



## **Comments on the Telecom Regulatory Authority of India Consultation Paper on “Infrastructure Sharing in Broadcasting TV Distribution Sector”**

October 21, 2016

CASBAA<sup>1</sup> thanks the Telecom Regulatory Authority of India (“TRAI”) for the opportunity to comment on its Consultation Paper on “Infrastructure Sharing in Broadcasting TV Distribution Sector.” CASBAA had previously expressed deep concerns that TRAI, in its pre-consultation paper, might be proposing mandatory infrastructure sharing in this sector, and is pleased that TRAI has clarified in this paper that “no mandate for such infrastructure sharing is being proposed.”

CASBAA recognizes that voluntary infrastructure sharing can result in cost savings, and has no objection in principle to such arrangements if they are in fact voluntary and commercially driven. Market participants are generally better placed to weigh the benefits of infrastructure sharing against the costs and technical challenges of changing their operations to make such sharing possible. Indeed, the technical and logistical challenges are formidable, given the differences in encryption, conditional access, and modulation and coding schemes used by different operators and the potential need to swap-out and/or repoint the equipment of millions of subscribers.

That being said, CASBAA would like to ask the TRAI to keep in mind some possible drawbacks of infrastructure sharing, even when voluntary. The coordinated action among competitors required to implement infrastructure sharing could carry a risk of anti-competitive behaviour. Infrastructure sharing may also reduce competitors’ ability and incentives to differentiate their product offerings – e.g. by offering superior quality or better programming packages – resulting in less choice for consumers. The sharing of network facilities may also reduce the resiliency of broadcast distribution networks in the event of an anomaly, resulting in more subscribers being impacted as a result of a given outage. Finally, the adoption of common encryption or simulcrypt systems may increase the risk of content piracy.

Thus, CASBAA would recommend that TRAI consider thoroughly the likely actual impact – both positive and negative – of any decision to remove regulatory barriers to voluntary

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<sup>1</sup> CASBAA (formerly the Cable and Satellite Broadcasting Association of Asia) is a non-profit trade association of 100 companies dedicated to the promotion of multi-channel television via cable, satellite, broadband and wireless video networks across the Asia-Pacific region. Our member companies operate and invest in 17 different Asian markets. They have extensive experience in building and creating television infrastructure and quality programming to meet the needs of this region’s more than 500 million multichannel TV households. CASBAA member companies include prominent content providers, satellite capacity providers, DTH operators, conditional access and middleware technology providers, and other technology providers active in the Indian market.

infrastructure sharing. At the very least, if it were to proceed with enabling infrastructure sharing, the TRAI will need to maintain regulatory oversight to ensure that sharing is voluntary, competition is preserved, and consumers' interests in choice, cost and quality of service are protected. Clearly, TRAI's decision to enable infrastructure sharing should not inadvertently cause India's vibrant DTH and cable television markets to become less competitive.