

## **ON DIGITAL TELEVISION (DT)**

### **Frequently asked questions**

#### **1. Is EETT an independent authority or a regulatory authority and which are its competencies in the field of digital television?**

EETT has an explicitly statutory dual role, as an independent administrative authority (Article 6, Paragraph 2, of Law No. 4070/2012) and is the national regulatory authority on matters of electronic communications, networks and services (Article 6 Paragraph 1, of Law no. 4070/2012). In this dual capacity, EETT conducted the bidding procedure for the licensing of the private digital television network provider – i.e., the signal carrier of the private TV stations - as it was determined by a relevant ministerial decision. Greek law stipulates that in this case EETT expresses opinion but then implements whatever decisions are taken by the legislator and the Ministry of Infrastructure.

#### **2. Is EETT under control or not?**

EETT, as an independent administrative authority, is subject to judicial and parliamentary scrutiny and is also controlled by the administrative courts (Administrative Court of Appeals, the Council of State, the Court of Audit) and by the competent committees of the Greek Parliament. EETT as an independent authority is not subject to the hierarchical management of the Greek Public Administration. As the Greek Law explicitly states: "*EETT acts independently and neither seeks nor accepts instructions from any other body*".

#### **3. Is it legal to award an international procurement public contract, such as the one conducted by EETT for the DT network provider, to a single bidder?**

Yes, it is legal. The participation of a single interested party and the subsequent award to them of the contract is neither contrary to national law (see: *Jurisprudence of the Council of State CoS (secur.) 378/2009 and CoS Des. 33/2009, 1803/2008*) nor to European law (cf. ad hoc ad hoc response of the competent EU Commissioner on a question of the European Parliament on 13/10/2014).

#### **4. Is it legal for the network provider to be a different legal entity from the content providers i.e., the private television stations?**

Yes it is, because Law 4070/2012 (Article 80 paragraph 1) states so explicitly and clearly. This is also the case in other European countries, where the network providers may hold, shares of one or more TV channels and usually do so.

#### **5. Are there any regional network providers? Was there a tendering process for licensing the regional network?**

The Greek Ministry of Infrastructure, Transport and Networks and EETT proclaimed 13 regional network operator licenses in addition to the licensing of a national network provider, taking into account the existence of regional content providers and channels and in accordance with European practice. However, no interested parties claimed the regional licenses.

#### **6. Why was the national network provider obliged to rent the regional licenses at the opening price?**

Because, no one expressed an interest to become network provider in any of Greece's 13 regions. To avoid leaving the 107 regional and local stations in the country without network since the 800 MHz radiofrequency band was to be transferred to mobile telephony on 01-11-2014, the tendering process provided that if interested parties for the regional licenses do not claim the regional licenses, then the national provider would be obliged to deliver the service. This ensured that regional and local stations would continue to transmit their program. It also ensured pluralism, freedom of expression and information rights for local

communities. It also secured the full transition of Greece to digital broadcasting, which was an EU obligation.

**7. Why do prices for leasing spectrum radiofrequencies vary? Why, for example, the spectrum for broadcasting (frequencies for TV usage) has a value of almost twenty times lower than the range of frequencies for 4G mobile services?**

Spectrum pricing can be explained in terms of land and land purchasing values. Prices for instance of an acre plot in a rural area vary significantly compared to a plot downtown Athens (because of its potential use, the different construction factors, differences in demand, different values). The same applies to spectrum and the market value of each of its sections (range in MHz) depends mainly on the expected commercial benefit from its use. EETT has conducted many competitions for the assignment of rights to use commercial radiofrequency spectrum. The following table shows how different values may be:

| <b>Spectrum section</b> | <b>Range</b> | <b>Value</b> |
|-------------------------|--------------|--------------|
| 3.5 GHz                 | 60 MHz       | 2.542.000    |
| 2.6 GHz                 | 180 MHz      | 72.000.000   |
| 800 MHz                 | 60 MHz       | 309.114.000  |

Ακόμη λοιπόν κι αν απευθύνονται στην ίδια αγορά όπως στον παραπάνω πίνακα (υπηρεσίες κινητής τηλεφωνίας) οι τιμές διαφέρουν. Αυτό ισχύει πολύ περισσότερο όταν πρόκειται για διαφορετικές αγορές όπως στην περίπτωση του δικτύου μετάδοσης της ψηφιακής τηλεόρασης.

