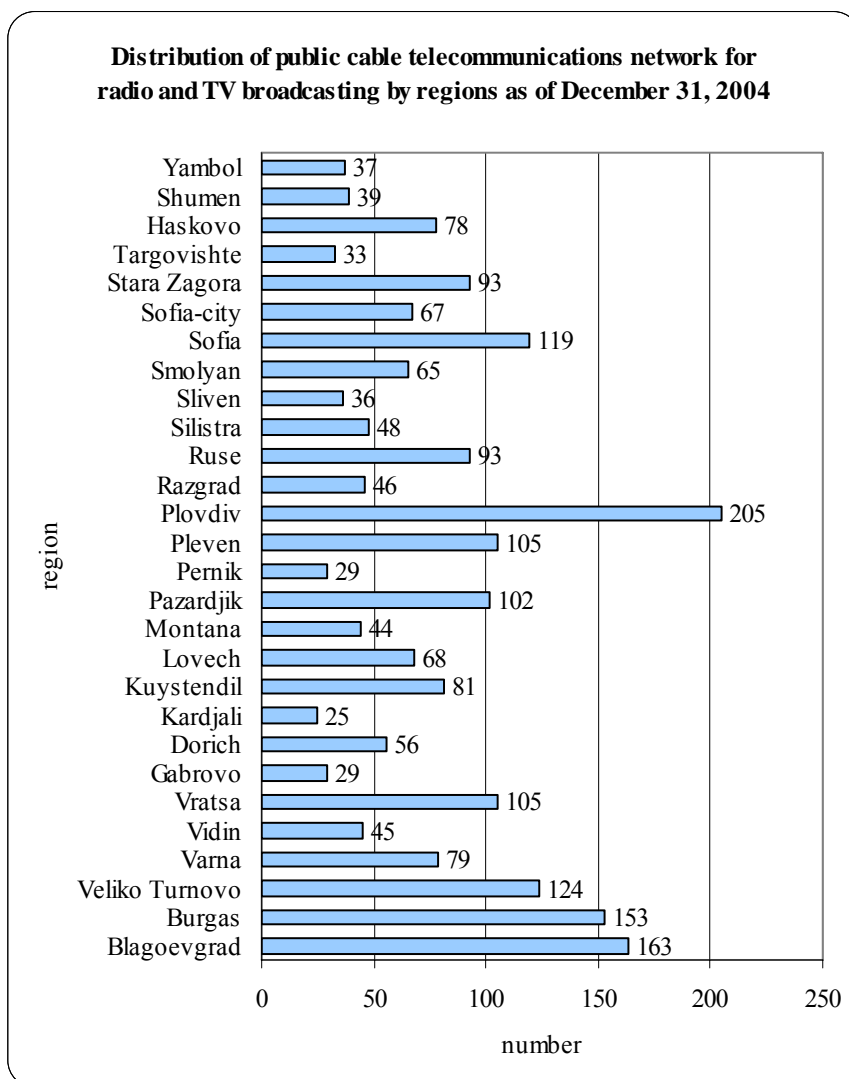


## 9. CABLE TELECOMMUNICATIONS NETWORKS FOR RADIO AND TELEVISION DISTRIBUTION

At the beginning of 2004 as a result of the entry into force of the new Telecommunications Act and Ordinance No 13 on determination of the types of telecommunications activities, subject to individual licensing and registration under a general license, the activity on the carrying out of telecommunications through a public cable telecommunications network for distribution of radio and television programs passed from a licensing to a more disencumbered, registration regime and 562 cable operators were registered.

101 new operators of public cable telecommunications 101 new operators of public cable telecommunications networks were registered by the end of the year, by which their total number reached 639, and the number of cable networks - 2162.

