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To: Sapna Sharma <jtadv-bcs@traai.gov.in>, अनिल कुमार - Anil Kumar <advbcs-2@traai.gov.in>

Subject: Consultation Paper on Market Structure/Competition in Cable TV Services

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Dear Sir,

Catvision holds a DAS license vide Registration No. 9/7912014-BP&L dated 15 Oct 2015. With reference to the subject are pleased to give our comment and suggestion on one aspect of the following question raised by you:

Q1: Given that there are multiple options for consumers for availing television services, do you think that there is sufficient competition in the television distribution sector? Elaborate your answer with reasoning/analysis/justification.

Popular OTT platforms like Netflix, Hotstar, Prime and others are doing content deals with DPOs conditional on a minimum guarantee (MG). Netflix goes a step further: It denies access to its service on the operator's STB unless a MG is accepted. Operators who pay the MG become entitled to a significant commission on the OTT subscription. As a result, a large MSO or DTH operator can bundle linear TV, broadband and OTT to the consumer at a very attractive price – lower than if the consumer was to subscribe to these services separately.

This is very similar to what prevailed earlier when broadcasters like STAR and Zee insisted on MGs. As happened before in the case of broadcast channels, MG on OTT content has virtually closed out this business to the small MSO and ISP.

Recommendation

There should be a policy intervention by TRAI whereby access to content of any OTT platform is NOT conditional on paying a minimum guarantee. The small MSO and ISP too should be able to bundle linear TV, OTT and broadband to a consumer. The additional income would motivate small MSOs and ISPs to upgrade their networks to converged hybrid or IPTV networks and offer hybrid/IPTV STBs at a subsidised cost to their subscribers. Hybrid/IPTV STBs would eventually replace all RF STBs. This would create a huge market for Indian STB manufacturers.

Regards

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