

SUGGESTED ANSWERS/COMMENTS ON THE ISSUES BROUGHT OUT BY TRAI  
IN THEIR CONSULTATION PAPER ON “HEAD-END-IN-THE SKY (HITS)”

By

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Question No.1: What should be the scope of the HITS operation? Whether the scope of the HITS operator should include both the models as stated under heading “scope of HITS operation” in paras 4.5 & 4.6?

Ans: - The first model presented in the consultation paper is similar to that of an MSO. The only difference is that the HITS operator uses a satellite based headend instead of a terrestrial headend. Even a terrestrial headend can distribute TV programmes over a very large geographical area covering millions of homes. Such “super headends” can distribute TV programmes over a large geographical area employing a nation wide optical fibre net work, either in a ring or mesh configuration, with a large number of distribution hubs to distribute TV programmes through a net work of regional/local headends. These headends employing simpler electronics will be the starting point of a regional (statewide) or a local (citywide) cable network. In this emerging scenario, there is no difference between a nationwide MSO, or the so called HITS operator. Therefore, the first model of HITS which is operationally similar to an all India terrestrial MSO should be similarly regulated. The second model, in which the satellite of the HITS provider is used only as an infrastructure or a passive network element, should be regulated on the lines of the telecom infrastructure provider that is IP category-I, with more liberal terms and conditions.

Question No.2: whether HITS operations should be allowed in C-Band or in Ku Band or in both?

Ans: -The present policy of maintaining a service differentiation between HITS operation & DTH by allocating frequency spectrum from two different bands i:e C-bands for HITS & Ku-band for DTH should be adhered to.

Question No.3: Whether a HITS operator should be restricted to offer services only to the cable operator? Alternatively, should HITS operator be allowed to serve the end customer

also directly? If yes, then whether the restriction on DTH to service end customer only needs any review?

Ans: -Yes, to maintain a differentiation between HITS and DTH, the former should not be allowed to access customer directly. They should access the customer only through local or regional cable operator. There is no need to review the existing policy regarding DTH operators serving the customer directly, and not through cable operators. To promote competition & to avoid market dominance by horizontally & vertically integrated players, DTH operators should not be allowed to enter the HITS market.

Question No.4: What should be the limit of Foreign Direct Investment (FDI) for HITS licenses? Should there be any restriction on the maximum limit on the composite figure of FDI and FII?

Ans: - The FDI limit should not be relaxed only for HITS operation. Govt. should take a comprehensive view of all types of TV distribution networks and their coverage areas, irrespective of the network platform deployed. Considering the sensitivity of a nation wide TV distribution network, the existing limit of 49% should be retained.

Question No.5: What should be the entry fee and the annual license fee for HITS?

Ans: - Same as for existing DTH, as both will have all India service area.

Question No.6: Whether HITS operator should be allowed to uplink from outside India also?

Ans: - The existing guidelines applicable to DTH should be made applicable to HITS, i.e, the uplinking earthstation should be located in India. As brought out at para 4.6 of the consultation paper, the location of the uplinking earth station in India, will make monitoring easier & effective by the licensor. It is also preferable from the security angle.

Question No.7: If yes, what are the safeguards needed for monitoring the system? What are the checks and balances required to be put in place to address the level playing field issue with the operator's uplinking from India?

Ans: - Question does not arise in view of our answer to Q. No. 6 above.

Question No.8: Should any interconnection issues be addressed in licensing conditions?

Ans: - Same as applicable to existing MSOs

Question No.9: Should spectrum charges be recommended to be done away with for HITS service provider?

Ans: - There is no justification. They should pay on the same basis as DTH operator, because of their all India coverage.

Question No.10: Should there be any cross holding restriction? If yes, please suggest the nature and quantum of restrictions.

Ans: - Same as applicable to a DTH licensee that is not more than 20%.

Question No.11: Should HITS operator be allowed to offer value added services?

Question No.12: Whether “must carry/must provide” conditions be imposed on HITS operation?

Question No.13: Whether a stipulated net worth of specified amount be made as an eligibility criteria to avoid any non-serious applicant?

Ans for Q.No.11, 12, 13: - Same as for existing MSOs. HITS operator should be treated at par with MSOs as explained in answer to Q.No.1 above. Normally there should be no restriction on the value added services which can be derived from a network platform.

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