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Telecom Regulatory Authority of India
Mahanagar Door Sanchar Bhawan,
J.L.N. Marg
New Delhi - 110002

Sub: TRAI consultation paper on Regulating Converged Digital Technologies and Services – Enabling Convergence of Carriage of Broadcasting and Telecommunication services.

Respected Sir,

We would like to thank the Authority for providing us the opportunity to furnish our Comments & Counter Comments on TRAI's Consultation Paper on "Regulating Converged Digital Technologies and Services – Enabling Convergence of Carriage of Broadcasting and Telecommunication services" dated 30th January 2023.

In this regard, we hereby enclose our comments as **Annexure-I**.

Please do let us know in case of any further information that may be required from our side.

Thanking You

Yours Sincerely

Ajay K Sharma
General Counsel
NXTDIGITAL – A Division of Hinduja Global Solutions Ltd.

NXTDIGITAL comments on TRAI consultation paper on “Regulating Converged Digital Technologies and Services – Enabling Convergence of Carriage of Broadcasting and Telecommunication Services”.

NXTDIGITAL is the digital media division of Hinduja Global Solutions Ltd. (HGS) and India’s premier, integrated, digital delivery platforms group. With a pan-India reach, NXTDIGITAL delivers television services via digital cable and the country’s only Headend-In-The-Sky (HITS) satellite platform, under the brand NXTDIGITAL. The HITS service is available in more than 1,500 cities and towns – covering over 4,500 PIN codes – with a significant presence in the fastest-growing demographics of semi-urban, semi-rural, and rural India. NXTDIGITAL is well established nationally through a trained franchisee network of ~10,000 digital services partners, delivering services to millions of customers across the length and breadth of the country.

As you are aware, the HITS Operating network is entirely dependent on the LCO (Cable TV) network and that the cable TV sector is currently going through a tough phase due to various reasons. Therefore, it is very clear that any problems that arise in the cable tv industry will have an impact on the HITS operator. **Nearly 70,000 local cable operators (LCOs) have gone out of business, about 900 MSOs have ceased operations, and 2.5 lakh people have lost their jobs in the past four years alone.**

Please find our responses to the questions consultation paper highlighted in the written submissions.

Q1. Whether the present laws are adequate to deal with convergence of carriage of broadcasting services and telecommunication services? If yes, please explain how?

OR

Whether the existing laws need to be amended to bring in synergies amongst different acts to deal with convergence of carriage of broadcasting services and telecommunication services? If yes, please explain with reasons and what amendments are required?

OR

Whether there is a need for having a comprehensive/converged legal framework (separate Comprehensive Code) to deal with convergence of carriage of broadcasting services and telecommunication services? If yes, provide details of the suggested comprehensive code.

NXTDIGITAL Comment: - We acknowledge that with advancements in technology in all segments – device, networks and distribution, convergence has permeated into the telecom and broadcasting sectors. As a result, the same service is now delivered over different types of networks and one network can deliver multiple types of services. However, it is noteworthy that different services and technologies have proliferated in India under the ever-evolving Regulatory framework wherein the Government has intervened through various reforms / amendments.

We would like to refer to the Ministry of Information and Broadcasting's letter no. 8/13/2021- BP&L dated 4th October 2022, which concludes that "the need of the hour is not to bring further disturbances but to re-engineer business processes such that there is ease and convenience of doing business". As the only HITS operator in India that continues to deliver the PM's vision of a Digital India, we would like to further highlight that the current system is well established and is serving current users well including the online digital initiatives that are being rolled out by the ministries.

