SITI CABLE RESPONSE

TO

Pre Consultation Paper On Infrastructure sharing in Broadcasting TV distribution sector

We welcome the pre consultation paper on infrastructure sharing in Broadcasting TV distribution sector. With mandatory digitization this sector has evolved, however, for delivery of services active and passive infrastructure is required and the same is in scarcity due to multiple platforms and service providers operating in this sector particularly in DAS Phase III and IV areas. It is the need of the hour that precious resources are conserved rather the same should be used for improving quality of service and provide additional VAS.

In digital domain, DPOs operate with secure encryption system and if the technology permits, then, sharing infrastructure will reduce requirement of additional infrastructure to be laid for existing and new players entering in this domain. TRAI has rightly identified this requirement as the same would help reduce cost of distribution services and enhance competition which will ultimately benefit the consumers.

In Telecom, infrastructure sharing has already been permitted and same has resulted in robust growth of this sector with players sharing tower infrastructure, fiber etc. Similar initiative in Broadcasting and TV Sector is likely to help stakeholders invest money on development of services, VAS, and broadband instead of investing again and again in

creating parallel networks which not only adds to the cost but require regular maintenance too. Eventually cost of all investment required for creating and maintaining infrastructure ends up in increased consumer prices for the services.

In view of this fact, our comments on the issue for consultation are as follows:

(a)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?

MSO and HITS are similar to the extent that last mile is on HFC and signal is delivered over RF (QAM). However, MSO and HITS can share infrastructure in the existing policy of HITS. **DTH also has the similar infrastructure and can share the same with MSOs for delivery of their signals in encrypted mode. In fact, DTH and HITS are similar platforms who both can share infrastructure with MSOs.**

It is pertinent to mention that if only passive infrastructure is shared, then transponder space is not saved as additional transponders are used for each HITS / DTH feed which are not available freely. In fact, the correct alternative mechanism in this case would be to permit DPOs to simulcrypt their feeds and MSOs can take service from either DTH or HITS. As far as infrastructure is concerned, it is possible that both HITS / DTH can act as infrastructure providers to MSOs. It is also possible that

there could be a neutral platform in future who can provide infrastructure services to all DPOs including MSO, DTH or HITS. In any case the internet world is moving towards converged cloud based platforms where all digital service providers share the same space in secured environment.

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?

Infrastructure sharing in all cases should be on voluntary basis. It is known to all that if there is an advantage in saving costs, it would be natural for all DPOs to take advantage of such policy.

Infrastructure sharing has to be governed by Technical interoperability and can be applicable for sharing both the passive and active infrastructure. Operational and commercial issues are best left to the market forces since such arrangements can be only voluntary. However, regulatory and licensing conditions should not be a hurdle in any which way to infrastructure sharing which is possible by Technology, e.g., MSO license condition No. VII as given in Annexure I

says that **MSO shall have an independent headend of his own and provide digital addressable cable services from his head-end,** which hinders infrastructure sharing.

Similarly**,** DTH platforms and MSOs are also not able to share infrastructure, though, both carry the same content for the same type of subscribers on the similar technology.

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?

There are major changes required in policy and regulatory requirements for each type of infrastructure sharing. Some of these are summarized below:

(a) Infrastructure Sharing by DTH Operators

- There should be an amendment in the License agreement which should clearly state that the DTH operator can share its satellite capacity with one or more DTH / HITS / MSO or vice versa.

(b) Infrastructure sharing by HITS operators

The amendment of various agreements by a HITS operator which leases capacity will be on similar lines as DTH. In addition, there would be QoS and interconnect requirements between HITS and MSOs or LCOs.

There should be an amendment in the License agreement which should clearly state that the HITS operator can share its satellite capacity with one or more HITS operators and/ or HITS operators, MSOs and Broadcasters.

Any party should be able to apply for a HITS license merely by providing an Agreement with an already licensed HITS operator, that satellite capacity would be shared. There would not be a requirement to produce a satellite capacity agreement or any of the other licensing requirements like WPC etc.

(c) DAS :

MSO license condition No. VII as given in Annexure I says that **MSO shall have an independent headend of his own and provide digital addressable cable services from his head-end,** other than this sharing of other infrastructure like call center, website etc. should also be permitted which is also covered in another consultation floated by TRAI for QOS.

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?

QOS responsibilities for maintaining both the networks and services can be separately defined and assigned. Like in case of MSO if he is taking services from HITS then for QOS responsibility between earth station to satellite to MSO should lie on HITS service provider and from MSO to LCO with MSO. Service to the subscriber is already with LCO. Some of the responsibilities can be shared with proper agreement between the service providers.

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?

The complete separation of functions of a network service provider and a distribution provider is equivalent to a policy change which is similar to licensing or Virtual DTH or Virtual HITS operators.

With mandatory digitization, analogue era has ended which effectively means that every content whether linear or otherwise is encrypted and digital, only delivery platforms / technologies are different like HITS, DTH, OTT, Cable or Internet, but at the end of the day signal is digital and secure which is nothing but data transmission. If delivery of data transmission can be done through infrastructure sharing, then regulations / licenses should not bar infrastructure sharing in any which way for delivery of services. Such progressive changes would save thousands of crores of rupees spent by different service providers in creating parallel infrastructure and are hindrance in growth of business where such infrastructure is in scarcity. MSO have a problem of available ground infrastructure for their delivery on IP platforms particularly in DAS Phase IV areas whereas HITS and DTH service providers have scarcity of satellite bandwidth impacting their services. Passive and active infrastructure sharing will resolve all such issues.