

**Speech of Your Excellency Senator Luigi Grillo, President of the Eighth
Senate Committee of the Italian Republic on
infrastructure and technology
(June 6, 2005)**

The beginning of the terrestrial digital broadcasting happened just one year ago: soon after the approval of the new law which regulated the radiotelevision system. This law boosted new dynamics and devices and really implemented a technological revolution of fast evolution.

First of all, the law made possible something extremely elementary which, like all extremely elementary things, had an explosive force: corporations invested some hundreds of millions of euros in total. They believed passionately in this perspective and started a change process in the television sector like never seen in the latest years.

- Five new national transmission nets were built in digital format; they already cover 70 per cent of the national population, besides the more than 60 local editors who started their own stable digital transmissions.

- The supply already surpasses the twenty-five national programs with totally new channels such as Boing and RaiUtile. There are others that could only be received through satellite and others which were improved with totally innovative interactive services.

- New resources were designed for the system as prepaid cards with no signature were tried for the first time in the world. At the same time, users were offered the possibility of accessing *premium* contents more easily. Like someone said, paid TV was being democratized.

- New subjects were presented: we can mention the entrance of TF1 with Dfree and Sport Italia or the arrival of Grupo L'Espresso with Rete A, not to mention the novelties that are appearing locally.

New transmission nets, new channels, new resources, new subjects: never in the latest twenty-five years we had seen such a change, since when the arrival of commercial TV caused a revolution in a system once characterized by monopoly.

But this was not all; thanks to the legislative panorama that was being designed and to the consequent investments made by corporations, a real industrial process took place and the results speak for themselves.

In a little more than twelve months we arrived in the threshold of two million decoders sold. Therefore, in fifteen months there were more than 1,900,000 decoders spread over Italian homes, of which two thirds were based in governmental financing. It is worthwhile mentioning that this was the biggest consumer electronics sales phenomenon recorded in Italy: not even mobile phones

reached such results in the first year. Not even the United Kingdom, which in a few years also reached more than five million families with a decoder, registered such figures in the first year of diffusion of the free digital.

- More than 1,200,000 contributions were managed and distributed through a great effort made by the Ministry of Communications, the Poste Italiane and the resellers. There is a relevant datum that appears evident if we analyze the amount of work executed by the Ministry of Communications' *call center*: more than 8,000 points-of-sale were authorized and registered and more than 200,000 phone calls to distribute the contributions were registered in the call center.

- In less than three months from the beginning of the promotion there were more than 750,000 families which acquired and used the prepaid cards for soccer offer, thus experiencing for the first time the no signature *pay* television deal with a success of extraordinary dimensions.

- The digital in all Europe was quick, not only confirming the results already obtained in Germany and in the United Kingdom but also definitely dissipating the indecision in France and Spain. Among all these countries Italy has assumed an incontestable reference role.

- The Communications Authority deliberated upon a program of acceleration of the digital which imposed, among other measures, that the two large national operators prepare their own facilities for the transcription to the terrestrial digital TV one year from now, which means until May 2006.

It concerns to a set of processes and results of clear evidence: the terrestrial digital TV became an irreversible process of unquestionable claim which attainment in our country became an international case history.

If these are the results obtained in so little time then it is worthwhile checking, along with the contribution of all Italian and international participants, if the Italian model can be also considered a winner to the European panorama by taking into account the reach of five fundamental pillars, as follows:

- Legislative measures and application that leave to market and corporations a great deal of freedom of intervention: this is the only way it is possible to attain a rationalization of frequencies and an organization of supplies that in so little time met the results mentioned above.

- Strong back-up not to corporations but to final consumers: only through this intervention it was possible to assure an immediate launch of the decoders market and a rapid decrease of the consumer prices: the initial almost 400 euros could soon go up to around one hundred euros without the State's contribution.

- New premium offers: new contents of large commercial appeal with extensive accessibility, such as the free program for children and, above all, soccer, at the

same time with a strong social utility, as for instance Rai Utile, which improve the traditional offer.

- The interactive offer: one of the characteristics that will grow faster in terrestrial digital TV. With this resource it is possible to integrate and improve the traditional offer but it also allows the achievement of those new services of social nature which will really represent a great novelty for the next months.

- The union of broadcasters: a strong unity of intentions made public through DGTVi allowed shared thoughts and strategies, common initiatives and represents a central success factor because it speeds up the decision-making processes and their consequent accomplishment times.

Certainly Italy has made a serious commitment: to get to the switch off in 2006. This is a commitment which must not and cannot assume the aspects of an ideological issue but, on the contrary, must focus on the modalities to get to it. As well as it will be done in the first two pilot regions, a plan and a project defined by regional areas will tell exactly to the citizens of Marche, Lombardy and Sicily when and with which modalities they will be interested in the definitive switch off and show common reference parameters in an European context. Finally, the date is critical: the earlier one gets to the switch off the better, the earlier one advances the better, the earlier phases and deadlines are defined for each area the better.

The work in the next months will be positively directed to this objective: to avoid each and every delay with a great acceleration process. The earlier, however with no ideological crusades over an ultimatum and with maximum acceleration.

Likewise, for this reason the strategy that will lead to anticipation of the switch off in two Regions of our Country, Sardegna and Val d'Aosta, was chosen. After the German experience, this will really lead us to try, as the first ones in Europe and maybe in the world, the definite destitution of analogical TV and the passage to digital television for some hundreds of thousand families in our Country.

Therefore the objective of the digital is to convince citizens and institutions that the future is already present in an irreversible manner, that the television of the future is already here and that the digital television is nothing more than the evolution of the old, dear, trustworthy analogical television.

Hence it follows that the digital is not an excuse, it is not the TV of the next future, it is not one of the possible offers. On the contrary it simply is the television of today and will be each time more. The television is a unique synthesis allowed by technology, the market and the evolution of offers, and represents a sole opportunity of change that everybody, the whole Country, can and must share.

It is a technological advance which will be shared also at the international level. It is not only a technological opportunity of evolution but also a civil and social opportunity.