CONNECT RSPG

via e-mail: CNECT-RSPG@ec.europa.eu

Tel. ext.: 12616
Fax ext.: 12773

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ORS/Wa/ho

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Comments regarding the "Draft RSPG Opinion on Strategic Challenges facing Europe in addressing the Growing Spectrum Demand for Wireless Broadband"

Dear Madam/Sir,

The "Österreichische Rundfunksender" group of companies (ORS Group, Austrian Broadcasting Services) is the leading provider of terrestrial TV services in Austria, operating five nationwide multiplex platforms (in DVB-T and DVB-T2).

In order to be able to make sustainable investment decisions, the ORS Group needs a guarantee that the "raw material" on which our business model is based, namely the UHF frequency spectrum, will be available in a sufficient (i.e. competitive) amount in the long term.

Therefore we thank you for giving us the opportunity to state our position on the working paper mentioned in the subject line and give the following comments in this respect:

1. Spectrum demand for mobile broadband

In the Radio Spectrum Policy Programme (RSPP) and the working paper in question, exponential growth of data traffic via mobile broadband in the years to come is mentioned several times. The forecasts on which these assumptions are based indicate a continuation or even dynamisation of the growth rates for mobile broadband over the next years.

This does not take into account the following essential developments:

- Mobile broadband providers are increasingly changing their business models and restricting their download volumes and/or speed limits. Undeniably, this has an impact on consumer behaviour. Most recently, for example, Deutsche Telekom announced a corresponding volume limitation to restrict Internet access for the sphere of fixed lines.

- In Europe, the overwhelming part of data traffic coming from tablets and laptops is handled via a combination of Wi-Fi/fixed-line internet access – and the percentage is still growing.

In this respect, we would like to refer to the latest CISCO report in which the U.S. corporation had to massively take back their growth forecasts for mobile broadcast data volumes in Western Europe.

-> We would suggest that the spectrum demand for mobile broadband be re-evaluated (see also section 3a).

2. Definition of "wireless data traffic" and "wireless broadband"

According to our understanding, a clear distinction must be made between the terms "wireless data traffic" and "wireless broadband". The former is the umbrella term which also comprises terrestrial (mobile broadband, Wi-Fi) and satellite components. The additional 1200 MHz the RSPP aims at are to be achieved with due regard to all wireless data traffic options.

Section VIII of the working paper ("...taking the terrestrial component alone...") seems to assume that these 1200 MHz can be achieved via terrestrial data traffic applications only, which is in contrast to section I saying that more than 1700 MHz have already been identified for wireless broadband.

-> We would suggest that the working paper be corrected to the effect that the RSPP's targets with regard to the 1200 MHz for wireless data traffic, taking terrestrial and satellite components into account, have already been achieved since a spectrum of more than 1700 MHz has been identified.

3. Comments regarding the UHF band and/or TV applications

a. Spectrum demand and radio broadcasting networks

The increasing download volume is mainly due to the growing use of video contents via the Internet (downloading, streaming). It must, however, be assumed that mobile broadcast networks are (and will continue to be) less efficient in distributing mass-appealing linear TV channels than radio broadcasting networks.

This assumption was corroborated by a study[1] conducted at the Institute of Communications Engineering of the University of Technology in Brunswick. The study examined,

[1] http://www.bmwi.de/BMWi/Redaktion/PDF/Publikationen/abschlussbericht-sachverstaendigenauftrag-frequenzbedarf,property=pdf,bereich=bmwi2012,sprache=de,rwb=true.pdf

among other things, the question of whether cellular mobile broadcast technologies are suitable to ensure provision of TV services via broadband.

The study arrives at the conclusion that mere spectrum allocation to mobile broadband will by no means cover the demand for bandwidth. In fact, extensive measures would have to be taken, the feasibility of which is rather improbable in view of the huge financial expenses involved.

A shortage in frequencies for radio broadcasting networks would thus result in a further (artificial and inefficient) increase in spectrum demand for mobile broadband networks, since it must also be assumed the the consumption of linear TV channels within the period of interest here (until 2020) will continue to be the predominant form of consumption of audiovisual contents. Hence, radio broadcasting networks make a significant contribution to offloading the data volume of mobile broadcast networks. An allocation of the UHF spectrum beyond the 800 MHz band to mobile broadcast will therefore not automatically result in a net growth of available bandwidths for new services.

-> We would suggest that the long-term significance of linear TV consumption be taken into account within the scope of future scenarios and that the offloading effect of radio broadcasting networks be evaluated.

b. 700 MHz and spectrum sharing

In section X e) of the working paper it is assumed that spectrum sharing between radio and mobile broadcast is not possible and as a result a "go/no-go" decision has to be made. This may be true for the current state of the art. It is, however, highly probable that future (hybrid) network concepts might allow close cooperation between radio and mobile broadband within the same frequency band. The allocation decision for the 700 MHz band that is being discussed (according to WRC 2015) should be postponed to a later date when the state of the art allows combined use of the spectrum. The study conducted at the Brunswick University of Technology mentioned above already brings up potential approaches to this problem, such as tower overlay.

Besides, it must be pointed out with respect to the Austrian market that the use of the 700 MHz band for DVB-T2 beyond 2020 is indispensable, and appropriate licence allocations for radio broadcasting are in effect until the year 2023.

-> We would suggest that the allocation decision with respect to the 700 MHz band within the EU be made not until the state of the art allows spectrum sharing between radio and mobile broadcasting.

c. Regulation and intellectual property

Terrestrial broadcasting makes a decisive contribution to achieving the EU's social, cultural and economic targets. Because of its importance, it is also heavily regulated. Internet services are difficult to regulate per se and can hardly be bound by legislative targets. This applies in particular to the protection of intellectual property.

-> We would suggest that the effects of a "diluted regulation concentration" of the audiovisual sector to the social, cultural and economic targets, including copyright, be evaluated and/or considered during the discussion on spectrum allocation.

d. Network neutrality

In order to ensure the advantages of wireless data traffic for the broadcasting sector (in particular for over-the-top on-demand services and catch-up TV), it is necessary to clearly define the basic principle of network neutrality within the European legal framework and ensure compliance with it through a European regulatory body.

-> We would suggest that the basic principle of network neutrality – as a back-up measure accompanying the RSPP – be clearly defined within the European legal framework.

Yours faithfully,

Österreichische Rundfunksender GmbH & Co KG

Mag. Michael Wagenhofer
Managing Director

DI Norbert Grill
Managing Director