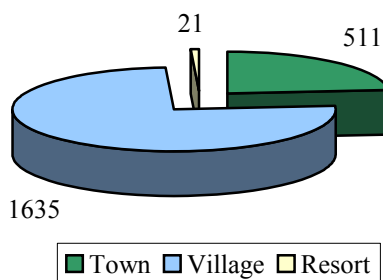


**Source:** Data submitted to CRC

**Fig. 71**

The distribution of the certificates issued for registration under a general license per regions is uneven – nearly half of the networks were built up in eight of the twenty-eight regions of the country (Fig. 71).

**Distribution of public cable telecommunications networks for radio and TV distribution by type of populated area as of 31.12.2004**

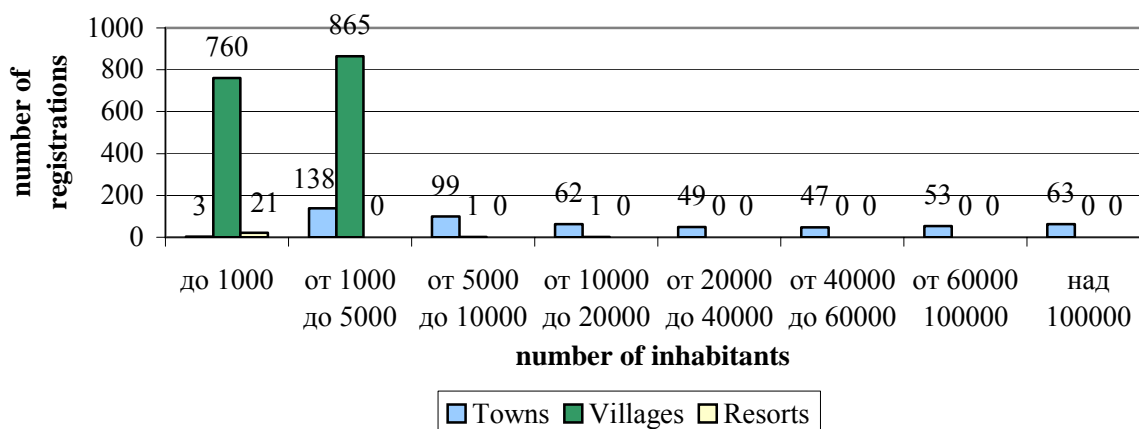


**Source:** Data submitted to CRC  
**Fig. 72**

Presented on Fig. 72 is the distribution of the public cable telecommunications networks by type of populated area, where they function. 1635 (nearly 75 % of the registered cable networks) are with a territorial scope in the villages, and 511 – in the towns.

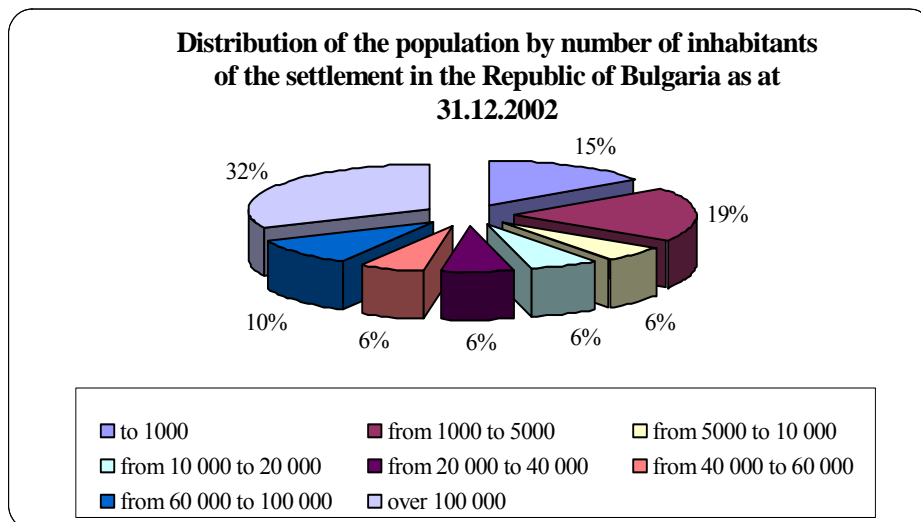
Cable telecommunications networks for distribution of radio- and television signals have already been built up in all towns, as well as in 32 % of the villages in Bulgaria. For one year the number of villages with cable infrastructure increased by 725 (78.8%).

