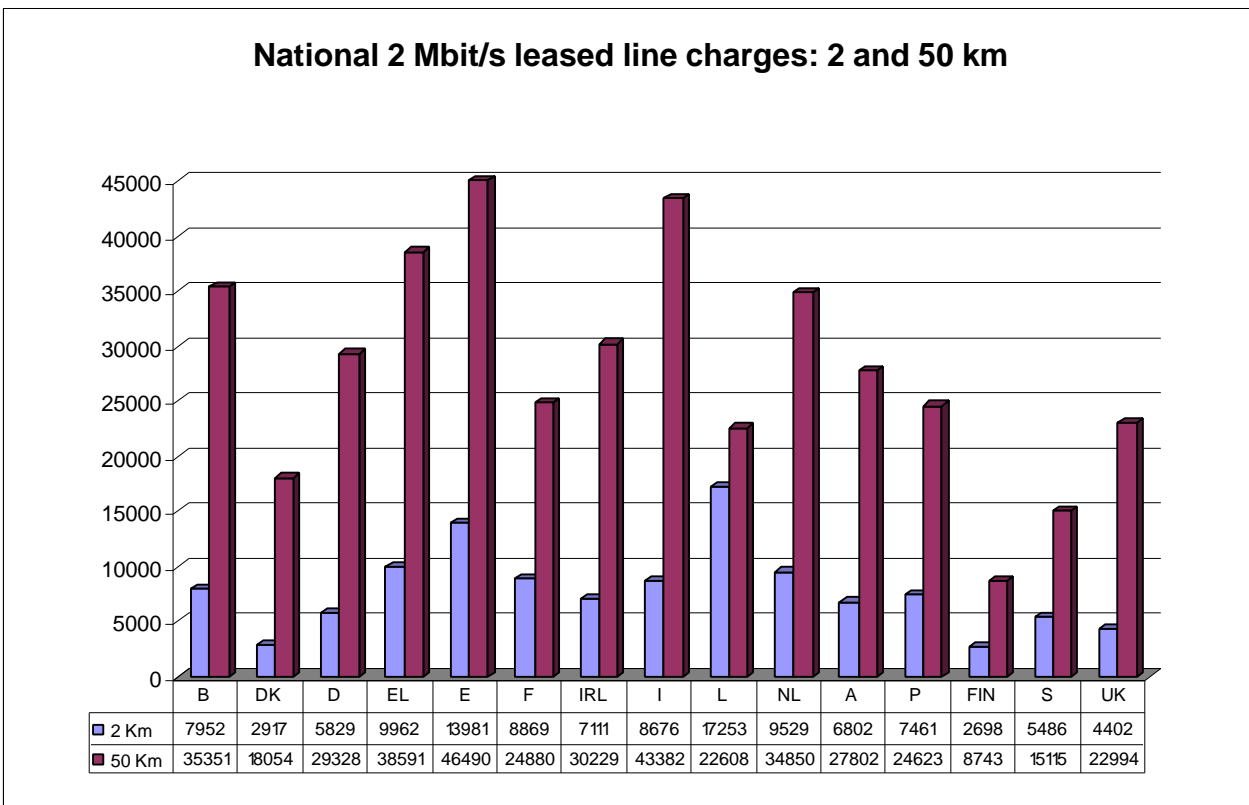
Chart 85



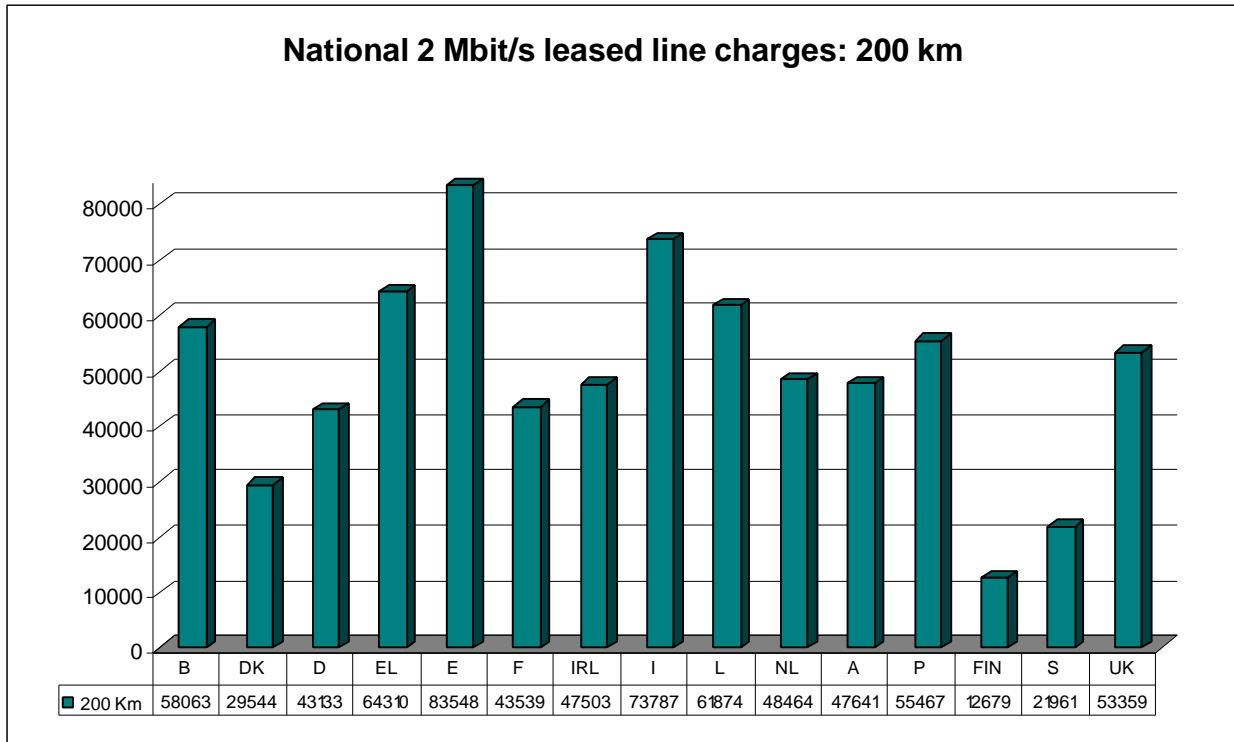
**Chart 86**



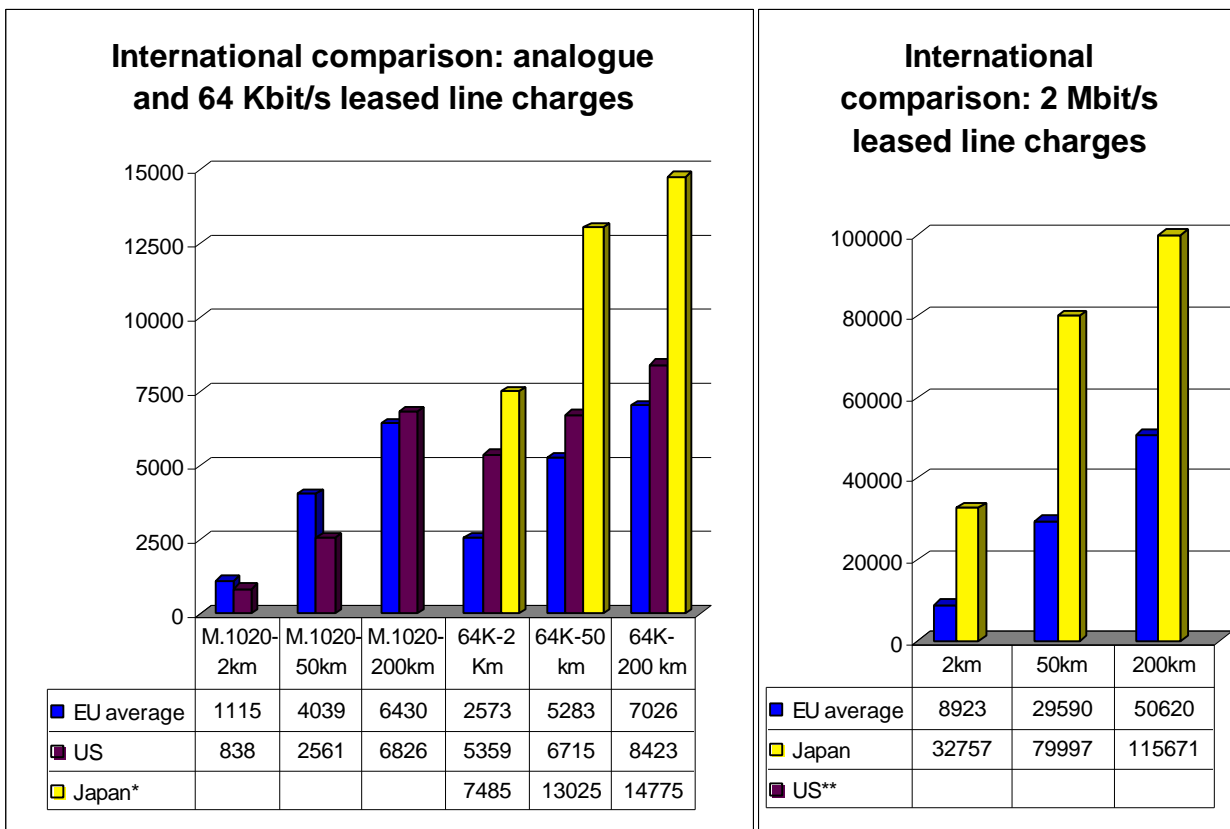
**Chart 87**



**Chart 88**



**Chart 89 & Chart 90**

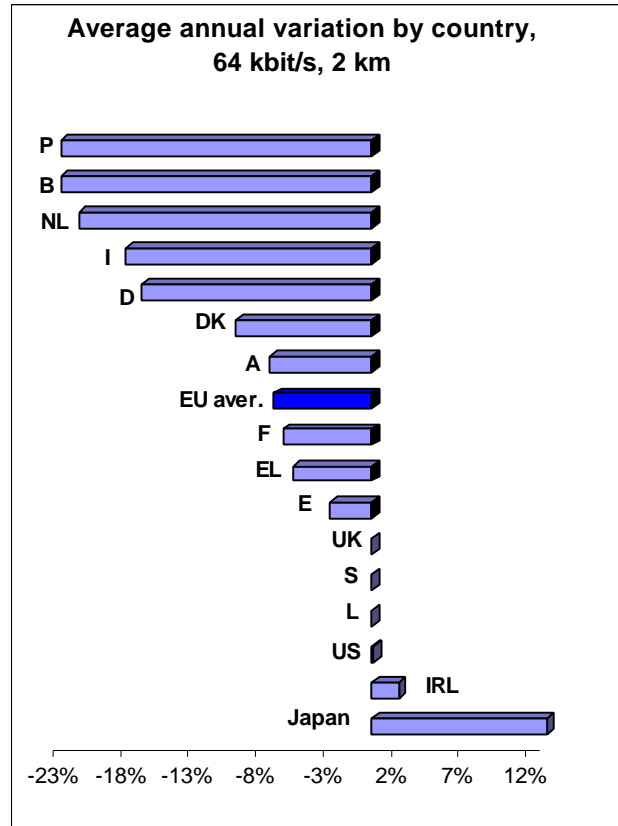
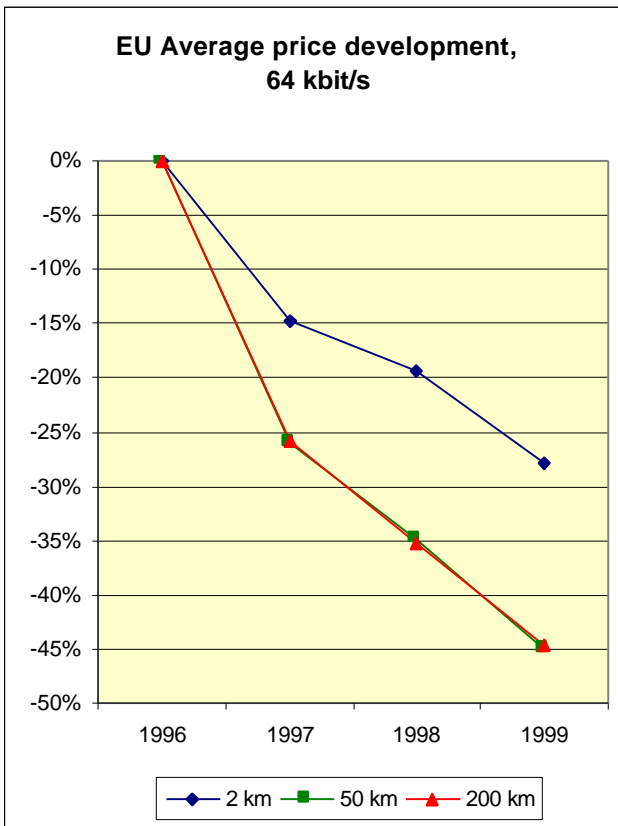


\*For Japan, 1999 data for M.1020 circuits could not be identified.

