Responses to the issues for Consultation

Q 1. Do you agree that there is a need to address the issue of monopoly/market dominance in cable TV distribution? In case the answer is in the negative, please elaborate with justification as to how the ill effects of monopoly/market dominance can be addressed?

A) The very concept of monopoly / market dominance in Cable TV distribution is not fully understood, as it can have the following factors.

- **a) The cable act and cable TV act rules do not restrict the number of MSO's and LCO's in any particular area.**
- **b) So if any city is covered by a MSO, who has a larger market share, that city can easily have 1, 2 or more MSOs enter in a small area to continue competition.**
- **c) Cable is a wireline business and it obviously has a minimum infrastructure laid for their services. Any cable MSO or LCO who has put his infrastructure will continue to remain in the market. However, it does not stop any MSO along with their infrastructure requirements to enter.**
- **d) Even in a DAS scenario, the issue of market share is governed by the MSO level, depending on the market requirements. The competition among the MSO will continue in the DAS area and the same logic of any MSO entering in any area still holds good (as long as they have the DAS registration license).**

Q 2. Do you agree that the State should be the relevant market for measuring market power in the cable TV sector? If the answer is in the negative, please suggest what should be the relevant market for measuring market power? Please elaborate your response with justifications.

A) It is logical to consider the State to be a relevant market for measuring market power in cable TV sector. However, it should be left to market forces for any MSO to operate in a particular State or in any nearby bordering State provided they have a Digital Licence.

Q 3. To curb market dominance and monopolistic trends, should restrictions in the relevant cable TV market be:

(i) Based on area of operation?
ii) Based on market share?
(iii) Any other?

Please elaborate your response with justifications.

A) It should be noted that certain broadcasters and aggregators and distributors are directly or indirectly operating cable networks resulting in reduction of competition and elimination of new entrants. The ideal scenario should be to consider any restriction based on the area of operation which is already happening, and should be based on market forces.

B) However, the real issue of monopoly or market share issue is based on the powerful Broadcaster/Aggregator restricting supply of authorized broadcast content signals to any new MSO entrant. Ideally and in law, these should be provided on a non-discriminatory basis , both in commercial and technical terms, which does not always happens and leads to monopolistic trends and litigation..

Q 4. In case your response to Q3 is (i), please comment as to how the area of a relevant market ought to be divided amongst MSOs for providing cable TV service. Please elaborate your response with justifications.

A) We don't agree that there is any need for devising methodology for dividing the market of a particular state or city. At the best, state wise the allocation can be considered for MSOs. In any case market forces are already at play with intense completion from DTH players and inter se between various MSOs.

Q 5. In case your response to Q3 is (ii), please comment as to what should be the threshold value of market share beyond which an MSO is not allowed to build market share on its own? How could this be achieved in markets where an MSO already possesses market share beyond the threshold value? Please elaborate your response with justifications.

A) It will be very cumbersome to monitor and can vary continuously as market forces are at play and therefore not possible to implement...

Q 6. In case your response to Q3 is (ii), please comment on the suitability of the rules defined in para 2.26 for imposing restrictions on M&A. Do you agree with the threshold values of HHI and increase in HHI (X, Y and Delta) indicated in this para. If the answer is in the negative, what threshold values for HHI and delta could be prescribed for defining restrictions? Please elaborate your response with justifications.

A) Not Relevant

Q 7. Should 'control' of an entity over other MSOs/LCOs be decided as per the conditions mentioned in para 2.29? In case the answer is in the negative, what measures should be used to define control? Please elaborate your response with justifications.

A) We are OK with the condition mentioned in the para 2.29.

Q 8. Please comment on the suitability of the rules defined in para 2.31 for imposing restrictions on control. Do you agree with the threshold values of HHI and increase in HHI (X, Y and Delta) indicated in this para. If the answer is in the negative, what threshold values for HHI and delta could be prescribed for defining restrictions? Please elaborate your response with justifications.

A) No Comments

Q 9. In case your response to Q3 is (iii), you may support your view with a fully developed methodology indicating a measure arrived at to determine market power and proposed restrictions to prevent monopoly/ market dominance in the relevant market.

A) Not Relevant

Q10. In case rules defined in para 2.31 are laid down, how much time should be given to existing entities in the cable TV sector (which are in breach of these rules as on date), for complying with the prescribed rules by diluting their control? Please elaborate your response with justifications.

A) This needs to be reviewed separately and even if the rules defined in para 2.31 are laid it will take 2 to 3 years time frame to be considered.

Q11. Whether the parameters listed in para 2.33 are adequate with respect to mandatory disclosures for effective monitoring and compliance of restrictions on market dominance in Cable TV sector? What additional variables could be relevant? Please elaborate your response with justifications.

A) The parameters listed in 2.23 is sufficient as mandatory disclosure for effective monitoring and compliance of restrictions on market dominance in Cable TV sector. However the subscriber details are always to be considered by the company and should not be divulged for any private or Government agency.

Q12. What should be the periodicity of such disclosures?

A) The periodicity of such disclosure can be over 3 years.

Q13. Which of the disclosures made by the Cable TV entities should be made available in the public domain? Please elaborate your response with justifications.

A) The disclosure of pt. a,b,c of para 2.33 can be made available in public domain. Rest of the information is direct or indirect business impact and need not be disclosed to the public.

Q14. What according to you are the amendments, if any, to be made in the statutory rules/ executive orders for implementing the restrictions suggested by you to curb market dominance in Cable TV sector?

A) As of now we do not consider any restriction in market dominance in cable TV sector. This can be reviewed. The Digital Cable TV market has stability and is going towards maturity. This can be over a period of 3 years.

Q15. Stakeholders may also provide their comments on any other issue relevant to the present consultation.

A) No Comments