

DIGITAL SWITCHOVER IN REPUBLIC OF MACEDONIA

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1. DSO Legal background

The Law on Broadcasting Activity, adopted in 2005, significantly lagged behind technological development of television broadcasting. Following the developments in the European Union and wider, the Government of Republic of Macedonia adopted decision that the digital switchover would take place in 2013. For that purpose, in 2012, Law on Electronic Communications was amended, determining the 1st of June, 2013 as a date of analogue switch off.

In December 2012, the Broadcasting Council adopted the new Strategy for Development of Broadcasting Activity for the period of 2012-2017¹, which is a follow up of the previous Strategy (2007-2012). While exploring the perspectives on further development of the entire area of broadcasting, the Strategy sets out broader vision on progress of digitization, especially in connection with content production and transmission, digital television standards, use of digital dividend. The Strategy is supplemented by Action Plan which includes activities, indicators, holders of the activities and deadlines. Implementation of the Action Plan will be closely monitored.

In line with the Strategy, Plan for Assignment and Allocation of Transmission Capacities of Digital Terrestrial Multiplex² was adopted. The Plan determines the assignment of the 7 digital terrestrial multiplexes:

- MUX1, MUX2 and MUX3 are assigned for digital retransmission of television program services, by a conditional access;
- MUX4 and MUX5 are assigned to the PE Macedonian Broadcasting, and are intended for digital broadcasting of public program services of public broadcasting services of the Macedonian Radio Television
- MUX6 and MUX7 are assigned for free-to air digital broadcasting of television program services of commercial broadcasters on national and regional level.

¹ Available in English at http://www.srd.org.mk/images/Strategija_final.pdf

² Available in English at <http://www.srd.org.mk/images/plan-MUX.pdf>

The Plan envisages the technical parameters of transmission capacities, services that operators of digital multiplexes should provide, schedule of television program services, allotment zones.

Upon Public Tender Call, at the end of 2012 telecom company "One" (part of Telekom Slovenije) was awarded with license to operate the two multiplexes for free-to-air digital broadcasting. According to the tender requirements, "One" was obliged to commence the broadcasting, starting from June 1, 2013, to build up DVB-T network using MPEG 4 compression standard and to provide coverage of the 9 allotment zones in Macedonia with a high quality signal.

In May 2013, the Macedonian Parliament, has adopted amendments of the Law on Broadcasting Activity. In this way, legal framework for the digitalization of television signal was formulated.

2. The role of the regulator

During the DSO preparation phase, the Broadcasting Council of Republic of Macedonia as a partner of the EU project - SEE Digi.Tv, has conducted several researches regarding legal, economic and technical aspects of the process. Not only the existing legal framework was analyzed and recommendations for its revision were given, but existing specifications for receiver DVB-T equipment were elaborated as well as available DVB-T receivers on the Macedonian market. Furthermore, level of convergence of broadcasting with mobile broadband technology was explored, costs for implementation of 4G, spectrum auction, costs to end-users were estimated, influence of 4G/LTE technology both on mobile telephony market and broadcasting market was inspected.

Having in mind that not only the set up of legal background and establishing clear public policy but also the acceptance and understanding of the benefits of the digital television is a key prerequisite for successful switchover, and being aware of its role as a regulator, the Broadcasting Council carried out many activities to provide more information about digitalization to the citizens.

First, the level of public awareness about the digital switchover was evaluated - in July 2012, for the needs of the Broadcasting Council, public awareness research was commissioned, under umbrella of SEE Digi.TV project. Citizens were asked questions about number of TV sets they possess, the type of TV sets and year of their production, hours of watching TV, type of delivery TV platform, level of satisfaction with current TV program offer, benefits of digital television.

According to the results obtained from the public awareness research, most households have 1 or 2 TV sets. Almost 2/3 of households have classic CRT TV set, around 20% - LCD, 12.6% Plasma and LED only 2.5 %. 1/3 of TV sets are bought before year 2000, almost 40% within period of 2000-2008 while around 25% after 2008.

The percentage of households connected to delivery platform other than terrestrial is around 85%, meaning that only 15 % of households were using top-on-the-roof antenna to receive analogue TV signal. Most households - 57.4% are connected to cable television, while the penetration rate of other platforms is significantly smaller – satellite, DVB-T and IPTV altogether 27%.

Regardless of the delivery platform and type of TV set Macedonians are heavy TV viewers – the average is around 4 hours per day.

When asked if they have heard of a digital television, 81.5% of respondents answered - Yes, but when asked whether they were familiar with the benefits of digital television usage, 41.1% answered - No.

The fact that 65% of Macedonian citizens were not aware that as of mid 2013 total digital network will be introduced in Macedonia raised concerns. The data from this public opinion research were the motive for the Broadcasting Council to launch wider media campaign.

