

Interoperability of Car Radio Devices

Implementing Article 113 of the European Electronic Communications Code (EECC) with regard to the interoperability of car radio receivers

Response to Consultation Document

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1. Foreword

Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code ('EECC') entered into force on the 20 December 2018. Member States have two years to incorporate it into national law, except where specifically mentioned.

Radio is an important medium through which citizens access a diverse range of information, news and entertainment services. The EECC introduces provisions on the interoperability of car radio devices in Article 113. For other radio devices intended for consumers, additional measures may be adopted by Member States. The aim of the regulation is to encourage more widespread use of digital radio services across Europe. Article 113 of the EECC requires that any car radio receiver integrated in a new vehicle of category M² which is made available on the market for sale or rent in the European Union as from the 21 December 2020, to be capable of receiving digital terrestrial radio.

In October 2019 the MCA published a consultation document³ on a proposed amendment to the Electronic Communications Networks and Services (General) Regulations, S.L. 399.28⁴ ('the Regulations') in order to implement the provisions set out in Article 113(1) of the EECC regarding the interoperability of car radio devices. Views on whether additional measures should be introduced for other radio devices intended for consumers (not only based on equipment requirements for car radios but also extending the range of possible reception channels, including, among others, the reception of internet radio) were also welcome.

The amendment to the Regulations is intended to provide legal clarity to the effect that, any car radio receiver integrated in a new car (category M) which is made available on the market for sale or rent in Malta from 21 December 2020 shall comprise a receiver capable of receiving and reproducing at least radio services provided via digital terrestrial radio broadcasting of type DAB+.

Digi B Network Limited (hereinafter referred to as 'Digi B') and the GRTU Malta Chamber of SMEs (hereinafter referred to as 'GRTU') submitted their views to the consultation.

On the basis of the consultation and the responses received, the MCA submitted to the Minister responsible for communications a report on the consultation together with the proposed amendments to the Regulations as reflected in **Appendix 1** (Proposed Amendment to the Regulations) of the consultation document. This document provides the salient points of the feedback provided by the respondents to the views and proposals raised in the consultation and the MCA's reflections on the feedback provided. The amendments to the Regulations were published by Government on the 21st April 2020 via Legal Notice 151 of 2020.

¹ https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L1972&from=EN

² Category M vehicles are motor vehicles having at least four wheels and are for the carriage of passengers.

³ https://www.mca.org.mt/consultations-decisions/interoperability-car-radio-devices

⁴ http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=10563

⁵ <u>LN 151 of 2020</u> - Electronic Communications Networks and Services (General) (Amendments) Regulations, 2020



2. Consultation Proposals - Interoperability of Car Radio Devices

This section outlines the MCA's proposed approach to implementing the provisions on the interoperability of car radio devices as reflected in Article 113 of the EECC and its consultation document.

2.1 Implementation of European Requirements - Car radio receivers

In line with the EECC any car radio receiver integrated in a new vehicle of category M which is made available on the market for sale or rent in the European Union, as from 21 December 2020, shall comprise a receiver capable of receiving and reproducing at least radio services provided via digital terrestrial radio broadcasting.

Receivers which are in accordance with harmonized standards, the references of which have been published in the Official Journal of the European Union, or with parts thereof, shall be considered as being compliant with that requirement covered by those standards or parts thereof.

The EECC ensures that car drivers across the EU will have access to the various benefits presented by digital terrestrial radio technology - including an increased number of radio stations to choose from, more consistent audio quality and enhanced data services. In Europe the most common form of digital terrestrial radio is DAB/DAB+. The use of DAB+ is widespread and by far the dominant technology used in EU Member States for digital terrestrial radio broadcasting. In Malta a DAB+ network and related services is available nationwide.

The proposed amendment to the Regulations implements the obligation to ensure the interoperability of car radio devices arising from Article 113(1) of the EECC,⁶ and serves to encourage more use of digital radio in Malta.⁷ The proposed amendment is based on the wording of Annex XI(3) of the EECC, which requires the receiver to enable, at a minimum, the transmission and reception of radio services transmitted via digital terrestrial broadcasting.

To ensure compliance with the requirement of the EECC any car radio receiver integrated in a new vehicle of category M which is made available on the market for sale or rent in Malta as from 21 December 2020 shall comprise a receiver capable of receiving and reproducing at least radio services provided via digital terrestrial radio broadcasting of type DAB+.

In addition to the interoperability of car radio devices, Article 113(2)⁸ of the EECC provides Member States with the opportunity to introduce measures to ensure interoperability for certain other radio

⁶ Article 113(1) of the EECC states that Member States shall ensure the interoperability of car radio receivers and consumer digital television equipment in accordance with Annex XI.

⁷ A survey by the <u>Broadcasting Authority in November 2019</u> (page 38) noted that 72.3% of the population are regular radio listeners. 69.3% of the population do not have a DAB+ radio whilst 13.1% stated they had a DAB+ radio. In a similar survey carried out in October 2018 70.6% of the population did not have a DAB+ radio whilst 13.3% stated that they had a DAB+ radio.

