

9-15-2010

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Recommended Citation

Navarro, Carlos. "Mexico Expedites Transition to Digital Television Broadcasts." (2010). <https://digitalrepository.unm.edu/sourcemex/5435>

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Mexico Expedites Transition to Digital Television Broadcasts

by Carlos Navarro

Category/Department: Economy

Published: Wednesday, September 15, 2010

President Felipe Calderón has unveiled a plan to make Mexico's television airwaves more "democratic," but the scheme has nothing to do with any direct action against the two broadcasting monopolies, Televisa and TV Azteca. Rather, the plan would expedite the transition to digital technology, which in turn would open up space for small and independent broadcasters on the existing airwaves. Calderón originally announced the plan as part of his State of the Nation speech on Sept. 1 ([SourceMex, Sept. 8, 2010](#)), but further details were released in the government's daily gazette, the *Diario Oficial de la Federación*. The announcement was met with broad approval, and reactions were cautiously optimistic. One opposition legislator accused the executive of using the process for electoral purposes ahead of the 2012 presidential election.

Under Calderón's plan, the government would transform the existing the 700-megahertz spectrum band to digital mode by 2012. Digital television uses less bandwidth, creating room for more channels to transmit over the same 700 MHz space currently used primarily by Televisa and TV Azteca.

Along with this process, all existing analog operations would be migrated to the digital band, in what Calderón described as the "Apagón analógico" (analog blackout), by 2015.

The move also opens the door for wide use of high-definition television broadcasts, which offer better picture and sound quality. Additionally, it facilitates bundling television broadcasts with other non-television services such as high-speed wireless Internet and digital telephone service. The concept of bundling these services was introduced in Mexico a few years ago at the time when the SCT proposed allowing cable television companies to offer telephone service ([SourceMex, Aug. 16, 2006](#)).

"This transition will be made possible with the participation of more providers and television signals," Calderón said in his annual address.

In a subsequent radio interview, the president emphasized that the main goal of the plan, in addition to modernizing Mexico's broadcast system, is to open up more spaces for society on the broadcast spectrum. "We are going to attain greater plurality, which is something currently lacking in Mexico," said Calderón.

But the president emphasized that plurality cannot be attained without proper regulations to open up the broad spectrum to the widest range of users possible. Calderón has instructed the government's telecommunications regulator, the Comisión Federal de Telecomunicaciones (COFETEL), to develop a plan to auction off the 700 MHz band, although the timing of the process is still unclear. COFETEL will be in charge of coordinating a special commission of government agencies (Comisión Intersecretarial para la Transición Digital) that will manage the process.

As part of the digitalization of Mexico's television spectrum, Calderón promised that the government would provide some assistance to allow every Mexican to gain access to digital

television. One plan under consideration is for the government to provide a subsidy for every television household, starting in 2011. COFETEL director Mony de Swaan said 3.6 million households in Mexico already have digital services, but another 21 million lack this technology.

Reactions cautiously optimistic

The reactions to Calderón's proposal were generally positive and cautiously optimistic, with many commentators praising the president for a step they said was overdue. Nationally syndicated columnist Sergio Sarmiento pointed out that the move was necessary because technology use has grown by leaps and bounds in the past decade or so. For example, he pointed out that the number of cell-phone users in Mexico has increased from about 7 million in 1999 to 86 million by the middle of 2010. "The move to expedite the transition to digital television is the correct decision," said Sarmiento.

But Sarmiento also suggested that expediting the transition to digital mode has the potential to create some headaches in the near term. "The problem is that we have stood there with our arms crossed since 2004 and now we have to prepare the country to receive digital signals in just four years," said the columnist. "It will be difficult for all Mexican homes to have digital televisions or converters by 2015, especially if we consider that many companies continue to sell analog sets in our country."

Former deputy communications secretary Jorge Alvarez Hoth, who is now a private consultant, agreed that Mexico might go through some of the same growing pains that countries like the US experienced as part of the migration to the digital world. "It is a good intention...but it is not clear yet how things will work. We have to wait and see," Alvarez Hoth told Reuters.

There is some concern that the issue could become politicized, especially in relation to concerns about the cost of making the change. "[The administration] would have to invest about US\$1 billion in four years on conversion equipment, but it would obtain 10 times the amount of any subsidy that is disbursed," said syndicated columnist Marco A. Mares.

But Calderón's promise to provide subsidies to households to convert to digital technology has brought criticisms that the president will use this to help his governing Partido Acción Nacional (PAN) ahead of the 2012 election. Sen. Carlos Sotelo García, who chairs the committee on radio, television, and Cinema (Comisión de Radio, Televisión y Cinematografía), said he has proposed that the funds that the administration has allocated for subsidies to citizens for convertor boxes and other equipment be removed from the 2011 budget. "[This funding] is a clear electoral move ahead of 2012," said Sotelo, of the center-left Partido de la Revolución Democrática (PRD).

Other legislators are willing to give the president the benefit of the doubt, including Sen. Manlio Fabio Beltrones, floor leader for the Partido Revolucionario Institucional (PRI) in the upper house. Beltrones, who is mentioned as a potential PRI candidate in the 2012 election along with Mexico state Gov. Enrique Peña Nieto, said Calderón's plan is worthy of support, but he cautioned the president to keep the process transparent. "We can all agree on the need to expedite and modernize our communications system and move to the digital era," said Beltrones. "The president will surely find support from those of us who know that these types of projects have succeeded elsewhere."

Deputy Gerardo Flores Ramírez, who chairs the radio, television and cinema committee in the lower house, cited the benefits for users of telecommunications services in Mexico but also raised concerns

about the timing of the project. "One cannot help but worry about the manner in which this decree was published," said Flores Ramírez, of the Partido Verde Ecologista de México (PVEM).

Gabriel Sosa, a columnist for the Mexico City daily newspaper El Universal, said that even though the commission in charge of developing the plan will involve mostly government officials, the administration is making a major effort to include other stakeholders in the conversation. "This is similar to what has been done in other countries, where members of society were invited to participate in a project that is fundamental for the country."

Mares said a controversy that might arise is whether Calderón can issue decrees regarding broadcast policies, when the high court (Suprema Corte de Justicia de la Nación, SCJN) recently decided that these matters are the direct domain of COFETEL.

Others emphasized that the administration has to ensure that the process is transparent and inclusive. "[The government] should take advantage of the change to digital technology to fundamentally restructure the broadcast sector to put the technology at the disposal of all Mexicans and not just the business interests," said David Páramo, a columnist for the Mexico City daily newspaper Excelsior.

There was no immediate reaction from the two media giants, Televisa and TV Azteca, who already have implemented some digital technology in their operations. But some analysts said Calderón's initiative means that the two conglomerates will no longer have exclusive control of implementing digital technology in the country. The two companies exerted major influence in the process through a special committee (Comité Consultivo de Tecnologías Digitales para la Radiodifusión) created under the auspices of the Cámara Nacional de la Industria de Radio y Televisión (CIRT) in 1999. "Through the committee, the large broadcast-business interests had established the timetable and the scope of the plan to implement digital TV," said Sosa.

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