



An Coimisiún um
Rialáil Cumarsáide
Commission for
Communications Regulation

Corrigendum to ComReg Decision 09/19 “Assessment of eir’s 2014-2015 Universal Service Fund Application: Assessment of the net cost and unfair burden for the period 2014- 2015”

Corrigendum

Reference: ComReg 19/107

Version: Final

Date: 29/11/2019

Executive Summary

1. On 18 April 2019, ComReg published five separate Decisions pertaining to eir's applications for Universal Service Funding for the years 2010-11, 2011-12, 2012-13, 2013-14, and 2014-15.
2. The Commission proceeded to make Decisions for each of the aforementioned years, regarding the net cost and that the net cost of the USO did not represent an unfair burden on eir in the year in question.
3. These Decisions are currently subject to a legal challenge by eir.
4. In October 2019, our consultants, TERA, confirmed to ComReg that there was a calculation error in the 2014-15 direct net cost calculation relating to the payphone model.
5. The effect of this calculation error is that in the TERA report accompanying the 2014-15 Decision (ComReg Document 19/40a) the direct net cost in relation to payphones was €17,236 lower than it should have been.
6. The impact of the correction is that the payphone direct net cost changes from €129,650 to €146,886.
7. The consequential changes to the net cost calculation arising from this correction are set out in Appendix 1 to this corrigendum, including a change to Oxera's calculation of the intangible benefits allowed in respect of marketing benefits in ComReg Document 19/40b, in which the net cost of payphones is an input.
8. The impact of this correction is inconsequential in the context of an overall net cost of €11.5 million for 2014-2015. In carrying out the unfair burden assessment in respect of the 2014-2015 application, Oxera was instructed by ComReg to base its analysis on the net cost figure derived from eir's application submitted in July 2016 (i.e. using the figure submitted by eir before ComReg's adjustments). As a result, this calculation error had no impact on the unfair burden assessment.

Annex 1: Changes to the net cost calculation in ComReg Decision 09/19 arising from correction of calculation error

Figure	Initial calculation	Amended calculation
Payphone net cost	€129,650	€146,886
Total direct net cost	€12,270,870	€12,288,106
Intangible benefits allowed in respect of marketing benefits	€7,338	€9,001
Total intangible benefits	€737,294	€738,957
Net cost (after intangible benefits)	€11,533,576	€11,549,149

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