

ESSEL SHYAM COMMUNICATION LIMITED

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ESCL/TRAI/2010/

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To

Dr. J.S. Sharma
Chairman
Telecom Regulatory Authority of India (TRAI)
Mahanagar Doorsanchar Bhawan
Jawahar Lal Nehru Marg (Old Minto) Road
New Delhi-110 002.

Dear Sir,

We sincerely thank you for providing us an opportunity to give feedback on the issues raised in the Consultation Paper of TRAI.

On behalf of **EsSEL Shyam Communication Limited**, the leading third party commercial teleports in the country, following are the responses for your kind perusal and consideration:

4.1 In the present scenario how to determine the maximum number of satellite TV channels possible? Please elaborate with appropriate reasoning.

It is not possible to quantify the maximum number of satellite TV channels due to following:

- In yester years we were Uplinking only one channel per transponder in Analogue Mode , whereas in today's time it is possible to uplink well over 30 channels per transponder using MPEG 4 technology, efficient modulation and FEC which is an ongoing process and may have further improvements with the change in technology.
- Given the number of transponders deployed and available for TV broadcasting, there is enormous scope to accommodate a very large number of channels with the use of modern technology and efficient utilization of satellite bandwidth.
- Accordingly, the Broadcasters / Teleport / Uplinking service providers should be directed to adopt new technologies as available to keep pace with the time & demand of the Industry.

4.2 Is it desirable to cap the number of channels? Please justify your response with detailed rationale.

- Given the nascent stage of satellite TV broadcasting in India, it is not desirable / advisable to cap / quantify the maximum number of channels permissible. Further, keeping in mind the number of channels developed countries like USA have vis-a-vis their respective population and number of languages used / spoken there is still an ample scope / potential / requirement for a large number of channels in several niche areas like weather, wellness, health, ethnic apart from several regional languages / state focused.
- Further, putting a cap on the number of channels may also restrict the free and fair flow of trade and commerce and may also work against some of the legislations like Competition Act, Equality granted under the Constitution of India etc.
- Also the existing players may be required to pay a very high licence fee for the exclusive use of the resources.
- However, the guidelines / norms for granting the licences for a channel may be suitably rationalized to permit only the serious / capable players and phase out the inactive / non-serious players.

4.3 If it is desirable to cap the number, what according to you should be the number in each category?

- Though it is neither possible nor desirable to cap the numbers, the number will depend upon the market forces.

4.4 Whether there is a case for putting a cap on the number of teleports/DSNG and uplinking facility in other satellite based distribution networks such as DTH and HITS. If yes, please specify the number along with justification.

- Considering the example of any developed country, we should have a restriction / cap on the number of teleports / DSNG and uplinking facilities including satellite based distribution networks such as DTH and HITS platforms.

- While the DTH and HITS platform are distributing almost the same / common content, for the purpose of optimal utilization of satellite and other resources, it is desirable to have limited number of experienced, competent and resourceful Infrastructure facility provider (to facilitate fair competition) for satellite based services who will further provide the uplinking / DSNG services to various TV channels and the distribution facility through various DTH / HITS services provider who can have their own branding and other value added services for the end customer.
- The teleports being not only a sensitive operation (requiring security clearance) but also intricately technical service (requiring qualified, competent and skilled engineers), it should be allowed to a limited players with a reasonable size of bandwidth utilization (say a big MCPC carrier with minimum of one transponder using 9 Mtr. antenna having sufficient redundancy in all infrastructure) to not only facilitate requisite monitoring, reliable services but also the optimal utilization of precious satellite bandwidth /satellite power without wasting the bandwidth for Guard Band etc. in small satellite carriers.

4.5 Should it be mandated for the broadcasters to switch from MPEG-2 to MPEG-4 encoding w.e.f. a particular date? If, so then what should be that date and if, not then why?

- Yes, it should be mandatory for the Broadcasters to switch to the new technologies available to optimize use of satellite bandwidth. However, the modalities should be worked out in consultation with all broadcasters / stakeholders / operators and government should also take initiative to reduce duties, etc. on the new technology (MPEG-4) STB and other related infrastructure equipments.

4.6 Should network requirement of Applicant Company for permission of TV channels under uplinking and downlinking guidelines be enhanced? If yes, how much it should be? Please elaborate with appropriate reasoning.

- There is no need / reason to increase the network requirement which is already more than sufficient. However, proper implementation of the same will ensure only the serious players to come in.