We would further like to state that –

- 1) The nature of the Broadcasting industry which consist of HITS, DTH, Broadcasters, MSO's LCO's etc is vastly different from players in the telecom sector. Due to this, both Broadcasting and Telecom are governed by different regulations created by MIB or DOT.
- 2) TRAI, is a common regulator for the carriage segment of Telecom and Broadcasting sector by providing recommendations on various aspects. Therefore, we believe that convergence from a holistic point of view has already been implemented to a great extent.
- 3) As a HITS operator, we are licensed by the MIB under the HITS guidelines dated 26th November 2009 pursuant of the Union cabinet decision on 12th November 2009 wherein, Headend in the Sky (HITS) service was permitted in India where the permission holder is to ensure that the channels carried follows the Program Code and Advertisement Code as laid down under the Cable Television Networks (Regulations) Act, 1995 and the rules framed thereunder or any other code made applicable.
- 4) As a HITS operator, we are obligated to deliver the service as per the technical standards as laid out in the HITS guideline.
- 5) As per HITS guideline, the service is "one" way ie "uni-directional" service being delivered to the subscriber via the LCO with no "return-path". Telecom in contrast is usually bi-directional with "return path".
- 6) The following is a high-level architecture for NXTDIGITAL's HITS

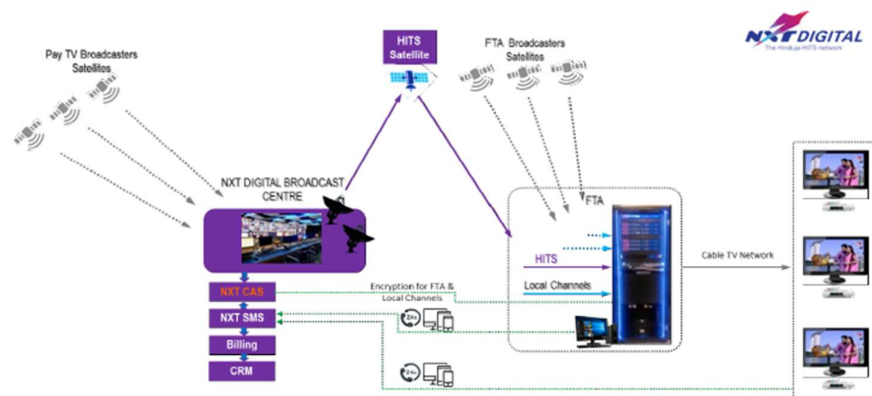


Figure 1 - NXTDigital HITS Architecture

- The broadcaster's encrypted channels are received at HITS broadcast center.
- The encrypted broadcaster channels are decrypted using broadcaster-provided IRDs/PIRDs.
- The decrypted broadcaster video signals are then re-encoded into MPEG-4 and encrypted.
- Encrypted signals are then transmitted to the HITS satellite for receipt by LCO.
- At the receiving side, the Local Cable Operator Equipment is installed where the encrypted pay channels are received and trans-modulated into QAM.
- Customers use an STB to receive and decrypt channels for watching according to his package subscription.

7) Due to this fundamental difference, the skill sets required for a HITS service are completely different from telecom service.

8) The HITS operator is completely part of the same eco-system as broadcast content creators or broadcasters since it very clearly states that "the permission holder is to ensure that the channels carried follows the Program Code and Advertisement Code as laid down under the Cable Television Networks (Regulations) Act, 1995 and the rules framed thereunder or any other code made applicable".

9) The HITS operator also synergizes with the Cable Operator on the ground as the HITS service is delivered to the subscriber via the cable operators network.

10) The Cable operators network is usually built using co-ax/fibre to deliver services and is usually one-way/uni-directional. The cable operator is not financially sound enough to compete with the financial might of the telecom operators and cannot invest vast sums of money that telecom requires.

(a) The Authority should appreciate that historically, there have been separate regulatory frameworks and respective regulations in the Broadcasting and Telecommunication ecosystems, which have contributed in the nurturing and development of both these sectors. Since these sectors are neither similar nor identical, they are not comparable and, therefore, cannot be equated.

11) Therefore, convergence in this case will prove detrimental to the survival of the cable operator as this will create a non-level playing field.

12) Any change in the framework will result in the decimation of the digital platform operators along with the last mile operators (LMO's).

