

E14 & 15, sector 8
NOIDA 201301
U.P, India
Tel : + 91 120 3914100, 3914101.
Fax: + 91 120 2424671, 2424864
Website: www.catvisionindia.com

To:

Dr. J.S. Sarma
Chairman, TRAI
Mahanagar Doorsanchar Bhawan
Jawahar Lal Nehru Marg
New Delhi- 110 002

25 March 2010

Our ref No: SD/Trai/F24

Dear Sir,

Re: Policy Issues relating to Uplinking/ Down linking Television Channels in India (Consultation Paper No. 3/2010)

Further to the above we wish to provide you with the following feedback (*in italics*) on the various consultation points and ourselves specified in your paper:

ABOUT CATVISION: *We wish to introduce ourselves as the authorized partners and broadcast licensees for TV5 MONDE -the 2nd largest channel globally with 207 million homes. We are currently holding the Broadcast License as issued to us by MIB, Govt.of India. We also represent FRANCE 24 - the 24/7 international news channel that covers international current events from a French perspective and conveys French values throughout the world. We would like to hence apply for similar license to enable France 24 reception in India. Both the channels are actively backed and funded by the Government of France.*

The issues for consideration as defined in your paper-*and our responses*-are as follows:

4.1 In the present scenario how to determine the maximum number of satellite TV channels

possible? Please elaborate with appropriate reasoning.

Technically, the maximum number of channels can be determined based on technical parameters like available/new satellites, total transponders, down link frequencies and digital compression modes.

4.2 Is it desirable to cap the number of channels? Please justify your response with detailed rationale.

The above in itself-along with commercial considerations – set the cap on the maximum number of possible / operational channels. We believe it is difficult for the government to mandate this or set the limit without violating other existing laws. The norms to set such a cap can be viewed arbitrarily and will not be acceptable to many. The cap can come about on its own by clearly defined qualifying criteria for licensing.

4.3 If it is desirable to cap the number, what according to you should be the number in each category?

As above- the cap should emerge/ should be a function of the defined qualifying criteria.

4.4 Whether there is a case for putting a cap on the number of teleports/DSNG and uplinking facility in other satellite based distribution networks such as DTH and HITS. If yes, please specify the number along with justification.

Like any other business, there is no need to place a cap; this will again emerge based on the available up link frequencies, qualifying criteria set, commercial considerations and competition.

4.5 Should it be mandated for the broadcasters to switch from MPEG-2 to MPEG-4 encoding w.e.f. a particular date? If, so then what should be that date and if, not then why?

This again is a business decision based on costs, quality of service norms the operator would like to deliver to his subscribers and competition. Satellite operators would themselves push for the changes to better / improved technologies as part of the market realities and demand form their clients.

4.6 Should net worth requirement of Applicant Company for permission of TV channels under uplinking and down linking guidelines be enhanced? If yes, how much it should be? Please elaborate with appropriate reasoning.

There is no reasoning to increase these amounts-which is already substantial- and is already higher/ different in case of applicants for both uplinking and down linking. The capex & operating costs of the business already ensures that only serious players can apply.

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4.7 Should experience of the applicant company be introduced in eligibility criteria? If yes, what do you suggest?

It is essential to specify that applicants must have a partner with minimum 26% holding who is already in the TV business or related media businesses (satellite & cable TV, films, publishing). For pre-dominantly news channels it may be advisable to enhance this to 49%. This will ensure that the quality of programs is enhanced.

4.8 Should experience and expertise of the promoters of Applicant Company be introduced in eligibility criteria? If yes, what do you suggest?

As above

4.9 Should the permission fee be enhanced to ensure participation of serious players?

No. This should only reflect the costs of permission/ registration/ license application processing by the government. The capex and operational costs for the business already ensures only serious players will apply.

4.10 Should one time permission fee be converted into annual permission fee? If yes, what should be the quantum?

Yes, that would be welcome; it can be equally divided over 5 years, payable in advance yearly.

4.11 Should a commitment from the applicant company to stay in business for certain period be prescribed?

No, this is not feasible, and will be difficult to enforce. Like in any other business, players that go defunct must be asked to exit and give up their license, to make way for others.

