

15th November, 2016

To,
Sunil Kumar Singhal,
Advisor (B&CS),
Telecom regulatory Authority of India
New Delhi

Ref: Comments / Suggestions on the draft of the draft Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016

Dear Sir,

We would like to enclose herewith our comments / suggestions on the above captioned Consultation draft Interconnection Regulation for your consideration.

Thanking you,

Yours faithfully

For Videocon d2h Limited



Authorized Signatory

Encl: A/a

Videocon d2h Limited

(Formerly Bharat Business Channel Limited)

Uplink Centre: Plot No, 1 D, Udyog Vihar Industrial Area, Surajpur, Greater Noida,
Dist Gautam Budh Nagar - 201 306. ☎ +91-0120 614 1000 📠 +91-0120 614 1250

Corporate Office: 1st Floor, Techweb Centre, New Link Road, Near Mega Mall,
Oshiwara, Mumbai - 400 102. ☎ +91-22 42 555 000 📠 +91-22 42 555 050

🌐 www.videocond2h.com

CIN : U92100MH2002PLC137947

**Comments / Suggestions on the draft Telecommunication (Broadcasting and Cable Services)
Interconnection (Addressable Systems) Regulations, 2016**

In view of our response to the draft Telecommunication (Broadcasting and Cable Services) (Eighth) (Addressable Systems) Tariff Order, 2016, we would like to replicate the same response to the current draft Interconnection Regulation, they being intertwined. We believe that unless and until the following comments are considered the current draft interconnection regulation also needs to be kept in abeyance.

We would like to submit our brief response as follows:

1. Historically, the Hon'ble Authority has accepted our consistent submissions that retail tariffs are highly competitive, as there are already six DTH service providers and more than sixty thousand cable operators. In view of this it will be ideal, if retail tariff from distribution platform to end consumer is left to market forces.
2. As the Authority is aware, DTH service provider is required to make huge capital investments in commissioning, establishing and maintaining DTH infrastructure. In order, to assist the government to achieve its goal of digitization, DTH segment should be left to determine and decide its retail pricing to the end consumer, which practise till has achieved all the intended goals from inception till date. It is in this context that we state that, the legacy of forbearance in respect of retail pricing from distribution platform to end consumers needs to be continued with.
3. It will not be out of place to mention here that, we have been continuously and consistently maintaining before the Hon'ble Authority in all open forums to only to rationalize the wholesale tariffs of the broadcaster, and leave retail pricing from distribution platform to end consumers to market forces. It is an open fact that content is monopolistic in nature whereas, at retail level there exists sufficient competition amongst the distribution platforms as there are six DTH service providers and more than sixty thousand cable operators. For eg. KBC only available on Sony channel but same channel/ content across all DTH and cable operators, IPL matches only available on Set MAX/ Sony Six, all BCCI cricket matches including World Cup are exclusively available on Star Sports. It is evident that content is monopolistic in nature as it is available only on a particular channel but all DTH and cable operators provide the same channels. Hence the need for the price to be regulated at the wholesale level i.e., from broadcaster to distribution platform and not at the retail level i.e., from distribution platform to end consumers, because there are multiple DPO's are operating in a competitive environment determined by market forces.
4. As we have already suggested, in this regard the Hon'ble Authority can very well examine all interconnect agreements and arrive at realistic wholesale price. We believe that, it would be convenient for the Hon'ble Authority to determine the realistic and logical RIO rates for all types of content based on the historical deals entered between the broadcasters and distribution platforms for both Standard Definition and High Definition channels, which we have elaborated in detail in our response to consultation paper on 'Tariff issues related to TV Services' dated 29th January 2016. So far as, retail pricing is concerned historically it has been experienced that they

have been consumer friendly and the same stands true even today, without any consumer grievance.

We strongly believe that retail prices from distribution platform to end consumer must stay in forbearance, considering the competition in the market. We therefore, urge the Hon'ble Authority to allow the market forces prevail in respect of retail pricing between distribution platform and the end consumers.

In view of the above, we believe that further and more deliberations are required between the stakeholders and the Hon'ble Authority to re-visit the wholesale pricing vis-a-vis retail pricing regulations as depicted in the present draft Tariff Order and arrive at a solution acceptable to all stakeholders and which would be best suited to end consumer interest.

In view of the above, before we crystallize the correctness of the draft Tariff Order we would be required to keep the draft Interconnect Regulations in abeyance.

We therefore, request the Authority that till such deliberations take place and rationalization is achieved with respect to the draft Tariff Order, the Authority should continue to allow current practises from broadcaster to distribution platform and from distribution platform to end consumer.