Draft RSPG Opinion on ITU-R World Radiocommunication Conference 2023

Comments by MFE-MEDIAFOREUROPE N.V.

MFE-MEDIAFOREUROPE (hereinafter, "MFE") is the holding company, registered in Amsterdam (Netherlands) with fiscal offices in Italy and Spain, which controls Mediaset S.p.A. and Mediaset España Comunicación S.A.. In Italy, Mediaset S.p.A. controls and manages all aspects of its television business: signal broadcasting, production and rights acquisition as well as advertising sales. It also acts as a provider of conditional access services and as network operator; it is the leading national radio broadcaster in terms of ratings and an important reference point for Italian cinema. Audiovisual production and advertising sales are also pivotal activities in Spain where Mediaset España Comunicación S.A. is the leading free-to-air broadcaster, running seven free TV channels, both generalist and thematic, as well as an OTT service including free ("Mitele") and conditional access ("Mitele+") offers.

MFE welcomes the opportunity to comment on the Draft RSPG Opinion and especially on the WRC-23 Agenda Item 1.5 (UHF Review). In line with the position of a wide range of European broadcasters[1], **MFE strongly supports a "no change" approach to the sub-700 MHz UHF band (470-694 MHz) allocation**. This can be the only way forward to uphold an efficient spectrum policy and ensure European citizens can continue to benefit from free and universal access to information and entertainment channels which fulfil public interest obligations.

In Europe, the 470-694 MHz frequency band is used for terrestrial television broadcasting and for programme-making and special events (PMSE). After the decision to release the 800 MHz and 700 MHz band, the 470-694 MHz band is the only one still available for terrestrial television. Therefore, what will be decided during the upcoming WRC-23 will be critical for the future of TV in Europe.

Generalist, free-to-air television provides a fundamental means to access news and content. **The role of Digital Terrestrial Television (DTT) has proven even more valuable during Covid pandemic, as citizens had access to professional news and entertainment via a free point of access**. In fact, in Italy, recent research shows that 91,9% of house-holds use DTT to access TV[2]. Furthermore, besides orography which is a significant hindrance to granting total IP coverage, cost is a crucial factor affecting IP connection uptake - a trend which is likely to increase due to the current rising inflation. Policy making in this respect shall duly consider the economic impact on the family budget of the different distribution channels. In the EU, unemployment and precarious work are increasing, while purchasing power is shrinking. According to the Oxfam 2021 Report, inequality in EU countries is rising: the effect is that the penetration of innovative services will never cover more than 60%-70% of total households. A significant part of the Italian and Spanish population will therefore continue to rely on free-to-air DTT services to access quality content and professional news information.

National broadcasters are fully responsible for the content they distribute and are subject to stringent rules to uphold cultural diversity (e.g. investment and distribution quota obligations for European works) and pluralism (e.g. news reporting obligations). This is not the case online, where platforms do

[1]EBU White Paper "*No Change' at WRC-23 maximizes public value and innovation in the UHF band*", Nov 2021
[2]Report FUB-SWG for MISE "*Diffusione degli apparati TV in Italia e scenari evolutivi*", June 2022

not bear full editorial responsibility and are subject to a different liability regime. The DTT offers citizens free information and fully accountable reporting: this system can't be replicated online as digital platforms tend to nudge users towards specific content via personalised algorithmic patterns, thus impeding citizens from accessing neutral, balanced and transparent information. **Upholding a universal and free service such as the DTT is crucial to protect citizens' freedom of choice.**

Depriving broadcasters of spectrum frequencies forces providers of audiovisual media services to operate online. This entails a whole new set of severe intermediation problems. In fact, despite broadcasters being defined as general interest services, to be retrievable on connected TVs they must contractually negotiate the visibility of their offers with TV manufacturers. As European broadcasters do not have the financial capacity to compete with global video on demand and video sharing platforms for the best placement on user interfaces, they are far less visible compared to international players which are subject to a much lighter regulatory regime. Also, in order to divert viewers towards manufacturer-controlled user interfaces, some remote controls no longer feature numeric buttons, thus bypassing the regulated channel numbering (i.e., Logical Channel Numbers). In light of these trends, ensuring that general interest services can continue to operate on the DTT and be "one click away" from their viewers is ever more crucial.