13) However, we would urge the authority to take cognizance that the need of the hour is to keep pace with advancements recognizing the need for faster reforms that keep pace with the requirements of the industry – For eg

- OTT does not have any guideline or regulation till date inspite of it having entered the market in a full-fledged manner at least 5 years ago.
- We still await reforms/new guidelines in the spacecom sector as the current processes are not equipped towards speedy approvals and flexibility to allow for quick adaptation by prospective businesses. This in turn has delayed the advent of internet over satellite in a big way in India which can truly enable access to every internet dark area of our country.
- In the IFMC guideline, it allows a “spectrum neutral approach” whereas the bands for usage are still limited in the absence of the new spacecom policy.
- There are many inter-ministerial dependencies like getting MHA approvals which are not under anyone’s control and take an inordinate amount of time on most occasions.

14) In conclusion, we would request that status quo is maintained and that the functioning of the Broadcast industry remains unchanged.

Q2. Whether the present regime of separate licenses and distinct administrative establishments under different ministries for processing and taking decisions on licensing issues, are able to adequately handle convergence of carriage of broadcasting services and telecommunication services?

If yes, please explain how?

If no, what should be the suggested alternative licensing and administrative framework/architecture/establishment that facilitates the orderly growth of telecom and broadcasting sectors while handling challenges being posed by convergence? Please provide details.

NXTDIGITAL Comment: - We believe that the existing licensing regime should be continued to be governed by the respective ministries as is being done today to avoid any large-scale disruptive changes. While there are various guidelines that cater to and provide flexibility, there is a need to upgrade/introduce newer guidelines that offer flexibility. For example – while DTH provider’s can provide internet under the UL provisions but there is no provision for a HITS licensee to provide internet services.

Both Broadcasting and telecommunications ecosystems are historically nurtured and developed through different regulatory framework by government of India and now creating a common regulatory framework by convergence of two different platforms (Broadcasting and Telecommunication) will create a non-level playing field.

Presently, both the ministries are consistently doing well in their respective areas by reforms. So far broadcasting is an important sector that has relevance for educating and informing the masses especially in non-connected areas. The broadcasting network have

played very crucial roles in the past during disaster's and emergency situations. With respect to licensing framework, MIB has been known to revise guidelines and processes to facilitate ease of doing business with the help of multiple stakeholders i.e MHA, MCA, DOS etc. Any changes in the current system will disrupt ease of doing business completely and disturb the eco system.

In view of the above, our suggestion to the authority is that, separate licenses and distinct administrative establishments under different ministries for processing and taking decisions on licensing issues are to be continued for a healthy business environment and convenience of the users.

Q3. How various institutional establishment dealing with–

(a) Standardization, testing and certification.

(b) Training and Skilling.

(c) Research & Development; and

(d) Promotion of industries

under different ministries can be synergized effectively to serve in the converged era. Please provide institution wise details along with justification.

NXTDIGITAL Comment: - No Comments

Q4. What steps are required to be taken for establishing a unified policy framework and spectrum management regime for the carriage of broadcasting services and telecommunication services? Kindly provide details with justification.

NXTDIGITAL Comment: - We believe that the current mechanism of spectrum management and assignment methodologies should be continued with. Any disruptive changes in the regulatory framework such as auctioning of satellite spectrum or vacating the currently used satellite spectrum bands may lead to an existential threat for the existing service providers and will cause hardships to the customers. Further, it may be appreciated that assignment of satellite spectrum requires coordination at international level i.e. ITU and cannot be compared with terrestrial services.

Furthermore, it is proposed that while, in essence, the current mechanism of spectrum management and assignment methodologies should be continued with, there should be a Committee set-up with the joint efforts of all concerned ministries which should deal with all aspects of spectrum management and assignment. The Committee would allot specified spectrum bands to each concerned Ministry, while avoiding overlap at the time of allocation.

Q5. Beyond restructuring of legal, licensing, and regulatory frameworks of carriage of broadcasting services and telecommunication services, whether other issues also need to be addressed for reaping the benefits of convergence holistically? What other issues would need addressing? Please provide full details with suggested changes, if any.

NXTDIGITAL Comment: - No Comments

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