So, even if prices concern the same market, as it is the case on the table above, they still vary. This is particularly true when it comes to different markets as in the case of the digital television transmission network.

Για να γίνει αυτό πιο κατανοητό, στον παρακάτω πίνακα παρουσιάζονται τα συγκριτικά στοιχεία από τρεις ευρωπαϊκές χώρες:

To make this clear, the following table shows comparative data from three European countries:

| <b>Country</b>                                    | <b>Period of license leasing in 800MHz</b> | <b>(estimated) Value for the 800MHz in EUR</b> | <b>Period of the TV spectrum license leasing</b> | <b>(estimated) value for the TV spectrum in EUR</b> |
|---|--|--|--|---|
| <b>Greece</b>                                     | 15   | 309.000.000                                    | 15   | 18.600.000  |
| <b>Portugal</b>                                   | 15   | 270.000.000                                    | 15   | 8.100.000   |
| <b>Sweden (with a 15-year normalization plan)</b> | 15<br>(25)                                 | 190.500.000<br>(227.300.000)                   | 15<br>(2)  | 1.600.000<br>(355.600)                              |

**8. What is population coverage vs geographical coverage? In which cases does it apply? Which is the norm in the rest of Europe?**

Population coverage is the technical term used in all tendering procedures of spectrum allocation regardless of the service provided. Population coverage corresponds to the radio

coverage of areas which are either inhabited or accessible to humans by road. Especially in countries where there is much insular territory, geographic coverage of the sea surface is meaningless. In the following sample of 11 European countries, population coverage was the necessary condition for state and private digital broadcasting networks.

| Country         | Method of coverage                              |
|-----------------|---|
| Greece          | By population                                   |
| Germany         | By population                                   |
| Spain           | By population                                   |
| Finland         | By population (but only in continental Finland) |
| France          | By population                                   |
| Italy           | By population                                   |
| The Netherlands | By population                                   |
| Poland          | By population                                   |
| Sweden          | By population                                   |
| United Kingdom  | By population                                   |
| Portugal        | By population                                   |

**9. Why did the Greek government designate, by issuing a relevant Joint Ministerial Decision, that the population coverage of the private network operator should be 96.2%? Is it because it was not requested by the provider to go beyond 96.2% and cover the whole of Greece?**

The designated by a Joint Ministerial Decision population coverage rate for the private networks through 156 broadcasting centers is among the highest in Europe, while the average coverage for private networks in 11 countries is 91.6%.

| Country | State provider | Private | Cable | Peripheral | Method of coverage                              |
|---------|----------------|---------|-------|------------|---|
| Greece  | Everywhere     | 96,2%   |       | 96,2%      | By population                                   |
| Germany | 80%            | 80%     | 80%   | 80%        | By population                                   |
| Spain   | 98%            | 96%     |       | 96%        | By population                                   |
| Finland | 99,6%          | 90%     |       |            | By population (but only in continental Finland) |

|                        |   |                |                |                |               |
|------------------------|---|----------------|----------------|----------------|---------------|
| <b>France</b>          | At least 95%  | 91%            | 85%            | Not obligatory | By population |
| <b>Italy</b>           | What was covered by the previous analog broadcasting system | 90-80 %        |                |                | By population |
| <b>The Netherlands</b> | Not obligatory  | Not obligatory | Not obligatory | Not obligatory |               |
| <b>Poland</b>          | 95%   | 95%            | 80%            |                | By population |
| <b>Sweeden</b>         | 98%   | 98%            | 98%            |                | By population |
| <b>United Kingdom</b>  | 98,5%   | 90-73%         |                |                | By population |
| <b>Portugal</b>        | 92,7%   | 92,7%          |                |                | By population |