- 4.7 Should experience of the applicant company be introduced in eligibility criteria? If yes, what do you suggest?**
- Not recommended, since there are sufficient number of experienced people available in the country who can be hired by any of the new applicant company for running the channel.
 - Also with these kind of restriction in the eligibility criteria, the new regional broadcasters from smaller states will not be able to come, and there will be problem of fair competition & other legal laws.
- 4.8 Should experience and expertise of the promoters of Applicant Company be introduced in eligibility criteria? If yes, what do you suggest?**
- Such stipulation would only encourage cartelization and cross business holdings. Hence NOT recommended.
 - Also given that sufficient number of qualified / experienced people are available in the industry, the stipulation of such eligibility criteria are completely irrelevant.
- 4.9 Should the permission fee be enhanced to ensure participation of serious players?**
- No, the current permission fee seems commensurate with the existing business and market situations. However, the current processing fee of Rs.10000/- may be reviewed appropriately.
- 4.10 Should one time permission fee be converted into annual permission fee? If yes, what should be the quantum?**
- No, given the enormous potential for growth in the media segment, any annual fee may be discouraging.
- 4.11 Should a commitment from the applicant company to stay in business for certain period be prescribed?**
- No, it should be left to the market forces, business viability and economic scenario.

4.12 If yes, what should be that period? Please elaborate with appropriate reasoning.

- Not Applicable.

4.13 Whether permission of a channel should be revoked in case the channel is closed down for certain fixed period. If so, what should be the period? Should this period be same or different if the non operation is continuous or intermittent?

- No, because the channel may temporarily closed for various reasons including force majeure over which the licensee may not have the complete control.
- The permission of the channel may be revoked voluntarily when requested by the permission holder after all the payments of the Teleport / DSNG / Satellite Service Providers are cleared and requisite NOC from the Service Provider is submitted to the Ministry.

4.14 What should be the policy for renewal of permission of channels under uplinking / downlinking guidelines? Please elaborate with appropriate reasoning.

- Automatic renewals with payment of requisite fees.

4.15 Whether transfer of permission to a TV channel under uplinking/downlinking guidelines should be permitted. If so, under what terms and conditions.

- Given the regulatory guidelines providing for requisite security clearances of company's Director / Shareholders, the transfer of permission should be done only with the transfer of Company by way of merger / acquisition.

4.16 Whether India should be developed as a Teleport / Hub centre for channels uplinking, which are not meant for viewing in India. In such case, should the channels be covered under uplinking and downlinking guidelines?

- Yes, India should become a Teleport / Hub center for channel uplinking as it will not only create requisite infrastructure for Global Turnaround Services but will also earn the much needed foreign exchange for the country.
- However, it should be covered under uplinking / downlinking guidelines, only when it is meant for viewing in India.

4.17 If India is to be developed as a Teleport/hub centre for channels uplinking, then what facilities should be provided to the companies to make India a Teleport/hub centre for uplinking of channels? Whether this will in any way adversely affect the transponder availability for uplinking of TV channels to be viewed in India.

- The government should encourage to develop India as a Teleport / Hub Centre for channel uplinking.
- For this, the following facilities should be provided to Service Provider companies:
 - A fast track simple MI&B and other govt. / regulatory permissions based on uplinking / turnaround intimation.
 - Waiver of uplinking fees
 - Relaxation in FDI norms.
 - Grant of Special Infrastructure status to the Service Provider companies along with requisite tax rebate under Income Tax, Service Tax, Custom Duty and other taxes.
- Apart from usage of foreign satellites which will pave the way for uplinking platforms on foreign satellites, the Service Providers should be advised to use big MCPC carriers with latest technologies to have optimal utilization of satellite bandwidth which should not have any adverse effect on the transponder availability for uplinking of TV channels to be viewed in India.

4.18 Any other related issue, you would like to comment upon or suggest.

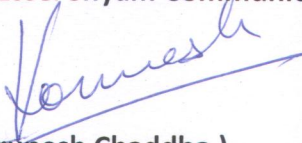
- Abolition of permission fee for installation of additional antenna / RF chain, uplinking to additional satellite from an existing teleport.
- Abolition of permission fee for setting up of additional teleport.
- Charging of WPC fees on daily / weekly basis (as against quarterly basis at present) for DSNG / Temporary uplinking services.
- Facilitation of priority and concession in allotment of land and other related local taxes, levies, charges, duties for setting up of Teleport / Uplinking Hub / Infrastructure.

- Facilitation of priority and concession in related local taxes, levies, charges, duties for providing temporary uplinking / live coverage / news gathering services

Thanking you and with best regards,

Yours faithfully,

For EsSEL Shyam Communication Limited



(Karunesh Chaddha)

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