⁸ Article 113(2) of the EECC states that Member States may adopt measures to ensure the interoperability of other consumer radio receivers, while limiting the impact on the market for low-value radio broadcast receivers and



devices intended for consumers, whilst limiting the impact on the market for low-value radio broadcast receivers.

In its consultation document the MCA did not propose measures concerning the interoperability of other consumer radio devices (in addition to car radio devices) whereby such devices must contain a receiver that allows for, as a minimum, the transmission and reception of digital radio services. The MCA noted that it will however keep under review the adoption of digital radio devices by consumers in Malta and may, if deemed necessary, consider additional measures to encourage more widespread use of digital radio services in Malta.

ensuring that such measures are not applied to products where a radio receiver is purely ancillary, such as smartphones, and to equipment used by radio amateurs.



3. Responses to the Consultation

This section outlines the respondents' views on the consultation and the comments made by the MCA.

3.1 Interoperability of Car Radio Devices

Respondents' Views:

Digi B welcomed the proposed regulation on the interoperability of car radio devices and considered that the proposed regulation provides a clear direction and inspires confidence in the DAB+ technology.

Digi B commented that surveys over the last years have indicated rapid growth in the use of the DAB+ service in Malta together with users claiming a high level of satisfaction. Digi B noted that as at July 2019 the number of users of DAB+ stood at 15.1% of the population (i.e. around 70,000 consumers). Digi B noted that it was the first to launch the DAB+ platform in Europe and since then the deployment of various DAB+ platforms in Europe have gathered pace. Digi B remarked that a number of countries have either decided on an analogue cut-off date or set targets.

Digi B noted that the number of car models with a DAB+ as standard is increasing. Digi B commented that there is a wider choice of content available on the local DAB+ platform when compared to national local FM platforms and that the DAB+ platform offers superior coverage when compared to local national FM coverage.

Digi B argued that it is reasonable to assume that the DAB+ technology will experience further growth and the need for adequate legislation is necessary to safeguard the interests both of the consumers and those of the broadcasters, who are investing in the technology. Proper legislation will give the latter a degree of comfort embracing DAB+ as an important part of the hybrid future of radio.

Digi B noted that over the past years they have been faced with situations where consumers have been misled into believing that the digital radio they purchased was DAB+ compatible. Digi B noted that consumers are nowadays more aware of the difference, however such incidents are still common.

Digi B recommended that in addition to the requirement of new cars placed on the market for sale or rent, the following legislation should be introduced:

- Auto dealers should be required to properly indicate whether the installed digital car radio is actually DAB+ compatible. This is deemed important as the proposed legislation has no effect on the sale of second-hand cars.
- Second hand cars originating from the UK must clearly indicate whether the car stereo is DAB+.
 Whilst nowadays all DAB car stereos are DAB+ compatible, this was not the case for some UK models manufactured as late as 2015.
- Aftermarket stereos should be covered by this new regulation. Digi B argued that it makes no sense to enforce new cars with DAB+ and then allowing aftermarket car stereos to be analogue only.



The GRTU noted that its response to the consultation has been compiled as a result of an internal consultation with the Transport Lobby Group, mainly involving Car Importers and Car Rental and Leasing operators. The GRTU noted that a number of suggestions, passed on during preceding meetings with Transport Malta, have already been incorporated and that this response is being presented in reaction to a presentation given to GRTU members together with the document published for public consultation.

The GRTU noted that the aim of the consultation document is to propose an amendment to the regulations in order to provide legal clarity to the effect that, as from 21 December 2020, any car radio receiver integrated in a new car (category M) made available for sale or rent in Malta must be equipped, as a minimum, with a DAB+ radio device.

The GRTU however argued that the consultation does not clearly specify the legal obligations of vehicles already in circulation before the 21 December 2020. Members coming from the car rental and leasing industry are concerned in the scenario that this regulation binds operators to retrofit current fleets would be a huge burden to fleet owners which would negatively impact the industry. This is in view of the fact that several vehicles have been and will be purchased before the effective date. Moreover, current vehicles on sale in the local market, still do not offer the possibility to include a DAB+ radio as an option. In addition, GRTU argued that this will particularly negatively impact both small fleet operators but also large fleet operators with hundreds of vehicles in their fleet.

In view of the above reasoning the GRTU commented that the sector recommends that in the case of rented vehicles, an extension is given for operators to be able to roll out vehicles purchased before the 21 December 2020. In this regard, category M vehicles made available on the marker for sale from the 21 December 2020 onwards will be required to be equipped with a DAB+ radio. On the other hand, the effective date for rented vehicles would be extended by a further 5 years.

GRTU commented that through the above proposal one would ensure that the scope of the regulation is met and that car drivers across the EU will have access to the various benefits presented by digital terrestrial radio - including an increased number of radio stations to choose from, more consistent audio quality and enhanced data services. GRTU argued that local car fleet operators should be given enough time to effectively implement this regulation without negatively impacting their operation. GRTU believes that the above proposal is essential in order to ensure that the regulation achieves its aims, while ensuring that no additional burdens are imposed on members in the industry.

