

COMMENTS TO THE CONSULTATION PAPER ON HEADEND-IN-THE-SKY

**by
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4.53.1 What should be the scope of the HITS operations? Whether the scope of the HITS operator should include both the models as stated under heading “scope of HITS operation” in paras 4.5 and 4.6?

The HITS model should be as mentioned in 4.5. It's not practically possible to merge encrypted channels with other MSO's digital transmission because we are not very sure of which CAS other MSO's are using and whether or not it is having simulcrypt facilities, we are also not sure of the fact that the CAS used by other MSO will be successfully simulcrypted with the encryption used by HITS operator.

Hence it's advisable to accept model as described in 2.13 for HITS operations.

4.53.2 Whether HITS operations should be allowed in C-Band or in Ku band or in both?

HITS operations can be allowed in both the Bands. According to me HITS operations is a MSO who wants to serve LCO who in turn will provide service to the end user with better QoS by using satellite transmission, whereas DTH operations is like a sophisticated version of LCO who wants to reach his customers via satellite. So there is no competition between HITS & DTH.

4.53.3 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 also directly? If yes, then whether the restriction on DTH to service end customer only needs any review?

Referring to clause 4.53.3, HITS and DTH are different ways of doing business. They both should be restricted to enter the business models of each others operation throughout the country.

Therefore HITS operators should be restricted to serve cable operators and DTH operators should be restricted to entertain direct subscribers only.

4.53.4 What should be the limit of Foreign Direct Investment (FDI) for HITS licenses? Should there be any restriction on the maximum limit on the composite figure of FDI and FII?

As HITS is also a MSO. The rule for FDI should be same as that in case of CATV MSO which is typically 49%. The limit for FDI in HITS should be changed as and when the limit for CATV MSO is changed.

4.53.5 What should be the entry fee and the annual license fee for HITS?

HITS and DTH are using similar technology before transmitting their signals to satellite. But the technologies and cost are very different on the receiving side. In case of DTH there is no infrastructure cost for reaching to the clients, wherein the cost for reaching the client in HITS platform is very high. Therefore the license fee for HITS should be less than DTH, we suggest that there has to be a substantial amount of license fee for HITS so that only genuine player may get license for HITS operations, we also suggest that the annual fee be waived off for the license (No recurring cost) as the HITS operators will be sharing their revenue with LCO's

4.53.6 Whether HITS operator should be allowed to uplink from outside India also?

Yes, the HITS operator should be allowed to uplink from outside India also.

4.53.7 If yes, what are the safeguards needed for monitoring the system? What are the checks and balances required to be put in place to address the level playing field issue with the operators unliking form India?

Initially HITS operators can be allowed to uplink from outside India as per TRAI directives applicable in India; however it should be mandated for them to start their HITS transmission from India within a fixed period of time.

4.53.8 Should any interconnection issues be addressed in licensing conditions?

Yes, licensing conditions should be the same as in case of CAS.

4.53.9 Should spectrum charges be recommended to be done away with for HITS service provider?

Yes, the spectrum charges should be done away with for HITS service provider as HITS is technology which will improve the QoS of CATV in rural and urban areas by giving customers digital services through their present LCO.

4.53.10 should there be any cross holding restriction? If yes, please suggest the nature and quantum of restrictions.

There should no cross holding restrictions.

4.53.11 should HITS operator be allowed to offer value added services?

Yes, definitely HITS operators should be allowed to offer value added services. We strongly believe HITS customers through out the country should also enjoy Triple play and other VAS.

4.53.12 whether “must carry/must provide” conditions be imposed on HITS operation?

“Must carry/must provide” conditions should not be imposed on HITS operation. Must carry conditions depends of capacity of transponders available on single satellite. Wherein must provide conditions is specific to the broadcasters. Broadcasters of popular contents should not prevent HITS operators from providing popular channels on their platform.

4.53.13 whether a stipulated networth of specified amount be made as an eligibility criteria to avoid any non-serious applicant?

Stipulated networth of specified amount should not be made as eligibility criteria to avoid any non-serious applicant as the investment for HITS is quite high. Only capable and serious players will enter into HITS operations.