\*\*US prices of T1 circuits (1.5 Mbit/s), i.e. the nearest substitute for 2 Mbit/s, cannot be consistently compared. Circuits are now priced on a location-pair basis, not on distance.

**4.6.1.2 – NATIONAL LEASED LINE PRICE TRENDS (1 August 1996 – 1 August 1999)**

**Chart 91 & Chart 92**



**Chart 93 & Chart 94**

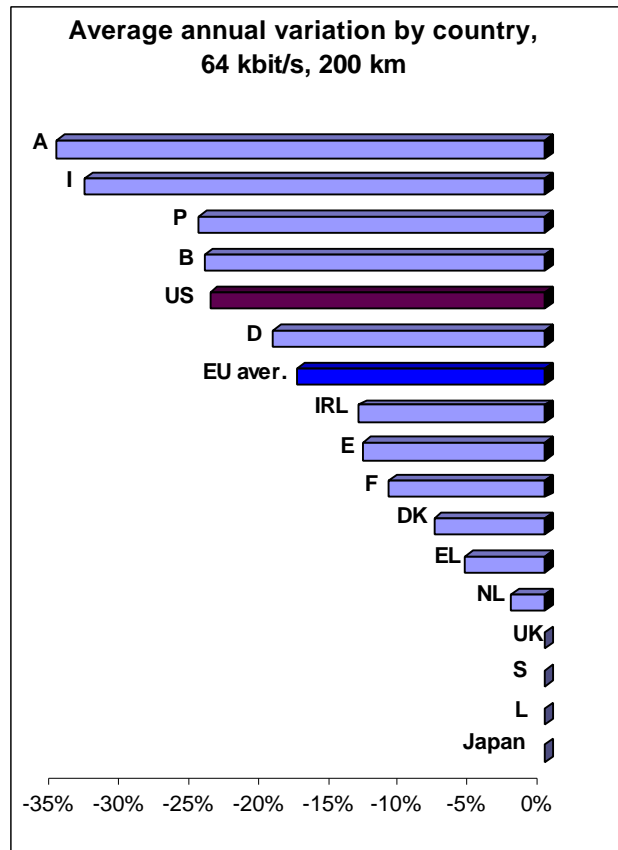
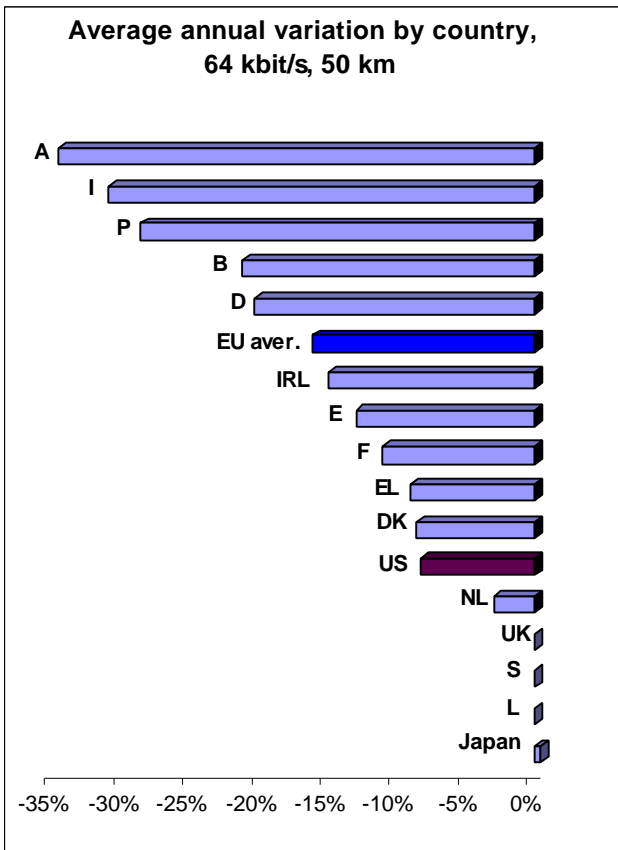


