

Appendix F

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Radio Telefís Éireann

2nd November 1988



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

RE: FM RADIO - NATIONAL COVERAGE

Dear Oliver,

With reference to our meeting this morning (02/11/88) please find enclosed a breakdown of the composite quote given to you at the meeting.

The two elements are the overall package cost including all capital equipment, design, installation and maintenance costs. The full package cost comes to £1.14 million p.a. all-in. The capital equipment element in it is £1.1 million as detailed and the charge included is for a five year agreement.

In regard to the annual charge for the equipment to be installed, this is based on a fixed interest charge of 7% p.a. and the infrastructure charge is based on 12% p.a. which is the rate charged to RTE by the Exchequer for loans advanced in connection with the infrastructure development.

We trust that this analysis will help you in getting over the "shock" of cost involved. We would emphasise that this quote is based on a full replicate of the existing radio transmitter networks and could be subject to alteration to suit your requirements more closely.

Yours sincerely,

GERRY O'BRIEN
 DIRECTOR OF FINANCE

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Radio Telefís Éireann

1st November 1988



**NATIONAL FM RADIO COVERAGE
 OUTLINE PROPOSAL AND COSTS**

OUTLINE

The purpose of this proposal is to set out the cost of providing an additional National FM Radio transmission system which would achieve 98.5% population coverage.

This proposal is based on providing a fully integrated system over RTE's existing facilities (sites, links, etc.) and includes all costs including initial capital outlay, annual running costs and maintenance. RTE would carry the programme signals over the existing RTE link network supplied by Telecom Eireann for RTE.

OFFER

This includes the following:

- Design, acquire and install complete FM Radio transmission network.
- Coverage of 98.5% of Ireland's population 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

ALL-IN CHARGE

Annual rental based on five/ten year Agreement with broadcaster with lead in payments while transmission coverage is being built up, as follows:

Year 1

5 months from date of firm order:

Coverage of Dublin/Cork - annual rental £500,000

3 months later:

Coverage of Limerick/Galway - annual rental £850,000.

Above coverage includes surrounding areas of these cities.

Year 2

At 3 monthly intervals - as coverage is expanded.

In 4th month: Annual rental £900,000.

In 7th month: Annual rental £1,000,000.

Year 3

At end of 3 months full coverage achieved:

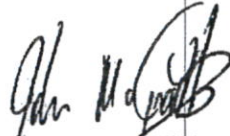
Annual rental £1,140,000

It would be proposed to hold the annual rental at a fixed cost over the first three years. Increases thereafter to be related to C.P.I.

The foregoing is an outline of RTE's proposal for a full national FM radio transmission system. It is based on RTE distributing the signal over its link network as supplied by Telecom Eireann for RTE.



GERRY O'BRIEN
DIRECTOR OF FINANCE



JOHN McGRATH
SEIC EASTERN REGION

