

Government decision – Review of the decision on network licences for the digital terrestrial mass communications network

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NETWORK LICENCE SUBJECT TO THE DECISION

The licence granted to Digita Oy on 10 November 2016 for providing network services in multiplexes B, C and D in the UHF band of the digital terrestrial mass communications network.

DECISION

The Government will not change the licence granted to Digita Oy on 10 November 2016 for providing network services in multiplexes B, C and D in the UHF band of the digital terrestrial mass communications network.

REASONS FOR THE DECISION

1. Background information

The Government granted the licence to Digita Oy for providing network services in multiplexes B, C and D in the UHF band of the digital terrestrial mass communications network on 10 November 2016. The network licence is valid from 17 May 2017 to 10 January 2027.

The licence includes requirements as to the coverage of each multiplex. The licence holder had to construct a network complying with the operating licence so that by 17 May 2017 the network in multiplex B covered at least 85 per cent, in multiplex C at least 90 per cent and in multiplex D at least 80 per cent of the population in mainland Finland.

In terms of multiplex B, the licence includes a so-called review obligation. By virtue of section 17 of the Act on Electronic Communication Services, the Government may, when necessary during the licence term, alter the population coverage requirement in multiplex B, if it is estimated that the market situation in terrestrial television broadcasting so requires. The Government will review the population coverage requirement of multiplex B and the related special terms by 31 December 2018.

The network licence also includes conditions for the distribution and packaging technology. According to the licence, the licence holder must use DVB-T2 distribution technology and MPEG-4 packaging technology when broadcasting in multiplex B. In multiplexes C and D, it is up to the licence holder to decide the distribution and packaging technology to be used in the antenna television network. By virtue of Section 17 of the Act on Electronic Communication Services, the Government may alter the distribution technology defined in the licence, while the licence is in force, if so required by the market situation or the technological development, for example. The Government will review the distribution and packaging technologies of multiplex D by 31 December 2018.

2. Legislation

In accordance with subsection 1 of section 6 of the Act on Electronic Communication Services, a licence is needed to provide a network service that uses radio frequencies in a digital terrestrial mass communications network.

According to subsection 2 of section 16 of the Act, a definition of the network coverage area and the geographical operating area of the telecom operator may be included in the network licence. According to subsection 3 of section 16 the following terms may be incorporated into a licence:

- 1) requirements promoting the aims in section 1; 2) terms supplementing the requirements in section 243 or technical regulations of Ficora specified in section 244 concerning the technical characteristics of communications networks or the efficient use of frequencies; 3) terms that concern the amount of capacity reserved for a programming licence holder or cooperation between programming licence holders in matters relating to capacity distribution or electronic programme guides; 4) terms on the broadcasting technology or encryption of broadcasts; 5) terms regarding the obligation of a licence holder to eliminate any interference caused by its operations to other radio communications complying with the regulations and to compensate the affected parties for the costs they incur in the process of eliminating such interference.

According to subsection 1 of section 17 of the Act, alterations may be made to a network licence while it is in force, if this is necessary due to technological development, international contractual obligations, operating conditions of an activity subject to licence, a change in market conditions or some other fundamental change. Such alterations may be made with the consent of the licence holder and also otherwise.

By virtue of section 24 of the Act, it is the licensing authority's responsibility to ensure that the Finnish Broadcasting Company Ltd (Yleisradio Oy) obtains for its public service operations the necessary transmission capacity of the terrestrial television network and is able to use it appropriately.

In accordance with section 7 of the Act on Yleisradio Oy (1380/1993), the Finnish Broadcasting Company is responsible for providing versatile and comprehensive television and radio programming with the related additional and extra services for everyone under equal conditions. These and other content services related to public service may be provided in public communications networks nationally and regionally.

According to subsection 3 of section 26 of the Act on Electronic Communication Services, one condition for granting a programme licence for public interest television broadcasting is that the broadcasts are available throughout Finland with the exception of the Region of the Åland Islands. In accordance with subsection 8 of that section, it is the licensing authority's duty to oversee that adequate terrestrial television capacity necessary for the broadcasting is available for the public interest programming licence holder.

3. Review of the licence terms and conditions

3.1 Population coverage requirement in multiplex B

According to the licence granted to Digita Oy, the population coverage requirement is at the moment 85%. In accordance with the licence and by virtue of section 17 of the Act on Electronic Communication Services (917/2014), the Government may, when necessary during the licence term, alter the population coverage requirement in multiplex B, if it is estimated that the market situation in terrestrial television broadcasting so requires.

When setting the population coverage requirement, it was estimated that it might be necessary to increase it to 100%, if during the licence term broadcasts in multiplex B included contents that should reach the entire population. Presently, all content in antenna television network aimed at the entire population can be distributed in multiplex A that has a coverage requirement of 100% of people in mainland Finland. So far, programme operators have not expressed a need for distribution across the country in multiplex B.

The Government estimates that no such changes have taken place in the market situation of terrestrial television broadcasting that would call for alterations in the population coverage requirement or the related special terms.

3.2 Requirement concerning the distribution and packaging technologies in multiplex D

In accordance with the network licence granted to Digita Oy, in multiplex D it is up to the licence holder to decide the distribution and packaging technology to be used in antenna television network. By virtue of Section 17 of the Act on Electronic Communication Services, the Government may alter the distribution technology defined in the licence, while the licence is in force, if so required by the market situation or the technological development, for example.

Currently, no programmes are distributed in multiplex D.

The Government estimates that no such changes have taken place in the market situation or technological development of terrestrial television broadcasting that would call for alterations in the requirement concerning the distribution and packaging technology.

DECISION

The Government will not change the licence granted to Digita Oy on 10 November 2016 for providing network services in multiplexes B, C and D in the UHF band of the digital terrestrial mass communications network.