

Radio Spectrum Policy Group

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Comments of the Czech Digital Group, a.s. company on the Draft RSPG Opinion on Strategy on the future use of the frequency band 470-694 MHz beyond 2030 in the EU

Czech Digital Group, a.s. (CDG)¹ welcomes the opportunity to make comments on the Draft RSPG Opinion on Strategy on the future use of the frequency band 470-694 MHz beyond 2030 in the EU (RSPG Opinion) which represents the general view on the current and future use of the UHF band which has a significant value for European society. The UHF band is currently used effectively as regards its part allocated for Digital Terrestrial Television (DTT), and plays a key role for building the future of Europe and for the continued development of an accessible audio-visual industry.

In the Czech Republic, the DTT is the most preferred platform for television reception by Czech households, used by **54.5% of households**². At the same time, DTT is the only platform which provides households with free-to-air TV reception (FTA). The high popularity of DTT among households did not significantly change even after the forced release of the 700 MHz band, which required a transition from DVB-T to the more frequency-efficient DVB-T2 standard (households had to buy either a new TV set or a set-top box compatible with the new broadcasting standard in order to receive DTT broadcasting in DVB-T2). As **95% households in the CR** are equipped with at least one TV receiver, DTT can be considered as a **crucial information platform** which broadcasts public and commercial TV programmes. During the Covid-19 pandemic, the importance of DTT was further demonstrated, considering that DTT had a key role as source of ensuring distribution of information for the population, and also for distributing educational programming for students during school closures, in addition to having an important social role during extensive periods of lockdown and quarantine etc. In recent years the **time spent watching TV through DTT has increased** (e.g. 8% between years 2019 and 2020) and this trend continues. Unlike paid platforms from the consumer's point of view, DTT has not been affected by inflation which would cause an increase of consumer's expenses. This is clear evidence of the position of DTT in the Czech Republic which remains very stable over the years. DTT is also an innovative platform which can combine linear television broadcasting with interactive Internet services such as Hybrid broadcast broadband TV (HbbTV).

As an FTA platform, DTT therefore continues to play a very significant role in the Czech Republic, and therefore, we propose to modify chapter 4.1 as follows:

*"Representative cases are, for example, those of Spain, France, Poland ~~and~~, Croatia **and Czechia** where, despite the extensive **and expanding** fibre optic fixed broadband network, DTT continues to be one of the most used platforms."* Alternatively, the chapter could include a table or list of all European countries where DTT has a significant role. This would also give a better picture on stable DTT penetration across the EU, as opposed to just selecting a few countries as representative examples.

The RSPG Opinion document itself lacks more emphasis on a detailed evaluation of the various scenarios (outlined in Part 4 *Possible and technically feasible scenarios for post 2030*) having regard to the aspects outlined in article 7 of Decision (EU) 2017/899 of the European parliament and of the Council on the use of the 470-790 MHz frequency

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²Source: Nielsen Atmosphere research, the results of the Continuous Research of the 1Q 2023

Czech Digital Group

band in the Union (UHF decision). Scenario 3, especially, is lacking any explanation of prerequisites for such a scenario 3 to even come into play, before such a scenario could even proceed with a change of frequency allocation in favour of mobile broadband in the form of Full FDD band plan. Before taking any irreversible decision changing the current use of the UHF band, especially as outlined in scenario 3 but not limited to scenario 3, and before any scenario implying any change to the UHF band could be implemented, the following would need to be considered and prerequisites which would need to be fulfilled in relation to these aspects must be defined:

- impact of all social, political, cultural, economic, environmental and general interest aspects of proposed scenarios on European society
- impact on the European broadcasting and audio-visual industry needs
- assessment of the effectivity of the current use of the UHF band (e.g. assessment of whether mobile broadband is even effectively using the frequencies they already have at their disposal), which would also take into account other possible alternatives for further development of mobile broadband without limiting DTT

The re-allocation of the 600 MHz frequency band in favour of mobile broadband as considered in Scenario 3 without a proper assessment of the impact of such a fundamental change on European society, as well as without an analysis of the effectiveness of the current use of the UHF band regarding the development of mobile broadband, may lead to irreversible and non-correctable impacts on European society and broadcasting and on the audio-visual industry. Moreover, further limitation of the frequency spectrum available for DTT can significantly increase household expenses (caused by migration to other audio-visual distribution platforms which may not be free for the consumer), while at the same time jeopardizing the return of investments of DTT network operators, increasing the carbon footprint of audiovisual distribution due to other non-DTT technologies having a higher carbon footprint than DTT, deteriorating the availability of audio-visual content (since it would no longer be available for free) and increasing the negative impact that cyber threats and cyber-attacks on non-DTT television distribution platforms will have on overall television distribution (if DTT is further limited due to frequencies being further limited).

