

Dublin 4 Ireland
 Telephone 01 693111
 Telex 93700
 Telefax 01 838140

Baile Átha Cliath, Éire
 Telefón 01 693111
 Teleics 93700
 Telefax 01 838140

Radio Telefís Éireann

18th November 1988

Mr. Oliver Barry,
 16 Parnell Square,
 Dublin 1.



RE: NATIONAL RADIO TRANSMISSION COVERAGE

Dear Oliver,

With reference to our recent meetings regarding the above, we wish to formally restate RTE's proposals as set out in our letters of 1st November and 2nd November 1988 with final amendments as discussed and understood between us.

FM RADIO

RTE's proposal for FM transmission coverage was on the basis of an overall package involving:

- Design, acquisition and installation of a complete FM Radio transmission network.
 - Population coverage of 98.5% of the Republic of Ireland plus coverage of Northern Ireland's population to the extent of 1 million people.
 - Major population centres covered in first year.
 - All necessary equipment supplied/installed i.e. transmitters, masts, aerials, feeder systems etc.
 - Signal to include RDS system for automatic tuning by RDS capable radio sets.
 - Full annual running costs of system.
 - Complete maintenance to the same standard of RTE's transmissions.
 - Full standby cover as exists for RTE's systems.
 - Emergency nationwide call-out service.
 - Full system monitoring and signal quality control.
 - National reception monitoring/assessment and interference investigation.
 - Expert upkeep and optimum signal quality to full international broadcast standard. Coverage would reach 98.5% of population over a three year period.
- | | |
|--------------------|---------------------|
| Coverage in year 1 | 63% of population |
| Coverage in year 2 | 95% of population |
| Coverage in year 3 | 98.5% of population |

The full cost of this service is an annual charge of £0.914 million, as follows:

	IR£000
Facilities and access to the common infrastructure at 14 sites	247
Full maintenance	364
Running Costs	220
Overheads (10%)	83

	0.914

If the foregoing comprehensive package offer is not acceptable to you, we can also offer a package which in RTE's view fully meets our obligations under the 1980 Broadcasting Act. This package leaves you to provide all your own transmission equipment (excluding Antennas and feeders) plus links, standby generators etc. You would also have to provide your own maintenance effort.

RTE's charges for sharing the common infrastructure and facilitating your design and installation of the necessary transmission equipment would be as follows:

IR£000

Access and facilities to RTE's common network infrastructure:	
Annual fee	247
Rigging and combiner maintenance (£94k plus £20K)	114
Overheads (10%)	36

Annual Charge	397

In addition, there would be a once-off capital charge of the order of £200,000 for building and ventilation modifications etc. at the 14 sites. Engineering design, joint planning/supervision of the combining of the services will cost £180,000 over a three year period. This makes a total once-off charge of £380,000 to facilitate you in establishing an additional independently operated FM service at existing sites.

AM RADIO

While we did not discuss the detailed schedules handed to you at our meeting for AM Radio transmission coverage, we wish to note there.

The capital cost is estimated at £1.3 million for Athlone (100Kv), Beaumont (10Kv) and Ballinure (10Kv) AM transmitters. Excluding Athlone, the capital cost comes to £430,000.

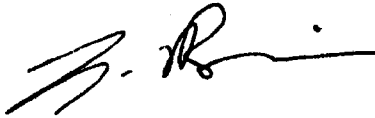
The annual operational and maintenance charge is £697,000 and excluding Athlone it is £291,000. We would be delighted to elaborate on these submissions if you so wish.

CONCLUSION

We regret that our meeting today ended without agreement being reached. It would be entirely unrealistic of you to expect to obtain access and facilities to a National Radio Network in which a total historical capital investment of some £12 million has been invested and which is currently being serviced at 12% p.a. in Exchequer Advances. The cost of this infrastructure is charged to our individual existing services and we cannot have a situation where an additional service would obtain access at a lower charge. The same is true of maintenance costs. We would remind you that the basis of our apportionment is after allowing for the new service. RTE would also have to give if possible, access and facilities to other radio services, county and community and they will have to bear and share of the infrastructure/maintenance costs which might benefit all the services in due course.

Kind regards.

Yours sincerely,



**GERRY O'BRIEN
DIRECTOR OF FINANCE**