

Telecom watchdog calls for digitisation of cable television

The Telecom Regulatory Authority of India (TRAI) Friday forwarded its guidelines for the digitization of cable television networks to the information and broadcasting ministry.

If implemented, the guidelines would enable broadband Internet services to be beamed to 76 million cable homes across India.

The telecom regulator has set a five-year time frame for the digital cable transmission services to be rolled out.

Based on its consultation paper titled 'Restructuring of Cable TV Services' prepared earlier this year, the guidelines provide for setting up of digital cable networks, as against the analog services offered by majority of cable operators currently.

'The cable TV industry is facing stiff competition from telecom operators who employ advanced distribution services like Direct To Home (DTH)', Nripendra Misra, president of Trai, said in his letter to the ministry.

'To meet the challenges ahead, the existing cable TV industry needs new investment in the sector,' he added.

A TRAI statement said widening the scope of cable television networks to provide value added services like broadband would 'drastically help cable TV operators to improve their business model'.

Availability of broadband Internet and cable television over an optical fibre network could pave the way for triple-play services wherein a single operator provides television, Internet and telephone solutions to subscribers.

While triple-play is common in the US where telecom operators such as Verizon and Comcast offer the service, in India it is yet to catch up.

But with Trai pushing for digitization of cable network, Indian telcos will likely jump onto the television transmission services business, in the footsteps of Tata Sky and Anil Ambani's Big TV.

State-owned Bharat Sanchar Nigam Ltd (BSNL) and Bharti Airtel, two of India's major broadband service providers, also have telephony business.

In order to maintain their market share in face of imminent competition from cable operators, these two, like their counterparts in the US, could end up dabbling with triple-play and cable broadcasting.

India has 4.38 million broadband subscribers till date, and the government has set a target of 10 million broadband connections by 2010.

TRAI's recommendations also called for a licensing authority and appellate authority and a subscriber complaint redressal mechanism.

Additionally, the guidelines seek to provide incentives to multi-system operators (MSOs) for

digitising their networks. MSOs transmit signals that they receive from broadcasters to local cable television operators (LCOs) who do not have their own dish antennas.

The guidelines also propose setting up a licensing mechanism for LCOs and MSOs instead of the registration system in place currently.

TRAI has recommended Rs.10,000 and Rs.100,000 for district and state level licences for LCOs.

The fees for MSOs have been pegged at Rs.100,000, Rs.1 million and Rs.2.5 million for district, state and country level licences, respectively.

Incidentally, the Cable Operators and Distributors Association (Coda) had stated in its response to the consultation paper earlier that there should not be any regulation of entry based on financial strength.

'The supervision of the government/regulator should be limited to the objective to ensuring compliance with laws and protecting consumer interests,' Coda had told TRAI.

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