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The Danish Telecom Industry response to the hearing of the LAMY Report: The future use of the UHF TV broadcasting band

The European Commission has launched a public consultation on how to use the Ultra High Frequency (UHF) spectrum (the 700 MHz band) most effectively in the coming decades. The Commission is seeking views on the options proposed by Pascal Lamy, in September 2014 (TI¹).

The Danish Telecommunications Industry welcomes this opportunity to air its views on the future of the UHF spectrum, and especially the 700 MHz band.

In Denmark, the demand for data has risen enormously during the past. The consumption of data increases even faster than were expected just a few years ago. In the report, which formed the basis for the Danish Business Authority's spectrum strategy from 2012, the mobile data consumption was expected to increase by 400 % from 2011 to 2013. In reality, the increase was between 600 and 700 %.

This rise will no doubt continue. Among others, Cisco in its Visual Networking Index² has estimated that In Western Europe, mobile

¹ <https://ec.europa.eu/digital-agenda/en/news/commission-seeks-views-spectrum-use-wireless-broadband>

² http://www.cisco.com/web/solutions/sp/vni/vni_forecast_highlights/index.html

data traffic will grow 13-fold from 2012 to 2017, a compound annual growth rate of 67%.

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At the same time, the consumption of terrestrial based tv-viewing is declining almost as rapidly, and the penetration rate of terrestrial tv is approaching 10 % in Denmark.

TI therefore welcomes the fact that in Denmark, the Danish Government along with the rest of the Parliament has finally decided in February 2015 to allocate the 700 MHz band to mobile use by 2020. This decision that has been long under way and which has been thoroughly analysed by the Ministry for Culture and the Ministry for Business and Growth is a highly welcomed one and one that will help to make sure that sufficient spectrum is available to meet the rapidly rising demand for mobile voice and data.

However, it is vital that the use of the 700 MHz spectrum is harmonised across Europe both in technical terms and when it comes to timing. There is little doubt that a harmonized and timely allocation of 700 MHz frequencies on a technology neutral basis will be an important and necessary contribution to continuously support the role of Denmark and the EU as a digital welfare society. In fact, it will have a direct and negative economic impact on the affected national economies if this does not happen.

In connection with the value of the use of the 700 MHz spectrum band in Asia, GSMA estimated³ that

*"The socio-economic benefits of allocating the 700MHz band to mobile – including growth in GDP, employment, entrepreneurship and tax revenues – are significant. In fact, **by 2020, the digital dividend for the Asia-Pacific region could be worth almost US\$1 trillion in additional GDP.** To achieve the full benefits, a harmonised solutions needs to be implemented as quickly as possible. A delay in the allocation of the 700 MHz band by one year, to 2015, could result in a loss in incremental GDP growth of US\$40 billion in the first year, and an indirect loss of US\$70 billion in the three subsequent years."*

In a recent Danish study carried out jointly by the Danish Ministry for Culture and the Danish Business Authority, one of the main conclusion was that an allocation of the 700 MHz band for mobile use will have a positive socio-economic impact in Denmark of between 2.5 and 4 billion DKK. This conclusion which takes into account the economic impact on terrestrial broadcasters seems to dictate that there is a no real and socially responsible alternative

³ <http://www.gsma.com/spectrum/wp-content/uploads/2012/07/277967-01-Asia-Pacific-FINAL-vf11.pdf>

to allocate the 700 MHz frequency band for the use of mobile broadband.

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TI therefore supports the overall view of the Lamy-report, that the 700 MHz spectrum should be allocated for mobile uses.

However, TI finds that the proposed "20-30-25-model" is too unambitious. While we agree with the proposed 2020 deadline for the release of the 700 MHz spectrum band and while we sympathise with the need for regulatory security and stability for terrestrial broadcasters in the remaining UHF spectrum we find that a commitment not to co-allocate spectrum below 694 MHz until 2030 is unnecessary. Even though harmonisation across Europe is desirable, it is the view of TI that a co-primary allocation would allow countries less dependent on the use of terrestrial tv to move forward faster when it comes to roll-out of mobile broadband. This intention is also reflected in the so-called *flexibility option* in the Lamy-report which the TI applauds.

Thus, the 2030 date should be moved forward in time or – preferably – dropped all together. The same goes for the suggested 2025-review. If indeed such a review should have any potential impact on the proposed 2030-date and on an up-coming WRC it should be carried out sooner than 2025 in order for the member states to implement the needed regulatory changes by 2030. In the proposed scenario we fear that both the European broadcasters and mobile operators might be faced with a very short transition period between 2025 and 2030.

Therefore, while applauding the suggested 2020-date, TI urges the Commission to reconsider the rest of the proposed timeline in order to soundly cater for the digital future of Europe. Facing the enormous challenges of securing a digitised, connected, mobile and broadband-supported EU in a very near future it is simply not a viable option to seal the future of the UHF-band for the next 15 years.

Thus, the 2025 and 2030 dates should be dropped from the proposed timeline as a safeguard in favour of the approach commonly used in spectrum administration whereby the regulatory certainty lies not in regulatory freezes but in the allocation of a service in the national frequency plan until otherwise decided.

Best regards
Jakob Willer, Director, Teleindustrien



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