The next logical step was to tailor informative/educational campaign that would achieve its goals in the best way. The idea was that the overall campaign should carry out an easily “readable” message, presented in a non-technical language, permeated with certain dose of humor that is immanent to everyday life, i.e. common to Macedonian culture and aesthetically appealing.

The activities within the campaign were as follows:

- Leaflets³ were inserted in two daily newspapers (one in Macedonian language, the other one in Albanian). A “simple” language was used to explain what digitization is, how digital television could be viewed, what are the benefits of digitization;
- General information regarding digitalization were published on Broadcasting Council’s web site and special phone number⁴ was assigned, so all citizens and other interested subjects could get information concerning digitalization
- An animated television spot, which briefly informs the citizens about digitization, was made. The spot was being broadcasted within two months before analogue switch off, at the programme of all television stations in Macedonia, several times a day, during prime time, positioned before, at the end or within the most popular programs. The spot⁵ was broadcasted in the languages of the ethnic communities that live in Macedonia: Macedonian, Albanian, Serbian, Turkish, Bosnian, Vlach and Roma;
- Cooperation with telecommunication operators VIP, ONE and T-Home (related to the telecommunication operator T-mobile) was established. The operators informed their subscribers about DSO;
- Special banner was created and posted on the Broadcasting Council’s web site. By simply clicking on the banner: “Digitalization. What I should know”, everyone could get the basic information about digitalization;
- Two month long media campaign - April/ May 2013 – was lead through the media on national, regional and local level, was executed. During the media campaign, representatives from the

³ Available at following links: <http://www.srd.org.mk/images/korisni-informacii/flaer-digi-tv-nov-mk.pdf> in Macedonian, <http://www.srd.org.mk/images/korisni-informacii/flaer-digi-tv-nov-alb.pdf> in Albanian language

⁴ Citizens as well as other persons/entities that had questions about whatever aspect of digitalization could get answer from employees at Broadcasting Council Department for Information Technologies

⁵ Available in Macedonian at following link:

http://www.srd.org.mk/index.php?option=com_content&view=article&id=429&Itemid=367&lang=mk

Broadcasting Council participated in around 30 radio and television programs (reruns are not counted).

3. Analogue switch off

After amendment of the Law on Broadcasting Activity in the light of digitalization of television signal, preparations were going very fast.

The Broadcasting Council adopted the necessary Rulebooks. Within the deadline established in the amended Law (five days), all television stations submitted requests for alteration of their Licenses for Pursuing Broadcasting Activity. According to the amendments of the Law, concerning the technical means for broadcasting:

- the televisions on national level could choose between digital terrestrial multiplex, operator of public communication network that do not use restricted resource or satellite operator;
- the regional televisions could choose between digital terrestrial multiplex or operator of public communication network that do not use restricted resource; while
- local televisions could use digital terrestrial multiplex if they decided to become regional or could choose operator of public communication network and continue to broadcast at local level.

The Broadcasting Council on its session held on May 23, 2013 adopted Decision for Altering the Licenses for Pursuing Broadcasting Activity. Once the TV stations negotiated contract with the operator that should transmit their program service (with May 31, 2013 set as the deadline), they could commence broadcasting digital signal.

All existing television stations continued to broadcast their program, as is the current situation, either through multiplex (5 national and 26 regional TV stations) or through operator of public communication network (27 local and 3 regional TV stations).

During the first two days, after the analogue switch off, employees from Broadcasting Council, Agency for Electronic Communication and sell spots of the operator “One” were on duty in order to help to those citizens who had problems with connection of equipment, with signal reception or haven’t purchased set top box yet.

However, the number of those that experienced technical problems was small – the Broadcasting Council and the Agency for Electronic Communication registered around 1500 calls that lead to the conclusion that citizens were well informed and prepared for digital TV.

4. Lessons learnt from the process

The overall DSO experience was positive. The basic prerequisites for the final outcome – “smooth” migration to digital TV - are clear public policy, careful planning and active support and involvement of all relevant actors, especially of:

- Legislator who provide the legitimate ground for licensing thus adopting the relevant laws/amendments of the laws;
- Regulatory body for media that acts as focal point in the process: adopts required by-laws, keeps intensive communication with the broadcasters in order to make them understand the prescribed DSO regulations, informs the citizens;
- Media, that are the essential toll for informing the citizens. In Macedonian case, media broadcasted the TV spot designed especially for the digitalization as a campaign of public interest and enabled access to their programs of representatives of the Broadcasting Council in forms of interviews, morning shows, news;
- Citizens. Only well informed citizens can recognize the benefits of digital television and accept the change in traditional viewing of TV.