

# Intermedia Cable Communication Pvt. Ltd.

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Date: 26<sup>th</sup> December 2012

To

The Chairman  
The Telecom Regulatory Authority of India (TRAI)  
Mahanagar Doordarshan Bhawan, (Next to Zakir Hussain College)  
Jawahar Lal Nehru Marg, (Old Minto Road)  
New Delhi – 110 002

Subject: Consultation Paper with regard to issues related to amendments to the Interconnection Regulations applicable for Digital Addressable Cable TV Systems & Tariff Order applicable for Addressable Systems.

Sir

This has reference to the above stated subject as well as the notifications issued by "Telecom Regulatory Authority of India" in this regard.

We at Intermedia Cable Communication Pvt. Ltd., Pune are pleased to note that the authority has adopted adequate steps in the interest of the MSOs, LCOs and most importantly benefits of the consumers at large as well as the revenue that would accrue to the government exchequer in terms of tax collections and also steps taken to curb monopolization by implementing the DAS regime across the country.

With respect to the consultation paper dated 20/12/2012 referred in the subject above we have to state as under:

We would like to humbly draw your attention to the fact that the Cable TV industry will be undergoing a complete transformation from zero level while migrating from the present Analog Delivery Systems to Digital Addressable delivery systems. Further there is infinite scope for up gradation from the Standard Definition to High Definition to 3 Dimensional services to Super HD services which will require gigantic investments and qualified man power to be able to stay in competition and provide excellent services to the consumers. Since India is a larger market there will be a huge potential for these technologies which will arrive very soon. We hope the regulator will put in just regulations in this regard in the near future.

The business model of the cable industry across India under the Analog delivery system has been surviving majorly on the basis Carriage Fees revenue.

There is a strong perception that some entities with vested interests, under the garb of a mask, are seriously attempting to monopolize the business with the carriage fees issue.



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While we concur with the Authority's regulations till date we are of the opinion that the regulator should lay adequate and justified rules in respect of the carriage fees issues which should enable survival of even small independent MSOs with 10,000 subscriber base in business.

As an example it is also important to note that while the broadcasters were offering a Rupee towards carriage fees in the analogue delivery systems now they are unilaterally and arbitrarily offering a carriage fees at almost 10% of a Rupee in Digital Addressable delivery systems. When we sought an apt justification the broadcasters in their reply have stated that there shall be more number of channels under the DAS regime. Whereas in the financial year 2012-2013 several broadcasters have arm twisted the MSOs for executing the carriage deals at much lower rates and most of them have not executed any deals at all. If in the event a similar situation prevails in the DAS regime we fail to understand the broadcasters' justification of more number of channels being available.

It is also significant to note that though the DTH operators have been in existence since 5 years, because of the low ARPU levels, they have been registering losses every year and could not attain the break even yet.

In Phase – I it has been observed that some of the MSOs and Broadcasters have not completely fulfilled the rules and regulations laid down by the authority under DAS regime. Whatever has been depicted as compliance of the regulation are only eyewash and not the true and correct picture which is the reason for the carriage issue to be brought up again.

While the Phase – I digitization had the presence of several multinational players who had no major financial or technical hindrances, the Phase – II digitization has several independent operators in abundance thus requiring both financial and technical support. Since the digitization in Phase – II is in huge volumes it is anticipated that more number of disputes relating the carriage fees issue will arise.

**For small independent operators like us we sincerely believe that the Regulatory Authority is the only hope where we can expect a justified law to be formulated with regard to carriage fees issue, similar to the steps undertaken while formulating the rules and laws with regard to consumer benefits and restriction of monopolization.**

We humbly request you to kindly officially invite us for the stakeholders' meeting in this regard.

Thanking you

Yours truly

For Intermedia Cable Communication Pvt. Ltd.



Razzak A Khan  
CHAIRMAN

