

Pa. Cabler Boosts HD by Going All-Digital Coaxial's Analog Shutoff Frees Up Bandwidth for Rollout

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Coaxial Cable Television has shut off all analog services and is now planning to use the freed up bandwidth to launch its first high-definition package this summer, said Christopher Lovell, president of the 4,000 subscriber MSO.

Lovell and executives at Transparent Video Systems, which provided the equipment and services for the all-digital deployment, believe the Edinboro, Pa.-based operator's move marks the first time that an independent operator has ended all analog services and gone all-digital.

"I don't know anyone else who started out with an analog system that has done this," Lovell said.

The shutoff is also notable because it illustrates how smaller operators that have struggled to compete with satellite's HD offerings can reclaim analog spectrum to ramp up their lineup without a costly rebuild.

"Almost three years ago, we were faced with either rebuilding the system to 1-Gigabyte capacity or [going] all-digital," said Lovell. "With our current 550-MHz system, we were so maxed out on bandwidth we were not able to offer any HD programming. Now, by going all digital, we have extra headroom for more Internet services and more HD content."

The strategy also proved to be less costly than rebuilding the system, Lovell added.

"We were looking at \$4 million to rebuild compared to \$1.5 million for going 100% digital," he said.

To make the transition, Lovell spoke with a number of major vendors but settled on Transparent Video Systems' TVS Challenger Platform.

TVS president Norman Gillaspie said the system is specifically designed for the needs of smaller operators serving 500 to 100,000 subscribers and offers a complete solution, from the headend to the set-top box.

Unlike the major vendors, "we're focused on the small operator," Gillaspie said. "They're not set up to deal with them in terms of their products or their sales efforts."

Set-top costs were a major factor in the decision, said Coaxial's Lovell. " We had been paying \$300 for [a] digital box and we couldn't see how we could grow our digital platform because the box cost was too hideous."

In contrast, TVS's digital box costs about \$80, inexpensive enough that Lovell has begun offering digital customers three free set-tops to connect their TVs.

"It means we can outfit all these people's TVs for the digital transition," Lovell said. "It really gives us a competitive advantage to satellite."

Coaxial began notifying subscribers about the transition to digital at the beginning of April and turned off all analog services on May 1. Using the TVS Challenger, platform Coaxial now offers 187 channels over the 550-MHz system and this summer it plans to deploy an HD lineup of 20 to 30 linear channels, plus the HD feeds of local broadcasters.

"We had seen some losses with the deceptive advertising from satellite," Lovell said. "But now that we have the digital offering, we've stabilized and we are starting to ramp back up. With the launch of HD this summer, we are anticipating growing our subs again."