

## VIEWS AND COMMENTS ON CONSULTATION PAPER ON MARKET STRUCTURE COMPETITION IN CABLE TV SERVICE BY UPBHOKTA SANRAKSHAN KALYAN SAMITI,KANPUR,CAG MEMBER

Q1: Given that there are multiple options for consumers for availing television services, do you think that there is sufficient competition in the television distribution sector?

Elaborate your answer with reasoning/analysis/justification.

ANS-Accordingly, TRAI issues this Consultation paper to seek the comments/views of the stakeholders on monopoly/market dominance/competition issues in cable TV services. Chapter 2 discusses overview of broadcasting sector in India and the level of competition in television distribution. Chapter 3 discusses monopoly/market dominance/competition issues in the cable TV industry. Summary of the issues for consultation has been provided in Chapter 4. Measures used to assess market concentration have been explained in Appendix I. International experience on cable TV distribution and guidelines on mergers and acquisitions are appended as Appendix II and Appendix III respectively

Q2: Considering the current regulatory framework and the market structure, do you

think there is a need to regulate the issue of monopoly/oligopoly/market dominance in the Cable TV Services? Do provide reasoning/justification, including data substantiating your response.

ANS-The Indian Media & Entertainment (M&E) industry is a sunrise sector for the economy.

It has shown tremendous growth over the years. The sector grew from INR 1.026 trillion in 2014<sub>1</sub> to INR 1.38 trillion<sub>2</sub> in 2020. Further, with digitization and evolution of broadband networks, the sector offers huge potential for increased demand and business revenues

Q 3. Keeping in view the market structure of television broadcast sector, suggest proactive measures that may address impending issues related to monopoly/market dominance in cable TV sector? Provide reasoning/details, including data (if any) to justify your comments.

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business revenues

Q4. Do you think that there are entry barriers in the Indian cable television sector? If yes, please provide the list and suggest suitable measures to address these? Do provide full justification for your response.

ANS-NO

Q 5. Do you think that there is a need to regulate LCOs to protect the interest of consumers and ensure growth/competition in the cable TV sector? If yes, then kindly suggest suitable regulatory/policy measures. Support your comments with reasoning/justification.

ANS-NO

Q6. What should be the norms of sharing infrastructure at the level of LCO to enable broadband services through the cable television infrastructure for last mile access? Is there a possibility that LCO may gain undue market control over broadband and other services within its area of operation? If yes, suggest suitable measures to prevent such market control. Provide detailed comments and justify your answer.

ANS-Since the advent of the regulatory regime in 2004, the technology and ecosystem has evolved from analogue in 2004 to the digital mode by

March 2017. The quality of analogue transmission was poor; hence consumers did not receive high quality services. Various stakeholders, especially the broadcasters, had serious concerns as the number of viewers could not be correctly ascertained in the analogue network

Q 7. What should be the relevant market for measuring the market power of cable services? Do provide full justification for your response.

ANS-The Cable TV Act and the Cable TV Rules do not restrict the number of MSOs/LCOs operating in any specific area. There are a few large MSOs which operate in multiple states/Union territories, while other MSOs operate either on a regional level or in a smaller area. In the initial stages of digitization, MSO registrations were given for specific city, town, state, or PAN India.

Q 8. Can a state or city or sub-city be identified as relevant geographic market for cable television services? What should be the factors in consideration while defining relevant geographic market for cable television services? Do provide full justification for your response.  
ANS-NO

Q 9. Do you think that MSOs and its Joint Ventures (JV) should be treated as a single entity, while considering their strength in the relevant market?

If yes, what should be the thresholds to define a MSO and its JV as a single entity? Do provide full justification for your response.

ANS-NO

Q 10. Which method is best suited for measuring the level of competition or market concentration of MSOs or LCOs in a relevant market?

a) Provide your suggestions with justification.

b) Do you think that HHI is appropriate to measure market concentration of MSOs in the relevant market? Do provide full justification for your response.

c) If yes, then in your opinion should MSO and its JVs may be considered as a single entity for calculating their HHI? Do provide supporting data with proper justification for your response.

Q 11. In case you are of the opinion that HHI may be used to measure market concentration of MSOs in the relevant market, then is there a need to revise threshold HHI value of 2500 as previously recommended? If yes, what should be the threshold value of market share beyond which a MSO and its

group companies should not be allowed to build market share on their own? Do provide full justification for your response.

ANS-NO

Q 12. Do you think that there should be assessment of competition at LCOs level on district/ town basis? If yes, what should be threshold HHI in your opinion for such assessment. Justify your answer with detailed comments and examples.

ANS-NO

Q 13: In cases where a MSO controls more than the prescribed threshold, what measures/ methodology should be adopted to regulate so as to bring the market share/HHI below the threshold level? Specify modalities for implementation and effects of such process. Do provide full justification of your response

ANS-NO

Q 14. Do you think that DTH services are not perfect substitute of cable television services? If yes, how the relevant market of DTH service providers differs with that of Multi System Operators or other television distribution platform owners? Support your response with justification including data/details.

ANS-NO

Q 15. Is there a need to change the criterion of market share in terms of number of active subscribers for determination of market dominance? Should the active subscriber base of JVs may also be considered while determining the market dominance of a MSOs. Do elaborate on the method of measurement. Provide full justification for your response.

ANS-NO