

Cable Op Finds Low-Cost Way To Expedite Move to All Digital

BY FRED DAWSON

In what may be a landmark step in cable's battle to thwart subscriber losses to DBS, western Pennsylvania operator Coaxial Cable TV has managed to rack up significant digital subscriber gains using an all-new headend solution from Transparent Video Systems to deliver all programming digitally.

The cable company says it has recorded a 60 percent plus jump in digital subscribers since last summer, when it implemented an end-to-end digital solution from TVS that combines high-density state-of-the-art processors with advanced software to deliver a full range of digital TV capabilities, including HDTV and dual-tuner PVRs, to very low-cost set-tops from various manufacturers. Initially, Coaxial is simulcasting some channels in analog, but intends to eliminate all analog channels on its 450 MHz plant.

"The digital product is excellent and our customers are showing us by signing up faster than we can install them," says Coaxial Cable general manager Chris Lowell. "In addition to being highly affordable, the TVS solution allows us to control our own destiny by not having to rely on third parties to package and provision content. In 2008 we plan to add high definition capabilities as well as converting our entire subscriber base to digital using Transparent Video Systems."

Coaxial is the first announced customer for TVS, but many more announcements are in the offing, says Norman Gillaspie, the company's president and founder, adding, "Our goal is to put in 300 headend systems over the next two years."

That pace of penetration would mark a significant departure from the way smaller operators typically deal with the digital challenge posed by satellite competition and the onset of HDTV. Often these networks have not been upgraded to the capacity and performance quality that's now common to networks operated by the major MSOs, which makes it hard to simulcast in digital and analog or to employ switched digital video architecture as a band-



*Norman Gillaspie, president and founder,
Transparent Video Systems*

width conserving measure.

Moreover, even if an operator does choose to implement an all-digital lineup within the existing bandwidth window, the costs of doing so using different components from different vendors can be prohibitive. As one key to the low-cost strategy, TVS employs a smart card-based approach to security using DVB (Digital Video Broadcast)-compliant encryption, which allows implementation of standard definition all-digital service on set-tops from multiple vendors at per-unit costs of about \$75.

TVS not only radically reduces the traditional costs of putting together a digital service structure, from headend to set-tops; it undercuts the costs of traditional modes of delivering digital video from satellite turnkey solutions like Comcast's HITS and Digital Direct Transport, notes Steven Messino, vice president of worldwide field operations at TVS.

"Up front we charge a little more for the headend than you would pay for these types of services, but our solution is less costly when you factor in the set-top and other costs," Messino says. "Counting ongoing transport and other service costs, we're not only competitive with these services; we give you much more agility to create the service packages that work for your market."

To accomplish the transition to the TVS solution, Coaxial Cable, with some 4,000 customers, had to move the premium programming it was receiving from HITS for delivery to Motorola set-tops into the TVS headend for delivery to the new set-tops. These 100 or so digital channels were complemented by about 70 channels of analog coming in from off air and satellite.

All of this content was fed into the TVS system, and then customers were notified as to when the cutover would occur in their area. "If you have enough bandwidth you could deliver everything simultaneously," Gillaspie says. "But here there was a need to notify customers and stage the set-top transition incrementally." Customers opting not to take the new digital service had the option to remain in analog mode and receive just a handful of channels. ■