Chart 95 & Chart 96

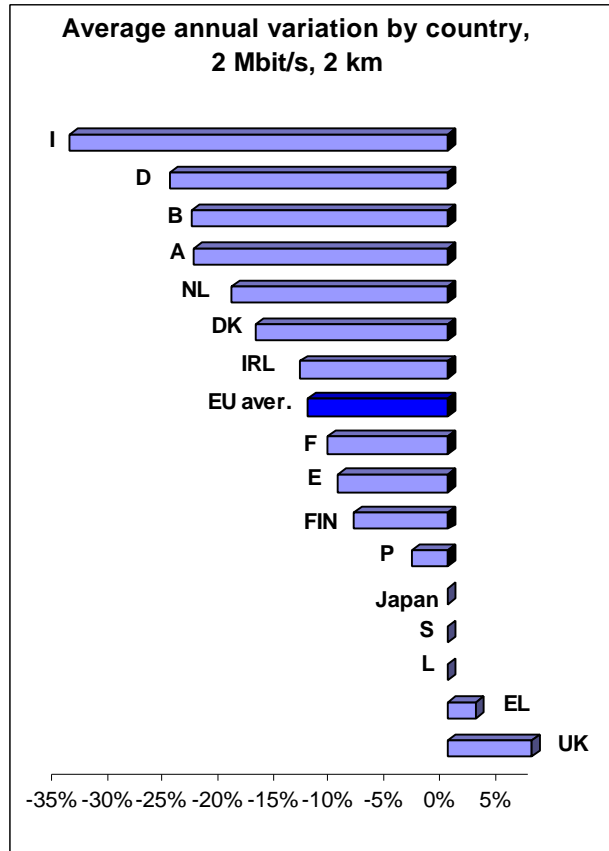
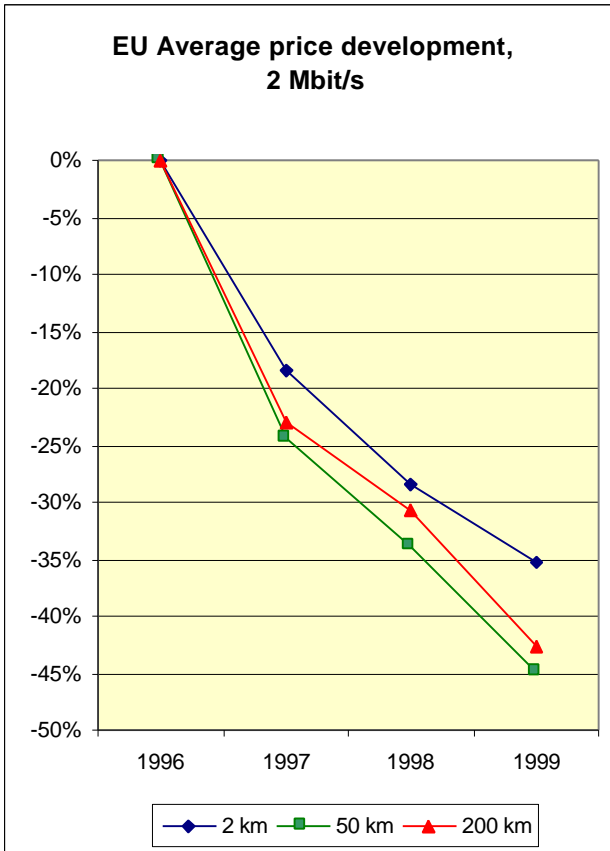
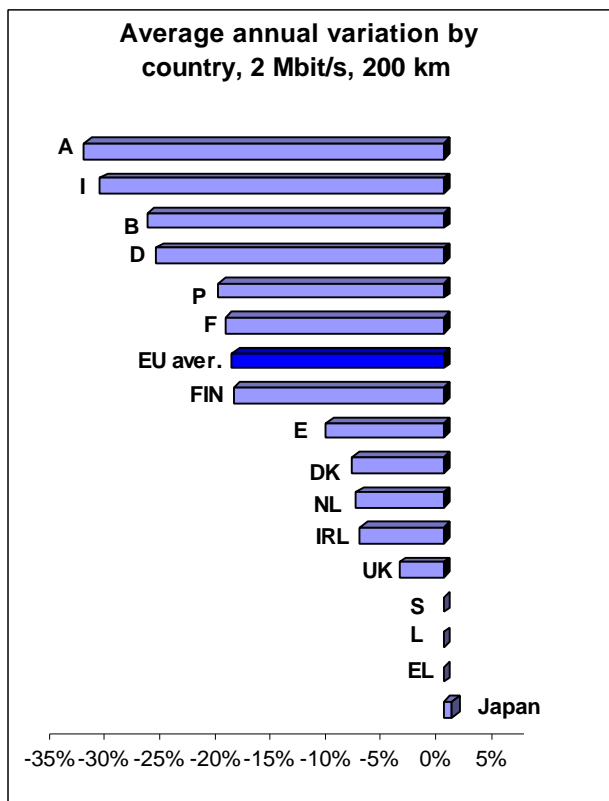
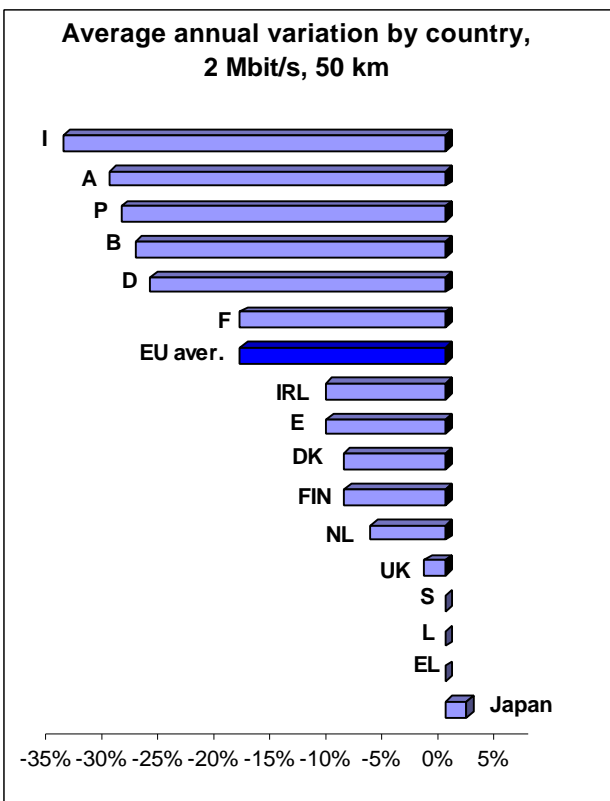
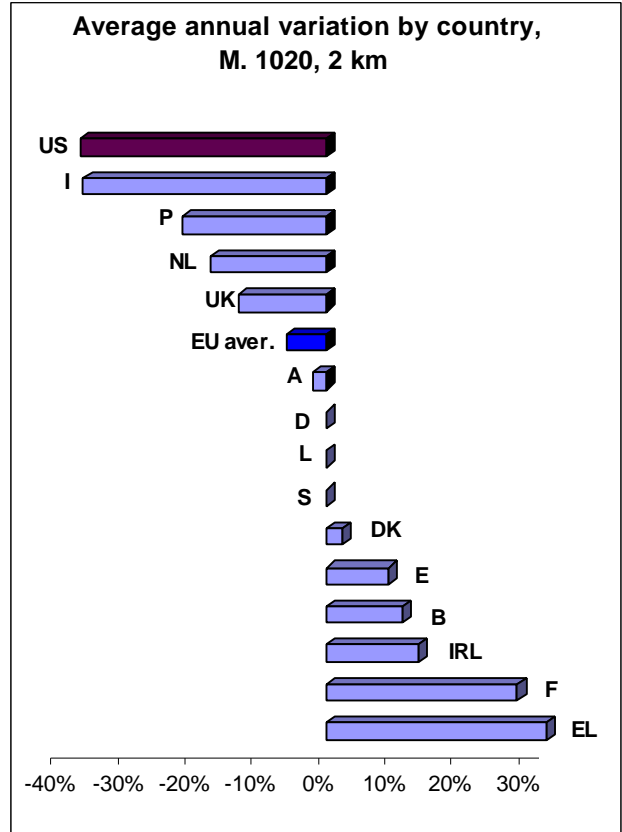
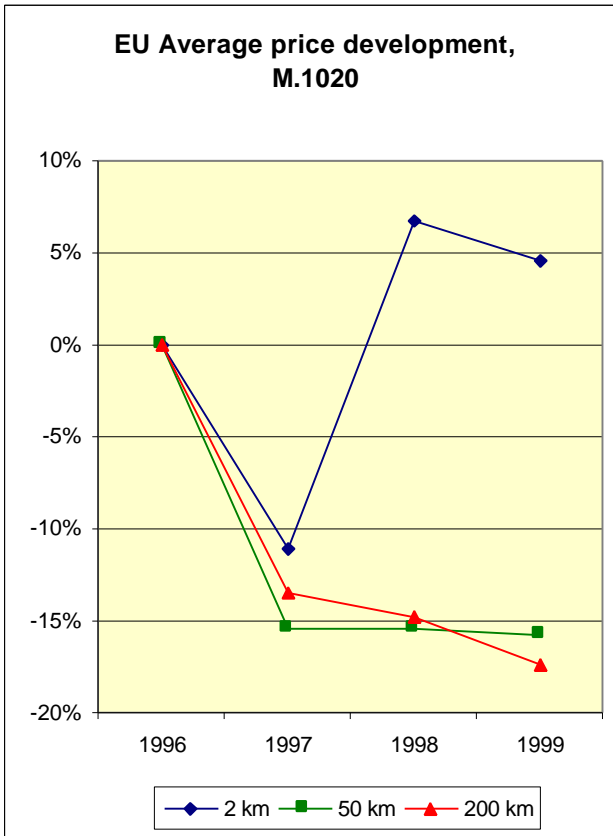


