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**ESOA Comment on
The Consultation Document
Transforming the digital dividend opportunity into social benefits &
economic growth in Europe**

The European Satellite Operators Association (“ESOA”) is pleased to contribute to the European Union (“EU”) Commission’s consultation on the Digital Dividend radio spectrum released through the transition to digital terrestrial television. ESOA members include world leaders in commercial satellite-based communications: Astrium Services, Eurasiasat, Eutelsat, HellasSat, Hispasat, Inmarsat, SES, SES Sirius, Telenor and Telespazio. These companies use their satellites to deliver a full range of services including among others: broadcast and other program distribution; broadband; maritime; aeronautical; government and emergency communications; telecommunications and private data networks, mobile fleet / traffic management and telemedicine.

In the consultation paper, the Commission points at the use of the Digital Dividend as a major opportunity to contribute to Economic Recovery (“*chapter 1 . A unique opportunity to contribute to Economic Recovery*”). The Commission’s purpose is to turn digital dividend into a contributor to social benefits and economic growth in Europe, and we strongly encourage the Commission to this end.

We agree that spectrum is of essential importance for the development of new services in Europe. We would like to remind the Commission that equally, through their satellites and a cost-efficient use of their spectrum, ESOA members deliver vital connectivity and communications services to people, governments and businesses in Europe and across the globe. As a result, satellite already brings substantial economic and social benefits to Europe in particular in the delivery of broadband Internet access in all regions of Europe as well as in many other areas of the world. We would like to stress that the digital gap that still exists in Europe can only be bridge with the use of a combination of various technologies that include satellite.

Satellite is ideally suited to continue to play a major role and even to expand its role in helping to accomplish this goal. In particular, in response to the proposed elements of a roadmap (chapter 4) we would like to make the following comments/remarks:

- Satellite has been at the forefront of digital TV & high definition television (“HDTV”) development and should also be considered as one of the best platforms for the further growth of HDTV and the development of 3-D and interactive on demand digital services that can benefit from the existing successful Direct-To-Home market of [150-200] million homes in Europe.
- In its analysis, the Commission seems to have ignored the potential benefits to society and spectrum efficiency gains that could be achieved by promoting the satellite solution for digital television. ESOA notes that it is not cost effective to target substantial geographical coverage for broadcast services by terrestrial means only, as demonstrated by the fact that a 'DTT via satellite' offer now exists in many countries. In the interest of technology neutrality, ESOA encourages the Commission to extend its existing studies in this field to also include the satellite solution (Section 4.1).
- ESOA further notes that the Commission’s consultation on the Digital Dividend appears to focus entirely on fixed terrestrial broadcasting and mobile services, but makes no explicit mention of the potential benefits to society of mobile broadcasting (eg, DVB-H based), nor of the associated impacts on technical compatibility (for handsets and/or other devices) and associated actions or future challenges.
- Satellite is also the only available means of communications able to efficiently and immediately deliver broadband to all underserved or un-served areas of Europe. The rapid deployment capability and the immediate 100 percent connectivity of satellites enable millions of unserved farmers, SMEs and professional individuals to be part of the knowledge economy and help current and new ISPs to contribute to the economic growth and recovery in Europe.
- With a substantial back-log of advanced satellites on order, the ESOA members continue their decades-long commitment to substantial investment in and development of their satellite networks. These forefront investments enable satellite operators, through the continued roll-out of some of Europe’s high reliable, advanced communications facilities and capabilities, to satisfy consumer, business and government communications needs.
- Taking advantage of the high reliability of satellite infrastructure, European satellite operators have long used their satellite networks to connect Europe and the world during the most difficult man-made and natural disasters. As a result, ESOA members have extensive experience in providing public safety, security, protection & disaster recovery services which the Commission has further identified in its “Future Challenges” (section 4.7).

- If, as noted in Section 1, “the current economic crisis has underlined the urgency of making sufficient radio spectrum available for wireless communications,” satellite urges the Commission to allow European satellite operators to continue to benefit from access to all allocated spectrum including Ka-Band, continued safe operation in C-Band, and Ku-Band in order to enable the continuity of services, investment in and development and implementation of new services, and best contribute to growth.
- The satellite industry is following the spectrum harmonization process in UHF with interest. ESOA members are particularly interested in watching the way and the extent to which liberalisation of spectrum use and technology neutrality will be applied.
- It is ESOA's understanding that actual use of the 2.6 GHz spectrum, which was allocated to MSS/BSS in Europe, in different Member States is limited at best, which is neither an efficient use of spectrum nor a consumer benefit. ESOA reminds the Commission that satellite services are deployed or envisaged in this band in several other areas of the world, notably in Asia and the Middle East. Therefore, ESOA recommends the Commission, Member States and Parliament to assess more effective use of such spectrum, prior to reserving further spectrum for the exclusive use of (terrestrial) mobile services as now proposed in the UHF band where satellite also had a BSS allocation (at 620 - 790 MHz).
- We commend the Commission for raising in Section 4.3 the importance that EU member states comply with ITU-RR.
- In Section 4.1, the Commission encourages the adoption of the MPEG 4 compression standard & appropriate standards for DTT receivers. This is in line with the Commission’s intention to accelerate the analog switch-off by 1 January 2012. ESOA believes that an attempt to impose a strict schedule increases the risk that substantial costs will be passed on to consumers (households that must purchase new TV equipment) and/or foster the need to rely on public intervention (e.g. subsidies).
- It is to be reminded that the RSPG has adopted and maintained the opinion that “there may be EU-wide benefits to the use of more advanced television coding and transmission systems (such as MPEG-4 and DVB-T2) but recognises that this may cause compatibility problems with existing equipment. In particular, there is already a high installed base of MPEG-2 consumer equipment in some Member States, which would make the transition to MPEG-4 or other systems complex.” (RSPG07-161).
- ESOA strongly urges the Commission to maintain a fully competitive digital TV market. We are not supporting subsidiation plans that would distort competition. Since the beginning of its activities, ESOA members have invested in their platform standards without public support (e.g. for the DVB-S standard or the HD-ready label for TV sets).

- ESOA also urges the Commission to ensure that none of the EU's initiatives with respect to the Digital Dividend (whether related to fixed or mobile terrestrial broadcasting or mobile services) prejudices or otherwise discriminates against mobile satellite services, including those with complementary ground components, such as for instance in the 2GHz MSS band.
- Finally, ESOA urges the Commission to respect technology neutrality in any policy or decision aimed at fostering broadband connectivity and recommends that a combination of all technologies be considered with the aim of supporting ISTs who are new entrants. It is critical that terrestrial communications platforms do not receive favorable treatment that would benefit the terrestrial services and result in discrimination of satellite services.

Sincerely

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