In order to make considered changes in the use of UHF band, it is also necessary to assess the impact on the entire audio-visual chain as most of European producers of audiovisual content use DTT as a distribution platform (unlike, for example, U.S.-based companies). A forced change in distribution of content generated by European media houses, caused by a change in the use of the UHF band, could have a negative impact on European producers of audio-visual content and thus jeopardize the EU's efforts to increase the production of European audio-visual content. In the context of European society, broadcasting reception plays a key role in audio-visual and public policy in most of the European Member states and it is the main source of FTA audio-visual contents, including public service content, which guarantees accessibility to all citizens and provides near universal coverage. This public policy contribution of DTT therefore needs to be considered, as Member states need to keep their sovereignty to decide to keep broadcasting services on-air. Moreover, sufficient spectrum is also needed to avoid a public-service monopoly on DTT and ensure plurality of information from both public broadcasters and private broadcasters, which is a particularly sensitive issue with specific historical significance in post-communist EU member states which have experience with a state-media monopoly prior to 1989.

There is also a need to analyse impacts on market competitiveness when any changes (even potential or possible changes) in the allocation of the UHF band are being considered. An example can be the fact that mobile network operators are mostly also important providers of IPTV services (in the Czech Republic, all three mobile network operators, i.e. non-virtual operators, provide IPTV services). It may be argued that it could appear that it might be in the potential direct interest of these operators who provide both types of services (mobile and IPTV) to limit competing distribution platforms such as DTT, for example by reducing or removing of available frequency spectrum for DTT.

From the point of view of assessing the impact of potential spectrum-use changes on market competitiveness, any analysis should also take into account the current efforts of those mobile operators who have demanded a so-called "fair share" from content producers (i.e. essentially carriage fees), while claiming that their fixed and mobile networks are allegedly "suffering" from a high load from transmission of audio-visual content. Thus, the consequences of further transferring content from DTT to IP networks (which will significantly increase the required capacity of IP networks multiple times and will likely have an impact into prices charged to end users either for TV distribution or internet connectivity) need to be understood and analysed. It is unclear why it would be in the public interest to transfer content to IP networks which is distributed in a much more effective manner using DTT, and the public interest in any such significant content transfer to IP networks ought to be evaluated. Apart of increase of end users' prices (for IP

Czech Digital Group

connectivity, IPTV services or bundles containing both services), there is also the risk of an increase of prices charged for audio-visual content by media houses, if they were to be directly financially impacted by requests for new fees from IP network operators (a so-called "fair share" fee).

Many studies have also recognised that broadcasting delivery of audio-visual content over DTT has the lowest environmental impact and on sustainability aspects - moving all consumption from DTT on to other platforms would objectively have an impact on (increasing) carbon emissions which needs to be understood and transparently accepted, if such a move of audiovisual content from DTT to less environmentally friendly distribution platforms were to be reviewed and/or supported at a policy level.

CDG is therefore of the view that any discussion regarding the current and future use of the UHF band (incl. long term view beyond 2030) must take into account impacts of social, political, cultural, economic (incl. economic competition), environmental and general interest aspects of all proposed scenarios (especially in the case of Scenario 3) and also impacts on the European broadcasting and audio-visual industry needs. All of these impacts have to be assessed before taking any decision on a future scenario, having regard to article 7 of the UHF decision. Moreover, we do not consider that article 7 of the UHF decision has yet been fulfilled, since the final report commissioned by the European Commission "Study on the use of the sub-700 MHz band (470-694 MHz)"³ contains a significant legal disclaimer which indicates: "This document has been prepared for the European Commission however it reflects the views only of the authors, and the European Commission is not liable for any consequence stemming from the reuse of this publication. The Commission does not guarantee the accuracy of the data included in this study". Thus, this study or reference to this study cannot constitute the report of the Commission in line with article 7 of the UHF Decision."

