A RESPONSE TO CONSULTATION PAPER ON MEDIA OWNERSHIP

Issue 1: Should the Authority adopt the relevant markets identified as above in paras 5.22.8 and 5.22.9 and assess these markets in the context of this consultation? If not, provide your classification of the relevant markets with appropriate reasoning.

In ever evolving new technologies and services in the backdrop of ever increasing demand for plurality, diversity, right to freedom, choice etc in our vibrant democracy the objective should be 'light touch regulation' where appropriate. Particularly in the Media sector it should encourage and support innovative approach and creativity to the maximum. The policy framework should therefore be simple to comprehend, convenient to implement and easy to enforce.

Accordingly the market should be defined a) in geographic boundaries - national, statewise & citywise b) based on languages - English & Hindi nationally & specific state languages corresponding to the respective states.

The TV market should further be classified into 2 domains: a) News & Current Affairs b) Non News & Current Affairs (similar to Uplink Guidelines). The weightage should be more on the News & Current Affairs market since it has much greater impact on the masses.

Each media issue on interests should preferably be examined in such a matrix.

Issue 2: (a) What restrictions should be imposed on cross-media control/ ownership across print, radio and television media to ensure plurality? (b) What should be criteria for measuring cross-media control/ ownership? Please elaborate your comment with appropriate reasoning.

a. i) No entity with majority ownership (above 50% in equity) in any media segment can hold more than 10% equity in the other segments ii) No entity with ownership above 26% (max up to 50%) in any media segment can hold more than 20% equity in the other segments iii) No entity with less than 26% in a media segment can have equity more than 26% in other media segments.

b) Besides the equity limits, market share should also be the criterion to check dominance. In any given market segment, no entity with cross-media interests should be allowed to reach 50% market share of the total revenues in the given market. The principle of market share by revenues is ultimately derived from the base indicators like %-age of readership (i.e. circulation), pay channel subscription fees, FTA advertisement fees, carriage fees etc.

Another basic criterion should be that any media segment shall have minimum 3 players in free market competition. Public service units, if any present, could be the additional fourth entity. On this basis any merger & acquisition norm will be duly applied.

Issue 3: (a) Are the current restrictions adequate to address the concerns regarding vertical integration in the television segment? If not what modifications/additions do you suggest? (b) Should similar restrictions be imposed to address the concerns regarding vertical integration in other segments of the media? (c) What parameters should be used to measure vertical integration? Please elaborate your comments with appropriate reasoning.

a) Media dominance takes roots in cross-media and/or cross-holding controls & ownership. Any entity should therefore be subject to 20% restriction in cross-holding (as proposed between broadcasting / distribution).

However, distribution is the 'power key' to broadcasting that also leads to accumulation of interests. With multiple platforms like DTH, HITS, Cable TV (MSO/LCO), Mobile TV, IPTV etc requiring separate licenses/registration, it is therefore imperative to consider suitable cross-holding restrictions within distribution. Suggest 40% cross-holding at least in regard to Cable TV. With well over 80 million cable-connected households, possible control of HITS & MSO by any single entity in the value chain is surely undesirable!

One alternative suggestion is: Like UASL, there should be a single license on media distribution that will permit any available technology for the delivery platform subject to suitable M&A norms. In that case neither service-specific licenses nor cross-restrictions will need to exist. If so, the present regime may then migrate to this kind of unified licensing in a phased manner! A positive benefit could be faster digitalization in distribution!

b) Perhaps not. Print media depends primarily on readership, i.e. level of basic literacy & education. Readership is also very much a matter of personal choice & individual affordability whereas TV viewing is usually a collective 'family viewing' in a house-hold - a kind of basic necessity in today's living. The applicability criteria are not quite the same. The Print media segment is reasonably stable over the years & also regulated on content. Cross media control is surely the issue - but not the cross holding within the 'vertical'!

c) Usual parameters like equity, readership, viewer-ship, listener-ship, market share by revenue, market share by reach, volume discounts, number of editions, exclusivity terms, discrimination in advert practice etc can be examined & monitored for each segment to check on the trends.

Issue 4: (a) Are the current limits imposed on the number of media licenses in FM radio adequate? If not, what modifications/additions do you suggest? (b) Should similar limits be imposed in the other broadcasting media segments? (c) What criteria should be used to determine these limits? Please elaborate the comments with appropriate reasoning

a) As long as the minimum number of 3 entities (plus AIR) is assured in any district, there should not be any limit to the number of licenses to be held by any entity. Likewise no entity should be restricted to any limit to the number of licenses across the country provided certain guidelines are strictly complied with. Suggest: i) in each license area the market share by revenue should not cross 50% in any genre & language ii) the program content in each license area should be around 50-75% local specific in local language (and/or national language) for each radio channel

b) For Cable TV distribution, LCOs should be minimum 3 in number at any location. Also no single entity should be allowed to own more than a single network in any geographically defined locality. It should not have even any equity or business interest - directly or indirectly - in any other competitive network in the same area. Likewise at the MSO level no single entity can own more than one head-end serving the same zone - directly or indirectly.

On Mobile TV, the TRAI recommendations have allowed various technologies like DVB-H, DMB-S, Media Flo etc. In case where the last mile is terrestrial (e.g DVB-H) & dependent on limited frequency resource, some of the restrictions as in FM radio are relevant.

Being a 'last-mile' wireline service IPTV should also have restrictions like in Cable TV.

On HITS, the minimum of 2 competitors can as well be specified. Also no entity can own directly more than one HITS license. Of course it may be allowed to have equity less than 10% in a competitive platform.

Issue 5: Should restrictions be imposed on concentration of control/ ownership across media? If yes, (a) What restrictions should be imposed? (b) What criteria should be used for measuring concentration of control/ ownership across media? Please elaborate your comments with appropriate reasoning

There should be cross-media & cross-holding restrictions as indicated earlier. No other restriction is presently desirable. Concentration ratios may be used to monitor the scenario. India is a developing country, not a mature economy as yet. Media penetration is still to reach far & wide before some of the issues on control & coverage leading to dominance & monopoly may perhaps assume highly significant proportions.

Issue 6: Should restrictions be imposed on Cross control/ ownership across Telecom and Media segments? If yes, (a) What restriction should be imposed? (b) What should be the criteria for measuring control/ownership across the telecom and media segments? Please elaborate the comments with appropriate reasoning.

With the advent of Convergence the trend should be towards the concept of single license that will enable to provide different services using various technologies. Such a unified license will truly ensure technology neutrality. Until this radical change comes about, entry into various existing sectors & segments should remain open & transparent subject to eligibility criteria. Only in case of limited resources like spectrum, specific conditions are advisable. The goal should be as always to promote entrepreneurships & diversification of business in new era technologies & services. Like the Media sector, there also exist restrictions on accumulation of interests in the Telecom sector under the M&A norms. Perhaps no new checks & balances are to be devised.

Issue 7: Any other relevant issue you would like to suggest or comment upon.

In Telecom sector Minutes of Use (MOU) is a critical determinant. Like MOU, time spent on reading newspapers, viewing TV channels, listening to radio etc is also a definitive pointer that determines 'market hold' of the respective media companies.

Accumulation of interests should be estimated in two ways - within the specific media segment as well as in relation to the whole of the media sector.

If terrestrial transmission is privatized in future, DTT service will also come under consideration. Presently Satellite Radio is marginal to the Indian media industry. However there should be some guidelines in the teleport services as most of these are owned by broadcasters though some parties provide services to other broadcasters as well.

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