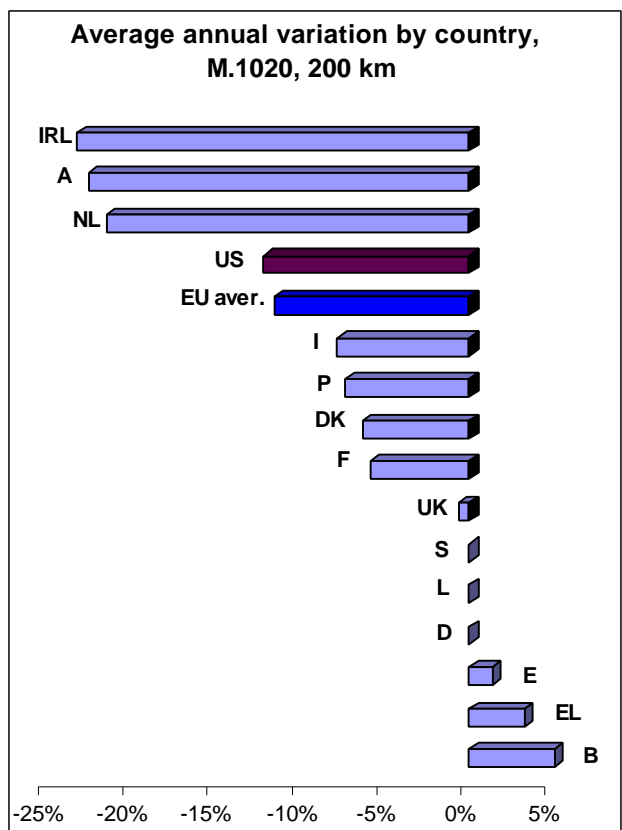
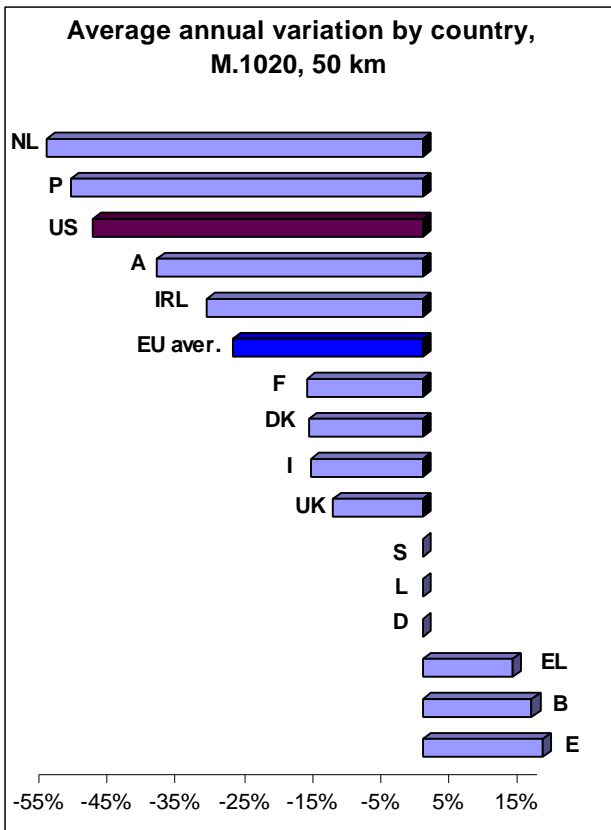
Chart 97 & Chart 98



**Chart 99 & Chart 100**



**Chart 101 & Chart 102**



## 4.6.2 – INCUMBENTS’ INTERNATIONAL LEASED LINES

This section examines the standard retail prices (monthly rental) for international leased line services (half-circuits out of each country) charged by the incumbent operators in each Member State as of 1 August 1999. An analysis of the price development over the period from August 1996 to August 1999 is also included.

Three destinations and 3 types of circuit are covered for the international half-circuits. These are:

**Table 14. International destinations**

Circuits to:	M.1020	64 Kbit/s	2 Mbit/s
Near EU country	ö	ö	ö
Distant EU country	ö	ö	ö
USA	ö	ö	ö

The following table summarises the definition of near and distant EU destination countries.

**Table 15. Definition of destination countries.**

From:	Near EU	Distant EU
B	F	EL
DK	S	EL
D	F	EL
EL	I	DK
E	P	DK
F	B	EL
IRL	UK	EL
I	EL	DK
L	D	EL
NL	D	EL
A	D	EL
P	E	DK
FIN	S	EL
S	DK	EL
UK	F	EL

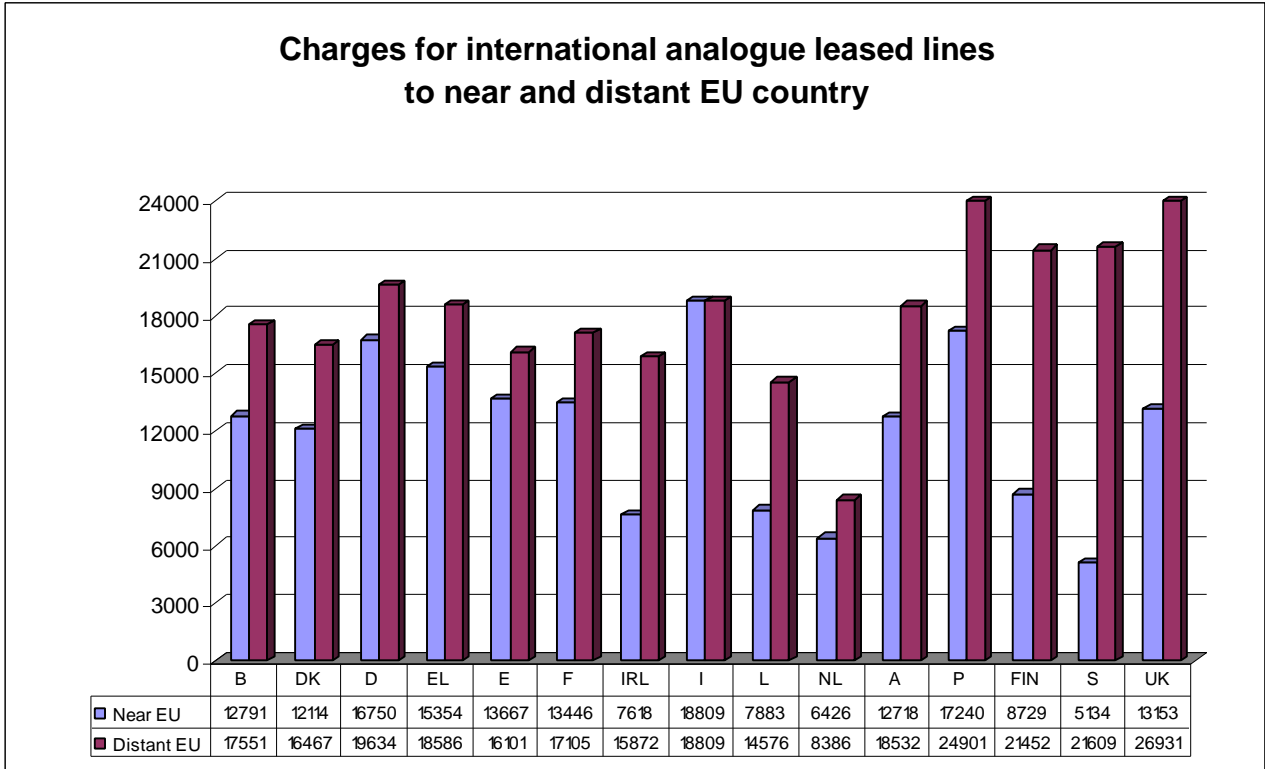
The following should be noted:

- All charges are in euro per year, VAT excluded. See section 4.8 for details on exchange rates to euro used in this section.
- Germany is not included in the analysis of digital lines because Deutsche Telekom does not disclose prices for 64 Kbit/s and 2 Mbit/s circuits.
- The expression “EU average” refers to the simple, non-weighted average across all EU countries.

