



COMMENTS BY
DEN NETWORKS LIMITED
ON THE PRE-CONSULTATION
PAPER ON-
“INFRASTRUCTURE SHARING IN
BROADCASTING TV DISTRIBUTION
SECTOR”

1. Preamble

At the outset we wish to express our sincere thanks to the Telecom Regulatory Authority of India (the Authority) for its support and cooperation in the establishment and growth of Broadcasting & Cable TV industry in India and also resolving various issues, which have arisen from time to time. The Authority has been kind enough to consider the interest of all the stakeholders, whether it is a Broadcaster, Multi System Operator, Local Cable Operator or Consumer and has always been proactive in regulating the sector and have also been keeping the balance by showing its willingness to address the concerns of various market participants thereby also acting like a solution oriented Regulator while keeping the ground realities in mind. In the current situation the focus of the entire Cable TV industry at present is to achieve 100% digitization across the country in its true sense and in letter and spirit. This is especially from the perspective of getting over the current analogue mindset. Needless to mention that process has already involved lots of planning, manpower, funds and includes support from the Government including the Authority.

We at **DEN Networks Limited (“DEN”)** also would like to thank the Authority for providing us an opportunity to submit our comments/ response on the Pre-Consultation Paper on **“Infrastructure Sharing in Broadcasting TV distribution sector”** dated 23rd May, 2016 as issued by the Authority. We hope that the Authority will surely consider the comments made by us and will accommodate the same while implementing the new regulatory regime in this regard.

2. The Current Scenario/ Background/ Concerns

With the implementation of Digital Addressable Systems (DAS), the Multi System Operators (MSOs) are bound to provide the signals of Cable TV in encrypted mode only to the consumers. In order to comply with the said requirement and to ensure digitization, MSOs have already spent crores of rupees in setting up digital control rooms, procuring set top boxes, maintaining cable lines, getting contents from the Broadcaster, which in itself has been a humungous task. It is a well-known fact that not only small independent MSOs but even big Pan India MSOs are facing huge difficulties in meeting up with the financial requirements due to availability of bank finance. Moreover, India is a huge country comprising not only of metropolitan cities but also remote villages. Providing signals to the consumers in remotest areas comprising of small towns, villages etc. requires huge amount of investments and deployment of additional resources which also adds up to the burden and the overall cost of the MSOs. The MSOs are facing huge financial crunch and this requires continuous support from the Government and the Authority in view of the regulatory compliance perspective. The Authority with an objective to regulate the Cable TV market has notified various regulations and tariff orders from time to time. This step of Infrastructure Sharing, to be taken by the Authority will surely result in the economies of scale, optimum utilization of the network, healthy competition between the MSOs and Direct-to-home (DTH)

operators as a result of which the subscribers will be benefitted as the said operators will compete among themselves to provide better content at reasonable subscription charges. Additionally, the infrastructure sharing will become an extra source of revenue for the MSOs who have and had been investing heavily in the Infrastructure.

We would like to apprise the Authority of the fact that, we at **DEN**, totally support the Authority and welcome their step towards the Infrastructure sharing in broadcasting TV distribution sector. In the current scenario, the digitization of Cable TV sector is on-going and is expected to be completed by 31st December, 2016. We personally at DEN strongly feel that this consultation should have been issued for comments, only when the said digitization gets completed, and then only, we will be in a better position to address the concerns raised by the Authority, in this regard. We would like to request the Authority to consider this Pre-Consultation Paper, only post digitization gets completed.

3. DENs Response w.r.t to this Consultation Paper

(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?

Response– DEN feels that there are three more areas where the Infrastructure can be shared. The areas that can be covered are Conditional Access System (CAS), Subscriber Management System (SMS) and Call Centre. The service provider can take the managed services from the Network Provider and has to invest only in last mile network and Consumer Premise Equipment (CPE), thus, substantially reducing the cost of starting up the operations. This will promote new service providers to enter the market.

(b) 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?

Response – As per DEN, the operational, commercial and technical issues should be sorted out mutually between Network Provider and Service Provider and there is no need of regulatory framework for the same.

With the entry of new service providers, the cost of network maintenance will automatically go down. This will not only promote the new network providers to enter the domain, but would also increase the competition among network providers which will result in lower cost to service providers.

(c) 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?

Response – As per DEN, no changes are required in existing licensing / registration framework laid for DTH, DAS and HITS broadcasting services.

(d) 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?

Response – In current circumstances, MSO / HITS are dividing their networks internally. MSO is acting as a Network provider and is carrying the signal to the LCO who is acting as a Service Provider. Post the separation of network provider and service provider, MSO / HITS Operators will be able to carry the signal of multiple MSO's based on the commercial deal. The service provider will buy the CPE from the respective MSO / HITS Operator and will install the same at customer premises based on the demand from the subscriber.

Responsibilities of Network Provider

1. To carry the signal of other MSO / HITS Operator to the service provider based on commercial agreement.
2. The maintain signal quality as per agreed terms.
3. The ensure network uptime as per agreed terms.
4. Give required access of Subscriber Management System to service provider for servicing their subscribers.
5. Fulfill SMS and CAS audit requirements of broadcasters.
6. Switch off Channels of Broadcasters in case of failed negotiations / outstanding as per regulations.

Responsibilities of Service Provider

1. To lay last mile from the point of delivery of services in case of MSO.
2. To deal with Broadcasters directly
3. To manage the services provided to the subscribers.
4. Buy and install CPE directly from the approved vendors.

(e) 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?

Response – The pre consultation paper is quite elaborative and as per DEN no more issues needs to be highlighted as of now.



Additionally, in case of any queries or clarification required by the Authority, we further request the Authority to contact Mr. Ashish Yadav- Deputy General Manager- Legal @ ashish.yadav@denonline.in or Ms. Ritika Arora- Officer- Legal @ ritika.arora@denonline.in .