



Telefónica Group response to EC consultation document  
"Transforming the digital dividend opportunity into social benefits  
and economic growth in Europe"

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General comments

Telefónica would like to thank the European Commission (EC) for giving stakeholders the opportunity to comment on their consultation on transforming the digital dividend opportunity. As we noted in our responses to both the 2006 and the 2009 RSPG Opinion public consultations<sup>1</sup>, Telefónica considers this to be an important issue. We agree that the digital dividend is a unique opportunity for Europe to meet the growing demand for radio spectrum, particularly to allow new wireless services such as the next generation of mobile broadband. Telefónica supports the Lisbon aims of competitiveness and economic growth in the provision of wireless services to European citizens and consumers. We believe that the switchover to digital broadcasting will lead to a more efficient use of the radio spectrum, but will also result in a more productive use of the digital dividend through the use of the 790-862MHz (800MHz) sub-band for the provision of electronic communication services (ECS) other than broadcasting. Only thus will the digital switchover contribute to the strategic goal set by the European Council in Lisbon, for Europe to become the most competitive and dynamic knowledge-based economy in the world.

Telefónica agrees that the digital dividend has a strong European dimension, and we concur that the biggest benefits of using the 800MHz band for ECS will only be achieved if economies of scale are maximised. Telefónica also agrees that now is the right time to take concrete steps towards a common approach to the use of the digital dividend in Europe, and that the development of a shared EU "roadmap" is a practical way forward.

We note that the EC intends to rely on the future multi-annual radio spectrum policy programme as the main vehicle to achieve the endorsement by the European Parliament and the Council of the most strategic elements of the roadmap. Telefónica continues to support this aspect of the proposed revision to the Framework Directive (new Article 8a) and we agree that the digital dividend is a most suitable topic for inclusion in the policy programme. In advance of this, Telefónica also notes that the EC has identified two actions that should be undertaken without delay:

- We support the proposal to request Member States to confirm the date for switch-off of analogue TV broadcasting in national law, but for this date to be no later than end 2012.
- Telefónica also supports the proposal to adopt harmonised technical conditions for the use of the 800MHz band for the provision of ECS.

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<sup>1</sup> "Telefónica Group response to consultation on draft RSPG Opinion on EU spectrum policy implications of the digital dividend", December 2006; and "Telefónica Group response to consultation on draft RSPG Opinion on the digital dividend, July 2009.

## Harmonised technical conditions for the use of the 800MHz band for ECS

As we stated in our recent response to the consultation on the draft RSPG Opinion on the digital dividend<sup>2</sup>, Telefónica notes that much of the work relating to the second of these points has now been completed through the response of the CEPT to the second Mandate on the digital dividend. We continue to support that any EU harmonisation of technical elements, such as channelling arrangements or common technical conditions, should be based on the outcome of this CEPT work.

With regard to the implementation timescales, Telefónica proposes that there should be a final implementation date in the draft Decision, and that it should be linked to the final confirmed date for switch-off of analogue TV broadcasting (i.e. end 2012, as we have suggested above). A timely availability and implementation would contribute to fully securing the potential economic and social benefits to the European Union, as well as avoiding fragmentation in timescales in the different Member States, which would in turn lead to potential coordination constraints among them<sup>3</sup>. We look forward to seeing the proposed draft EC Decision on the technical harmonisation of the 800MHz band after it has been discussed by the Radio Spectrum Committee in Autumn 2009.

## Other elements of the EU roadmap

In addition to the 2 more urgent aspects, we offer the following comments on the other elements of the proposed EU roadmap:

### 1. Ensuring high quality standards for terrestrial digital television receivers

Telefónica supports the proposal to ensure the availability of a suitable minimum compression standard on all DTT receivers sold after a specified date. We note that the EC proposes that the minimum standard should be H264/MPEG-4 and that the cut-off date should be 1 January 2012, however, Telefónica has not studied the issues involved in these aspects in sufficient depth to be able to concur or disagree with these specific proposals. In addition, we support the proposal to set a standard for the ability of DTT receivers to resist interference, in close cooperation with equipment manufacturers.

