

Opinion of the European Economic and Social Committee on the 'communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on the transition from analogue to digital broadcasting (from digital "switch-over" to analogue "switch-off")'

(COM(2003) 541 final)

(2004/C 110/21)

On 17 September 2003, the European Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the above-mentioned communication

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 3 February 2004. The rapporteur was Mr Green.

At its 406th plenary session held on 25 and 26 February 2004 (meeting of 26 February), the European Economic and Social Committee adopted unanimously the following opinion.

1. Background

1.1 The switchover from analogue to digital broadcasting is a complex process whose social and economic implications go well beyond the pure technical migration. Replacing analogue broadcasting with a digital system presents huge advantages in terms of more efficient spectrum usage and increased transmission possibilities; these will lead to new services, wider consumer choice and enhanced competition. These advantages are underlined in the Action Plan eEurope 2005.⁽¹⁾

1.2 The objective of the eEurope 2005 Action Plan is to provide a favourable environment for private investment and for the creation of new jobs, to boost productivity, to modernise public services, and to give everyone the opportunity to participate in the global information society. The European Commission is thus seeking to stimulate secure services, applications and content based on a widely available infrastructure.

1.3 However, the Commission does not take a position on the timing of analogue switch-off, which is a matter to be decided at the level of the Member States or of the regional authorities. The main difficulty concerns terrestrial broadcasting.

1.4 The communication underscores the many advantages of switching to digital broadcasting in the EU, but these are counterbalanced by a number of significant migration obstacles. Hence, there may be circumstances that justify policy intervention to address these obstacles and certain general requirements to be respected by such measures.

2. General comments

2.1 The European Economic and Social Committee agrees with the Commission's key assertion that switchover implies much more than a technical migration. Considering the role of television and radio in contemporary societies, the impact is not only economic but also social and political. Switchover

affects all segments in the broadcasting value-chain, namely: content production, transmission and reception.

2.2 Switchover is thus a complex, protracted process involving many variables and affecting all social groups - consumers, industry and public authorities.

2.3 In an environment where production and consumption technology is otherwise increasingly digital, it is realistic to assume that analogue broadcasting will be replaced by digital broadcasting in the longer term.

2.4 Switchover should, in principle, be market-driven and consumer-centred. That means, among other things, that the role and remit of public service operations should be discussed and adapted to an environment in which technological developments are changing market conditions and generating new services. Public authorities do nevertheless have an obligation to create the conditions needed to ensure that, when markets are ready to accept the transition risks, there will be total transparency in the changeover process, no social exclusion will be engendered, all sectors of the population will have access to the potential benefits, high quality standards will be complied with and public service standards pertaining to broadcasting services will be guaranteed.

2.5 However, the Committee agrees with the Commission that television has a number of special features. Some of these are connected specifically with the development of digital TV, but others apply to television generally.

2.6 Traditionally, there have been three transmission routes: terrestrial, cable and satellite. The range of each of these routes has been contingent on social circumstances and geographical conditions. So far, digital TV has mainly grown on the back of satellite pay-TV. However, this development has stalled, and there are many indications that digital TV needs new drivers beyond traditional pay-TV.

⁽¹⁾ COM(2002) 263 final, eEurope 2005: An information society for all.
http://europa.eu.int/information_society/eeurope/news_library/documents/eeurope2005/eeurope2005_en.pdf.

2.7 Television has special political and social relevance and, for that and other reasons, has generally been subject to enforced minimum quality and pluralism requirements. As a result, market failure has, in turn, also been an issue for consideration.

2.8 Broadcasting thus has a stronger tradition of policy intervention than other information and communication sectors, such as telecommunications. There is a strong case for EU-level coordination of any future policy intervention but, at the same time, it is important that each Member State should pursue its own switchover path in line with national traditions and national circumstances, including the development of the various (satellite or cable) networks.

2.9 It is therefore appropriate to reaffirm the guiding principles of the Commission's audiovisual policy set out in its Communication of 14 December 1999 (COM(1999) 657 final), namely proportionality, subsidiarity, separation of infrastructure and content regulation, recognition of the role of public service television and the need for transparency in its financing and autonomy for the regulatory bodies in relation to political and economic authorities.

3. Specific comments

3.1 In a market-oriented, demand-led switchover model, it is crucial that the transition is prompted and promoted both by users and by the supply side.

3.2 Transparent conditions for both existing and new services are vital for users and operators alike.

3.3 For existing services, these relate in particular to 'must carry' obligations which, today, typically give universal access to the national public service channels. It will nevertheless always be essential to guarantee that the transition will be gradual and without interruption and not aggravate social and cultural exclusion.

3.4 Users are also likely to need clarification of the copyright issues involved in free access facilities to neighbouring countries' free-to-air/public service channels, so that, in that area, they are not put at a disadvantage vis-à-vis digital technology. Specific copyright issues are being dealt with separately by another study group.

3.5 With regard to new services, the Committee agrees that it is important that the public authorities encourage the availability of added-value content on TV networks, by, for instance, ensuring that public information is increasingly available. In that connection, however, it is also important to stress the importance of technological neutrality, as regards, for instance, the links between traditional mass communications and new mobile services.

3.6 This is also of crucial importance for future spectrum allocation/assignment.

3.7 It is important to establish new business models which, inter alia, secure the balance between free-to-air and pay services in future digital TV broadcasting. That also means giving the public service an appropriate role tailored to the changes in market conditions and social circumstances triggered by technological developments regarding the spectrum, where European-wide cooperation is particularly necessary, especially as regards the coordination of frequencies and information exchange, to which point the Council has already alerted the Commission ⁽²⁾.

4. Conclusions

4.1 The switchover from analogue to digital broadcasting has crucial implications for social, political and industrial development.

4.2 Policy intervention may encourage switchover and must ensure fairness and transparency so that the public and users understand what is going on. The national authorities play a key role in this process and EU coordination is also important.

4.3 Sustainable business models should be put in place in order to ensure a balance between free-to-air and pay services in future digital TV broadcasting. In that connection, it is important to remember the proven viability so far of the 'European model', which involves a mix of free-to-air/public service broadcasting and pay services, but which is being challenged by new market conditions and technological developments.

4.4 It is therefore deemed to be vital that public interests be coordinated at EU level so as to secure the proportionality of any intervention and ensure that it is kept to the strict minimum needed to achieve those social objectives and others relating to price accessibility and the universality and continuity of public audiovisual service provision.

Brussels, 26 February 2004.

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⁽²⁾ Conclusions of the Council and of the representatives of the Governments of the Member States, meeting within the Council of 26 June 2000, concerning the communication from the Commission on principles and guidelines for the Community's audiovisual policy in the digital age (OJ C 196 of 12/07/2000 p. 1, 13th whereas).