



***Strategy, Policy, Regulatory Considerations  
and the Decision-Making Process of going to  
Digital TV in Brazil***

***José Leite Pereira-Filho  
Member of the Board, ANATEL, Brazil***

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- **INTRODUCTION**
- **ACTIONS ALREADY TAKEN BY ANATEL**
- **EVOLUTION OF TV: THE CONSUMER OPINION**
- **KEY ASPECTS RELATED TO THE EVOLUTION OF TV**
- **FACTORS TO BE TAKEN INTO CONSIDERATION**
- **SCENARIOS UNDER ANALYSIS BY ANATEL**
- **NEXT EVENTS**

# Introduction

- ↑ POPULATION:  
160 M Inhabitants
- ↑ SURFACE:  
8.5 M km<sup>2</sup>
- ↑ GNP:  
800 Billions USD
- ↑ GNP PER CAPITA:  
5,000 USD
- ↑ FIXED TELEPHONY DENSITY:  
16.8%
- ↑ MOBILE TELEPHONY DENSITY:  
9.1%
- ↑ TV BROADCASTING PENETRATION:  
85%
- ↑ PAY TV PENETRATION:  
6.5%

DATE: 31<sup>st</sup> DECEMBER 1999





## Actions already taken by ANATEL

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 **JULY 1998**

***PUBLIC CONSULTATION ON THE PROCEDURES TO BE FOLLOWED DURING THE DIGITAL TV TESTS***

 **NOVEMBER 1998**

***RESOLUTION APPROVING THE ABOVE PROCEDURES***

 **FEBRUARY 2000**

***PUBLIC CONSULTATION ON THE REPORTS OF SET/ABERT CONCERNING THE TESTS CARRIED OUT WITH THE ATSC, DVB-T AND ISDB-T DIGITAL TELEVISION STANDARDS***

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## Evolution of TV: The Consumer Opinion

 **QUALITATIVE MARKET RESEARCH WITH CONSUMERS, BROADCASTERS AND MANUFACTURERS:**

↑ **12 ATTRIBUTES WERE DEFINED**

 **QUANTITATIVE MARKET RESEARCH CARRIED OUT IN 55 CITIES OF THE FIVE BRAZILIAN REGIONS, LISTENING 5,000 PEOPLE:**

↑ **1. AID TO PHYSICAL HANDICAPS**

↑ **2. PROGRAM STORAGE (MOUSE "CLIC")**

↑ **3. HDTV**

↑ **4. MULTIPLE PROGRAMS ("BLOOMBERG" TYPE TV)**

 **PUBLIC DEMONSTRATIONS AND SURVEYS IN SHOPPING CENTERS IN SEVEN CITIES, LISTENING 4,700 PEOPLE.**



# Key Aspects Related to the Evolution of TV

- ▣ **INTERACTIVITY**
- ▣ **SCREEN FORMAT**
- ▣ **MOBILITY**
- ▣ **TELEVISION AND PERSONAL COMPUTER CONVERGENCE**
- ▣ **TELECOMMUNICATION AND TELEVISION CONVERGENCE**
- ▣ **SYSTEM RELIABILITY**



# Strategic Factors

- ☐ **UNIVERSAL ACCESS TO INFORMATION**
- ☐ **NATIONAL INTEGRATION**
- ☐ **LATIN AMERICAN INTEGRATION**
- ☐ **TECHNOLOGICAL CO-OPERATION**
- ☐ **ECONOMIC DEVELOPMENT**
- ☐ **STIMULATE THE COMPONENTS INDUSTRY**



