Pre-consultation Paper on Infrastructure sharing in Broadcasting TV distribution sector

In response to TRAI's Pre-consultation Paper on 'Infrastructure sharing in Broadcasting TV distribution sector', dated 23rd May, 2016, our comments are stated herein under.

You may kindly note that below comments are without prejudice to our rights and contentions, including in any ongoing or future litigations and we reserve our rights to modify, change and submission of further comments or counter comments to clarify our position on the issues under this consultation paper.

4.1 In addition to infrastructure sharing possibilities discussed in pre-consultation paper what more can be shared by the DPOs (MSOs, HITS, DTH) for better utilization of infrastructure?

Answer: We suggest that TRAI may consider sharing of compression, encryption and subscriber management (for pay channels) systems. This could greatly benefit individual, smaller broadcasters and bring down the cost of entry of newer and specialized content.

4.2 What could be the operational, commercial, technical and regulatory issues which require to be addressed at the time of developing policy and regulatory framework for enabling infrastructure sharing in the broadcasting TV distribution space?

Answer: We suggest that the following issues should be considered if infrastructure sharing is implemented in the broadcasting TV distribution space.

Operational Issues:

i. The implementation of infrastructure sharing broadcasting TV distribution space as proposed shall result in monopolistic or oligopolistic situation at network operator level. The large service providers may like to hold on to the network that they have built and may not offer their network to other small players or new players wishing to enter the market.

ii. TRAI needs to consider if the move to implement infrastructures sharing and separation of network and service provider functions in TV distribution sector could stifle innovation and competition in television signal distribution product manufacturing. It must be considered that the proposed centralization of distribution network will stifle competition by limiting the ability and reducing the incentive for content provider, to explore newer products and technologies.

Commercial Issues:

i. The commercial agreements between the network operator and service providers may pose challenges as all service providers may not agree on a common service terms of carrying certain TV channels & payments thereof. There are chances of bias & favors in commercial agreements due to monopoly in network ownership.

Regulatory Issues:

i. Suitable amendments are required in DTH/HITS/MSO guidelines for change in status of the service provider and relationship with network operator. Clarity is needed in terms of whether the service provider can be a network operator or both needs to be separate legal entities.

Technical issues:

i. TRAI needs to consider the effect of such centralization of infrastructure on the need and ability of broadcasters to turn off their signals delivered to DPOs (subscriber management) in the case of pay channels to individual DPOs.

ii. We also believe that while simulcrypt is a viable solution, TRAI may need to recognize that concentrating compression and/or encryption at one point instead of the hands of each individual broadcaster may reduce broadcasters' ability to adopt newer encryption and compression technologies. Any broadcaster wishing to take advantage of newer technologies may find themselves limited by the HITS or network operator's ability of willingness to make system changes. The potential effect of such centralization needs to be analyzed and addressed.

iii. We suggest that TRAI may also acknowledge the following while developing a policy and regulatory framework for enabling infrastructure sharing in broadcasting TV distribution.

a. An emerging crucial trend is specific, local, targeted advertising, steps should be taken to address operational, commercial, technical and regulatory issues in this regard, at the time of developing policy and regulatory framework for enabling infrastructure sharing in the broadcasting TV distribution space.

b. Many broadcasters have tied up with third parties for technology solutions and infrastructure to display geographically targeted advertisements. IPTV operators can technically deliver advertisements targeted at individual operators.

c. The technical parameters of how simulcrypt will work with such "local advertisement insertion" workflows may need to be worked out. These "local

advertisement insertion" workflows work with a limited number of STBs/IRDs and will require STB manufacturers and advertisement workflow companies to rejig their product lines.

4.3 Do you envisage any requirement for change in the existing licensing / registration framework laid for DTH, DAS and HITS broadcasting services? If yes, please specify those changes clearly for each platform?

Answer: Suitable amendments are required in DTH/HITS/MSO guidelines for change in status of the service provider and relationship with network operator. Clarity is needed in terms of whether the service provider can be a network operator or both need to be separate legal entities.

TRAI should align the existing policy framework with the objective of balancing the equities.

4.4 What could be the implications of allowing separation of network and service provider functions at distribution level? How the responsibilities can be divided between the network and service providers?

Answer: Refer to Answer 4.3

4.5 Any other issue which you feel will be relevant for enabling the infrastructures sharing and separation of network and service provider functions in TV distribution sector?

Answer: TRAI needs to consider that the move to implement infrastructures sharing and separation of network and service provider functions in TV distribution sector could stifle innovation and competition in television signal distribution product manufacturing. It must be considered that the proposed centralization of distribution network will stifle competition by limiting the ability and reducing the incentive for content provider, to explore newer products and technologies which provide competitive edge in a highly competitive market.

TRAI needs to consider the effect of such centralization of infrastructure on the need and ability of broadcasters to turn off their signals delivered to DPOs (subscriber management) in the case of pay channels to individual DPOs.

We also believe that while simulcrypt is a viable solution, TRAI may need to recognize that concentrating compression and/or encryption at one point instead of the hands of each individual broadcaster may reduce broadcasters' ability to adopt newer encryption and compression technologies. Any broadcaster wishing to take advantage of newer technologies may find themselves limited by the HITS or network operator's ability of willingness to

make system changes. The potential effect of such centralization needs to be analyzed and addressed.

If TRAI implements infrastructure sharing in in Broadcasting TV distribution sector, the process of watermarking every channel for ratings reporting should be simplified for content providers. The network operator could offer this as a service in collaboration with BARC or other agencies and remove this burden from the hands of the content provider.

We appreciate that the consultation paper in its current form is focused to a great extent on the scarce resource of satellite bandwidth but we feel that a broader picture may be required to be looked at to examine potential results.