



EUROPEAN COMMISSION

Directorate-General Information Society

Communications Services: Policy and Regulatory Framework
Radio Spectrum Policy

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DG INFSO/B4

RSPG03-14

REQUEST BY THE EUROPEAN COMMISSION

TO THE RADIO SPECTRUM POLICY GROUP

FOR AN OPINION

ON

SPECTRUM IMPLICATIONS OF SWITCHOVER TO DIGITAL BROADCASTING

1. INTRODUCTION

In accordance with Article 4 of the Commission Decision establishing the Radio Spectrum Policy Group (RSPG Decision) and with Article 6 of the provisional Rules of Procedure of the RSPG (document RSPG03-12), the European Commission hereby requests the RSPG to develop and adopt an Opinion on the spectrum implications of switchover to digital broadcasting.

2. OBJECTIVES

The main objectives for the Commission's request include:

- (1) To contribute to a faster and more efficient switchover to digital broadcasting through co-ordinated EU action on spectrum management, so as to maximise the benefits for European citizens and enterprises;
- (2) Encourage transparency of Member States policies affecting switchover in order to facilitate the process;
- (3) Ensure that switchover will have a positive effect upon EU-wide competition in the provision and efficient use of radio spectrum by wireless applications.

3. CONTEXT FOR THE REQUEST FOR A RSPG OPINION

– Market context:

The EU digital TV penetration in 2002 was estimated at 32 million households (21% of EU households), the majority of which received this service via satellite (21.5 million households), others via cable (8.1 million households), and a minority via terrestrial networks (2.6 households). There are significant differences between EU Member States regarding digital TV penetration and also analogue TV legacy, e.g. terrestrial TV has traditionally dominated in some countries, cable TV in others.

Digital terrestrial TV (DTT) roll-out presents the greatest challenges in terms of spectrum management for broadcasting services. Several years after its commercial launch in 1998 and various failed projects – largely due to inappropriate business decisions and fierce competition - its take-up remains low. However, this is improving with the success of new DTT projects, notably in the UK and Germany. Similarly, despite an earlier launch in 1995, reception of digital terrestrial radio is estimated at less than half a million EU households, but there are signs of significant improvement in the UK market.

– The national and international policy context:

Most EU Member States support the development of digital terrestrial broadcasting, both TV and radio. Some of them have awarded licences to operate these services and even set dates to switch off analogue TV. The main political challenge is the social and economic implications from the need to massively deploy digital receivers before analogue switch off, so as to ensure service continuity; in particular, what will be costs and who should bear them?

In addition, it is necessary to tackle spectrum issues associated with digital switchover and analogue switch-off. Considering that digital terrestrial broadcasting is significantly more spectrum-efficient, analogue switch-off should allow for improved services and market competition, including the possibility of spectrum refarming to alternative (non- broadcasting) services. However, before analogue switch-off takes place, switchover may aggravate spectrum scarcity insofar as analogue and digital broadcasts are ‘simulcast’ in parallel. So the duration of the switchover period can be crucial, especially in areas where the spectrum space is very crowded.

Decisions on spectrum aspects relating to switchover and switch-off require certain degree of international co-ordination, notably to deal with interference, and thus compromises between national priorities. In particular, an ITU Regional Radio Conference will take place between 2004 and 2006 to review the current frequency co-ordination planning for terrestrial broadcasting in Europe and contiguous areas (the ‘1961 Stockholm plan’ and subsequent updates), so as to facilitate the digital transition and prepare the post-switch off scenario. It may be appropriate to develop EU policy orientations on spectrum management and switchover ahead of this conference, taking into account the internal market and other EU policy objectives.

– The EU policy context

The EU has been supported the development of digital broadcasting networks and technologies for many years, through policy, regulatory and financial instruments.

Particularly relevant is the “new regulatory framework for electronic communications”¹, which notably aims at stimulating market competition and spectrum efficiency.

Regarding the specific switchover issue, the Action Plan “*eEurope 2005*”, in its point 3.1.4, requires Member States to ‘*publish by end 2003 their intentions regarding a possible switchover*’.² In addition, the Commission will publish soon a Communication on “*the transition from analogue to digital broadcasting (from digital ‘switchover’ to analogue ‘switch-off’)*” which contains a chapter on spectrum management, and has launched an independent study on “*spectrum management in the field of broadcasting*”.³

4. TASKS TO BE PERFORMED AND ISSUES TO BE ADDRESSED IN THE OPINION

In addition to the information to be addressed in the Opinion, as stipulated in Article 6 (2) of the provisional Rules of Procedure of the RSPG and in order to reach the objectives mentioned under point 2 above, the RSPG is requested to address the following questions in the Opinion, considering that: spectrum use for wireless broadcasting services is harmonised at international level; digitisation allows great improvement in spectrum efficiency and market competition, and is therefore supported by the Commission and Member States; switchover to digital broadcasting however raises challenges in terms of spectrum management and calls for the revision of existing international arrangements.

- How can co-ordination between Member States on spectrum management, at bilateral and EU level, contribute to a quick and efficient switchover?
- In particular, what would be the added value from EU co-ordination ahead of the Radio Regional Conference starting in 2004 and other international negotiations?
- Are greater transparency and technological neutrality of spectrum assignment, notably through valuation and market tools, instrumental to switchover?
- What will be the “spectrum dividend” from switch-off, and how should this be allocated to specific services?
- Does convergence require more flexible allocation mechanisms than traditional ones, which tightly link frequency bands and individual communication services according to *ex ante* decisions?

5. TIMING

- First discussion of this request for an opinion at RSPG#2 on 19 September 2003.
- RSPG#3 (1st quarter 2004): discussion on a 1st draft.
- RSPG#4 (2nd quarter 2004): discussion on a 2nd draft

¹ Directive 2002/21/EC on a common regulatory framework for electronic communications networks and services (framework directive), OJ L 108, 24.2.2002, p. 33.
http://www.europa.eu.int/information_society/topics/telecoms/regulatory/new_rf/documents/l_1082002_0424en00330050.pdf

² COM(2002) 263 final, eEurope 2005: An information society for all, p. 17.
http://europa.eu.int/information_society/europe/news_library/documents/europe2005/europe2005_en.pdf

³ http://europa.eu.int/information_society/topics/telecoms/regulatory/digital_broadcasting/index_en.htm

– RSPG#5 (4th quarter 2004): adoption Opinion.

6. ORGANISATION OF WORK

In accordance with Article 10 of the provisional Rules of Procedure of the RSPG, a working group may be established.

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