

Decision No MB/2019/18
of the Management Board of the Agency for Support for BEREC
of 23 October 2019
on financing the acquisition of historical data sets for the calculation of certain
parameters underlying the weighted average cost of capital (WACC)

The Management Board of the BEREC Office,

Having regard to Regulation (EU) 2018/1971 of 11 December 2018 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Agency for Support for BEREC (BEREC Office), amending Regulation (EU) 2015/2120 and repealing Regulation (EC) No 1211/2009¹,

Having regard to the Single Programming Document of the Activities of the Agency for Support for BEREC (BEREC Office) for the period 2019-2021 (MB (19) 05),

Having regard to the revised Project Requirement Document concerning the “Report on Regulatory Accounting in practice 2019”² (BoR (18) 224) approved by the BEREC Board of Regulators (BoR) on 12 April 2019,

Having regard to Decision No MB/2019/13 of the Management Board of the BEREC Office on the financial regulation applicable to the BEREC Office, and in particular Article 72,

Whereas,

(1) BEREC, in accordance with Article 4 of the Regulation (EU) 2018/1971, should in particular assist and advise the NRAs, [...] and the Commission, and cooperate with the NRAs and the Commission, upon request [...] on any technical matter regarding electronic communications within its competence;

(2) The BEREC Office, in accordance with Article 5 of the Regulation (EU) 2018/1971, should in particular provide professional and administrative support services to BEREC;

(3) BEREC, through the Remedies Working Group and confirmed by the BoR in its meeting on 13/14 June 2019, has accepted the task requested by the Commission with regard to the calculation of certain parameters underlying the weighted average cost of capital starting in 2019, in accordance with the revised Project Requirement Document on the “Report on Regulatory Accounting in practice 2019” and in direct relation to the upcoming Commission’s Notice on cost of capital for EU electronic communications

¹ OJ L 321, 17.12.2018, p. 1

² Section 6.11. in the BEREC Work Programme 2019.

regulators, together with the accompanying Staff Working Document (WACC Notice thereafter);

(4) The BEREC Office, in accordance with section II 2.1 of the Single Programming Document of the Activities of the BEREC Office for the period 2019-2021, should develop and maintain the appropriate capacity for supporting existing and new BEREC tasks and activities;

(5) The BEREC Office, in accordance with section III of the Single Programming Document of the Activities of the BEREC Office for the period 2019-2021, should support the implementation of the BEREC Work Programme;

(6) Since at the time of the adoption of the BEREC Office Single Programming Document for the period 2019-2021 the acquisition of historical data sets for the calculation of certain parameters underlying the WACC was not envisaged there is a need for the Management Board to adopt the current Ad Hoc Financing Decision;

(7) The acquisition of these data should be undertaken by the BEREC Office as soon as possible to enable the Remedies Working Group to deliver its work on time

Has adopted the following decision:

Article 1

The BEREC Office is hereby requested to procure the data sets including historical data series, indices etc. for the main financial instruments in the EU countries, in the relevant currencies, in real and nominal terms and other related relevant indicators, as a basis for the calculation of certain parameters underlying the WACC according to the methodology of the Commission's WACC Notice by BEREC for 2019, as presented in Annex I.

Article 2

The present Decision shall enter into force on the day of its adoption.

Done on 23 October 2019

For the Management Board

Jeremy Godfrey
Chairperson for 2019

**Financing Decision on
the acquisition of historical data sets for the calculation of certain parameters
underlying the weighted average cost of capital (WACC) by the Agency for
Support for BEREC (BEREC Office)**

Title	Acquisition of historical data sets for the calculation of certain parameters underlying the WACC
Short description and objectives	<p><u>DESCRIPTION</u></p> <p>The Commission aims at providing non-binding guidance to the NRAs concerning the methodology to be used for determining the reasonable rate of return on investments made in telecommunications legacy networks (to be fed in the pricing decisions adopted with respect to the regulated access services) in order to harmonize the approaches for the calculation of the weighted average cost of capital in the EU.</p> <p>Following the publication by the Commission of the Notice on cost of capital for EU electronic communications regulators, accompanied by the Staff Working Document providing further details on the proposed methodology, BEREC is to undertake the EU-wide computational exercise on a yearly basis. The parameters calculated by BEREC will be used by the NRAs as input in their own models for calculating the price for the regulated services.</p> <p><u>OBJECTIVE</u></p> <p>The objective of the procurement is to provide BEREC with the adequate (in terms of countries covered, time span, complexity of indicators and correspondence to the Commission's requirements) (raw) data set including historical data series etc. for its own computation.</p>
Basic Act	Regulation (EU) 2018/1971 of the European Parliament and of the Council of 11 December 2018 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Agency for Support for BEREC (BEREC Office), amending Regulation (EU) 2015/2120 and repealing Regulation (EC) No 1211/2009

Budget Line	Budget line: BERO-B2019-B3101-C1-BEREC
Method of implementation	Public procurement
Contract value for the budgetary year	Maximum € 60,000 (sixty thousand EUR) is envisaged for the budget year 2019.
Additional information	<p>A contract shall be concluded to ensure the acquisition of data sets needed for BEREC including historical data series and other relevant related indicators etc. for an initial period of 12 months.</p> <p>The contract may be renewed up to three times for 12 months each, subject to budget availability and prior MB approval within the course of the annual programming cycle.</p> <p>The maximum amount of the contract shall not exceed € 240,000 (two hundred forty thousand EUR) over its maximum duration of 48 months.</p>
Indicative timeframe for the procedure	Signing of the contract in Q4 2019.
Expected results	Publishing by BEREC of the results of its computations and use by all the NRAs of these results in their pricing decisions to be adopted.