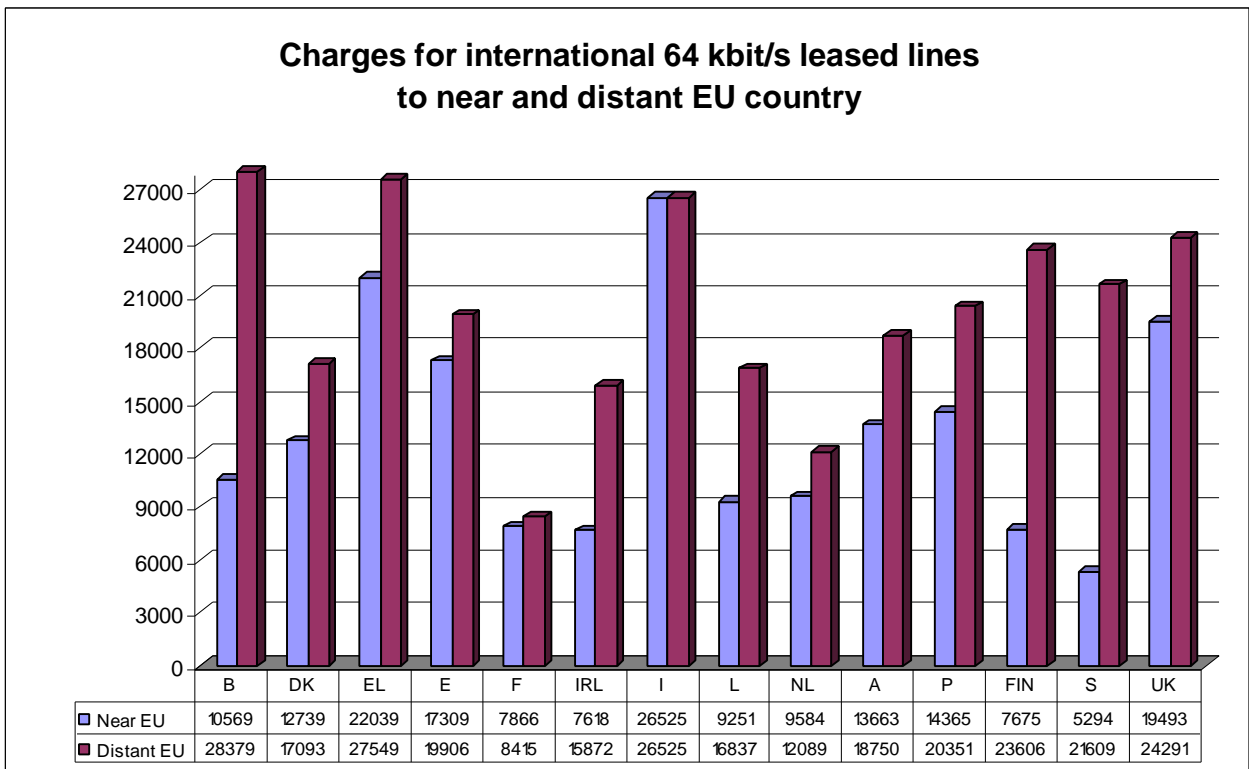


**4.6.2.1 – INTERNATIONAL LEASED LINE CHARGES AS OF 1 AUGUST 1999**

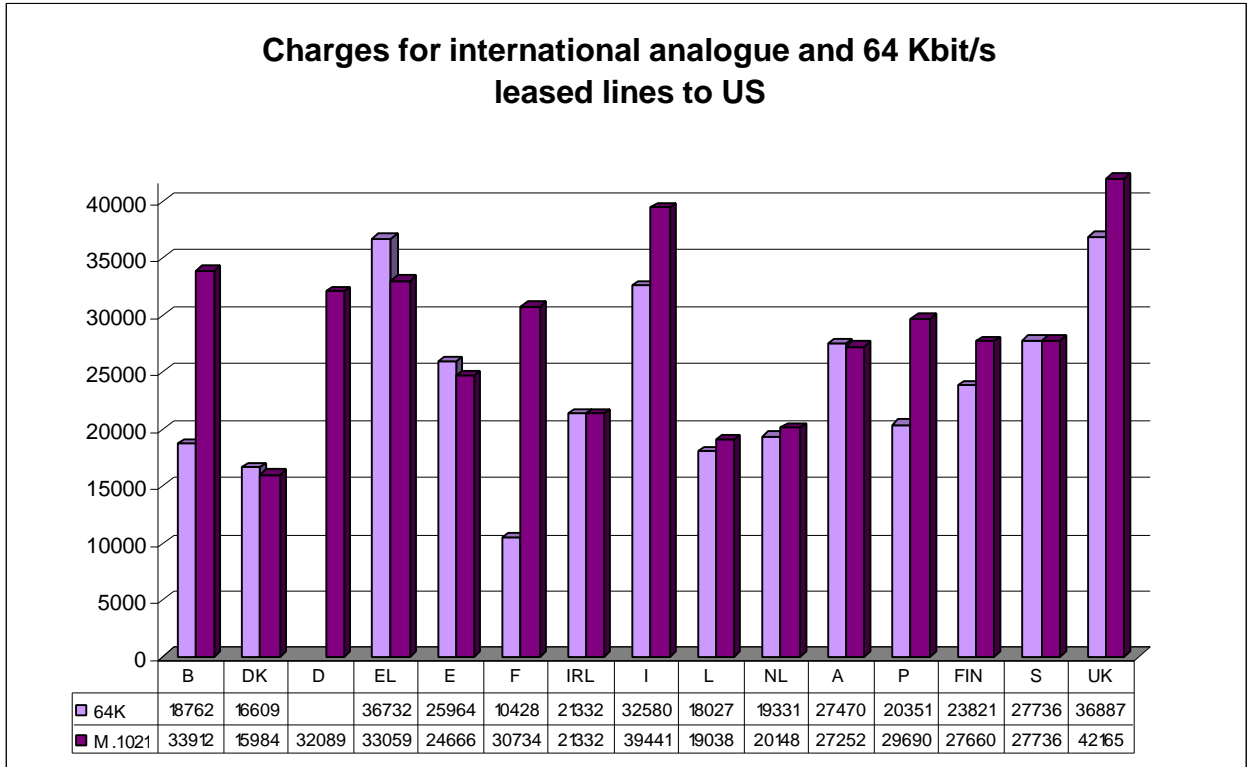
**Chart 103**



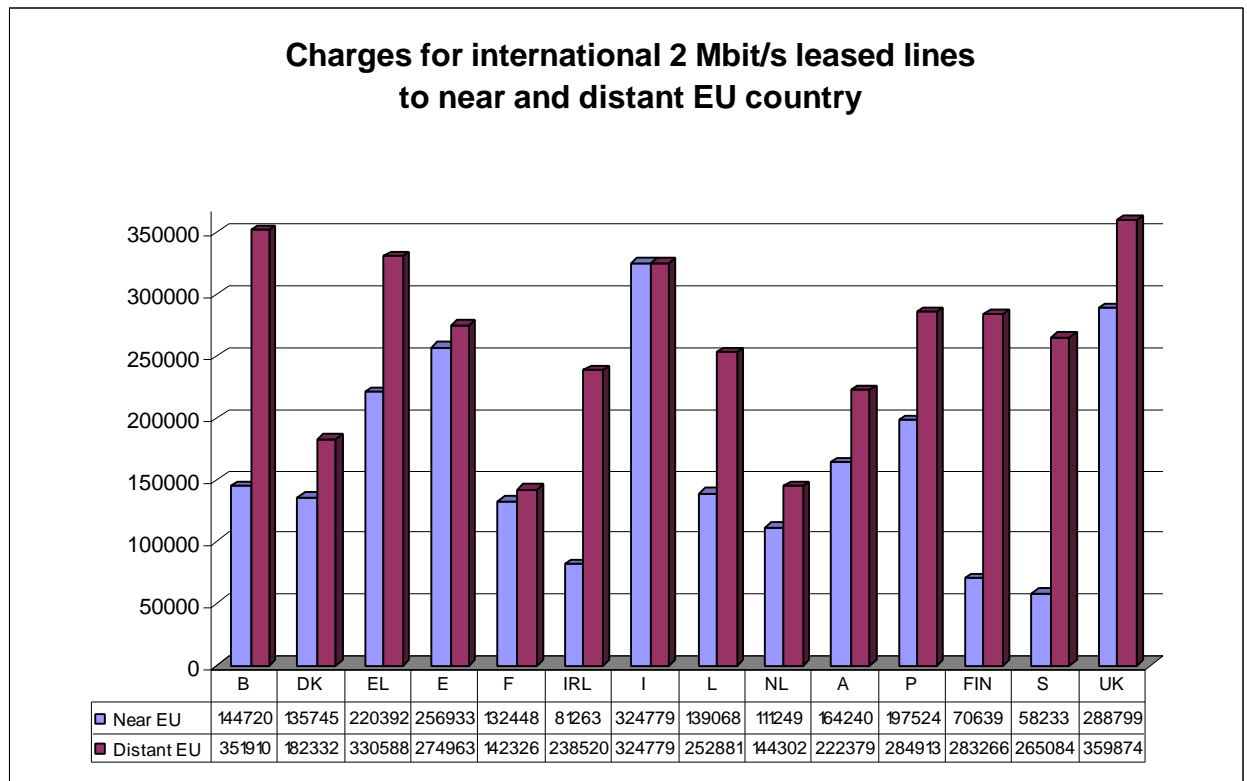
**Chart 104**



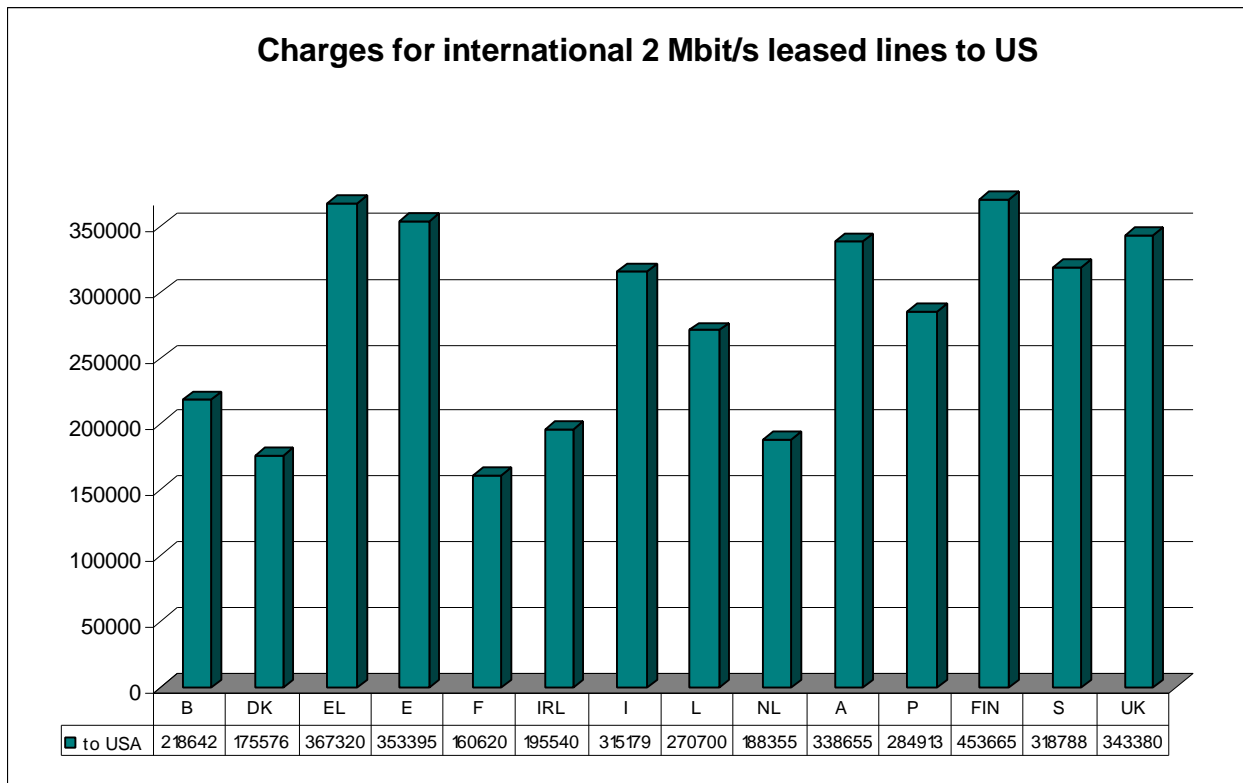
