

# **RETEVISIÓN AND TRADIA RESPONSE TO THE RSPG CONSULTATION ON THE SPECTRUM IMPLICATIONS OF SWITCHOVER TO DIGITAL BROADCASTING**

## **1. How can co-ordination between Member States on spectrum management, at bilateral and EU level, contribute to a quick and efficient switchover?**

Strictly speaking of spectrum planning, co-ordination between Member States should lead to a higher efficiency of organisation of switchover and choice of switch-off date, since keeping on air analogue services in one country may restrict the use of frequencies in another one.

There are also important market reasons which plead in favour of a co-ordinated public intervention at European level. This co-ordination should help harmonising the development of Digital Terrestrial Television fundamentally by guaranteeing the emergence of a sufficient critical mass for the market to develop in a fully competitive context.

## **2. In particular, what would be the added value from EU co-ordination ahead of the Regional Radio Conference starting in 2004 and other international negotiations?**

In the current global market, any harmonisation beyond European frontiers will contribute to a faster market development. On the one hand, it would be interesting to adopt common technologies as broadly as possible, maintaining a fair competition; on the other, a possibility exists to harmonise digitisation *tempo* between various countries. At international level, there are political and economic reasons in the states which make this timetable harmonisation difficult. Within the European Union, we think there is a possibility to go forward towards this harmonisation. A successful experience at European level would constitute a valid reference to serve as an example for other administrations.

## **3. Are greater transparency and technological neutrality of spectrum assignment, notably through valuation and market tools, instrumental to switchover?**

The recent spectrum valuation experiences (3G services) have not proven so far to have contributed to a sustainable service deployment in a better way than any other regulatory forms of spectrum assignment. In addition, they have shown how difficult it is to fix a coherent spectrum value among member states.

Furthermore, when considering terrestrial broadcasting as a general interest service and spectrum as a public good, the use of market tools to set spectrum prices is very doubtful, since it could jeopardise general interest. Spectrum trading may lead to the extinction of those general interest services which cannot guarantee a sufficient yield and consumer prices are likely to rise and impede the taking off of the new services.

On the other hand, in order to ensure the development of Digital Terrestrial Television and of the new services stemming from digitisation of terrestrial broadcasting, it is necessary to guarantee a stable framework which should be consistent with the existing business models or those which are predictable in the medium-term.

## **4. What will be the “spectrum dividend” from switch-off, and how should this be allocated to specific services?**

In a first phase, during the switchover period, no spectrum capacity will be released because of the need to maintain the simulcast, even considering fixed reception only.

On the other hand, there is a consumer demand for a greater choice of programme services through terrestrial broadcasting, similar to that available on cable for example. One has to consider that terrestrial broadcasting is perceived throughout Europe as a public interest service, mainly free of charge. Currently analogue terrestrial broadcasting does not properly respond to the demand for a greater choice, precisely because of spectrum scarcity. In order to offer a competitive programme choice, with a similar population coverage as today, we need an amount of spectrum similar to the one currently used.

In addition, if we consider the spectrum planning requirements to optimise the new services stemming from digital terrestrial broadcasting and directed at portable, mobile and handheld receivers (currently being developed on the basis of the DVB-H standard), it is unlikely that switch-off lead to a significant spectrum release.

**5. Does convergence require more flexible allocation mechanisms than traditional ones, which tightly link frequency bands and individual communication services according to ex – ante decisions?**

The convergence between the communication services that are contributing to the development of Information Society, in the fields of broadcasting, telecommunications or IT, is possible thanks to the convergence of digital technologies supporting them. For that reason and because of the flexibility allowed by the use of digital technologies, the market itself will allow cross sector services based on hybrid technologies, as the ones being currently develop through collaboration agreements between various network operators looking after quick responses to the market needs.

The development of convergent services needs a flexibility which will emerge from the synergies between the various technologies rather than from a higher flexibility of frequency allocation mechanisms which will certainly take longer to respond and will need permanent adjustments.