Furthermore, it is important to note that DTT is the most efficient technology to broadcast live content to large audiences. For instance, there have been severe problems with the live streaming of football matches which do not occur on DTT broadcast services. **Free-to-air channels reach over 800 million Europeans, leading to increased engagement for sports, a greater audience reach and better value for sponsors**. The value of sports' sponsorship rights is linked to audience reach. A minute of airtime exposure across free-to-air European TV is worth €220,000 equivalent commercial value for sponsors. But, when a sport event moves from a free to a premium TV channel, its reach drops by an average of 68% amongst sport fans. Sports viewers and a wide range of sponsors are therefore still very much captured by free TV[3].

DTT is also an important instrument to support Europe's climate neutral goals. In fact, as outlined in the European Commission's Media and Audiovisual Action Plan[4], the carbon footprint of online streaming platforms is growing given the rise in consumption. As electricity grids are already under pressure due to the high consumption of data centres[5], pushing the distribution of AV content fully online would not be sustainable. Moreover, streaming video services have a "one to one" distribution mode which is very demanding for fixed and mobile networks. This became evident during the first months of the pandemic when the number of viewers grew exponentially. At that point, Commissioner Breton asked online services to lower the quality of their videos to avoid network congestions[6]. DTT, instead, offers a service "one to many" which does not increase its energy consumption as viewers grow. As outlined by a recently published study[7], **DTT provides for the maximum energy efficiency and a CO2 impact in the distribution of content which is ten times lower compared to the one generated by internet networks**. Therefore, DTT seems the best suited solution to ensure the delivery of AV content and to meet Europe's digital and green goals.

---

[3]See Report *Sport on European TV: Maximising Commercial Value*

[4]EC Communication on *Europe's Media in the Digital Decade: An Action Plan to Support Recovery and Transformation*, December 2020

[5] Financial Times, *West London faces new homes ban as electricity grid hits capacity*, 28 July 2022

[6] Reuters, *YouTube, Amazon Prime forgo streaming quality to relieve European networks*, 20 March 2020

[7]The Low Carbon TV Delivery Project – LOCAT Project - *Quantitative study of the GHG emissions of delivering TV content.*

A **co-primary allocation of the 470-694 MHz band to mobile services cannot be pursued, especially since broadcasting services and mobile services cannot operate on the same frequencies nor in the same area or in adjacent areas without causing unavoidable harmful interferences**. In addition, it is worth considering that the capacity of a channel in DVB-T2 is close to the Shannon limit. Furthermore, the sub-700 band would represent for the mobile service a minimal increase in available spectrum, amounting to approximately 1% of the spectrum already licensed. Substantial UHF spectrum resources (i.e., the 700 MHz, 800 MHz, and 900 MHz bands) have already been assigned to mobile services: a "status quo" approach appears to be the most effective way forward.

In light of the above, **MFE wishes to reiterate its position and calls on the European Union to strongly support a "NO CHANGE" approach at the WRC -23 which would ensure the preservation of the existing exclusive primary allocation of the 470-694 MHz frequency band to broadcasting, with a secondary allocation to programme-making and special events (PMSE).** In order to be consistent with Decision (EU) 2017/899 which envisaged a review assessment by 2025, the WRC-23 must not accelerate the agenda duly set by the European Parliament and the Council further to the publication of the Lamy Report[8].

Finally, option 2 suggested in Agenda item 1.5 ("*a co-primary allocation to the mobile service which should become effective at a later stage (e.g. 31.12.2030)*") is not backed by any technical and economic analysis, nor does it assess the potential consequences if co-primary allocation were to become effective at a later stage. This approach would create an instable situation for the 470-694 MHz band used by broadcasters and PMSE. Therefore, we strongly oppose this route which is likely to severely affect the European broadcasting sector.

MediaForEurope N.V., 2 August 2022

[8] Pascal Lamy, *Results of the work of the high level group on the future use of the uhf band (470-790 mhz)*, 1 September 2014