

**VPRT's comments
on the Draft RSPG Opinion on the Radio Spectrum Policy Programme**

The Association of Commercial Broadcasters and Audiovisual Services in Germany (VPRT) represents the interests of approximately 160 companies operating in the fields of commercial television, radio and multimedia.

VPRT's member companies have created a vast and varied range of programmes and services thanks to their innovative power, their readiness to take risks and their creative potential. In this way, they have contributed to media diversity in Germany and Europe for over 25 years. A vital technical prerequisite for innovation and development in the broadcasting sector, is a reliable access to infrastructure. Consequently, the future spectrum policy is of utmost importance for our members. We therefore welcome the opportunity to comment on the "Draft RSPG Opinion on the Radio Spectrum Policy Programme". In our contribution we concentrate on some main points which in our opinion should be taken into consideration when defining the priorities in the field of spectrum policy.

1. Terrestrial Broadcasting

Terrestrial broadcasting is an established way of delivering TV and radio content and services. Every decision made in the field of spectrum policy has the potential to promote but also hamper the development of broadcasting services and always has, as a consequence, an effect on cultural diversity and media pluralism. VPRT calls on the RSPG to take the social and cultural benefits broadcasting industry delivers fully into account when finalising its opinion on the RSPP.

Spectrum policy needs to ensure terrestrial means of transmission for TV content and services

Digital Terrestrial Television (DTT) has its own potential for innovative developments, and the dimension of its technical reach cannot be substituted by one of the other means of delivering broadcasting services (satellite, cable, IPTV). The specific characteristics of DTT are that the audience can enjoy portability and mobility when consuming TV or radio programmes. Both parameters are crucial with regard to future business models as viewers expect that broadcasters respond to the ever increasing motivation of viewers to consume audio and video content in way that makes them independent from fixed television or radio sets. Furthermore – and with respect to the competition between the different transmission infrastructures – DTT will also face the challenge to provide HD and even 3DTV in the long run. Approx. 24 million DTT capable devices in the German market show the success of DTT, and its importance in the competition of the different means of transmission. To maintain and develop the current and the future successful status quo of DTT, a sufficient amount of spectrum is necessary.

No compulsory digitisation of Band II as FM will continue to be the most important means of transmission for radio content

Digitisation may not become an end in itself and stands not necessarily for an efficient spectrum use. For our radio members, FM is still the most important means of transmission. This will remain the case as far as it is currently foreseeable. Efficient spectrum use in Band II with FM is evident by the high amount of end devices and the high number of users. 80% of the German population still receive their radio programmes via FM. More and more even very modern communication devices such as mobile phones, smartphones and mediaplayers have FM receivers included. A discussion about the future of radio should not question the FM transmission in Band II as this would question the efficient spectrum use in this band.

2. The Digital Dividend

As agreed between the member states within the International Telecommunications Union (ITU), the 800 MHz band, which was used by broadcasters only, should be opened up also for services other than broadcasting by 2015. In Germany, broadcasters agreed on removing their services from the 800 MHz band and therewith committed to an efficient spectrum use. At the same time, we are seriously concerned about current developments. There are many problems, which could have a serious impact on broadcasters and their services which are still unsolved.

Solving the problem of interference before introducing new services in the 800 MHz band

Needless to say, high quality content can only be delivered if interference free broadcasting and reception is guaranteed. VPRT therefore welcomes the clear statement of the RSPG, “that avoiding and controlling interference is key to effective spectrum management” To avoid interference it is crucial that enough spectrum is allocated between the frequencies used by broadcasters on the one hand and mobile services on the other hand. We also fully support the request for further examination and reassessment. However, in our opinion those further analyses have to be conducted *before* the introduction of new services in the 800 MHz band. Therefore, it is of the utmost importance that the RSPP includes a clear statement that interference problems have to be solved before further decisions are made at European level. [RSPG Draft Opinion, No. 23]

Solving the problem of migration costs

At the same time, one should bear in mind that moving into channels below the 800 MHz band causes financial disadvantages for broadcasters. Against the background that broadcasters contributed with high investments to the realisation of the digital dividend, broadcasters should not have to pay for any additional costs that are incurred in freeing up spectrum in the 790-862 MHz sub-band. Those costs should be borne by those who will benefit from the opening of the 800 MHz band. This is an approach which was repeatedly supported by the RSPG¹. We therefore ask the RSPG that this aspect is included again in the opinion on the RSPP.

