



Commission for
Communications Regulation
Coimisiún Um
Rialáil Cumarsáide

21 December 2016

By email

Mr. Éanna Ó Conghaile,
Principal Officer,
Broadcasting & Media Division,
Department of Communications, Climate Action and Environment,
29 – 31 Adelaide Road,
Dublin,
D02 X285.

Dear Éanna,

I refer to your letter to me dated 25 July 2016 in which you sought, on behalf of your Department, assistance from ComReg in developing a cost recovery mechanism for expenditure on the DTT network, arising from migration of that network from the 700 MHz band.

As you know, since receiving your letter, a team from ComReg has worked with you and your staff, and with representatives of 2rn, to develop such a cost recovery mechanism. ComReg also engaged Frontier Economics to conduct a fully reasoned analysis and assessment of the efficiently incurred capital and operational costs which 2rn, and ultimately RTÉ, would likely incur as a result of the 700MHz migration. This report formed the basis for developing a cost recovery mechanism and for estimating the compensation which RTÉ could expect to recover.

Following very constructive engagement with all major stakeholders, Frontier Economics has completed this first phase of its work and has prepared a final report containing its findings. I am pleased to enclose a copy of that final report. As well as setting out a cost recovery mechanism, the report concludes that the estimated incremental costs which 2rn would incur as a result of 700 MHz migration could amount to: (a) €8.6 million (assuming simulcast), or (b) €6 million (assuming no simulcast).

We confirm that we are committed to continue to work with you throughout the next phase of this important project, which will involve implementing the cost recovery mechanism and verifying the actual capital and operational expenditure which 2rn will incur as a consequence of the 700 MHz migration.

Yours sincerely



Gerry Fahy
Commissioner

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Block DEF, Abbey Court, Irish Life Centre, Lower Abbey St, Dublin 1

Bloc DEF, Cúirt na Mainistreach, Ionad Irish Life, Sraid Na Mainistreach Iocht, Baile Atha Cliath 1

Telephone +353 1 804 9600 Fax +353 1 804 9665 Email info@comreg.ie Web www.comreg.ie