

# HEADEND IN THE SKY

## COMMENTS OF BHARAT JYOTI CAG ON ISSUES FOR CONSULTATION

I.1) What should be the scope of the HITS operations ? Whether the scope of the HITS operator should include both the models as stated in paras 4.5 and 4.6?

**Comment:** In our opinion, HITS operator should be allowed to operate in both the models as in the case of Telecommunications field, where there are Operators and mere Infrastructure providers, who own the nationwide long distance telecom. network and extend the facility of hiring of their network, to service providers.

I.2) Whether HITS operation be allowed both in “ Ku band” and “C” band. If both bands are to be allowed, then whether the existing restriction on DTH for transmission under Ku band should also be reviewed ?

**Comment :** HITS operation should be allowed in both ‘C’ Band as well as ‘Ku’ Band. The market forces/commercial considerations will automatically bring enough competition. We are in the age of liberalization, and our effort should be to put minimum road blocks by way of regulation. The regulation should only be to protect the interest of end consumer for quality of TV channels and reasonable tariff.

I.3 ) Whether a HITS operator should be restricted to offer services only to the cable operator? Alternatively, should HITS operator be allowed to serve the end customer directly? If yes, then whether the restriction on DTH to service end customer only needs any review?

**Comment :** There should be no restriction to serve a particular group only. Let it be decided by the market forces. HITS operator and DTH operator, both should be permitted to serve both MSOs/LCOs and the End consumers. The license conditions of DTH operator could also be reviewed

I.4) What should be the FDI limits for HITS platform?

**Comment.** The FDI limit ( direct and indirect ) may be enhanced to 74% as in Telecom..

I.5) What should be the entry fee and the annual license fee for HITS ?

**Comment :** In order to keep out the non-serious players and also extending level playing field to both DTH and HITS operators, there should be a uniform entry fee for both. Moreover, both have countrywide footprints, hence there should be an entry fee for the HITS, otherwise it will be discriminatory. In our view it could be 5 crores. There should not be any license fee and/or sharing of revenue with the Govt.

I.6 &7) Whether the HITS operator should be allowed to uplink from outside India

Also? If yes, what are the kind of checks and balances that would need to be put in place to address the concerns of a HITS operator who is uplinking from India.

**Comment :** The uplinking by a HITS operator could be allowed from outside India also as permitted to the broadcasters, to facilitate adequate competition. The monitoring could be done on the downlink side. However, the uplinking from India should be encouraged by bringing the regulatory restrictions at par or even making it better to foreign countries.

I.8) Should any Interconnection issues be addressed in licensing conditions?

**Comment :** Yes, the important interconnection issues like provision of content on discriminatory basis at all levels of distribution chain and across platforms should be addressed in licensing conditions.

I.9) Should spectrum Charges be done away with for HITS service provider?

**Comment :** Presently DTH operator does not pay any spectrum fee. It should be same for HITS. Any introduction of Spectrum fee will ultimately be passed off to the end consumer. In case of shortage of spectrum, the number of HITS operator licensees could be restricted.

I.10) Should there be any cross holding restriction ? If yes, please suggest the nature and quantum of restrictions?

**Comment :** Yes. It could be 10 % equity holding (direct or indirect) .

I.11) Should HITS operator be allowed to offer VAS?

**Comment :** HITS operator should be allowed to offer the VAS and covered by the license.

I.12) Whether must carry/must provide conditions be imposed on HITS ?

**Comment :** No need.

I.13 ) Whether a stipulated networth of specified amount be made as an eligibility criterion to avoid any non-serious applicant ?

**Comment :** Some networth criteria should be there to keep away the non-serious applicants.