

DigiTAG Web Letter, January 2005

DigiTAG seeks to inform members and non-members about important developments in the digital terrestrial television market. Each month, DigiTAG distributes its web letter with news updates and information on upcoming DigiTAG activities. This month, we examine digital terrestrial television in France.

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The MPEG-4 controversy in France

In a digital switch-over approach unlike that of other countries, the French government has decided to launch free-to-air digital terrestrial television (DTT) services using the MPEG-2 standard while pay television and premium broadcast services will use the MPEG-4 standard. Free-to-air services are set for launch in March 2005. It is likely that the date for the launch of pay television services will be delayed until Spring 2006.

The debate surrounding the merits of the MPEG-2 standard versus the MPEG-4 standard created much controversy in France. The decision taken by the French government highlights the impact of this debate.

Digital switch-over begins

The enactment of the Broadcasting law in August 2000 set up the legal framework for digital terrestrial television services. In July 2001, the Conseil supérieur de l'audiovisuel (CSA), the French broadcast regulatory agency, opened the tender procedure to private broadcasters for DTT licenses and received 65 programme channel requests by the March 2002 deadline. However, it was not until June 2003 that the CSA formally issued the licenses.

Beginning in Spring 2002, however, doubts about the proposed process for digital switch-over appeared. Some private broadcasters openly expressed their hostility for the launch of DTT in France, perhaps fearful of the negative impact that it could have on their advertising revenue. Others questioned the feasibility of the DTT project.

Mindful of the controversy, the new government elected in June 2002 decided to halt the momentum building towards the DTT launch with a period of delay in order to better assess the situation. Having received a memorandum from the CSA requesting clarification on several points (1), the government tasked Michel Boyon, a former president of Radio France, to draft recommendations on the implementation of digital terrestrial

DTT News Round-up

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Spain - National DTT launch in Autumn 2005?

The government has unveiled a new plan to foster DTT in Spain. By facilitating the development of DTT, the government hopes allow for 20 digital terrestrial programme channels to be available nation-wide autumn 2005. As part of the plan, the deadline for analogue switch-off will be brought forward from 2012 to 2010.

To increase investment in DTT, the plan will enable media companies to invest in both analogue television channels as well as in digital television channels during the transition period. The plan also encourages competition in the cable television sector.

These measures will require parliamentary approval.

Source: [La Nueva España](#)

China designs digital television chip

television.

In October 2002, Michel Boyon submitted the first part of his report while the second part followed in February 2003 (2). The report timetable suggested that DTT would not begin until the end of 2004. With the DTT launch inevitable, the debate focused on the services to be offered on the digital terrestrial television networks.

HDTV in France?

Private broadcaster TF1 called for the launch of digital terrestrial television in high-definition (HD). In a presentation to analysts in February 2004, the group stated that "only HDTV legitimises the launch of DTT" since HDTV provides the necessary "added-value to DTT." (3)

The Minister of Industry, Patrick Devedjian, joined the fray by supporting the launch of HDTV on the terrestrial network. This led to speculation that HDTV could be launched on the DTT network using the less spectrum-intensive MPEG-4 compression standard rather than the MPEG-2 standard. The Hubert report, commissioned by Mr. Devedjian, called for the use of the MPEG-4 standard (4). Published in October 2004, it stated that MPEG-4 could better allow for the evolution towards new services such as mobile television and HDTV. The report also called for the launch of DTT in September 2005 so that MPEG-4 set-top boxes could be made available. Some feared that this was a ploy to further delay the launch of DTT.

However, the CSA took to the offensive. In two letters sent to the Prime Minister Jean-Pierre Raffarin, the CSA detailed its support for the launch of DTT using the MPEG-2 standard. Three key reasons were given against the use of the MPEG-4 standard: it would be *prematuré* since set-top boxes would not be ready in time of the March 2005 launch, *inopportun* since it would create a situation of uncertainty and *lourd de conséquences* since it would create difficulties between broadcasters should they decide to launch using different standards (5).

Meanwhile Daniel Boudet de Montplaisir, a government official, issued his report to the Prime Minister on HDTV for the terrestrial television market (6). The report recommended the scheduled DTT launch to take place in March 2005 using the MPEG-2 standard. However, it also recommended using MPEG-4 in a trial multiplex not yet attributed by the CSA. The report affirmed that HDTV should be accessible via all broadcast mechanisms, including terrestrial television.

Finding a solution

The Prime Minister, Jean-Pierre Raffarin settled the dispute. In November 2004, he stated that free-to-air digital terrestrial television services would be launched as planned in March 2005 using the MPEG-2 standard. The Prime Minister thus followed the recommendation made by the CSA.

