

REPORT ON THE STSM ES ⇨ IT (MAY 2011)

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Purpose of the visit

Digital television: digital dividend issues from a Single Market perspective

Description of the work carried out during the visit

Digital broadcasting has made possible to free up a sizeable portion of the UHF spectrum for new services in spite of new channels being added. These “new” available resources are referred to as the “digital dividend”. The allocation of the digital dividend has opened an infrequent (given the importance of the band and the potentially high number of licences) process of spectrum allocation. Who will be granted the dividend’s usage rights, under what rules and for what services, are and will be vitally important questions for the electronic communications sector and for television markets.

From the perspective of the Single Market, the fact that those decisions could be rather unlike (even disparate) is a worrying issue. The strategies followed by telecom and television operators is reliant on market conditions and those conditions are determined by the available spectrum. The knock-on effects, undoubtedly, would affect general users and business organisations who, as a result of different assignments of the digital dividend spectrum, could observe a divergence of offers (and prices) of mobile telecom services along Europe.

The STSM aimed to gather information on the digital television transition (and digital dividend assignment) in order to assess whether the analogue swichtoff could result in a threat for the electronic communications Single Market.

Description of the main results obtained

There is no unified information about the digital dividend process in Europe. The information needs to be gathered from national regulatory agencies' websites. What is worst, sometimes the information that can be found there is vague or not updated.

The switchover from analogue to digital terrestrial TV is still unfinished. It has to be completed in Europe by the end of 2012 (although in October 2009, the Commission adopted a Recommendation in which asked EU Member States to speed up the switchoff of analogue TV, to complete it by 1 January 2012). Within this deadline, each country has followed a different pace toward the switchover and a different approach to the dividend. The first countries to finalise the transition (Finland, Germany, Luxembourg, the Netherlands, Sweden, and the region of Flanders in Belgium) already completed the switchoff by 2009. A second group had the switchoff date at end-2010 or earlier; this group includes Austria, Denmark, Estonia, Malta, Slovenia, and Spain. The rest aims at the period between end-2010 and end-2012. Only Poland has been given a farther switchoff deadline, i.e. 2015 at the latest.

The information about digital dividend assignment is scarce and scattered. As a general rule, it seems that almost all countries are allocating additional frequencies for digital terrestrial television (DTT) in order to provide for the broadcasting of new channels, this reducing in fact the extent of the possible digital dividend.

The Recommendation of October 2009 also asks EU Member States to set aside one part of the freed-up spectrum, namely the 790-862 MHz sub-band, to support the emergence of new wireless services. Germany became the first country to follow the recommendation. On May 2010, spectrum in several frequency bands (800 MHz, 1.8GHz, 2 GHz and 2.6 GHz) was auctioned; it was airwaves in the digital dividend band (6 x 5 MHz paired blocks in the 791-to-821 MHz and 832-to-862 MHz) that was most sought after and commanded the highest fees. Several other Member States have already announced plans for the digital dividend. In the United Kingdom, 112 MHz is being earmarked for open auctions. Sweden had earmarked 152 MHz for opening up but stepped back to re-allocate only 72 MHz in the first wave. France has advanced plans similar to those in Sweden. Spain is in the process of allocating through a mixed process (auction – beauty contest) the 800 MHz band and, at the same time, refarming part of the spectrum assigned to mobile communications operators.

The conclusion is that we won't have a clear picture of the scenario until probably 2013-2014 or even later. Apart from the disparities in the final decisions, the lack of synchronism in the process is in itself a new obstacle for the development of a Single Market. Even if at the end, telecom operators or television broadcasters of two different countries enjoy a same portion of the UHF band, the different timing could be significant enough to put them in disparate situations. This fact has effects on the countries as a whole. Consider the case of mobile operators who are trying to develop 4G networks. A delay of five years or even more (Germany vs., for instance, Poland) is simply unacceptable from the perspective of a unified European Union that is trying to progress together towards a number of objectives of broadband coverage established in the Digital Agenda.

Future collaboration with host institution

We intend to keep the collaboration and further elaborate these results. The objective would be to write a paper that will present the lack of harmonisation of regulations on the process of analogue switchoff and digital dividend assignment as a case of a barrier for the creation of a Single Market in the electronic communications sector.

Projected publications/articles resulting or to result from the STSM

See above.

Confirmation by the host institute of the successful execution of the mission

The host acknowledged that this was a successful STSM. Key issues were discussed and worked on during the visit. The outcomes and future workplan are concrete and promising.



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