Without proper analysis which would take into account the above-mentioned aspects, there is a significant risk that any unexpected and unreasoned changes in the allocation of the UHF band (i.e. further limitation of DTT) would fundamentally disrupt the conditions of economic competition, endanger end consumers (households) and jeopardize investment of television broadcasters and DTT network operators, increase the carbon-footprint of television distribution and increase security vulnerabilities of the distribution of television content through other platforms.

Having regard to the significant importance of DTT in Europe, harmonization of the 600 MHz frequency band for mobile broadband in the European Union is completely impossible at this stage.

As there is no indication that the trend of using DTT should change in the long term, any intervention into the functioning broadcasting and audio-visual market through a change of allocation of the frequency spectrum in UHF band will negatively affect European society and principles of effective spectrum management. **Therefore, in the context of current development trends of the broadcasting and audio-visual markets, it is necessary to ensure the preservation of the UHF band for DTT at least until 2040.** It has to be noted that DTT spectrum in many countries will continue and DTT cannot release more spectrum whilst continuing to offer existing services and sharing the band with other users (e.g. with PMSE applications).

We consider the existing application of the **flexibility as defined in article 4 of UHF decision as a very important rule which ensures protection of radio frequencies for DTT in the current range (470 – 694 MHz) with the rules given by the ITU Geneva conference 2006.** This flexibility does not limit coexistence of broadcasting services with other services such as wireless audio PMSE application on the basis of national needs of individual member states and it is also applicable (and compatible) for deployment of 5G broadcast.

Best regards,

Czech Digital Group, a.s.
Marcel Procházka
Chairman of the Supervisory Board

³Source: <https://ec.europa.eu/newsroom/dae/redirection/document/91598>

ANNEX - Summary of the main reason of the use of DTT and risks arising from the further reallocation of the UHF frequency band in favour of mobile broadband (as described in Scenario 3)

The main reasons for the use of DTT by households:

- free-to-air TV reception for all households on unlimited number of TV receivers
- wide range of all the most watched TV programmes combined with the most modern interactive service HbbTV
- nationwide signal coverage, including TV reception in recreational facilities located in countryside or less populated areas
- DTT can watch an unlimited number of viewers and the broadcast network cannot be overload as is case of IPTV platforms
- reception of DTT is possible without the need to register or conclude a contract; watching TV through DTT is completely anonymous for viewers, unlike IPTV platforms
- almost all current TV receivers directly enable the reception of the DVB-T2 standard (used in many European countries) without the need for additional equipment for reception of IPTV, satellite or cable TV
- complete independence of linear DTT reception from internet connection and very high resistance to cyber threats
- TV transmitters are part of the critical infrastructure in Member states and thus meet increased security requirements (used technologies exclusively from safe suppliers, independence from electricity supplies, back-up network configuration, resistance to weather conditions, etc.)
- DVB-T2 standard is the most frequency and energy efficient technology for transmitting TV broadcasts

Risks arising from the reallocation of frequencies in favour of mobile broadband:

- complete charging of TV reception to all citizens in the Czech Republic and thus forced increase of household expenses with major social impacts
- negative and unjustified interference into functional market, i.e. significant reduction of competitive environment in the area of TV broadcast distribution with a possible negative impact not only on viewers using DTT but also on viewers of other platforms (cable TV, satellite broadcasting, IPTV)
- deterioration of consumer privacy protection (watching TV through DTT is anonymous, unlike IPTV where providers of IPTV platforms have detailed information about the behavior of specific viewers)
- negative impacts on needs of vulnerable groups (elderly citizens, people with specific social and medical needs)
- limitation of the distribution platform (DTT) which ensure high integrity and security of public communication networks for informing population in crisis situation
- violation of technological neutrality, transparency and non-discriminatory access to TV broadcasting technologies
- increase of electricity consumption and carbon footprint
- significant increase of price for radio broadcasting (FM and DAB) paid by radio broadcasters as radio broadcasters share part of the broadcasting infrastructure with TV broadcasting (i.e. costs of operating broadcasting facilities could not be shared between TV and radio broadcasters)