

Another issue in the German market is the way the cable infrastructure is organised. The distribution of television signals has historically been divided in two segments, the so-called level 3 and level 4 operators. Level 3 encompasses the distribution networks to the curb, the trunk cables, and level 4 those who go directly into the homes of the customers. It is of course the latter that actually own the customer.

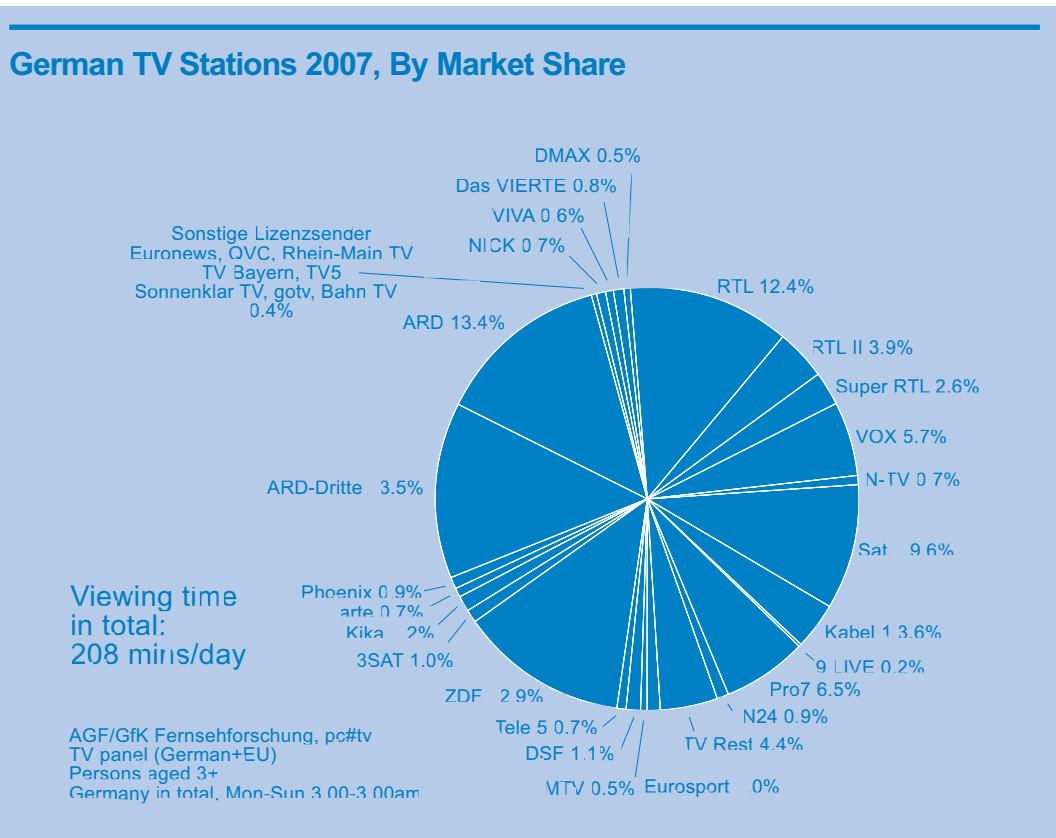
When cable started, it was mostly as communal antenna systems in housing estates and large apartment buildings. But there were also private initiatives from local antenna installers, who started small-scale cable projects. In order to feed these systems, the former state monopoly Deutsche Telekom built a nationwide cable network that consisted mainly of level 3 networks. It subsequently sold off these networks and they now make up three of the four largest operators, namely Kabel Deutschland (KDG), Unitymedia and Kabel BW.

The regional nature of German government

means that there are 15 media authorities, one for each of the 16 regional Länder, with Berlin-Brandenburg sharing a single authority.

It was this authority that in August 2003 became the first in Europe to switch off analogue transmitters and go fully digital. The transition, which apparently went off without a hitch, was eased by the dominance of cable reception in the German capital. Other regions followed and now most urban areas are covered, ready for the proposed digital switchover date of 2010. Although a mix of around 22-24 public and commercial services are available in most areas, the latter prefer to serve just those they deem to be commercially viable.

At the end of 2007, there were 17.9 million cable homes and another 16.7 million satellite homes, of which 9.9 million had converted to digital reception. There were also 2.3 million DTT and about 50,000 IPTV connected homes. The FTA DTH market dominates: cheaply produced analogue and digital receivers continue to squeeze out



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