

# DVD

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First with news and analysis of the global market for DVD products

Intelligence

## Dolby AC-3 Wins Mandatory Status On PAL/SECAM Discs

**DOLBY LABORATORIES CELEBRATED** victory when, last December, in a development under-reported, the DVD Forum upgraded the company's AC-3 audio system from an option to a mandatory inclusion in DVD Video discs produced for the PAL/SECAM territories. Officially, the DVD discs for these markets are no longer required to include MPEG Multichannel audio, which its progenitor, Philips, fought hard to impose as primary system. *Jean-Luc Renaud reports.*

At the Intercontinental Hotel in Tokyo on December 5, the 10 members of the Steering Committee of the DVD Forum voted 8-2 to change the DVD-V specifications (see official tables p. 2).

They agreed to include Dolby Digital (AC-3) in the list of audio types, at least one of which must be on 625/50 PAL/SECAM discs. This means that in effect 625/50 discs can be made with a Dolby Digital track alone and obviating the need for MPEG audio.

The member companies supporting the change comprised Hitachi, Matsushita, Mitsubishi, Pioneer, Thomson Multimedia, Victor Company of Japan (JVC),

Time Warner and Toshiba. Philips and Sony were the dissenting voices.

In a press statement, Dolby was quick to characterize this as "a welcome change for those content providers who wish to provide content which contains a 5.1 channel Dolby Digital track and, for reasons of limited disc capacity, do not wish to also have to include a 2-channel MPEG-1 audio track." Making the point clear, Dolby stated: "With the specification change, the MPEG-1 track is no longer required for conformance."

Philips had announced at the IFA consumer electronics fair at Berlin in August that agreement had been reached mandating MPEG Multichannel for PAL countries. As it turned out, Philips' triumph was to be short-lived. The Dutch company was reportedly behind schedule in delivering MPEG-2 Multichannel encoders to DVD developers.

Philips, naturally, has deplored the result of the December vote. "We are sincerely convinced that in the long run the decision of the DVD Forum is not in the interest of the consumer," said Jan Oosterveld, senior director of corporate strategy at Philips.

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**\$720bn**  
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## DVD Publishers Turn Deaf Ear To MPEG Multichannel Sound

**SIX MONTHS AFTER THE DVD FORUM UPGRADED** Dolby AC-3 audio from an option to a mandatory inclusion in DVD Videos published in PAL/SECAM territories, the rival MPEG-2 Multichannel Audio system appears to be on the way out. And the simpler MPEG-2 stereo option fares no better. *Barry Flynn reports.*

Initially, Philips succeeded in mandating MPEG Multichannel alone as the audio standard (see *DVD Intelligence*, April/May 1997), but the policy was reversed by the DVD Forum in December 1997 (see *DVD Intelligence*, February 1998).

Of the publishers surveyed by *DVD Intelligence*, only Columbia TriStar has had a consistent policy of using both types of audio on its European discs. But now the studio is thinking again. According to Steve Brown, the UK operations director: "Columbia are reviewing their options on what to do with sound."

Brown will not reveal which way the studio is leaning, but the implication is that one of the two systems could be ditched. Given current market sentiment, *DVD Intelligence* guesstimates that MPEG Multichannel is the most likely casualty. Indeed,

Columbia's forthcoming titles such as *Sense And Sensibility* and *Midnight Express* are Dolby-only.

Warner Home Video's Neil McEwan says that the studio's current policy for European-aimed DVD Videos is "all Dolby AC3 and only AC-3 - either stereo or 5.1."

Suggesting that this is likely to be Warner's policy for the foreseeable future, he adds: "It's our view that at the moment there is no market demand for (MPEG Audio). The rest of the market is going AC-3. At this point in time there is no reason for anybody to buy kit in MPEG-2."

Although the music products of Warner Vision, a separate division within Time-Warner, might seem to dictate a different policy, it is eschewing MPEG audio also. Frank Bronger, Warner Vision's senior director of international marketing and sales, says: "All our discs are DVD10s: we use (Dolby AC-3) 5.1 on one side and LPCM (Linear Pulse Code Modulation) on the other." His division is not planning to use MPEG Audio, he adds, because "everybody is using AC-3 where they're putting multichannel sound on."

It is so far unclear what Buena Vista's policy is. The

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