**Settlements with cable public telecommunications networks as at 31.12.2004**



**Source:** Data submitted to CRC  
**Fig. 73**

The number of issued registrations under a general license for settlements with up to 5000 inhabitants in 2004 grew up to 1787 (Fig. 74). 83% of the networks were built up in these settlements, while solely 6% of all the registrations for the implementation of this kind of telecommunications activities were issued for settlements with over 60 000 inhabitants, where nearly half of the population is concentrated in.



**Source: National Statistical Institute**  
**Fig. 74**

According to data of a joint research of the National Statistical Institute and the European Union about the dissemination and use of information and communication technologies in households<sup>1</sup>, during the first half of 2004 in Bulgaria the most widely spread out device is the television set which services 97,3 % of the households. During the last decade the reception of radio- and TV programs through satellite devices (7.9 % of the households have satellite TV in 2004) was replaced by the cable television and today each second household is a subscriber of a cable operator – 59 %.

The number of subscribers of basic and complementary packages of radio- and television programs of the cable operators, which presented information in the CRC, who add up to 75 % of all the cable operators entitled to implement the activities of distributing radio- and television signals in 2004 (inclusive of operators with erased registrations during the year), was 643 048. The revenues from implementation of the activities of these operators in 2004 amounted to BGN 81 million. Two thirds of the revenues are from provision of radio- and television programs. The revenues from provision of access to Internet have a share of 7 % in the total share of the cable operators.

The data received in the CRC by the cable operators about the volume of their activities in 2004, are in at variance with the general tendency of this market segment development. That's why the volume of the revenues received by the operators are recalculated on the basis of assessments of other sources for the volume and growth of this segment (12% for the past year) up to BGN 120 million. The CRC considers that the revenues from cable telecommunications networks as a whole retain their share in the total market structure.

According to data from a research of „Vitoshka Research” under an order of CRC for the consumption of information and communication technologies by the Bulgarian population, amongst the population at the age of over 15 more than half of the respondents stated that their household is subscribed to cable television services. This share is the highest in the regional towns – 42,3%. About 20% are those who declared that they have access to this service in the villages and the smaller residential areas. About 43% of those who declared, that they do not have access to cable television, reside in these areas.

<sup>1</sup> National Statistical Institute, EO “Research for the use of ICT in Households” conducted in conformity with the requirements of Eurostat

### **Services provided**

Along with the provision of the main package with radio- and television programs the operators of cable telecommunications networks offer also complementary services such as access to Internet, coded programs, data transfer, transfer of signals for security activities, video on demand, VoIP telephony.

Predominantly the big cable operators and cable operators in big populated areas orientate themselves at the provision of complementary services. The service provision of Internet through cable networks for distribution of radio- and television programs has become more and more popular in the last few years, since it offers good options for constant access at profitable prices. Nearly all the subscribers who use Internet by cable are in the big cities with population of over 100 000 inhabitants.

In 2004 on the Bulgarian market was introduced the so called triple play service, which provides access to cable television, fixed voice telephone service and high-speed Internet through one cable. The integration of services is not solely facilitation for the end users, but it also provides for possibility for selection amongst packages, orientated at various types of consumption and use of the services with a discount off the price. The price discounts for the triple package reach by some cable operators up to 25 % as compared with the standard prices of the included services. Since the end of 2004 the service has been offered by the cable operator CABLETEL PLC on the territory of Sofia, Bourgas, Rousse and Shoumen and according to data of the CRC and an independent source EUROCOM CABLE PLC and EUROTOUR SAT TV PLC have intentions to provide the service in 2005.

The new service requires from the operators serious investment in a well developed infrastructure. In the future the service coverage will depend on the consolidation of the cable operators market, on the attitude of the subscribers to the quality of the services offered in the package as well as on the settlement of the dispute between BTC PLC and the cable operators with regard to the prices for access to the company's channel network.