

1. Are the proposed amendments to the Interconnect Regulations to implement HITS policy in order?

- Yes

2. What further amendments are required to implement HITS policy?

- The Headend in the Sky definition should be modified to be consistent with the Cable TV act, 1995 and hence to read as follows:
 - “Headend in the Sky operator” means any person permitted by the central government to operate a cable service and transmit, distribute, retransmit, redistribute multiple cable, terrestrial, satellite channels and programs in C band or KU band by using satellite system to the intermediaries like cable operators or its own cable network (after first down linking the signal at its terrestrial receiving station) and not directly to the subscriber

3. Can the tariff model for HITS services be based on CAS model? If yes¹,

3.1 What should be the revenue shares of Broadcaster, HITS operator, and Cable operator?

- HITS would require huge investment from the MSO to provide for basic infrastructure and customer premise equipment and LCO's to upgrade the network to carry digital signals, with minimal or no investment from broadcasters, hence there should be an equitable distribution of revenue amongst all the stake holders. We propose 33.33% share to LCO, MSO and broadcasters of the subscription revenue.

3.2 What should be the retail tariff (i.e. tariff for subscribers) for pay channels?

- Same as cable tariff in CAS notified areas.

3.3 Should there be any minimum tariff for the subscribers? If so, how much should it be and what should be the basic service provided under this?

- Minimum tariff of Rs 82/ P.M for 30 FTA channels,
- However it should be mandated by the regulator to share the minimum tariff between the MSO and LCO in 50:50 ratio, as unlike CAS the STB would be required to be provided to subscriber to view FTA channels and we have already recommended higher share from 25% in CAS to 33% in HITS and revenue share should not be left on forbearance
- STB Rental Schemes as prevalent in CAS notified areas should also be allowed for HITS platform

4. Can the tariff model for HITS services be based on DTH and /or Non-CAS model?

If yes¹,

4.1 Should the wholesale tariff (i.e. Broadcaster to HITS operator) be a percentage of the wholesale tariff in non-CAS areas? If yes, what should be the percentage and why?

- Not possible

4.2 How should the retail tariff in this model be regulated? Should it be affordability linked as in Non-CAS or forbearance as in DTH or any other method?

- **Affordability Linked**

5. Would you like to suggest any other model to regulate the tariff for HITS service? If yes, please give details.

- In case STB's are given free of cost to the consumers the HITS operators should be allowed to enter fixed fee forward contracts with the broadcasters and LCO
- The HITS operator/ MSO should be given the option to bundle the channels and create their own package to benefit the subscribers

6. Should the carriage and placement fee be regulated? If yes, how should it be regulated?

- Not possible as its demand supply driven

7. Should the quantum of carriage and placement fee be linked to some parameters? If so, what are these parameters and how can they be linked?

- Not possible as its demand supply driven

8. Can a cap be placed on the quantum of carriage and placement fee? If so, how should the cap be fixed?

- Not possible as its demand supply driven

9. Stakeholders are free to raise any other issue that they feel is relevant to the consultation and give their comments thereon.

For Home Cable Entertainment (I) Pvt Ltd

Director