**Chart 105**



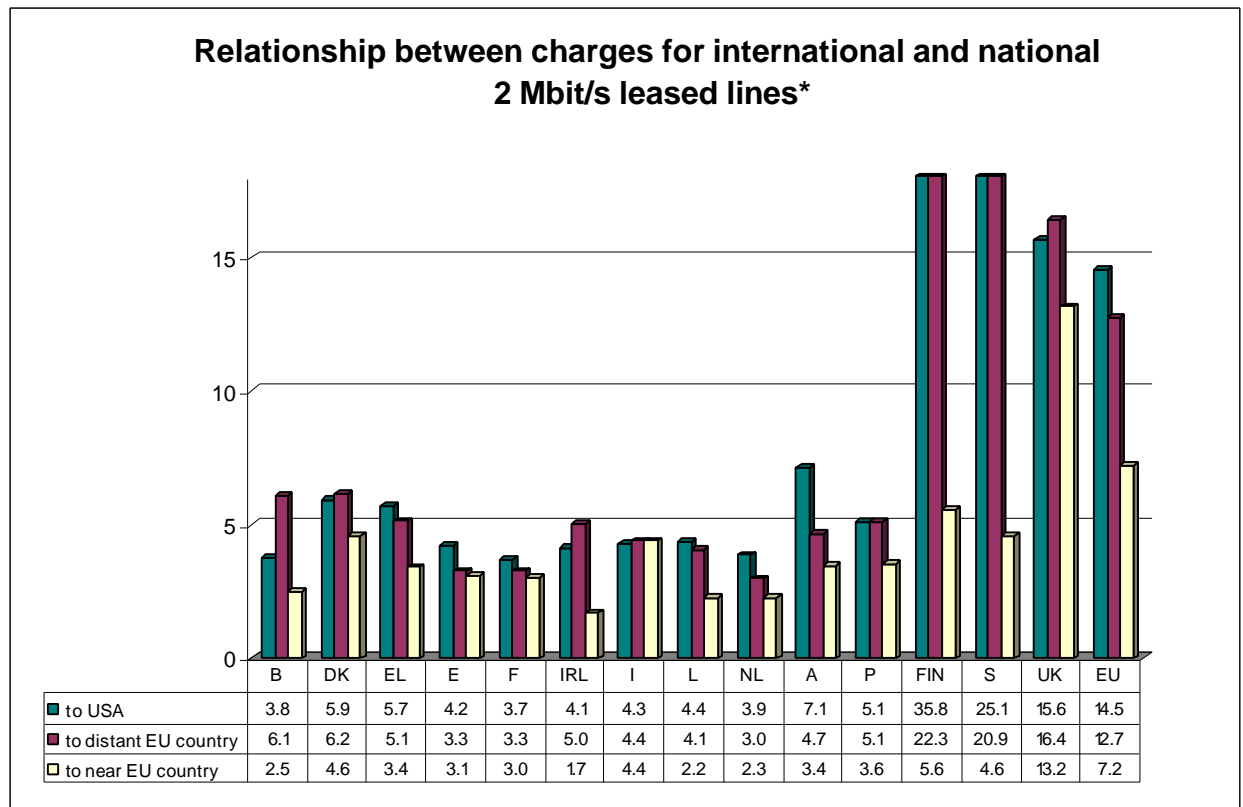
**Chart 106**



**Chart 107**



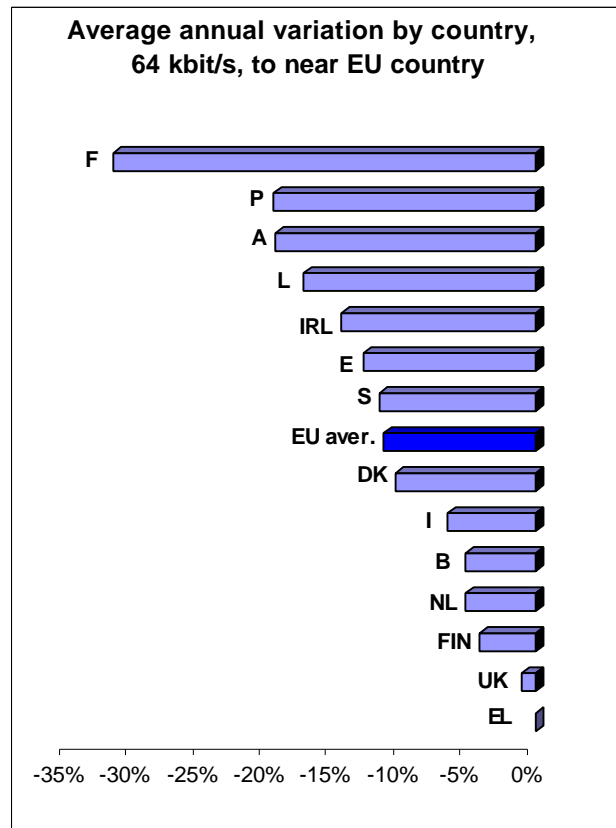
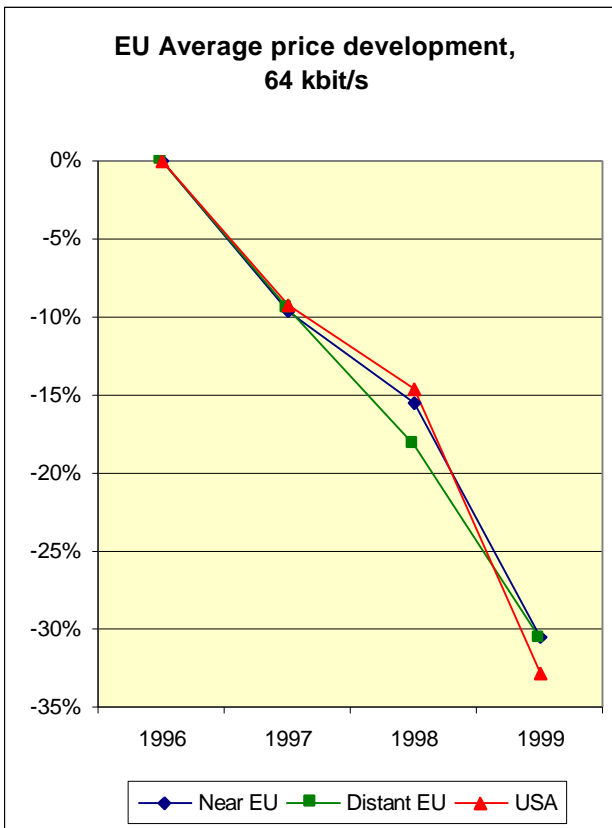
**Chart 108**



\*This chart should be read in conjunction with Chart 88. Finland, Sweden and UK are among those charging less for national services.

