

**Response to the European Commission's consultation document  
"Transforming the digital dividend opportunity  
into social benefits and economic growth in Europe"**

Telenor welcomes the opportunity offered by the European Commission to share its views on the proposed European strategy and roadmap vis-à-vis the digital dividend as laid out in the above mentioned consultation document.

**Importance of the digital dividend in using mobile technology for universal broadband**

Telenor shares the Commission's views on the importance of opening the digital dividend to wireless broadband services with a view to the expected positive impact in both economic and social terms, as evidenced by numerous studies. National governments in Europe and beyond are more and more convinced that increased broadband connectivity would act as a catalyst for economic recovery, and are setting ambitious targets to increase broadband availability and connection speeds and to stimulate take-up. In its Digital Competitiveness Report, published in August 2009, the European Commission once again emphasized the need for every European citizen to have a high-speed Internet connection. "Broadband for all" is instrumental in achieving the EU's Lisbon Agenda of sustainable growth and jobs, and in ensuring Europe's competitiveness in the global economy.

It is now widely recognised that universal availability of broadband can be a realistic aim only if wireless technologies are part of the solution, especially in countries with a challenging topography such as Norway or Sweden. The commercial viability of ubiquitous mobile broadband depends on access to suitable spectrum. The UHF band, due to its favourable coverage economy, is ideal for the roll-out of mobile broadband networks where coverage and capacity are equally important. LTE technology in the UHF band has the potential to replicate the success of GSM in the 900 MHz band as it would, unlike other 3G/4G bands, allow cost efficient coverage also of sparsely populated areas with high-speed wireless networks.

**Urgent EU action required**

Telenor considers firm decisions for the harmonisation of the digital dividend vital for the take-up by the industry of equipment necessary for the provision of high quality mobile broadband services. While Telenor supports regular reviews of the digital dividend to enable further spectrum efficiency gains, in our view, EU action should, for now, focus on the European harmonisation of the 790-862 MHz band (800 MHz band) that a growing

number of countries have already announced to make available for mobile communications services.

EU harmonisation of the 800 MHz band could have positive implications on spectrum allocations made in developing countries. This would further benefit European customers by increasing the economies of scale when it comes to handsets and equipment.

The Commission's proposal of adopting a technical implementing measure this year or early next year with no final implementation date is a realistic approach. It strikes the right balance between the need for urgent action on the one hand, and the flexibility necessary to accommodate differing national timetables on the other, which may make the adoption of a stricter measure more difficult if not impossible.

However, the backstop mechanism proposed by the Commission, i.e. setting a final implementation date later on is also very important to implement. In some markets transition phases are being discussed, whereby broadcasters would be able to retain exclusive use of the 800 MHz band or parts thereof for a number of years, or in some geographic areas. In our view, such interim solutions could severely jeopardize the optimal use of the band in the future.

### **Accelerating the digital switchover**

Full harmonisation of the 800 MHz band can only happen after analogue television is switched off in all Member States. Until that point, there is a potential for interference between broadcasting and mobile communications services across borders. Telenor therefore supports the Commission's proposal to take urgent action in speeding up the digital switchover process across Europe. The Commission should interact with Member States to find the means that best support such action being implemented at national level.

### **Preference for a market based approach**

In Telenor's view, in agreement with the recommendation of the Radio Spectrum Policy Group of May 2009, the 800 MHz band should be made available and put to use applying market based methods and the principles of flexible spectrum management. This would entail that the frequencies are awarded by means of auction, for technology and service neutral use, with the possibility of secondary trading. As the implementation date for the revised telecom package is yet uncertain, it is important that the Commission take the necessary steps to ensure that the flexible, market based approach is applied in the upcoming primary assignment processes throughout the EU.

### **Technical harmonisation**

Telenor supports robust and widely acknowledged channel plans that are well suited for mobile broadband in the 800 MHz band. Telenor shares the views of the Radio Spectrum Policy Group – expressed in their opinion of May 2009 – that the technical harmonisation should be based on the ECC decision on harmonised conditions for mobile/fixed

communications networks operating in the 790-862 MHz band, which is currently under public consultation and will be adopted in the near future.

### **Cross-border coordination with non-EU countries is critical**

Telenor is directly affected by the state of cross-border coordination with countries neighbouring the EU due to its presence in EU countries sharing a border with non-EU countries, as well as its presence in some candidate countries. The potential deployment of mobile services in the UHF-band in Hungary for instance is critically dependent on the developments in the neighbouring non-EU countries i.e. the Ukraine, the Republic of Serbia and Croatia. Little or no progress has so far been made to switch off analogue broadcasting in these countries, and full switchover is unlikely to happen before 2015<sup>1</sup>. Progress on the switchover in these countries and cross-border coordination are equally important for Hungary to benefit from the digital dividend as decisions taken within the EU. Furthermore, the issue of protection of Aeronautical Radio Navigations Services (ARNS) in the UHF-band along the Eastern border of the Union also represents a challenge with regard to implementing other technologies and services in the UHF-band. Telenor therefore urges the Commission to intensify cross-border coordination efforts towards the countries on the border of the European Union, and devote resources to providing technical assistance, if necessary, in order to speed up the process of the digital switchover and promote the EU approach vis-à-vis the digital dividend in these countries.

### **Support high quality standards for DTT receivers**

Telenor supports the action plan of setting requirements from 1 January 2012 as regards compression standard for DTT receivers to a minimum efficiency as the MPEG-4 standard. Such a requirement would enable reaching critical mass for DTT receivers in Europe, increasing the transmission capacity and avoiding that the decoder population in countries choosing standards with less efficient transmission compression have to be shifted after launching DTT services to end users.

### **Cautious approach to white spaces**

Telenor agrees that new technologies such as cognitive radio and the use of "white spaces" need to be considered in order to achieve increased spectrum efficiency in the future. However, caution must be demonstrated in this area in order to prevent harmful interference towards primary users. Well defined authorisation rules must be developed which must be subject to continuous enforcement in the operational phase. This may present a challenge to national authorities. In addition, once authorised, it will be very difficult to withdraw these systems from service. This could impede investments and deployment of new technologies within existing licenses by primary users, representing more valuable use. Acquisition of new spectrum as a basis for long-term technology development and service offering may also become less attractive due to these uncertainties.

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<sup>1</sup> The government of the Republic of Serbia has, however, recently committed itself to analogue switch-off by April 2012. Any concrete plans for the use of the band for services other than broadcasting are still to be developed.

With this in mind, Telenor is positive to Members States cooperating with the Commission on a possible common position for examining the grounds for opening up interleaved broadcast spectrum in the EU, provided that a coordinated regulatory approach is applied to the treatment of usage rights of white spaces in order to prevent potential harmful interference and unnecessary negative impact on new technology deployment and associated predictability for economic growth. .

Telenor is ready to provide further, more detailed input in the course of the following months in response to the upcoming concrete measures outlined in the consultation document.

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## **About Telenor Group**

Telenor Group is a global provider of electronic communications networks and services with a leading position in Scandinavia and a strong footprint in Central and Eastern Europe and in Asia. Telenor offers a variety of services on all platforms, including mobile voice and data communications services throughout its footprint, and telephony, broadband as well as television distribution services over digital terrestrial, cable and satellite networks in the Nordics.

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