



*By email*

20 July 2020

Ms. Triona Quill

Principal Officer

Broadcasting & Media Division

Department of Communications, Climate Action and Environment

29 – 31 Adelaide Road

Dublin 2

D02 X285

Dear Triona,

I refer to your Department's request to ComReg, in 2016, for assistance in assessing the efficiently incurred capital and operational costs incurred by RTÉ's subsidiary, 2rn, in migrating the national Digital Terrestrial Television (DTT) network from the 700 MHz band. Those migration costs would be borne by RTÉ, and the State, though your Department, intends to compensate RTÉ for those costs.

ComReg, on foot of the Department's request, engaged Frontier Economics (Frontier) to develop a cost recovery mechanism (CRM) in relation to compensating RTÉ for the costs of the 700 MHz migration. The CRM is set out in the first report by Frontier sent to your office on 21 December 2016, a non-confidential version of which was published by ComReg in December 2016 (Document 16/114a) and by the DCCAE. The second, non-confidential Frontier report was sent to your office on 11 December 2017 and published by ComReg in December 2017 (Document 17/111a).

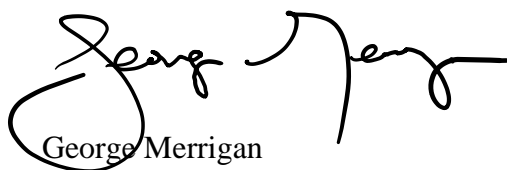
The 2016 report by Frontier recommended that compensation totalling no more than €8.6m, be paid to RTÉ in three phases. Following the phase 1 payment of €5,160,000 in early 2017 and the phase 2 payment of €2,815,880 in late 2017, the third and final payment to RTÉ for phase 3 is now due.

The end of the Simulcast Period on 4 March 2020 signalled the completion of the migration of DTT from the 700 MHz band. In this regard and following further constructive engagement with 2rn, Frontier has now completed its final assessment of the costs incurred by 2rn in migrating its DTT network from the 700 MHz band and recommends a phase 3 final payment to RTÉ of €169,918. ComReg concurs with this recommendation and I am pleased to enclose a copy of Frontier's third and final non-confidential report for your consideration.

With the delivery of Frontier's third report, the 700 MHz CRM project is now complete.

I would like to extend my appreciation to members of staff in the DCCAE, 2rn and RTÉ for their collaborative efforts and input over the past four years, without which the successful completion of this important project would not have been possible.

Yours sincerely



George Merrigan

Director,

Market Framework Division,

Commission for Communications Regulation