4.12 If yes, what should be that period? Please elaborate with appropriate reasoning.

As above

4.13 Whether permission of a channel should be revoked in case the channel is closed down for certain fixed period. If so, what should be the period? Should this period be same or different if the non-operation is continuous or intermittent?

Permission should be revoked if the channel is unable to operate/ is asked to stop operations of a predefined period due to license violations on at least 3 occasions.

4.14 What should be the policy for renewal of permission of channels under uplinking/down linking guidelines? Please elaborate with appropriate reasoning.

It should be renewed if the channel has not violated the license terms on more than 3 occasions.

4.15 Whether transfer of permission to a TV channel under uplinking/down linking guidelines should be permitted. If so, under what terms and conditions.

It should be allowed to happen only as part of the assets of a company sold to another entity.

4.16 Whether India should be developed as a Teleport/hub centre for channels uplinking, which are not meant for viewing in India. In such case, should the channels be covered under uplinking and down linking guidelines?

Yes, such development will have a positive effect on the local industry. No, these channels should be free to uplink and downlink based on technical considerations (and use of encryption to avoid mis-use).

4.17 If India is to be developed as a Teleport/hub centre for channels uplinking, then what facilities should be provided to the companies to make India a Teleport/hub centre for uplinking of channels? Whether this will in any way adversely affect the transponder availability for uplinking of TV channels to be viewed in India.

The government should encourage this and could specify that such operators should also serve a certain %/ number of local channels in addition to the overseas business/ channels being turned around.

4.18 Any other related issue, you would like to comment upon or suggest.

We would like to offer the following suggestions and request that the current suspension excludes any applicant/ channel that meets any or all of the following criteria:

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1. ***Uplink is from outside India:*** the channel is based abroad and is using the uplink facilities from abroad; only the downlink of the channel is happening within India and the channel is NOT applying for uplink also within India.
 2. ***Licensed to broadcast by any other leading country:*** if the channel has already been licensed to broadcast in any other leading TV market/ by countries shortlisted and approved by MIB/ India.
 3. ***Owned/ funded or sponsored by the government of a country:*** this could be a shortlist of countries that enjoy good relations with India, already have strategic tie-ups economically and offers similar reciprocal arrangements in satellite television licensing. These countries in turn allow free access to Indian media in their markets –TV, cinema, publications and newspapers-without any major restrictions.
 4. ***Experience in the industry:*** the channel has a minimum of 3 years of prior track record in broadcasting globally (if it is an international channel) with clear /confirmed number of viewers/ subscribers and investment in manpower, studios and technology.
 5. ***Use of International/ non-INSAT/Indian satellites:*** The channel is not using any satellite transponder on an Indian satellite and is hence not using any downlink frequency or bandwidth that falls within Indian satellite approved frequencies. The satellite in use is foreign, with beam over India, and is already coordinated by DoT/WPC, approved for such use under International regulations / treaty to which India is a signatory and hence agrees to allow reciprocal / free reception of such channels into India (as is the case for Indian origin channels broadcasting overseas).
 6. ***International News Channel:*** If the channel is a pre-dominantly news content channel and if it already enjoys Indian government permission to obtain news content from India/has journalists based in India for the same; this compliments the channels operations in India. Such content can hence be received and monitored by viewers/ government in India too.
 7. ***Channel has the potential to provide access and distribution support/ assistance for Indian channels in their home markets:*** this could be in terms of know how, joint partnerships for distribution and even exchange of content that can be carried on a reciprocal basis. Such
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support could extend to tourism advertising for the Ministry of Tourism/'Incredible India' campaign globally.

We strongly feel that the above norms in itself forms a set of stringent qualifying criteria aimed at such 'down link only & foreign' applicants. Even outside the suspension, they would still need to go through the licensing process thereafter and this can be faster since there are no other applicants during this period -until the overall suspension is revoked. It will also help the government to focus on applicants where the norms need to be defined clearly.

Please do let us know should you have any questions. We would be willing to meet with you/ the committee and discuss the above in detail before a final policy is formulated.

Thanking you,

Sincerely,

For CATVISION PRODCUTS LTD

SUDHIR DAMODARAN
DIRECTOR

Email: Sudhir@catvisionindia.com

Phone: 98 1000 7668