



Telefónica Group response to consultation on draft RSPG Opinion on "EU spectrum policy implications of the digital dividend"

General comments

Telefónica would like to thank the Radio Spectrum Policy Group (RSPG) for giving stakeholders the opportunity to comment on the draft Opinion on the EU spectrum policy implications of the digital dividend. We consider this to be an important issue and one that is indeed complementary to the RSPG Opinion on "Spectrum for mobile multimedia services in the field of broadcasting", which was adopted by the RSPG in October 2006. Telefónica agrees that this Opinion should address the prospects for the digital dividend in its widest sense, and should consider all potential uses of the spectrum released over and above that required to accommodate the existing analogue television services in a digital form. We believe that the switchover to digital broadcasting will lead to a more efficient use of the radio spectrum, but should also result in a more flexible use of the digital dividend. Only thus will the digital switchover contribute to the strategic goal set by the European Council in Lisbon, for Europe to become the most competitive and dynamic knowledge-based economy in the world, as envisaged by the November 2004 RSPG Opinion on "Spectrum implications of switchover to digital broadcasting".

As we noted in our response to the public consultation on the RSPG Opinion on mobile multimedia services, Telefónica considers that these services will play a very important part in achieving a ubiquitous Information Society across the European Union, and we are committed to their timely development. We therefore believe that:

1. Europe should ensure that a common sub-band is identified for the provision of broadcast (downlink only) multimedia services to mobile devices, including good indoor coverage.
 - a. Use of this sub-band should not rely solely on high power transmitters, but should allow high field strengths to be achieved both indoors and outdoors.
 - b. The sub-band should enable a range of interactive services to be offered, including those that are supported by the 900MHz band for the return channel.
2. Every effort should be made to secure the possibility for Member States (MS) to allow the provision of fixed and mobile services in the digital dividend.
 - a. This would be facilitated by an additional allocation at WRC-07.
 - b. Europe should develop appropriate regulatory measures to allow these services.

Telefónica believes that the role of mobile network operators, amongst the different interested parties and within a collaborative environment, is crucial to foster and promote future mobile multimedia services, and we remain committed to assist the RSPG in its further work on this issue. To reap the full benefit, Telefónica believes that the RSPG should strive to establish a stable and predictable regulatory framework, in

particular with regard to spectrum allocations that are suitable for these innovative services.

Licensing issues

We note that the digital dividend, as defined by the RSPG, will be reaped in both the VHF (174-230 MHz) and UHF (470-862 MHz) bands but, since the amount of spectrum that may be released following digital switchover is likely to be very limited in the VHF band, we concentrate our comments on the UHF band, which we expect will contribute more to the Union's Lisbon goals.

One issue, though, which is relevant to the VHF band as well as the UHF band, is the concern we have over the potential variation and future use of existing broadcasting licences that have been awarded for the purpose of promoting radio or television programming as a public policy. If these licences are subsequently varied to allow the provision of multimedia services, then it seems to us that regulators are in danger of distorting the nascent multimedia services market and such distortions may also lead to concerns about State Aid.

Telefónica believes that the use of the digital dividend for multimedia services is potentially very important, but we also recognise that there may be different interpretations of the regulatory status of multimedia services in different MS. **One of the most important outcomes of the RSPG Opinion should therefore be clarification and, if necessary, a call for harmonisation of the regulatory status of multimedia services such that all MS can proceed with their licensing and that the benefits of the digital dividend can be appreciated by consumers in all MS.** We agree that this clarification should take into account the RSPG Opinion on Wireless Access Policy for Electronic Communication Services (WAPECS) [draft Opinion 4.2].

Spectrum issues

Telefónica notes that the 2006 Regional Radiocommunication planning Conference (RRC-06) agreed that digital entries in the final Plan (the GE-06 Agreement) "may also be notified with characteristics different from those appearing in the Plan, for transmissions in the broadcasting service or in other primary terrestrial services operating in conformity with the Radio Regulations". We consider that this offers a reasonable amount of flexibility for European administrations to allow multimedia services in the UHF band using a variety of technologies. However, we also note that the potential consumer benefit will be maximised only through co-ordinated action. Telefónica highlights that the maximum benefit will only be realised following identification of other primary terrestrial services in the Radio Regulations. **Another important outcome of the RSPG Opinion should therefore be a common European proposal for the 2007 World Radio Conference (WRC-07) that the 470-862 MHz band¹ be identified on a co-primary basis for fixed and mobile services in Region 1, in addition to the existing primary identification for the broadcasting service.** Every effort should be made to secure this identification, which would give the possibility for Member States (MS) to allow the provision of fixed and mobile services in the digital dividend [draft Opinion 4.11].

¹ We note that the fixed service is already identified as primary in the band 790-862 MHz in Region 1.

We believe that the RSPG should also ensure that a common sub-band within this overall block of spectrum is identified for the provision of broadcast (downlink only) multimedia services to mobile devices. For the benefit of these services to be maximised, the RSPG also needs to ensure that any technical restrictions that may need to be applied to the use of the sub-band do not impose limitations on the provision of good portable indoor and mobile coverage. We note that only 14 MS have planned completely for the use of the UHF band with mobile reception (RPC-2), and that a further 2 MS have made some provision. Telefónica is concerned that 7 MS, including the Czech Republic, Ireland, Spain and the UK, have made no provision other than for fixed rooftop reception (RPC-1) in the GE-06 digital Plan, and that they are relying on the flexibility described above to achieve mobile broadcast service provision. Use of this sub-band should not rely solely on high power transmitters, which are traditionally used in a fixed rooftop reception network, but should allow high field strengths to be achieved both indoors and outdoors. Such a sub-band would enable a range of interactive services to be offered, but Telefónica highlights that this range of services should include those that are supported by the 900MHz band for the return channel. **We therefore support the inclusion of the identification, at a European level, of a common (but not necessarily dedicated) sub-band of the UHF band for high field strength downlink services, below about 750MHz,** and will work within the responsible CEPT Task Group to identify the optimum sub-band and way forward to deliver such an identification [draft Opinion 4.8, 4.10].

Finally, **Telefónica believes that a decision which requires administrations to make one or two layers for high field strength downlink services in this sub-band of the UHF band should be developed.** A coordinated approach across the European Union regarding spectrum allocations for multimedia services will bring important benefits to consumers and the industry, including services with a pan-European basis, lower financial risk for vendors of infrastructure and handsets, and better economies of scale for operators. In her speech at this year's ITU "Telecom World 2006" Conference, Commissioner Reding acknowledged that "We have to make a fundamental change now, if we want to get the benefits of the digital dividend globally. We have to look for economies of scale which means agreeing common spectrum allocations". Telefónica notes that the sentiments that Mrs Reding expressed on a global scale are even more true at the regional level. Some Member States may be restricted in terms of the timing of such an allocation by their digital switchover programmes, but for others, where the allocation and assignment of digital multiplexes is still pending, early decisive action has the potential to make a real difference in ensuring a rapid introduction of multimedia services.