

DigiTAG Web Letter, July 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 further exploration of one topic. This month, we examine DTT services in Spain.

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DTT services in Spain: Ready for a re-launch

Plans are underway for a re-launch of digital terrestrial television (DTT) services in Spain. With a new DTT plan tentatively agreed by government officials and broadcasters, it is likely that new DTT services will be launched on the national level in time for Christmas 2005.

As part of the new DTT plan, viewers will have access to 20 national television service programmes as well as interactive data services, all on a free-to-air platform. When including the services available on the regional and local DTT platforms, some viewers will be able to access over 30 television programme services.

However, the process leading to this launch has been marred by difficulties in Spain.

A first attempt

In launching its DTT services in May 2000, Spain became one of the first digital terrestrial television adopters in Europe. Using a pay television business model, Onda Digital, known under the commercial branding of Quiero TV, provided subscribers with access to 14 pay television programme services. In 2002, broadcasters on the terrestrial analogue platform, Antena 3, Canal+, RTVE and Telecinco simulcast their services on the DTT platform. All but Canal+ provided free-to-air services. Two new broadcasters, Net TV and Veo TV, launched free-to-air DTT services.

However, Onda Digital collapsed in June 2002. Unable to compete effectively with the services offered by cable and satellite operators and the victim piracy, Onda Digital lacked a sufficient number of paying subscribers. In the first year, the subscription rate stagnated at just over 200,000 before falling to 80,000 in early 2002. Further compounding its problems, Onda Digital overpaid for its television programmes while its management often clashed with shareholders over Quiero TV's strategy.

By April 2002, Onda Digital faced a severe financial crisis and, in

DTT News Round-up

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United Kingdom - Results of digital switch-over trial

Following the digital switch-over trial in Ferryside and Llansteffan, the government has published a report on the results. The report shows that the trial was a success and received overwhelming support from participants.

The report and accompanying research that the trial was achieved on schedule and without any major transmission issues. Other results include:

- 81% of trial participants were able to install their equipment without help from the trial team.
- Friends and neighbours have an important role to play in helping people switch to digital. - 99.2% of respondents to the end-of-trial questionnaire voted to keep digital television.
- New technology was embraced by all ages, with people over 90 years old using digital recording facilities.

Source: [Digital Television Project](#)

A second [report](#) was prepared based on research conducted on

June, stopped broadcasting its national services. After 15 consecutive days without broadcasting, the government revoked Onda Digital's DTT license due to breach of contract.

The national DTT platform thus diminished considerably. By mid 2002, viewers, mostly former Quiero TV subscribers, could only access the simulcast of the analogue terrestrial television channels as well as the new programmes offered by Net TV and VEO TV and the DTT services offered in several of the autonomous regions. However, this did not provide viewers with enough incentive to purchase DTT set-top boxes. To revive the DTT platform, the government could have immediately allocated the DTT licenses vacated by Onda Digital and launched a free-to-air service similar to Freeview in the United Kingdom. However, this did not happen.

A new impetus

Following the elections of March 2004, hope emerged that the newly elected government would give fresh impetus to the DTT platform. In December 2004, the government announced its intention to promote digital terrestrial television services in its Plan de Medidas Urgentes para el Impulso de la Televisión Digital Terrenal (urgent measures to promote DTT). The plan called for the modification of the existing National DTT Technical Plan as per the following proposals:

- bring forward the analogue switch-off date from 2012 to 2010,
- allocate the DTT licenses formerly held by Onda Digital in time for a national launch of new DTT services in Autumn 2005, and,
- coordinate the launch of DTT services taking place at the national, regional and local levels.

In June 2005, the government announced a Royal Decree modifying the National DTT Technical Plan. This Royal Decree was part of a larger government media package aimed at reforming the audiovisual sector and consisting of 3 draft laws and 2 Royal Decrees. As a Royal Decree, the modification of the National DTT Technical Plan does not require the approval of the Cortes (Parliament) and can thus be implemented more rapidly.