**4.6.2.1 – INTERNATIONAL LEASED LINE PRICE TRENDS (1 August 1996–1 August 1999)**

**Chart 109 & Chart 110**



**Chart 111 & Chart 112**

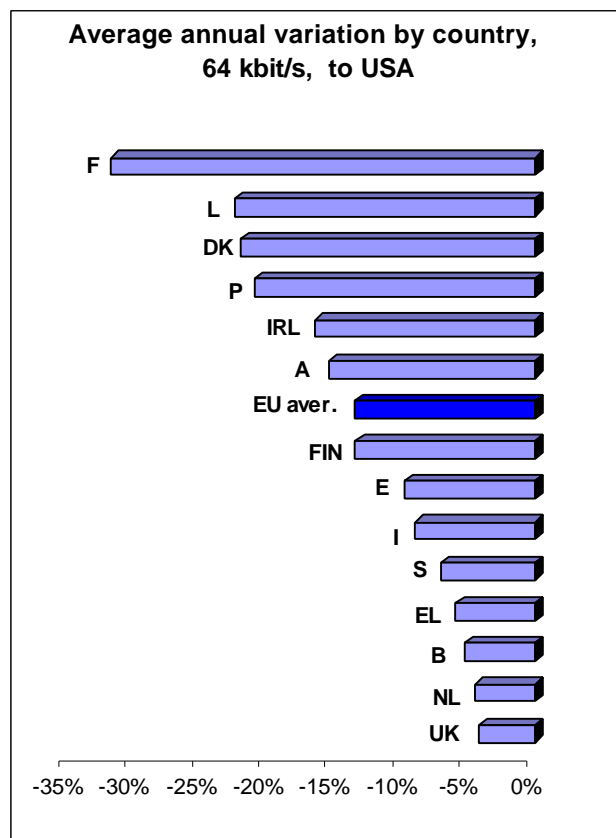
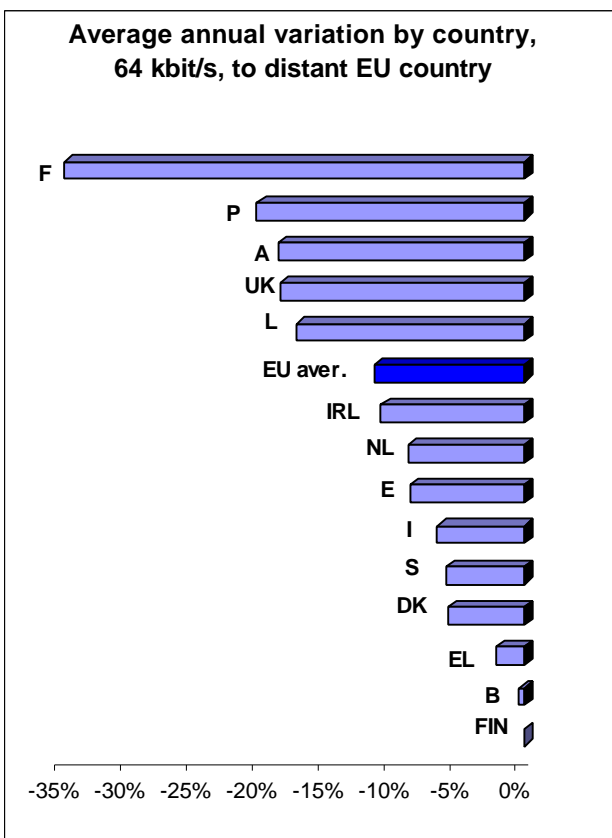


Chart 113 & Chart 114

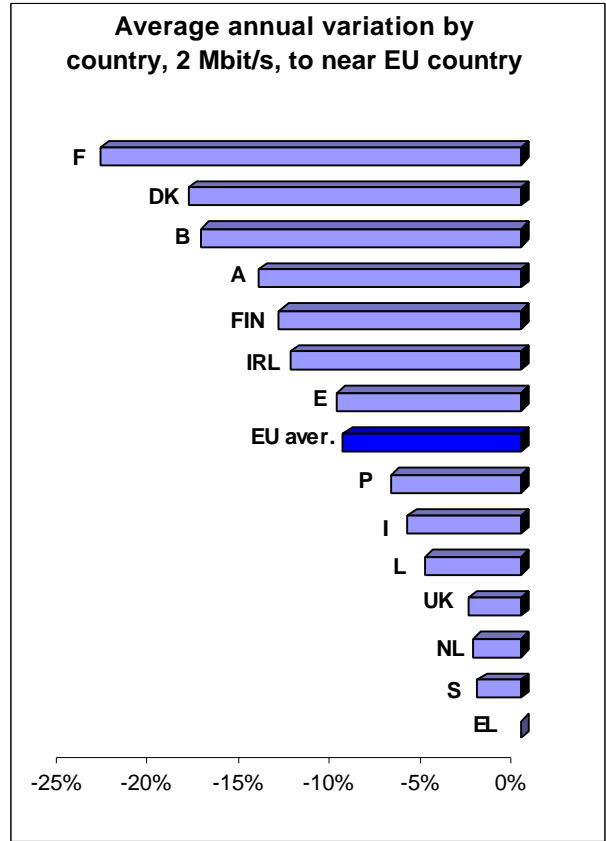
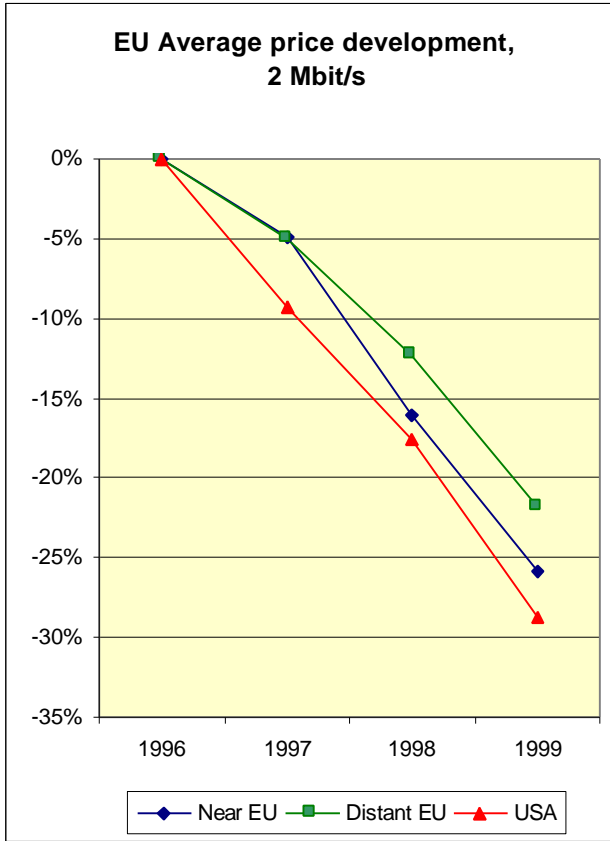


Chart 115 & Chart 116

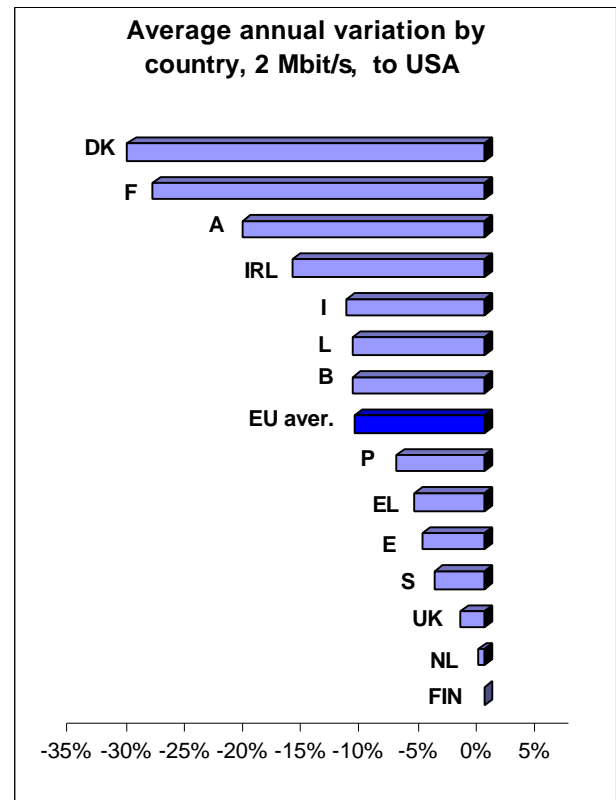
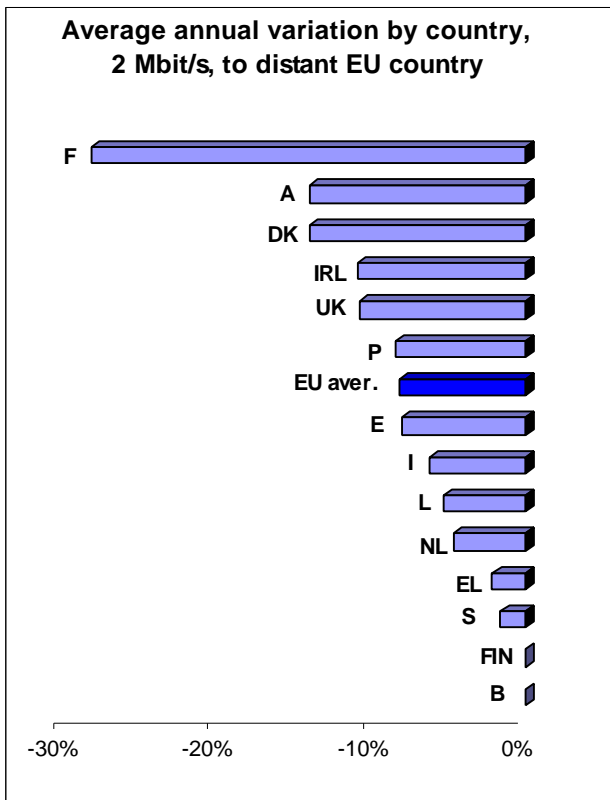