In late December 2004, however, the Prime Minister, against the recommendations of the CSA, opted for the use of the MPEG-4 standard for the pay television broadcast services. The Prime Minister noted that by using the MPEG-4 standard for the pay DTT platform, resources could be made available for other digital television services such as regional programming, HDTV and DVB-H.

Fudan University in Shanghai has developed the first Chinese digital television chip known as "Zhongshi No. 1". The chip was developed in collaboration with two Chinese companies - Grace Semiconductor Manufacturing Corporation and Semiconductor Manufacturing International Corporation.

According to the developers, Zhongshi No. 1 is based on China's DMB-T standard and has outperformed European and US standards for experimental broadcasts of digital TV in terms of definition.

According to official statistics, China has more than 370 million TV sets and an average 40 million sets are sold each year. China plans to broadcast the 2008 Beijing Olympics with digital TV and to popularize digital TV nationwide by 2015.

Source: [Xinhuanet press agency](#)

Italian DTT football to kick off in January 2005

Telecom Italia Media has said its digital TV broadcasts of Italian Serie A football will begin on January 22.

The pay-per-view service will be transmitted in the digital multiplex of the La 7 TV Network. The company holds the rights to the home matches of Cagliari, Palermo, Fiorentina, Chievo, Lecce, Reggina, Brescia, Bologna, and Parma.

It is expected that pre-pay cards will be made available from January 15.

Source: [Broadband TV News](#)

Feasibility issues, such as the use of two different standards by two different operators sharing the same multiplex, will need to be resolved. While pay DTT services were initially scheduled for launch in September 2005, this launch is expected to be delayed until Spring 2006.

The upcoming free-to-air launch

Optimism remains that free-to-air digital terrestrial television will be launched in March 2005. The pre-launch of DTT services is expected to begin on 15 January 2005 at the Eiffel Tower.

In the initial phase, 17 transmission sites will provide 35% of the population with access to DTT services. Coverage areas will gradually increase. In September, coverage is expected to reach 50% of the population followed by 65% coverage by March 2006. By 2007, it is expected that 80% of the population will have access to DTT services.

Viewers will eventually have access to a total of 29 programme services. Six programme services have been allocated to public broadcasters. Initially, 15 programme services were allocated for pay television while 14 programme services were allocated for free-to-air television. However, this mix may change. Following the revocation of 5 pay television licenses and 1 free-to-air television license, the CSA has issued a new call for tenders. It has not yet been determined if the licenses will be free-to-air, pay TV or a combination of the two.

While six multiplexes are to become available throughout the country, so far only five multiplexes have been allocated for DTT programming. The sixth multiplex, originally reserved for public broadcasters, has stirred debate on the services that it should provide. While some favour its use for DVB-H trials, others recommend its use for regional programming. Regardless of the final allocation of this multiplex, it will not affect the launch of DTT services in March 2005.

1. The CSA requested clarification on three key points: the financing of the frequency re-organisation, the role of public service broadcasters and the condition for the development of regional programming.
2. The Boyon report can be found online: <http://www.ddm.gouv.fr/actualites/84.html>
3. TF1's analyst presentation can be found online: <http://www.tf1finance.fr/presents.htm>
4. The Hubert report can be found online: <http://www.industrie.gouv.fr/bibliotheque/docu/dossiers/ntic/pdf/tvnumeriquevf.pdf>
5. Two CSA letters can be found online:
http://www.csa.fr/actualite/decisions/decisions_detail.php?id=18405 and
http://www.csa.fr/actualite/decisions/decisions_detail.php?id=19425
6. The Boudet report can be found online: http://www.premier-ministre.gouv.fr/acteurs/rapports_12/television_numerique_haute_definition_51417.html

About DigiTAG

DigiTAG aims to encourage and facilitate the implementation and introduction of digital terrestrial television services using the Digital Video Broadcasting Project's Standard (DVB-T). It has some 60 members from broadcasting, network operators, regulatory, and

United Kingdom - Spectrum trading and liberalisation to begin

Ofcom has introduced spectrum trading to enable holders of Wireless Telegraphy Act licenses to transfer all or part of their rights and obligations under the licenses to another party.

Spectrum liberalisation, whereby licence holders can request a variation to certain licence conditions, will be implemented at the beginning of 2005.

Terrestrial television broadcast spectrum is not included in the Ofcom's policy towards spectrum trading and liberalisation.

Source: [Ofcom website](#)

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