

Response to TRAI's consultation paper on mobile TV

by

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1. Whether the technology for mobile television service should be regulated or whether it should be left to the service provider.

Mobile TV market is not at a stage where standards can be set or imposed. Indeed, since the market is in its early stages, its huge promise can be seriously undermined if standards are set prematurely. Service providers must be left to deploy technologies of their interest. TRAI must recommend to all stakeholders and potential broadcasters and users that, before investing in equipment or technology, they must bear in mind that the market is yet to mature and that early entry combines rewards with risk.

2. If the technology is to be regulated, then please indicate which technology should be chosen and why. Please give reasons in support of your answer.

It is premature to regulate mobile technologies at this stage of their development.

3. What will be the frequency requirement for different broadcast technological standards for terrestrial and satellite mobile television transmission in India?

No comment

4. Which route would be preferable for mobile TV transmission – dedicated terrestrial transmission route or the satellite route? Should the mobile TV operator be free to decide the appropriate route for transmission?

Markets should be relied upon for operators to choose technologies that provide them the best business case.

5. How should the spectrum requirements for analogue/ Digital/ Mobile TV terrestrial broadcasting be accommodated in the frequency bands of operation? Should mobile TV be earmarked some limited assignment in these broadcasting bands, leaving the rest for analog and digital terrestrial transmission?

Spectrum rules should be flexible. Transparency and reliance on market based processes for allocation and pricing are the best approach. Harmonization of spectrum rules with international allocations can be helpful.

6. In the case of terrestrial transmission route, how many channels of 8 MHz should be blocked for mobile TV services for initial and future demand of the services as there are nearly 270 TV channels permitted under downlinking guidelines by Ministry of Information and broadcasting?

No comment.

7. Whether Digital Terrestrial Transmission should be given priority for the spectrum assignment over mobile TV, particularly in view of the fact that the Mobile TV all over the world is essentially at a trial stage.

No. As stated earlier, it is not for regulators to decide which technology should be prioritised. Their primary obligation is to ensure that each market remains competitive. The current monopoly of Doordarshan in terrestrial TV is a strong reason to work towards liberalizing the that market and ensuring that DD can abuse its monopoly. Mobile TV can play an important role in furthering competition in TV markets besides offering a different set of features.

8. Whether the frequency allocation for the mobile TV should be made based on the Single Frequency network (SFN) topology for the entire service area or it should follow Multi Frequency Network (MFN) approach.

SFN should be preferred in view of its prevalence in other jurisdictions.

9. Whether frequency spectrum should be assigned through a market led approach – auctions and roll out obligation or should there be a utilization fee?

A market led approach is best. It is transparent as well as less prone to abuse by interested parties. Auctions can be extremely effective in this, if enough attention is paid to their design. Utilization fee can be considered, but is unnecessary. Operators can be asked to reimburse the cost of administering the spectrum, based on their market share or the amount of spectrum allocated to them

10. What should be the eligibility conditions for grant of license for mobile television services?

Market based pricing of spectrum will de facto regulate who can enter the market. Additional conditions will only distort the market. Entry should be free. A preliminary clearance to ensure companies are bona fide and pose no security or related risks can be justified. However, little else is necessary.

11. Whether net worth requirements should be laid down for participation in licensing process for mobile television services? If yes, what should be the net worth requirements for participation in licensing process for mobile television services?

Net worth requirements are entirely unnecessary and work against smaller serious players who may have much to contribute to the mobile TV market at its present early stages.

12. What should be the limit for FDI and portfolio investment for mobile television service providers?

Rules for mobile TV should be in line with other similar services.

13. What should be the tenure of license for the mobile television service providers?

10 years seems reasonable. All licences should be automatically renewed unless otherwise notified. Cancellations must be on security or serious misdemeanour only. The rest should be left to the markets.

14. What should be the license fee to be imposed on the mobile television service providers?

Spectrum charges are the norm elsewhere and should be sufficient in India too. No other fees are required.

15. Whether in view of the high capital investment and risk associated with the establishment of mobile television service, a revenue share system would be more appropriate?

No. A revenue sharing system serves as a disincentive to expanding the business and encourages misreporting of revenues. There are no policy reasons why such capital risk should be shared by the government.

16. Whether any Bank Guarantee should be specified for licensing of the mobile television service providers. If yes, then what should be the amount of such bank guarantee? The basis for arriving at the amount should also be indicated.

No.

17. Whether the licenses for mobile television service should be given on national/ regional/ city basis.

Companies must be able to decide the size of their operation and to take the commercial consequences of their decisions