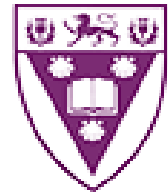


Response to ICASA's revised Draft Digital Terrestrial Television Regulations

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- General observations on the state of SA's television system moving into the migration process
- The use of the second mobile multiplex for DTT
- The allocation of the three multiplexes
- The option of HDTV
- Original content on digital incentive channels

Focus areas

- DoC policy prioritises incumbent broadcasters and two multiplexes during dual illumination period, but also enjoins ICASA to:
- 'explore how to best introduce new services and licensees to facilitate such diversity. The increased capacity and spectrum availability given the introduction of DTT provides an opportunity for the licensing of new pay television service providers in the short term, and new free to air services in the medium to long term. Competition is needed to achieve a range of national policy imperatives including consumer choice, economic empowerment, promote domestic and foreign investments'.

DoC amended DTT policy on competition and diversity

- "6.1.10 Government is committed to development of the three tier broadcasting system. In particular, government intends to use the opportunity brought by on to facilitate the development of Community TV. Accordingly, community TV shall be accommodated in the existing on multiplexes.

DoC amended DTT policy on allocation of multiplexes

- Coming at draft regulations from a normative perspective – ie. what kind of television system do we want to see?
- ‘Big picture’ is a policy concern, but what is a regulatory concern is how the policy is operationalised. Will consider whether policy is being operationalised effectively
- Three tiers of broadcasting in theory
- In practice, commercial television has dominated
- Commercial and community television forced to follow commercial imperatives. This is the landscape in which DTT regulations are being proposed.

SA's television system – general observations

- SA television system characterised by uneven development
- Those in economic mainstream have access to plurality of services
- Viewing options of those outside remain limited – rely more on broadcasting that addresses them as citizens rather than consumers, ie PBS and community TV
- Youth still heavily reliant on PBS TV
- DTT regulations must promote inclusive public sphere while protecting voices that are vulnerable to marginalisation
- DTT policy requires migration process to promote a 'people centred inclusive information society'



SA's television system – the status quo

- Competition does not automatically lead to diversity
- Free marketplace of ideas susceptible to market failure – many social groups underrepresented or unrepresented
- Commercial competitors for same income stream may also be tempted to offer 'more of the same'
- Diversity – the heterogeneity in the media offering to society, in terms of language, gender, race, class, geographic location, etc.
- DTT regulations should not promote competition at the expense of diversity – both are policy requirements

Competition v diversity

- Supports use of mobile multiplex MDTT2 as third
- Shift away from protection of incumbents is welcome. Dual illumination period may be protracted. Unfair to lock out new entrants for long period. May create insurmountable barriers to entry if new entrants are allowed only after process is completed
- But at the same time, the licencing of new entrants may take the duration of the dual illumination period, if mid-2015 switchoff is achieved
- Take-up of mobile television appears to be muted – optimum use of spectrum to leave MDTT2 in the hands of the mobile operators?
- Mobile TV geared towards upper LSM's
- Provides greater scope for diversity in DTT transition