### 2. Increasing the size of the digital dividend

Telefónica agrees that it would be good to foster cooperation between Member States by sharing future broadcasting network deployment plans, including the roadmap for the introduction of MPEG-4 and DVB-T2, or the use of Single Frequency Networks (SFNs), that could make more spectrum available for mobile broadband services. The EC could indeed facilitate such an exchange through one of the institutional committees, such as the Radio Spectrum Committee (RSC), but we are unsure whether the production of guidelines will be a necessary output from such cooperation or exchange.

A number of ongoing research projects touch on frequency agile mobile communications systems, and it is unclear to Telefónica at present what specific

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<sup>2</sup> “Telefónica Group response to consultation on draft RSPG Opinion on the digital dividend”, July 2009.

<sup>3</sup> In Spain, for example, the analogue switch-off is planned for April 2010, while the availability of the 790-862MHz band has been proposed (in draft regulation) to start from January 2015.

additional research areas might be needed to add value to the future use of the radio spectrum. We therefore request further clarification from the EC on the scope of any proposed new research into such systems, so that more specific comments can be provided.

### 3. Common position on the potential use of the “white spaces”

Telefónica supports the proposal for Member States to examine, in cooperation with the EC, whether there are grounds for opening up the “white spaces”, mainly as a complement to the harmonised 800MHz band. We look forward to the continued discussion on this topic, which we note has already started in the CEPT<sup>4</sup>.

### 4. Continuity and further development of wireless microphone applications

Telefónica agrees that there should be further consideration of the needs of the wireless microphone community, although we are uncertain whether this will lead to a need for action at the European level through a new Mandate. Once again, we look forward to further discussion on this topic, noting that a lot of discussion has already been undertaken within CEPT in responding to the second digital dividend Mandate<sup>5</sup>.

### 5. Cross-border coordination with non-EU countries

Telefónica has previously noted<sup>6</sup> that the 2006 Regional Radiocommunication planning Conference (RRC-06) agreed that digital entries in the final Plan (the GE-06 Agreement) “may also be notified with characteristics different from those appearing in the Plan, for transmissions in the broadcasting service or in other primary terrestrial services operating in conformity with the Radio Regulations”. We therefore supported<sup>7</sup> the recommendation in the 2009 draft RSPG Opinion on the digital dividend for the EC to support Member States in renegotiating aspects of the GE-06 Agreement with countries outside the EU if required. Telefónica also supports the early examination of action in this domain. In responding to the draft RSPG Opinion on WRC-11 we also supported<sup>8</sup>, more generally, that both the EU and CEPT should give more emphasis on WRC decisions that facilitate coordination at the borders of the EU.

### 6. Future challenges

Finally, Telefónica wholeheartedly agrees that the issues associated with spectrum management are dynamic, with developments in technology, services, market demand and societal requirements all needing to be taken into account. We agree that it would be appropriate for the EC to establish a mechanism to monitor external developments affecting the roadmap, including the possibility for further harmonised spectrum in the UHF band. However, Telefónica believes that the primary need with regard to the digital dividend is for Member States to take collective action in order to maximise the benefits to society and to minimise delays in making the 800MHz band available for ECS. This will require a significant commitment by Member States to addressing cross-

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<sup>4</sup> Including in Project Team SE43, which first met in June 2009.

<sup>5</sup> Including the development of draft CEPT Report 32, which was welcomed by the RSC in July 2009.

<sup>6</sup> “Telefónica Group response to consultation on draft RSPG Opinion on EU spectrum policy implications of the digital dividend”, December 2006.

<sup>7</sup> “Telefónica Group response to consultation on draft RSPG Opinion on the digital dividend”, July 2009.

<sup>8</sup> “Telefónica Group response to consultation on draft RSPG Opinion on WRC preparations and WRC-11”, July 2009.

border frequency co-ordination and other issues in a positive and timely manner. We are pleased that the EC is acting quickly in response to the most recent RSPG Opinion, in order to minimise EU level uncertainty in the ability of Member States to make available the 800MHz band, and Telefónica looks forward to working further with the EC and Member States to fulfil the potential of the digital dividend.