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To

Shri Wasi Ahmed,
Advisor (B&CS),
Telecom Regulatory Authority of India,
Jawaharlal Nehru Marg,
New Delhi – 110 002.

Sir.

Sub : Comments to the consultation paper.

Ref : Your CP No. 6/2014 (Tariff Issues Related to B & CS for Commercial Subscribers)

Kindly find the enclosed comments for the afore said consultation paper.

Thanking you

Yours truly,

R.L.Saravanan

PRELIMINARY SUBMISSIONS:

Since the present exercise of TRAI is a *de nova* exercise, I request the Authority to have a fresh look over the issue without any preconceived notion.

Who is a Commercial Subscriber:

Though the service is provided to a hotel or any other so called commercial organization, the end user who is viewing the TV services is an ordinary consumer. More over the said commercial organization would directly or indirectly charge the end user and no doubt that it would have its own profits in even re-transmitting the signals. Many star hotels have their own captive head ends and see provision of TV signals as a separate profit centre. Hence the payment is paid by the actual user of the service through the commercial organization.

End User - a repeated subscriber:

The end user of a Television in a hotel room or any commercial organization is never the less a person who has already subscribed the services in his home. It is apparent that a person capable of travel from his home town and staying in a hotel in a different town does own a Television Set in his house and in all means subscribed similar set of channels therein (with an exception to negligible percentage of foreigners) . Thus the end user of a commercial subscriber is an existing consumer of the Respective TV channels in his own house and in addition to that he is viewing the same authorized channels in a different place. Hence, the end user is the same consumer, who has already subscribed the channel and being taxed once again for viewing the same services in a different location.

Commercial subscription – double subscription :

By viewing the same programmes in continuity of a particular TV channel in a different location, the subscriber demonstrates his loyalty to the said TV channel. The broadcasters reward his loyalty by double subscription and that too taxing him in multiples as commercial tariff. By re-transmitting the TV channels the commercial organizations in fact help the broadcasters to retain their viewers intact and exploiting such help is bereft of any ethical practice.

India is a country which has a policy against double taxation both unilaterally and bilaterally *inter alia* as envisaged in section 90 and 91 of The Income Tax Act, 1961 and enters into treaties with other countries. Be it so, taxing a subscriber twice for the same service at differential level even within the country is against such public policy.

Commercial Subscriber = Ordinary subscriber:

Thus in all means a commercial subscriber whose end user is already a subscriber to the same service shall not be put on any premium pricing and rather deserves a discounted pricing. As the users of the commercial subscribers are extended domestic subscribers there shall not be any discriminative treatment to such subscribers and the Authority shall treat the commercial subscriber at par with that of a domestic subscriber.

Issue wise comments

- 1. Do you agree with the definitions of “commercial establishment”, “Shop” and “commercial subscriber”, given ...**
- 2. If the answer is in the negative, alternate definitions with proper justification may be suggested.**

Primarily I am under the view that the commercial subscriber shall be treated equally to the domestic subscriber.

However for the sake commenting the present query may I submit my objections to the said definitions as follows:

- Earlier definitions of Commercial subscriber shall exclude hotels with less than 50 rooms and less than 3 star from its ambit. However, the present definition would also mean and include hotels or lodges of any size. Even the lodges meant for economically disadvantaged groups are not spared.
- As the users of small size hotels are by and large middle class floating population, treating them at par with star category hotels would cause heavy damage to their budget.

Hence, the earlier concession given to smaller hotels and commercial establishments should be reassured.

As the establishments under the definition “shop” are excluded from the term commercial organization such category of small hotels shall also be fixed with the meaning of “Shop”.

- 3. Do you agree that further sub-categorizing the commercial subscribers into similarly placed groups may not be the way to proceed? In case the answer is in the negative, please give details as to how the commercial subscribers can be further sub-categorised into similarly placed groups along with full justifications.**

If at all the Authority is sure to go ahead with its category of commercial subscribers then in the equity of justice the sub-categories need to be in place. The sub-category may be according to the star ratings of the hotel, the facilities in the club or society and etc.

- 4. Which of the models, discussed in para 1.27, should be prescribed for distribution of TV signals to the commercial subscribers? Please elaborate your response with justifications. Stakeholders may also suggest any other model with justifications.**

I would suggest a model where the tariff of commercial subscriber shall be equal that of ordinary subscriber and the DPO shall provide its terms at par with other subscribers.

- 5. In your view which of the 4 alternatives mentioned above, should be followed? Please elaborate your response with justifications.**

In my view, the first alternative shall be the best, for the reasons stated in the preliminary submissions herein above.

- 6. In case your answer is "alternative (ii)" mentioned above, please give full details with justifications of as to what should be the tariff ceiling/ dispensation for each category/ group of commercial subscribers.**

Though (ii) is not my alternative, I without prejudice would state the following: If the Authority would landing in giving weightage to the second alternative, in such case the commercial tariff may not be more than 50% to that of ordinary subscriber.

Comments from R.L.Saravanan....

- 7. If in your view, none of the 4 alternatives mentioned above are to be followed, stakeholders may also suggest any other alternative with justifications.***

Not applicable.

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