**10. Does that mean that remote areas will not be able to watch private television channels?**

Of course they will. The problem is not new. In the last 40 years that television exists, some municipalities that face difficult local conditions and needs have taken care in cooperation with either private TV stations or with ERT to install and maintain short-range gap fillers. No private frequency network can cover 100% of the population - it's like saying that motorways should cross all the mountains and gorges of Greece or that boats should anchor daily in every port of each single island in the country. Moreover, in Greece the obligation for universal population coverage of television broadcasting belongs to the public network, i.e., ERT with the same compensation rate and an obligation of 98% coverage in accordance with the European Broadcasters Union (EBU) as well as with Article 2, Paragraph 5 of Law 4324/2015 that states: "ERT SA geographically covers the whole of the territory ...".

**11. How problems regarding transmitters and population coverage can be solved?**

Firstly, digital coverage is much greater than the one achieved with analog TV networks. Any additional coverage will be achieved by EETT in cooperation with the municipalities, the ministries and the network provider. It is neither administratively simple nor cost-free and circumstances vary. In other countries, supplementary satellite reception has been implemented. Elsewhere, regional stations undertake the cost of signal transmission.

**12. Is digital broadcasting of public television ensured?**

Public television (Law 4070/2012) has been designated as the state network provider for its own channels, the channel of the Hellenic Parliament and the foreign news channels. Pursuant to that law, a 2013 joint ministerial decision on public television awarded for free 16-channel single definition frequencies (or 8 HD channels) to the national network operator.

**13. Could ERT participate in the tendering process for the digital TV network provider?**

Public television is not related to the tender for the individual network provider - and this because Law 4070/2012 provided that ERT will use frequencies free of charge as the national network provider for its own channels, the channel of the Hellenic Parliament and the foreign-language news stations. Simultaneously, that law excluded ERT from participating in the network provider scheme for private television stations. So, according to Law 4070/2012, ERT could not take part in the tendering process.

**14. Did the closure of ERT affect its ability to participate in the tendering process for the DT network provider?**

No, it did not affect its participation since, as it was shown above, ERT was excluded by law from being a network provider of private stations.

**15. Is ERT able today to act as network provider of private stations?**

Yes, because the new Law 4324/2015 provides this possibility.

**16. What is the Predefined Ceiling Price (PCP) and why use it?**

The PCP is a billing price limit of the network provider for a private television station, national or regional, that exists as a term in the contract between the network provider and the state. The network provider may not pass this limit when charging its customers i.e., television stations for carrying their signal. In other words the state, via EETT, puts a ceiling price to the network provider. The network provider is subject to a tariff so that it won't be able to abuse its position as the sole provider at the expense of the stations, especially the small and weak ones.

**17. Why EETT amended an article of the contract after the tendering process was finalized?**

Because the contract itself contained a relevant provision, i.e., for an amendment to be put in place if certain conditions required so, a practice that is necessary in any contemporary contract with technical content. These conditions were present when no interested parties appeared in the tendering process for the regional network providers' licenses so the regional licenses were necessarily rented to the national network provider. So, inevitably the methodology and parameters of the tariff were changed in relation to the involvement of each of the stations - not on the total amount to be paid by private TV stations - so that new conditions would not impose prohibitive signal transportation costs for any regional station. In scientific terms, the amendment reads: *dispersion and price ranges among the 13 regional areas were decreased*. In summary: The total cost of signal transportation which is described in the contract did not change. Improvements in the method of allocating costs of transportation between regional stations were made. For this modification, a public consultation was held beforehand, during which each regional station had the opportunity to post its comments.