

Comments from the Ministry of Culture and Church Affairs

Email message received on 17 March 2004 from Mr. Losnedahl (Norwegian Ministry of Transport and Communications)

Reference is made to the consultation on Spectrum implications of Switchover to Digital Broadcasting, with deadline for submission of comments to the RSPG within 15 March 2004. Reference is also made to the submitted comments from the Norwegian Post- and telecommunications Authority on the questions from the RSPG.

Though the deadline for submission of comments has expired, we request the RSPG also to take the attached comments from the Ministry of Culture and Church Affairs on the consultation into account.

Yours sincerely,

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The Norwegian Ministry of Transport and Communications

Comments to the consultation from the Ministry of Culture and Church Affairs:

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

An important condition for a quick switchover is, as in the situation of all shifts of technology, that the public consider there to be clear advantages in choosing the new digital technology in preference to the present analogue offer. This can be pursued by offering new services like more channels, better picture quality, interactivity, mobility etc. In order to be able to present this kind of offer, that makes the viewers see sufficient advantages in the transition to digital broadcasting, the broadcasters must have sufficient access to frequencies. A co-ordination, both at bilateral and EU-level, that can contribute to secure such access will consequently contribute to a quicker and more efficient switchover. However, the switchover to digital distribution must primarily take place through decisions on national level. In Norway there are plans for a switch off of the analogue signals in the terrestrial net on a regional basis ending in 2007/2008. There is a condition for switching off the analogue signals that certain criteria is met, i.e. that the transition represent added value for the viewers and that the purchase of the receivers is affordable.

- 2) In particular, what would be the added value from EU-coordination ahead of the Regional Radio Conference starting in 2004 and other international negotiations?

In order to create a best possible foundation for a quick and efficient switchover especially two areas for possible EU-coordination should be highlighted. Both are based in the fact that the broadcasting markets in the Member States are very different of several reasons; geographic,

demographic, cultural etc. Thus a completely harmonised strategy for switchover on EU-level is difficult to pursue. This view is also presented in the Commission Communication on switchover from September 2003. For this reason the Member States should have in view a flexible system which gives the individual state a large extend of freedom in order to exploit their national conditions for an effective use of the radio spectrum. In relation to international negotiations on radio frequencies this view should imply:

- The principle of "equitable access" must only be a minimum requirement. If some countries, due to i.e. geographic reasons, have

capacity for additional frequencies for digital broadcasting within their given radio spectrum, this must be permitted.

- The individual countries must to a large extent be permitted to choose what kind of technologies they want to give priority to in the transition to digital broadcasting, i.e. fixed, mobile or handheld reception, or granting capacity to HDTV.

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

Such policies can under certain conditions contribute to the switchover. Which conditions this could be should be discussed further when a more specific formulation of these principles is given. However, certain conditions can already be outlined:

- A more market based policy on assignment of spectrum must not be formulated in a way which can result in an extensive transfer of frequencies from broadcasting to other types of services.
- Valuation tools must include costs that are a result of conditions which are set due to cultural and general objective interests, i.e. conditions related to coverage and content.

4) What will be the "spectrum dividend" from switch-off, and how should this be allocated to specific services?

The spectrum dividend will appear when the analogue transmissions are switched off. This will happen firstly in the television networks, and these frequencies are in the international negotiations on radio spectrum allocated to digital television. To what extent these frequencies are allocated to specific services on a national level, must to a large extent be entrusted to the individual Member States to decide upon. However, as mentioned earlier is it of great significance for a quick switchover that the broadcasters are given sufficient frequencies in order to develop new products and services. This implies an extensive allocation of the spectrum dividend to broadcasting. However, this allocation should to a certain extent be flexible and should not prevent:

- The broadcasters in developing new services that do not necessary fall within the traditional concept of broadcasting.
- Use of some of the given spectrum for other services, especially where such use can contribute to development of more viable business models for digital television.

5) Does convergence require more flexible allocation mechanisms than traditional ones, which tightly link frequency bands and individual communications services according to ex ante decisions

Convergence is to a large extent driven by technological and economical considerations, and is mostly a wanted development. However, in the area of spectrum management convergence to a certain degree could get in opposition to the more traditional broadcasting policies. These policies are to a larger extent based upon cultural and general interest objectives like freedom of speech and universal access to information. A main challenge for regulators will be to continue to attend to such cultural and general interest objectives, and at the same time secure that this unnecessary are done at the expense of the possibility for innovation and development of new services.