

Groupe CANAL+ is active both as an editor and a distributor of pay television channels and in the production and distribution of films and television programmes.

As a broadcaster using analogue radio spectrum for the transmission of the CANAL+ channel in France since its launch in 1984, we are pleased to have the opportunity to contribute to the process of the development of an opinion by the Radio Spectrum Policy Group concerning the spectrum implications of switchover to digital broadcasting.

The following detailed issues were submitted to consultation :

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

*(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?*

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

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

*(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?*

We will address the above issues through the following remarks.

Switchover is a process to be organised at a national level, according to the particular circumstances of each Member State

Digital broadcasting is at different levels of development in each Member State, with a greater or lesser proportion of households receiving digital signals currently via satellite, cable or terrestrial means. For example, in France the penetration of digital television is 20% of TV households. It is clear that analogue and digital television services will have to continue to be provided in parallel until the penetration of digital services reaches between 80% and 95 %.

Switchover can only lead to switch-off if compelling services are provided to the consumer, as the recent bankruptcies of operators such as ITV Digital in the UK and Quiero in Spain have shown. Consequently, the switchover process will only be quick and efficient if it is managed in conjunction with all the current spectrum users in each Member State.

A number of agencies —ETSI, ITU—are currently involved in managing the planning of spectrum allocation for DRM (Digital Radio Mondiale), DAB (Digital Audio Broadcasting) and DVB (Digital Video Broadcasting). These agencies are treating the issues successfully and require no coordination through European Commission initiatives.

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Current operators of digital services have a wide range of experience which will be essential to a successful switchover

In order to achieve a successful switchover, it will be necessary for compelling digital services to be provided, both in broadcast format and in interactive services. Current operators of digital services, such as Groupe CANAL+ and the CANAL+ channel, are ideally placed to contribute to this goal. Already, via CANALSATELLITE and NC Numéricâble, a number of successful interactive services are provided to subscribers such as on-line betting, gaming and the interactive weather channel. Significantly, such successful services are linked to broadcast content. In the context of the switchover process, it is important to bear in mind that new services developed by existing spectrum users will be crucial to the success of the project, consequently possible spectrum trading or the reallocation of the spectrum dividend should be balanced with the needs of current users.

Cultural aspects of broadcasting must not be neglected

The decisions to be taken concerning the switchover process could have a significant impact on market operators who make an essential contribution to other policy objectives, such as cultural policy, in the context of an audiovisual sector which is more akin to an ecosystem than other areas of the economy. The important contribution of such operators must be taken into account in the context of this process, or the risk of upsetting the ecosystem is real. Consequently it is important that the specifics of each national market govern the decisions to be taken. In the context of the French audiovisual sector, Groupe CANAL+ would also like to stress that valuation and market tools could seriously alter the state of play with regard to spectrum use and also induce new and non negligible costs for operators. This could in turn have a detrimental effect on the French audiovisual sector in general. We would like to recall that the CANAL+ channel must invest an important percentage of its annual turnover in the acquisition of broadcasting rights for films, in particular from independent producers, thus contributing to cultural diversity policy objectives. It is clear that this specificity in addition to the current state of the digital terrestrial television project in France requires that extreme caution is applied in considering the necessity of a prospective date for analogue switch-off.

Conclusion

Private operators such as Groupe CANAL+ have invested significantly in the development of digital television and interactive services. Such operators also fulfil important roles in national broadcasting markets through their investment in creation and in providing quality audiovisual services through a variety of distribution platforms, ensuring that consumers have a wide range of choices available. The switchover process must be managed in such a way as to ensure that the quality of the services available to consumers is not reduced, and that the valuable experience gained by broadcasters is not put in jeopardy by hasty choices based on unproven or unworkable scenarios.

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