



Commission for
Communications Regulation

The 700 MHz Cost Recovery Mechanism

Report from Frontier Economics assessing migration costs incurred by 2RN in migrating the DTT transmission network out of the 700 MHz band

Information Notice

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1 700 MHz Cost Recovery Mechanism

1.1 Introduction

- 1.1 This Information Notice concerns the migration of the national Digital Terrestrial Television (DTT) network from the 700 MHz band.
- 1.2 2rn, a subsidiary of RTÉ, owns and operates the DTT network and will incur costs in completing the 700 MHz migration. Those costs will ultimately be borne by RTÉ and the State, though the Department of Communications Climate Action and Environment (DCCAÉ), will compensate RTÉ for such costs.
- 1.3 In 2016, the DCCAÉ requested assistance from the Commission for Communications Regulation (ComReg) in assessing the efficiently incurred capital and operational costs likely to be incurred by 2rn, in migrating its DTT network from the 700 MHz band¹. ComReg engaged Frontier Economics (Frontier) to conduct that assessment.
- 1.4 In December 2016, ComReg and DCCAÉ published Frontier's report containing its assessment.² Frontier recommended that the compensation be paid in three phases - phase 1 in early 2017, phase 2 in late 2017, and phase 3 in 2020.
- 1.5 The phase 1 payment of €5.16m was paid to RTÉ in February 2017. The phase 2 payment is now due.

1.2 Findings of the report

- 1.6 In advance of the phase 2 compensation being paid, Frontier assessed the costs already incurred by 2rn and the costs that it is likely to incur.
- 1.7 The assessment methodology was consistent with the methodology set out in Document 16/114a.
- 1.8 Having completed its assessment, Frontier recommends a phase 2 compensation payment to RTÉ of €2,815,880.

1.3 Next Steps

- 1.9 ComReg has delivered Frontier's report to the DCCAÉ and will continue to provide assistance to DCCAÉ in monitoring the remainder of the 700 MHz migration.

¹ ComReg Doc 16/114c

² 700 MHz Repurposing Cost Compensation Report – ComReg Doc 16/114a.