

**mobilkom austria group response to the European Commission consultation on  
"Transforming the digital dividend opportunity into social benefits and economic  
growth in Europe"**

mobilkom austria group<sup>1</sup> (mag) welcomes the opportunity to comment on the European Commission's consultation paper on the digital dividend.

In general, we agree with the Commission that a coordinated approach using radio spectrum freed by the switch off of the analogue-TV will maximise both the welfare of consumers and the economic potential for the European mobile industry.

We also share the Commission's view that the mobile industry can play a key role in the recovery of the worldwide economy. Nevertheless, we would also like to emphasise the need for a sound and reliable framework as otherwise the mobile industry might not be able to deliver the full potential in this process. This is another reason why a coordinated approach terms of the use of the digital dividend is crucial.

With respect to the mentioned consultation document we want to take the opportunity to comment on the following chapters:

**Chapter 1 – Economic Recovery**

As stated above, we share the Commission's ideas on the potential of mobile communications to contribute to the economic recovery. Furthermore mobile operators can be of importance in the implementation of the plan to offer Europe wide broadband services by the end of 2013.

At this point we are convinced that only a combination of modern mobile and fixed line (fiber-based) infrastructures will bring Europe towards this goal. This means that neither technology should be addressed stand-alone but as two vehicles offering complementary strengths for ensuring 100% broadband coverage in Europe by 2013.

**Chapter 3 – Towards an EU Roadmap**

According to the findings of the European Commission, the benefit of the digital dividend is maximised through harmonised European action.

This is easily understood and supported in terms of technical arguments (usage of radio spectrum for DVB-T in one country will hinder low power wireless services in adjacent countries). However, we want to point to another important issue that is of high relevance for MAG because of its presence inside and outside the EU:

European efforts in terms of the digital dividend should not restrain themselves to Member States, but also cover the Balkans and our neighbouring countries in the east: for instance, without the Republic of Croatia adopting the EU Roadmap for the Digital Dividend, no broadband services could be offered

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<sup>1</sup> Vienna based mobilkom austria group (mag) is part of Telekom Austria AG and holds mobile operations in Austria, Liechtenstein, Slovenia, Croatia, Serbia, Macedonia, Bulgaria and Belarus. In total, mag offers mobile services to roughly 18 million customers.

in Slovenia. Additionally, without commitments of the Republic of Bosnia and Herzegovina and Republic of Serbia to follow the EU Roadmap, no adoptions will take place in Croatia.

Although the EU has formally no mandate outside its territory, all Member States can and should transport these arguments in worldwide institutions, e.g. the ITU or the GSMA.

From this perspective, the EU Roadmap should become a "Trans EU Roadmap", not at all limited to the 27 Member States.

Concerning flexibility in the EU Roadmap we agree, that there must be a minimum of clearance for all countries. We think, however, that a too long glide-path towards a harmonised approach could strongly endanger the goal of 100% broadband coverage in 2013.

#### **Chapter 4 – Roadmap Elements**

mag seriously questions the need for a roll out of terrestrial HDTV. This is for two reasons: first, the number of terrestrial digital TV customers shrinks constantly<sup>2</sup> due to competing and relatively inexpensive satellite and cable TV services. Second, HDTV is very spectrum consuming and thus taking away valuable portions of the digital dividend.

On the other hand, all other efforts to introduce more spectral efficiency (e.g. new coding/compression schemes) in digital TV are highly appreciated.

As our main business is mobile communications, we fully support the Commission's idea of making available the 800 MHz band for mobile communication networks in a harmonised way in but also outside Europe. To benefit from the estimated value of between EUR 3 billion and EUR 97 billion rather soon, it is necessary to kick-off implementation actions immediately. In addition the Commission should seriously consider proposing a final date for the implementation to avoid any friction losses. Without such a date national implementation efforts might not be serious enough in some Member States thereby, hindering their neighbour countries in the realisation of their according plans.

Immediate action is also deemed necessary in investigating additional frequency bands for mobile communication networks besides the 800 MHz band. For the purpose of transparency and legal certainty we support the idea of a binding statement, clearly pointing out which portion of the digital dividend will be made available for mobile communication at the end of the digital dividend implementation process. We think that it should be at least 50% of the roughly 400 MHz currently used for analogue TV, which implies at minimum an additional 130 MHz for mobile services besides the 800 MHz band, in a subband adjacent to the band 790-862 MHz.

On the issue of migration paths for secondary users in the UHF band mag supports all efforts. It is well understood that applications like wireless microphones are of importance, especially in our cultural life. In case the transition period is long enough, no serious problems should occur. In addition we think that certain portions of revenues created by frequency auctions in the 800 MHz band could be spent to support the introduction of new equipment.

Concerning the coordination with non-EU countries, we refer to chapter 3, above.

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<sup>2</sup> For instance, in Austria only 8% of all households use terrestrial TV solely – Source: Yearly report of the Austrian NRA (RTR-GmbH) for 2008.

## **Chapter 5 – Urgent Action**

There is no doubt, that the analogue switch-off is crucial for the success of the digital dividend. Measures should be taken to force Member States and non-EU countries – wherever this is feasible – to proceed with the according plans without any delay.

Even if the target date for the analogue switch-off on January 1<sup>st</sup> 2012 is met, the 100% broadband coverage all over Europe remains a very ambitious goal because the implementation of mobile communication networks in the 800 MHz band can not be started before the analogue switch off.

As stated above mag supports the European Commission's efforts to introduce harmonised technical conditions for the use of mobile services in the 800 MHz band. We also agree with the Commission's recommendation to avoid any regulatory action, e.g. frequency assignment for analogue/digital TV services or secondary services in the 800 MHz band, which contradicts the harmonisation.

Additionally, we once more suggest to investigate the total amount of spectrum that should be made available for mobile communications services within the digital dividend, which could be 200 MHz or more, according to our opinion, and to also address non-EU states, whenever this is possible.