

**Telecom Italia response
to the public consultation on the draft RSPG Opinion on the Digital Dividend
RSPG09-272
(30 June 2009)**

Introduction

Telecom Italia welcomes the Radio Spectrum Policy Group invitation to express comments and views in relation to the draft RSPG Opinion on the Digital Dividend.

This is an issue of utmost importance, taking into account the necessity of optimizing the use of frequencies which will be released with the analogue-to-digital TV switch-over.

Telecom Italia also agrees with the RSPG Opinion in considering the interest of the Digital Dividend for mobile services.

To this end, the use of UHF spectrum for mobile services requires conclusions of the ongoing regulatory and technological glide path by the appropriate international bodies (CEPT, ITU, etc.) in order to define the conditions at which it will be possible to extend the use of parts of the broadcasting bands to mobile service.

Clearness regarding the mentioned technical conditions makes, in fact, part of the predictable technical and regulatory framework which is essential for the completion of technical activities and to let industry to plan its commercial, industrial and commercial strategies.

In any case, this glide path will not be effective before the analogue switch-off.

1. Assessment of the advantages

Telecom Italia agrees with RSPG in recommending an assessment regarding the advantages and disadvantages of options for a coordinated non-mandatory EU approach to the availability of the 800 MHz band for ECN and ECS, other than broadcast transmission networks and services.

Several studies have demonstrated that allocating at least some UHF spectrum to mobile operators would generate a considerable additional value for the European economy. The estimated economic output per MHz of bandwidth for mobile is in fact greater than for digital TV (source: SCF Associates study).

Telecom Italia recognizes the significance of releasing the 800MHz spectrum for mobile services for social purposes too.

This spectrum in fact, given its excellent propagation characteristics, will allow mobile broadband to be delivered in rural areas.

Furthermore the mobile industry needs only 25% (100 MHz out of around 400 MHz) of the digital dividend spectrum, meaning there will still be plenty of available spectrum for broadcasters to develop and enhance their digital TV services.

2. Adoption of a Recommendation and the related timetable

The RSPG recommends that the EC act on the recommendations contained in this Opinion as quickly as possible, no later than 31 October 2009, in order to minimise EU level uncertainty in the ability of Member States to make available the 800 MHz band.

Telecom Italia agrees on the uncertainty minimisation regarding the allocation of a strategic portion of the frequency spectrum. This would favour growth, competition and innovation in the provision of ECN and ECS.

Consequently, we agree on the importance of an act on Digital Dividend to be issued by EC to avoid the risk that a lack of harmonization would create discontinuity in the availability of spectrum based services in the European Union area.

Such a discontinuity, i.e. the restriction to a limited number of Countries of the availability of innovative spectrum based services, could decrease the attractiveness of new solutions to be deployed, interfering with the market development and making uneconomical the investment in the new services.

As a matter of fact, research activities are directly related to the potential number of users of new and innovative services; consequently the uncertainty regarding the possible diffusion of a service in one or more important countries could worsen the development of new solutions.

In any case, we believe that any decision should be taken in accordance with the current regulatory framework and in compliance with its ongoing review.

3. WAPECS principles

The RSPG recommends that the EC encourages Member States who are making available the 800 MHz band for new and/or enhanced ECN and ECS to apply WAPECS principles, particularly of service and technology neutrality, recognising that Member States may maintain broadcasting use in all or a portion of the band.

Service and technology neutrality is in theory an agreeable principle. Nevertheless, we think that any possible allocation of scarce resources, including spectrum, must follow a “case by case” assessment, in order to protect the investments already made by operators to obtain individual rights of use and developing services and networks. Moreover, the “case by case” analysis is mandatory to allocate the spectrum in a technically optimal manner, to avoid interferences and limit investments in filtering and interference protection.

4. EU harmonisation

The RSPG recommends that any EU harmonisation of technical elements such as channelling arrangements and common and minimal (least restrictive) technical conditions be based on the outcome of the CEPT work in response to relevant EC mandates.

Telecom Italia completely agrees with this principle and it is actively participating in the process of setting the technical conditions regarding the allocation of Digital Dividend.

In particular, Telecom Italia agrees with the recent CEPT Report regarding the technical conditions applicable for the sub-band 790-862 MHz for fixed/mobile communications networks, including

- common and minimal technical conditions. to avoid interference and facilitate cross-border coordination
- the development of the most appropriate channelling arrangement
- the assessment of the advantage of an EU-level approach as well as an outline of such an EU-level solution if appropriate.

5. Cross-border coordination

The RSPG recommends that the EC encourages Member States to facilitate cross-border coordination agreements with the aim of enabling those administrations wishing to make available

the 800 MHz band for ECN and ECS, other than broadcast transmission networks and services, to do so, taking into account technical feasibility and the need for equitable access.

Certain frequencies used for mobile multimedia networks may be used primarily for mobile in one country and broadcasting networks in another country until possible further convergence takes place.

Consequently, cross-border coordination is an essential issue in developing appropriate and affordable services, avoiding unnecessary interferences and optimizing investments for example to filter or protect transmissions from interferences.

We agree with the importance of the role of Member States in facilitating agreements among operators, especially in cases involving different type of services (i.e. broadcasting and mobile services).

Nevertheless, this role should not interfere with market dynamics and should ever consider the protection of costs and investments to obtain frequency rights of use and to develop and maintain the services.

6. Countries outside the EU

The RSPG recommends that the EC supports Member States in renegotiating aspects of the GE06 Plan if necessary with countries outside the EU to allow them to realise and make available the 800 MHz band part of their digital dividend.

Telecom Italia agrees with the necessity to support the general principle of an international coordination in allocating the frequency spectrum to improve industry efficiency and a world wide service standardisation.

Consequently, we appreciate the recommendation to support Member State in participating to negotiate and to widen the perimeter of application of the principles stated by the international standardisation committees to countries outside the EU.

7. Availability for broadband applications

The RSPG recommends that the EC gives further consideration through a review process to the merits of facilitating EU-wide long term availability of the 800 MHz band for mobile and fixed broadband applications.

Telecom Italia, even agreeing with the opportunity of an EU-wide coordination in allocating the frequency spectrum, is of the opinion that the applications that will be developed in the single Member State will be the effect of national decisions.

Consequently, a direct regulatory intervention aimed at promoting a particular solution may interfere with national market opportunities. Therefore the opportunity of such an intervention should be carefully evaluated on a "case by case" basis, having in mind the protection of the investments made by the operators.

8. Geographic clusters

The RSPG recommends that Member States, acting on a bi/multilateral basis should identify whether there are geographic clusters arising from commonalities between transitional activities and possible access to the 800 MHz band for electronic communications networks and services, noting the need to consider the requirements of countries adjacent to the cluster which may be affected. Such commonalities could facilitate a coordinated approach to timing in releasing their digital dividends and provide more economic and social benefits as a whole.

An effective coordination in transitional activities among Member States and/or with non-EU adjacent Countries is fundamental in order to foster efficiency, to accelerate service development and to avoid future degradation of quality due to unexpected interference or technical incompatibility phenomena.

Consequently, we agree with the opinion of RSPG in recommending Member States to identify geographical clusters in which the respective activities may be coordinated in developing new digital dividend based services.