



**DIGITAL BROADCASTING TRENDS
&
DIGITAL DIVIDEND**

India Case Study

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Tele Density in India

The number of telephone connections

- December 2001 - 41 million
- February 2012 - 943 million of which 911 million mobile connections
- The composition of telecom sector also witnessed a structural change.
- Private sector : 88 % of total connections.



Revenue growth for TV broadcasters

Year	Revenue US \$ Bn
2007	4.5
2008	5.0
2009	5.4
2010	6.2
2011	7.1
2012	8.0



Evolution of TV channels in India

1980s	Only National TV Broadcaster
1992	5 New Channels by Star TV
1996	More than 50 channels
2002/03	100 Channels (More International Channels added)
2009	394 Channels
2010	Over 500 Channels. Launching of HD Channels
2012	Over 800 Channels
2014	Nearly 900 Channels

National Telecom Policy-2012

VISION

To provide secure, reliable, affordable and high quality converged telecommunication services anytime, anywhere for an accelerated inclusive socio-economic development.



Objectives of NTP-2012

- Provide secure, affordable & high quality telecom services to all citizens
- Increase rural tele density from 39
2012 ---- 39
2017 ---- 70
2020 ----- 100
- Broadband on demand by 2015
- To achieve 175 million broadband connections by 2017 and 600 million by 2020 at minimum 2Mbps download speed & making available higher speed of at least 100 Mbps on demand



Objectives Of NTP – 2012 (contd.)

- e) One Nation, One License across services and service areas
- f) One Nation - Full Mobile Number Portability
- g) One Nation – Free Roaming
- h) Reposition the mobile phone from a mere communication device to an instrument of empowerment

Objectives Of NTP – 2012 (contd.)

- i) Deliver high quality seamless voice, data, multi media and broadcasting services on converged networks
- j) Protect consumer interest by promoting informed consent, transparency and accountability in quality of service, tariff, usage etc.
- k) Strengthen grievance redressal mechanisms to provide timely and effective resolution

NTP-2012 on Spectrum Management:

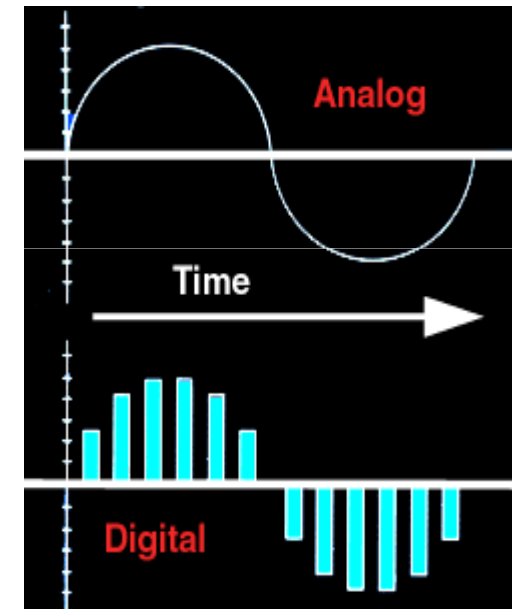
AIM

To move at the earliest towards liberalization of spectrum to enable use of spectrum in any band to provide any service in any technology as well as to permit spectrum pooling, sharing and later trading to enable optimal utilization of spectrum through appropriate regulatory framework.



Analog to Digital

- India has set out a time schedule for sun set of analog transmission by 30th June 2014.
- However, given the ground realities, such target appears to be difficult to achieve.
- The fact remains that as far as reaping full benefits of Digitization, India will have to take several policy measures without any loss of time.



Fragmented Legislations

- Today, India has out dated Indian Telegraph Act
- The Telecom Regulatory Act creates a Regulator for both Telecom sector and Broadcasting sector.
- There is a separate Information Technology Act.
- All these three sectors Telecom, IT and Broadcasting are having two separate Ministries.

Fragmented Legislations (contd.)

- The proposal to frame a Spectrum Act has been dropped.
- The Convergence Bill of telecom, broadcasting and IT sector, though debated, was not pursued further for reasons unknown.
- Need to consolidate these legislations into one.
- Needs to be convergence of the two Ministries into one to achieve administrative efficiency.

Benefits of Digitization:

- Win-Win scenario for customers, government and the industry.
- For Customer: better quality viewing, more programmes and value added services.
- For Government: transparent revenue-earning and revenue-sharing system.
- For Industry: huge benefits in terms of spectrum efficiency.

Digital Dividend:

- The benefits arising from spectrum efficiency are often called as Digital Dividend.
- The amount of spectrum made available by the transition of terrestrial television broadcasting from analog system to digital system is called Digital Dividend.
- Digital Dividend is also the spectrum efficiency gain due to switch over from analog to digital terrestrial television services.

Usage of Digital Dividend

- For broadcasting services (eg. more programmes high definition, 3D, or mobile television).
- For other services such as mobile service, in a frequency band which could be shared with broadcasting (eg. for short range mobile devices such as wireless microphones used in theatres or during public events).
- For distinct harmonized frequency band to enable international roaming and international Mobile telecommunications.

Potential of Digital Dividend:

- Digital Dividend has huge potential.
- It is up to the Government how to allocate the additional spectrum capacity accrued due to moving from analog to digital broadcasting system.
- Government can use, abuse or misuse this power.
- The additional spectrum capacity available by way of digital dividend is being auctioned by several countries and is allocated to the highest bidders.
- In such cases the Government is the big beneficiary.

2G Spectrum Sale in India

- However, in India, “First Come, First Served” policy was adopted and Licences given to parties known to Ministers & Bureaucrats.
- This whole scam, known as 2 G Spectrum scam came to light, thanks to the Comptroller & Auditor General of India (CAG).
- CBI, the investigating agency, pegged the loss at US\$5 billion but Govt claimed it was only a notional loss!

2G Spectrum Sale in India (contd.)

- The Supreme Court declared this allotment of spectrum as "unconstitutional and arbitrary" and quashed all the 122 licenses issued in 2008 by the concerned Telecom Minister.
- The court said that the Minister "wanted to favour some companies at the cost of the public exchequer" and "virtually gifted away important national asset."

Lessons to be Learnt from 2G Scam

- Digital Dividend offers huge benefit to Government by being selective in allocating the additionally available spectrum due to transition from analog to digital broadcasting.
- There should be a well debated and transparent policy for spectrum allocation.
- Whether auction mode where the highest bidder is allocated the spectrum will lead to increase in cost of the services for consumers .

Digital Dividend – way forward

Considering that Digital Dividend offers huge benefits to Govt & the Industry, should consumers not have their legitimate share in it and if so,

- **in what way, and**
- **in what form**
- **such dividend can be passed on to consumers?**

This issue deserves to be debated at Global level by CI with ITU.



Thank You
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