Comments by the MCA

The MCA clarifies that there is no obligation for cars in circulation before 21 December 2020 having an integrated car radio receiver to be, as a minimum, DAB+ compatible. The EECC adopted in December 2018 established that any car radio receiver integrated in a new vehicle of category M which is made available on the market for sale or rent in the European Union as from 21 December 2020 (i.e. two years from the adoption of the EECC) shall comprise a receiver capable of receiving and reproducing at least radio services provided via digital radio broadcasting. Automotive manufactures will have to include the facility to receive digital terrestrial radio in a new car having an integrated car radio. In Europe the most common form of digital terrestrial radio is DAB/DAB+.



The MCA will raise awareness among new car importers on the requirement that a car radio receiver integrated in a new vehicle of category M, which is made available on the market for sale or rent as from the 21 December 2020, must comprise a receiver capable of receiving and reproducing at least radio services provided via digital terrestrial radio broadcasting of type DAB+.

The MCA recognises that consumers purchasing second hand cars should be aware on whether the car radio integrated in the vehicle provides only analogue radio, or includes a DAB+ receiver, or provides a digital radio terrestrial technology that is not available in Malta. Consumers purchasing aftermarket stereos should also be aware on whether the car radio provides for DAB+ services.

The MCA believes that awareness raising is an effective means for consumers to be more knowledgeable on the available digital radio technologies, coupled with the benefits that such technology provides. The MCA will raise awareness among consumers on how to recognise the different types of radio devices that may be integrated in second hand vehicles or when purchasing aftermarket car radios. The MCA will also encourage auto dealers selling second hand cars and retailers of aftermarket car radios to properly indicate whether the car radio is DAB+ compatible.

The MCA will, following awareness raising, assess whether there is the need to propose legislative measures for aftermarket radios to include as a minimum DAB+ from a set date, apart from in-car receivers which must comply with law as from 21 December 2020. The MCA will also assess whether the mandate for the installation of digital radio connectivity in all new cars of category M should be in the future extended to commercial vehicles.

3.2 Domestic Radio Receivers

Respondents' Views

Digi B noted that whilst a number of car manufactures have already introduced DAB+ as standard across the whole range of models, there is less clarity when it comes to domestic receivers. The confusion between a digital radio and a DAB+ radio is more pronounced. Countries who have adopted DAB+ much later than Malta have adopted similar laws enforcing DAB+ in domestic receivers. Digi B argued that the same rules that apply to new vehicles should also cover domestic radio receivers.

Digi B commented that it feels that there is a false impression that the indoor consumption of radio services is done primarily online. Digi B believes that such a conclusion cannot be further from the truth and indoor reception of radio services via broadcast technologies is still dominant.

Digi B noted that there are currently 14 national FM stations requiring a whole complex in Gharghur and the energy required to broadcast these stations, including cooling is about 65KW. In a DAB+ environment these channels can fit in one multiplex and in one room requiring less than 12Kwatts with much better coverage. Digi noted that the argument for facilitating migration towards DAB includes a green dimension given the reduce carbon footprint.

In its response to the consultation Digi B noted the following:

The availability of good quality low price DAB+ radio: they now retail for as low as €16.



- The adoption of this rule by other European countries for domestic receivers will definitely push down the price of DAB+ radios even further.
- Expensive analogue radios are still commonly available. Such receivers will not be able to receive all the local services if most of the latter will be on the DAB+ platform.
- It is common that domestic digital radios are being mistaken for DAB+ radios.
- On average, reception of DAB+ services is superior to the national FM services and this is set to improve with the expansion of the SFN.
- The amount of local radio services available exclusively on the DAB+ platform is set to increase.
- A number of countries are introducing legislation that covers domestic receivers and there is the risk that non-compliant receivers might be dumped into countries that do not have similar legislation in place.

As a result, Digi B proposed the following measures for domestic receivers:

- The same legislation for integrated car receivers should cover domestic receivers even if not concurrently since this sends a strong message in support of the DAB+ technology.
- At least domestic receivers on sale that are not DAB+ compatible must be clearly labeled.
- Domestic receivers imported from the UK must clearly indicate whether they are DAB+ compatible. The problem for domestic receivers is more pronounced since a good majority of UK brands are not DAB+ compatible.

Comments by the MCA

In its consultation document the MCA did not propose measures concerning the interoperability of other consumer radio devices (in addition to car radio devices) whereby such devices must contain a receiver that allows for, as a minimum, the transmission and reception of digital radio services. The MCA noted that it will however keep under review the adoption of digital radio devices by consumers in Malta and may, if deemed necessary, consider additional measures to encourage more widespread use of digital radio services in Malta.

The MCA believes that awareness raising is an effective means for consumers to be more aware on the benefits of digital radio technology. The MCA will raise awareness among consumers on better understanding digital radio technology so that they are aware of the benefits of such technology and what to look for when purchasing a consumer radio.

The MCA will, following awareness-raising, assess whether there is the need to propose legislative measures whereby domestic radios (or specific type of domestic radio e.g. receivers that display multimedia content) placed on the market must be able to receive, as a minimum, DAB+ from a set date, apart from in-car receivers which have to comply with law as from 21 December 2020.