The government and terrestrial television broadcasters agreed on a new plan to allocate the available DTT licenses. Prior to analogue switch-off, each of the existing commercial broadcasters on the terrestrial analogue platform will receive three free-to-air DTT licenses. Thus, Antena 3, Canal+ and Telecinco will be able to simulcast their television programme services on the analogue platform as well as present two new television programme services on the DTT platform. Although currently a pay television operator on the digital and analogue platforms, Canal+ is likely to receive government approval to broadcast its services unscrambled.

The existing broadcasters on the DTT platform, Veo TV and Net TV, will each receive two DTT licenses while the public broadcaster, RTVE, will receive five or six DTT licenses. Already, RTVE has announced its plans to broadcast TVE 1, TVE 2, Tele Deporte (sports), Canal 24 Horas (news), Canal Ciudadano / Canal Parlamento (government) and Canal Infantil (children).

vulnerable households.

France - CSA defines further DTT roll-out

The CSA decided on 19 new transmission sites for the DTT roll-out in Spring 2006 and another 24 sites for the Autumn 2006 roll-out. This will bring DTT coverage to two-thirds of the population by the Autumn 2006.

In addition, a joint working group has been set up between the CSA and the government which will make proposals on how to achieve full digital service coverage. These proposals will be presented on 1 October 2005.

Source: advanced-television.com

China - Leading producer of set-top boxes

China is forecast to supply more than 50 per cent of all worldwide digital set-top by 2010, according to IMS Research. Its study, Chinese Market for Digital Set-Top Boxes, reveals that China produced more than 17 million digital STBs in 2004, which accounted for around 35 per cent of the total worldwide market (including China).

The production volume of digital set-top boxes in China is forecast to grow at a 21 per cent CAGR over the next five years to reach 56 million units in 2010. This means that over 56 per cent of worldwide digital set-top box supply in 2010 is likely to come from China.

Source: advanced-television.com

In addition, two DTT licenses will be allocated to a further broadcaster. As it is expected that a new broadcaster will be given a license to transmit on the terrestrial analogue platform, this broadcaster will also likely receive the two licenses for the DTT platform.

The above revisions to the National DTT Technical Plan as per the Royal Decree are pending final approval from the government, which is expected on 29 July. However, many believe that no objections will be registered and a re-launch of national DTT services before the end of the year is possible.

New digital opportunities

With the digitalisation of television, broadcasters have been able to consider launching new services.

Interactive services have been widely showcased in Spain. The ActuaTV project in Madrid promoted the commercial development of DTT services, including interactive applications, in 2003. The MicroMarkets project in Catalunya tested advanced MHP applications in 100 homes using a return channel in early 2004. Other pilots are currently taking place in the Basque region and Galicia while the regional DTT platforms in Catalunya and Madrid already provide basic interactive services such as weather forecasts and news.

Television on a mobile receiver may become a possibility in Spain. As part of the modified National DTT Technical Plan, one multiplex is reserved for mobile applications. In early July, the government approved a DVB-H trial to take place from September 2005 to February 2006 in the cities of Madrid and Barcelona. As part of the trial, approximately 500 users will be able to access national and regional broadcast content from Antena 3, Canal+, RTVE, Teletcinco, Telemadrid and TV3. Project partners include Abertis Telecom, Telefonica Moviles and Nokia.

Article by Natalie Mouyal

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 manufacturing organisations throughout Europe and beyond.

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Italy - Mediaset adds PPV movies

Mediaset is to expand its pay-per-view DTT service by introducing a nightly movie service.

The Italian operator will offer four movies each night priced at €4 for recent releases and €2 for classic movies. Mediaset has plans to expand the service further still by including other programming genres such as reality television.

The company has already sold 1.5 million cards for its pay-per-view coverage of Serie A football. It holds the rights to 9 teams including Milan, Juventus, Inter and Roma. From Autumn, the cards will be rechargeable over the telephone, the Internet and at local shops and kiosks.

Source: [Broadband TV News](#)

Swisscom buys Antenna Hungária

Swisscom has acquired a 75% plus one vote stake in the Hungarian transmission company Antenna Hungária for a reported HUF46.758 billion (€191 million).

This concludes the privatisation process that began in late 2004. The shortlist of bidders included Swisscom, Austria's ORF and the Australian Macquarie consortium.

Source: [Broadband TV News](#)