¹ Please see Radio Spectrum Policy Group Opinion on the Digital Dividend, 18. September 2009, Annex A http://rspg.groups.eu.int/_documents/documents/opinions/rspg09_291_digitaldividend.pdf

No discussion about opening further sub-bands below 790 MHz

VPRT is very much concerned about the fact that RSPG considers to open up the discussion of making available further sub-bands. The frequencies below 790 MHz are the core band of broadcasting services and any discussion on freeing up more even spectrum endangers the existence of terrestrial broadcasting. In our understanding, this would clearly impact the social and cultural benefits which are gained thanks to broadcasters' use of the UHF band. As the RSPG rightly pointed out in its Opinion on the Digital Dividend in September 2009 it "is foreseen that in bands below the 800 MHz band, i.e., 174-230 MHz and 470-790 MHz, the digital dividend will be used mainly for the development of new enhanced broadcasting services which will also bring significant benefits to society in terms of the value to industry and consumer."² We ask the RSPG to renew this statement. Currently, there is absolutely no need to talk about further sub-bands as it is not even clear or proven that the new mobile services are able to meet the high expectations regarding their contribution to the economic growth. Regarding the discussion about a new digital dividend, we would like to stress the point that mobile operators also have to apply to the principle of an efficient spectrum use. As soon as the new standard LTE is introduced, mobile operators will use frequencies for three standards: GSM, UMTS and LTE. However, GSM already is an out-dated technology. In terms of efficiency its further use is not justifiable. [Draft RSPG Opinion, No. 13]

Ensuring downward compatibility of new compression standards

In terms of an efficient spectrum use, VPRT welcomes the establishment of improved compression standards. However, one should bear in mind that the migration from one standard to another (such as MPEG-2 to MPEG-4 and DVB-T2) takes an enormous amount of time as consumers have to replace their old receivers with new ones. To avoid a loss of reach, it is important that new receivers are downward compatible so that new and old receivers can co-exist for an interim period. In this respect, a sufficient range of frequencies for simulcasting is needed. Otherwise VPRT fears negative financial impacts for broadcasters and extra costs for consumers. It has to be recalled that much of the discussion is about increasing the efficiency of broadcasting transmission. As a consequence, these efficiency improvements must primarily create room for the further development of broadcasting services. [Draft RSPG Opinion, No. 14]

3. The Broadband Discussion

Providing broadband for all through coverage obligations for new spectrum users and in consideration of all broadband technologies

VPRT supports the aim of 100% coverage with broadband and bridging the digital divide. However, radio spectrum and hence non-fibre technologies can only contribute to this aim but never be a way to solve the problem as a whole. With regard to the criteria of speed and coverage, other technologies have to be taken into account. Fibre-optic technologies are still state of the art when it comes to high speed internet connections. At the same time, there is no doubt that satellite based solutions

² Radio Spectrum Policy Group Opinion on the Digital Dividend, 18. September 2009, page 1
http://rspg.groups.eu.int/_documents/documents/opinions/rspg09_291_digitaldividend.pdf

are more capable for mountainous regions. With respect to the EU2020 objective of high speed internet for all, all technical broadband solutions have to be taken into consideration. At the end of the day one has to avoid that some areas are provided with a “second class” broadband or not served at all. Therefore it would be reasonable to set coverage obligations for the future users of the 800 MHz band. [Draft RSPG Opinion, No. 9]

4. Provisions of the telecom package and member states’ competences

Respecting the provisions of the telecom package and member states’ competence in the field of spectrum policy

VPRT welcomes that RSPG clearly points out that “spectrum is a national resource”. Only the member states are able to react to national, regional and local distinctions. We also support a certain level of coordination between EU Member States in conjunction with the European Commission within the international regulatory context as mentioned in the RSPG draft [Draft RSPG Opinion, No. 17]. Therefore the provisions of the revised framework for electronic communications networks and services must be fully respected. This also includes the restrictions to the principle of service neutrality, which is set in Article 9 ff. of the Framework Directive, in order to serve a general interest³. We ask the RSPG to mention these restrictions when referring to this principle as otherwise we fear that any measurement or decision taken will not be fully in line with the directives adopted. [Draft RSPG Opinion, No. 15]

Summary of VPRT’s requirements

- ***Spectrum policy needs to ensure terrestrial means of transmission for TV content and services***
- ***No compulsory digitisation of Band II as FM will continue to be the most important means of transmission for radio content***
- ***Solving the problem of interference before introducing new services in the 800 MHz band***
- ***Solving the problem of migration costs***
- ***No discussion about opening up further sub-bands below 790 MHz***
- ***Ensuring downward compatibility of new compression standards***
- ***Providing broadband for all through coverage obligations for new spectrum users and in consideration of all broadband technologies***
- ***Respecting the provisions of the telecom package and member states’ competence in the field of spectrum policy***

Berlin, April 2010

³ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:337:0037:0069:EN:PDF>