Chart 117 & Chart 118

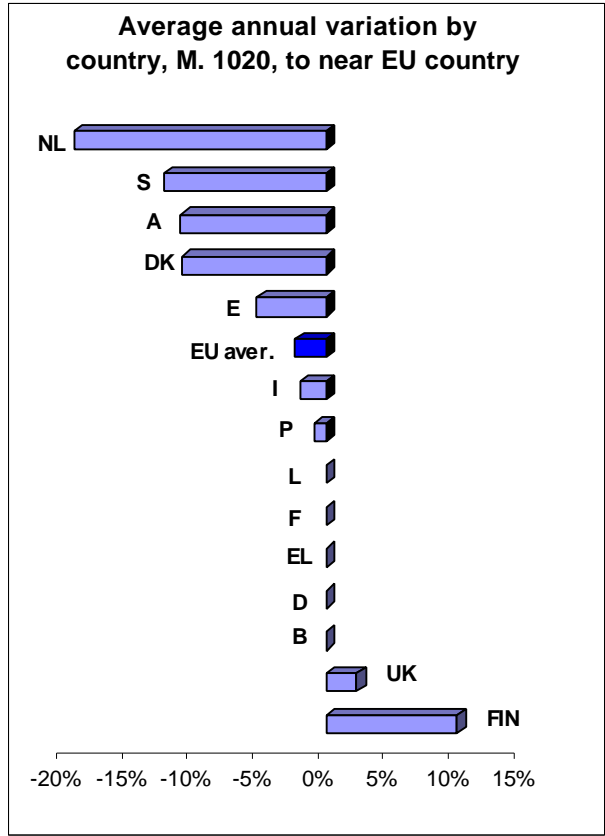
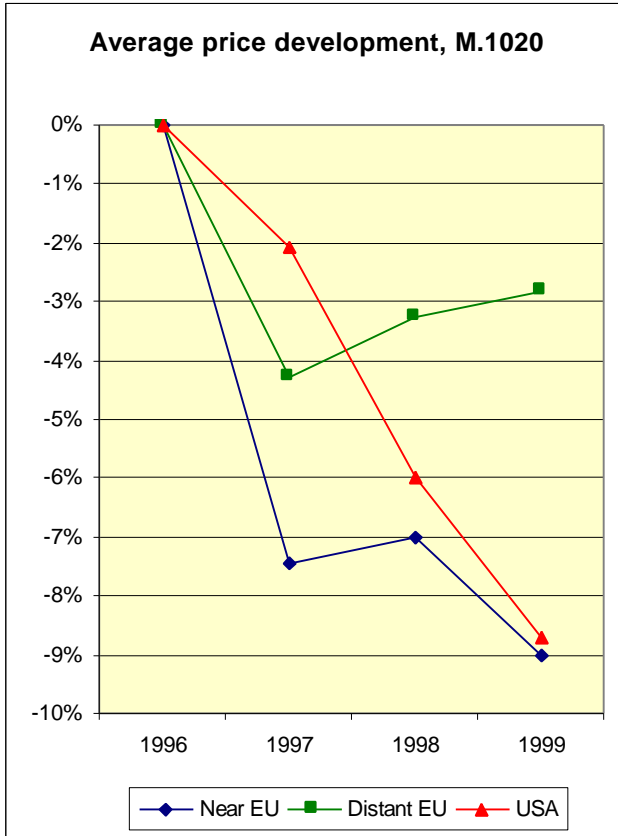
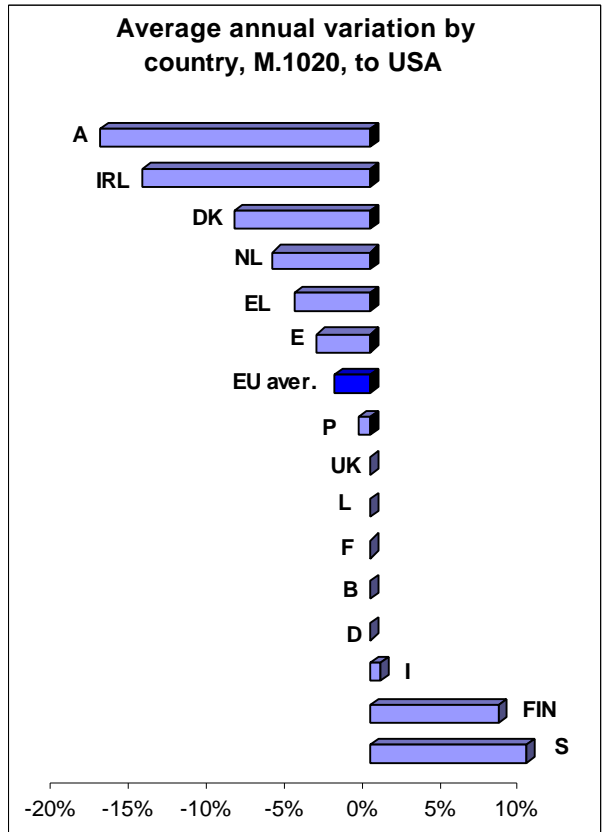
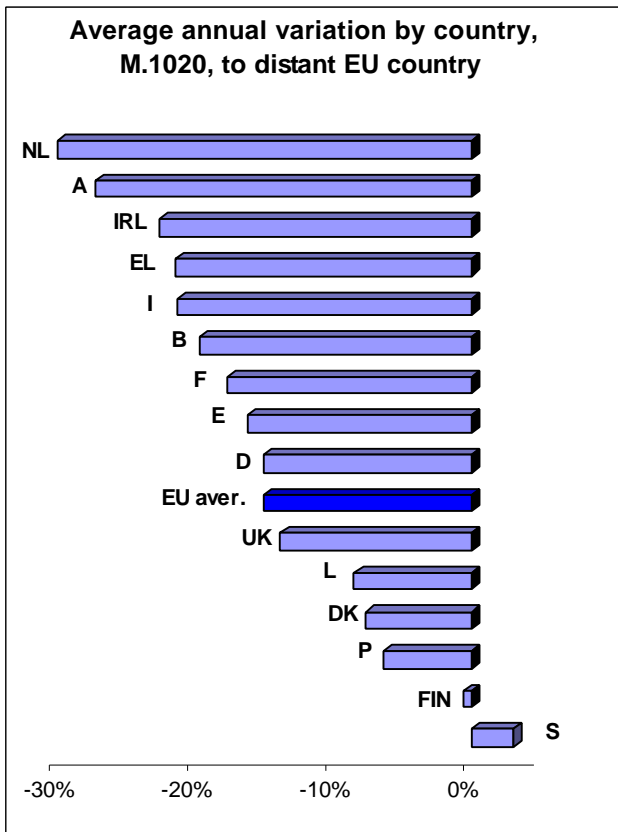


Chart 119 & Chart 120



### 4.6.3 – HIGH SPEED LEASED LINES

This section provides an overview over the prices of 34 and 155 Mb/s leased lines in the EU countries. This is a business area which is new, and still under development in many countries. Prices in some countries are therefore not published, and will only be given on a case by case basis. These appear as blank cells in the tables below.

Prices for national circuits are given for 2 km, 50 km and 200 km, while international half-circuit prices are given for near EU country, distant EU country and the USA (AT&T).

**Table 16 34 Mbit/s circuits**

	Local	City to City		Cross-Border		
	2 km	50 km	200 km	Near EU	Distant EU	USA
<b>B</b>	1,517	21,380	43,564	126,630		209,532
<b>DK</b>				39,441		
<b>D</b>	2,582	12,552	22,292			
<b>EL</b>				153,050	171,416	189,782
<b>E</b>	4,471	17,857	32,099	256,933	274,963	353,395
<b>F</b>	4,923	22,814	34,705			
<b>IRL</b>	3,666	21,805	42,438	68,778		
<b>I</b>						
<b>L</b>						
<b>NL</b>				76,624	123,442	173,308
<b>A</b>	3,634	22,965	44,766			
<b>P</b>						
<b>FIN</b>						
<b>S</b>	2,412	6,889	10,312			
<b>UK</b>	4,098	12,606	26,101	204,929	254,911	283,651

Note: All charges in euro per month, excluding VAT

**Table 17 155 Mbit/s circuits**

	Local	City to City		Cross-Border		
	2 km	50 km	200 km	Near EU	Distant EU	USA
<b>B</b>	1,896	52,802	115,565			
<b>DK</b>				137,370		
<b>D</b>	2,608	21,681	41,571			
<b>EL</b>				367,320	428,540	477,516
<b>E</b>						
<b>F</b>	3,994	28,127	72,490			
<b>IRL</b>						
<b>I</b>						
<b>L</b>						
<b>NL</b>				185,009	298,112	418,538
<b>A</b>	7,376	40,515	81,394			
<b>P</b>						
<b>FIN</b>						
<b>S</b>						
<b>UK</b>	12,251	35,758	74,557			

Note: All charges in euro per month, excluding VAT.