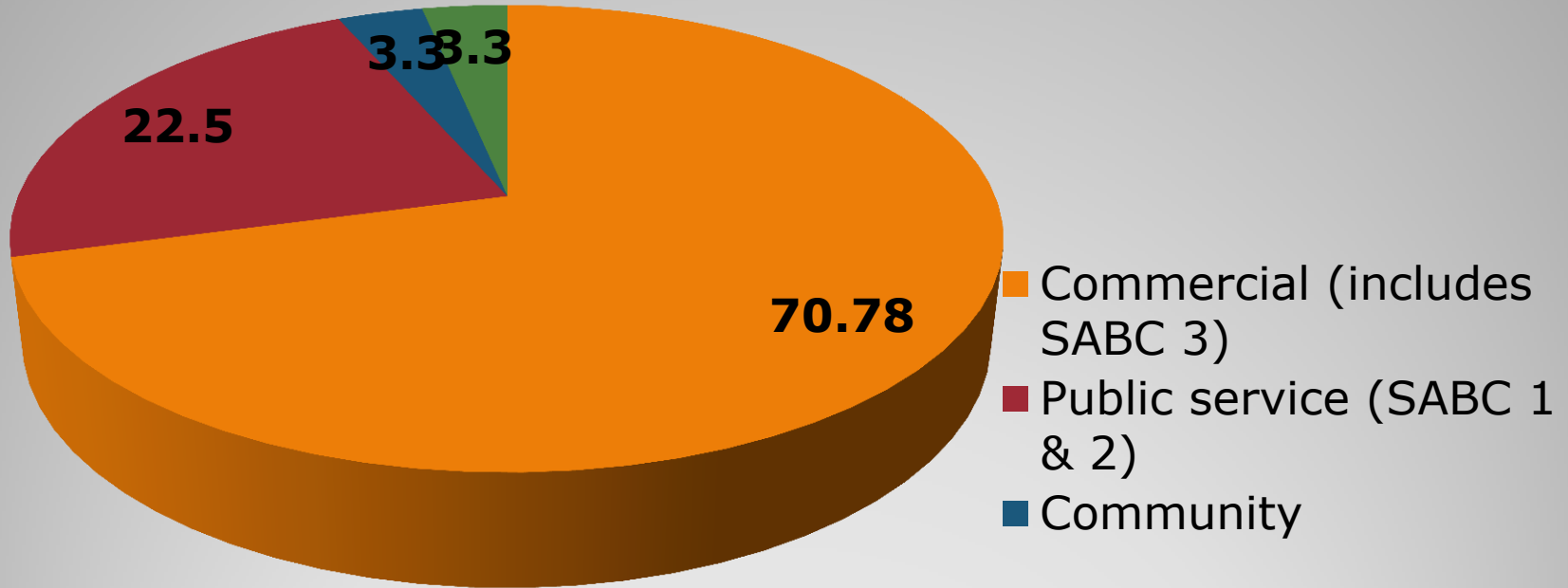
Use of mobile multiplex for DTT

- Allocation of multiplexes problematic
- Gives undue priority to commercial television at the expense of community and public service television
- Underlying assumption seems to be that competition will deliver diversity, which is not necessarily the case
- While allocation may meet the competition requirement of the DoC policy, it does not meet the diversity requirement.



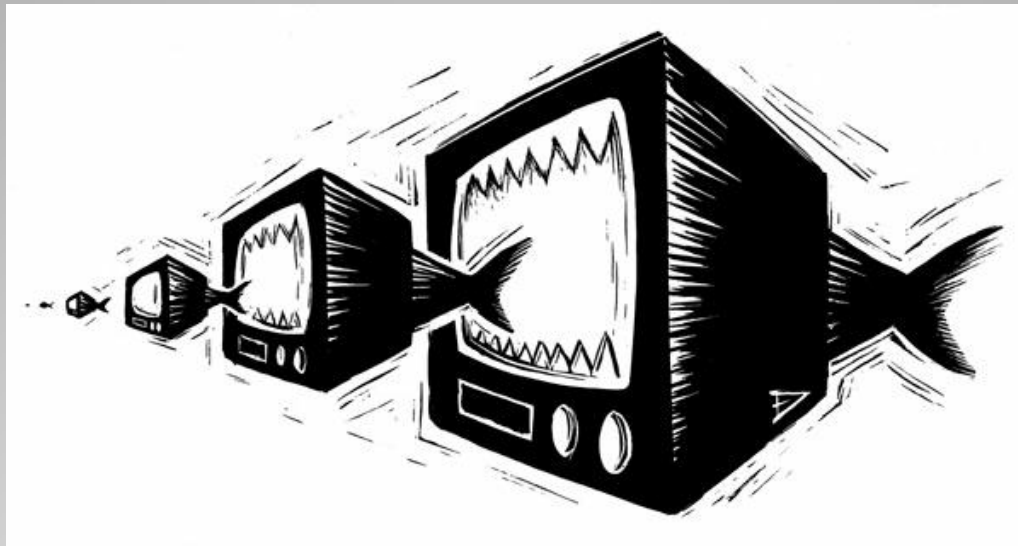
Allocation of multiplexes

Multiplex allocations across the 3 tiers of broadcasting



Source: Right 2 Know Campaign presentation

Allocation of multiplexes



“The draft regulations may well lead to increased competition combined with reduced diversity, which will represent a missed opportunity for the digital transition to broaden the public sphere and build citizenship”.

- Authority should reconsider its multiplex allocations to increase the allocation for community television
- Because of importance of PBS and community TV, at least 50% of spectrum should be allocated for non-commercial use
- MUX 1 allocation reinforces nonsensical split between PBS and PCBS – recommend policy change
- Recommend freeing SABC up from advertising
- Recommend review of community television sector and the reasons why the sector has become dominated by small commercial operators

Multiplex allocations - recommendations



- Disputes over MUX capacity – who is right? Authority needs to clarify
- May have to make hard trade-offs between multi-channelling and HDTV
- Multi-channelling more likely to drive voluntary STB take-up
- Authority must prioritise mass take-up of STB's instead of prioritising HDTV which still has limited penetration and is likely to do so through the dual illumination period. HDTV may well be the standard of the future, but it is not yet the standard of the present
- DoC policy – the Authority must 'create an environment for the uptake of digital terrestrial television by TV owning households, including the poor'.

Standard definition versus high definition

- DoC policy – 72% of television owning households rely on free to air TV.
- 'In countries where terrestrial reception is dominant, high digital penetration achieved during the period of voluntary take-up is important as a pre-condition of switchover, since this reduces the number of households whose main TV set is likely to be analogue at the point of compulsion. (Michael Starks 2007: 7).'
- Lesson is relevant even with more efficient compression standard

Standard definition versus high definition – international lessons

- The Authority should treat SDTV as the default position
- Broadcasters should be allowed to broadcast in HDTV on good cause shown. Should not be left up to the discretion of broadcasters



Standard definition versus high definition – recommendation

- Support the Authority's suggestions that digital incentive channels and any new channels be required to carry a percentage of original content and local content



**Original content on digital
incentive channels**

Thankyou