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Counter Comments

Ref.1.PR Dated 25-10-2021

Ref.2.CP Dated 25-10-2021

Ref.3.PR Dated 23-11-2021

Introduction:

The consultation paper under consideration released by TRAI relates to “Market Structure/Competition in cable TV services”⁴.

1.1 Question 1⁵ talks of “sufficient competition in television distribution sector “covering multiple options for availing television services”.

Issues for Cosultation

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.1:1 Multiple options of availing TV services has resulted in:

1.1 different names for a TV⁶.

1.2 different modes of distribution.

1(a) The data spread on diffent pages of CP is quite enough to show that there is enough competition in the television distribution sector.

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.2:The issue of market dominance has been reffered in para 5 of Annexure 1 (Chapter no. 1/Para no. 1.2) of CP⁷.The issue has been further decided by Supreme Court of India⁸.Accordingly:

(a)Any matter of dominance by any aggrieved party needs to be brought forth to CCI.

(b) Any modification/addition in TRAI regulation regarding 'dominance' issue may be incorporated in the light of judgement⁸.

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.

Ans.3. Kindly refer to **Ans. 2.** above.

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.4. Apparently there are no entry barriers in the cable television sector in view of details given in⁹.

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.5. The interest of consumer are amply protected in view of TRAI 'Recommendations on Sharing of Infrastructure in Television Broadcasting Distribution Sector'¹⁰.

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.6. LCO brings the service right into the premises of the customer. The 'Recommendations on Sharing of Infrastructure in Television Broadcasting Distribution Sector'¹¹ may be used to its full potential both in the interest of customer and 'Television Broadcasting Distribution Sector'. This will also be in the national interest by enabling optimum utilisation of relevant sectoral infrastructure.

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

Ans.7. No comments.

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.8. No comments.

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.

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.

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.

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

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.

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.

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Q 16. How the new technological developments and alternate services like video streaming services should be accounted for, while determining market dominance? Justify your response with data/ detailed comments.

Q17. If HHI is used for measuring the level of competition, do you agree with the restrictions prescribed in TRAI's previous recommendations? If no, do provide alternative restrictions for addressing monopoly/market dominance in a relevant market. Do provide full justification for your response.

Q18. M&A in the cable TV sector may lead to adoption of monopolistic practices by MSOs. Suggest the measures for curbing the monopolistic activities in the market. Explicitly indicate measures that should be taken for controlling any monopolistic tendency caused by a merger or acquisition. Do provide proper reasoning/justification backed with data.

Q 19. Ease of doing business should not be adversely affected by measures/ regulations to check merger and acquisitions. What compliance mechanism or regulations should be brought on Mergers and Acquisition to ensure that competition is not affected adversely, while ensuring no adverse impact on Ease of Doing Business? Do justify your answer with complete details.

Q20. Do you agree with the definition of 'control' as provided in the 2013 recommendations? If not, then suggest an alternative definition of 'control' with suitable reasoning/justification.

Q 21. Do you think that there should be different definition of 'control' for different

kinds of MSOs? Do explain with proper justification.

Q 22. Should TRAI restrict the ambit of its recommendations only on certain kinds of MSOs? Do provide full justification for your answer.

Q 23. Do you agree with the disclosure and monitoring requirements mentioned in the 2013 recommendations to monitor the TV distribution market effectively from the perspective of monopoly/market dominance? If no, provide alternative disclosure and monitoring requirements. Do provide full justification for your response.

Q24. Elaborate on how abuse of dominant position and monopoly power in the relevant market can manifest itself in cable TV services. Suggest monitoring and remedial action to preserve and promote competition. Do provide full justification for your response.

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Q 25. Is there a need to recommend cross-holding restrictions amongst various categories of DPOs/ service providers? Do give detailed justification supporting the comments.

Ans.Q9 to Q.25.No comments.

Ans.26.Every effort should be made to enable LCO section of taking various services of 'Television Broadcasting Distribution Sector' including ISP,OTT services to customer premises.

2.It may be noted that NXTDIGITAL Ltd (HITS) & NXT DIGITAL Ltd (Cable TV) co exist¹¹.

References

1. https://www.trai.gov.in/sites/default/files/PR_No.47of2021.pdf
2. https://www.trai.gov.in/sites/default/files/CP_19052021.pdf
3. https://www.trai.gov.in/sites/default/files/PR_No.51of2021_0.pdf
4. supra '2'.
5. page 9 '2'.
6. <https://www.cuebiq.com/resource-center/resources/linear-vs-advanced-tv/> 2/10

(a) Linear vs. Advanced TV:

The terms linear and advanced TV are thrown around a lot these days, and you may be wondering: What's the difference? And how do VOD, OTT, and CTV factor into things?

We're here to help you understand these acronyms, and more importantly, how they contribute to the current state of television, and how you can effectively leverage the impact of the industry's largest media channel.

What Is Linear TV?

Linear/ Live TV is the traditional means of watching TV, in which a viewer watches a TV program on the channel it's presented on at its scheduled time.

For example, if you watch "Blue Bloods" on CBS at 10pm ET on Friday when it premieres, that is considered a linear TV viewing experience.

What Is On-Demand TV?

You are probably familiar with on-demand TV, but here's how it comes into play. On-demand is also known as non-linear TV, and refers to viewers selecting and watching content whenever they wish.

For example, if you watch "Blue Bloods" on your cable's video on-demand (VOD) — or you DVR the "Blue Bloods" Friday night episode and watch it later — that is considered on-demand. If you watch "Blue Bloods" season one from several years ago on Hulu, that is also on-demand.

What Is Advanced TV?

Advanced TV is essentially all non-traditional TV. It's the umbrella term encompassing OTT/ connected TV and addressable TV.

Connected TV

Connected TV, or CTV, refers to any TV that can be connected to the internet and access content beyond what is available via the normal offering from a cable provider. It also refers to devices that use a television as a display and can connect to the internet to access content. A smart TV is a television set with integrated internet — regular televisions can also be made "smart" through set-top boxes that enable advanced functions.

12/17/21, 10:12 PM Linear vs. Advanced TV: The Current State of Television Advertising - Cuebiq