# Social and Cultural Factors

## THE ROLE PLAYED BY TELEVISION

 TO UNITE THE FAMILY

 TO KEEP SOMEBODY COMPANY

## THE CONVERGENCE FROM THE CULTURAL POINT OF VIEW

 TELEVISION CHARACTERISTICS FOR USERS

 COMPUTER CHARACTERISTICS FOR USERS




## DTV TECHNICAL FACTORS:

- ↑ THE DIGITAL TELEVISION SERVICE QUALITY MUST BE, AT LEAST, EQUIVALENT TO THE CURRENTLY DISTRIBUTED ANALOGUE TELEVISION SERVICE**
- ↑ DIGITAL AND ANALOGUE SYSTEMS MUST HAVE AN ADEQUATE COEXISTENCE DURING THE TRANSITION PERIOD**
- ↑ EFFICIENT USE OF THE RADIOELECTRIC SPECTRUM**
- ↑ FLEXIBILITY FOR INTRODUCTION OF NEW APPLICATIONS MUST BE TAKEN INTO ACCOUNT IN THE LONG-RUN**

## DIGITAL TV BROADCASTING X PAY TV

 THE DIGITAL TELEVISION SERVICE OFFERED BY THESE  
DIFFERENT NETWORKS MUST BE COMPATIBLE

 THE INTEGRATION OF PROGRAMS AND FUNCTIONALITY  
BETWEEN THESE DIFFERENT NETWORKS MUST BE  
CONSIDERED

 "MUST CARRY" RULES NEED TO BE ESTABLISHED



# Economic Factors

- **IMPACT ON THE BROADCASTING INDUSTRY VALUE CHAIN**
- **DETERMINANT FACTORS FOR THE PENETRATION OF DIGITAL TELEVISION**
- **COST FOR THE CONSUMERS**
- **COST FOR THE BROADCASTERS**
- **POTENTIAL MARKET OF EACH DIGITAL TELEVISION STANDARD**



# Scenarios under Analysis by Anatel

☰ SCENARIO I - HDTV PROGRAMMING ONLY

☰ SCENARIO II - SDTV PROGRAMMING ONLY

↑ SCENARIO II A - MULTIPLE PROGRAMS

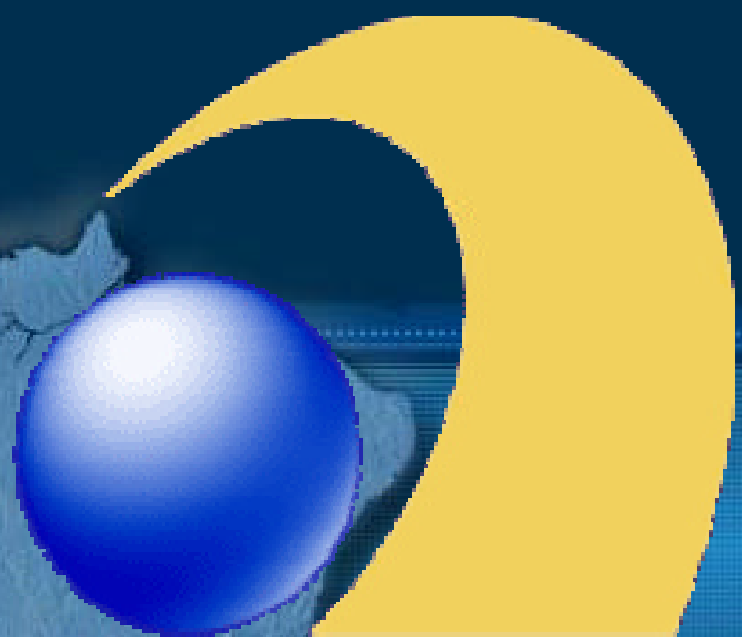
↑ SCENARIO II B - SDTV INTERACTIVE

↑ SCENARIO II C - SDTV WITH FREE AND PAID SERVICES

☰ SCENARIO III - HYBRID MODEL

## Next Events

- **ADOPTION OF THE DIGITAL TV STANDARD**
- **TECHNICAL REGULATION FOR DIGITAL TV**
- **BASIC PLAN FOR DIGITAL TV**
- **ACTION PLAN FOR THE TRANSITION**
- **DIGITAL TV AUTHORISATIONS**



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