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To:

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Sir,

Sub: Our comments on Consultation Paper No.13/2023

We thank TRAI for raising some of the issues and problems we are facing in our business in this Consultation.

We, the LCO/LMO, who have started this industry have put our blood and sweat to create not only the cable TV business but also we are indirectly responsible for Broadcasting and even the broadband industry. What we want is a level playing field and a just and fair revenue share from various sources of revenue.

Please see our comments below:

Issues for consultation:

Q1. Should the present ceiling of Rs.130/- on NCF be reviewed and revised?

A- Our view is that the current NCF of Rs. 130/- + GST should not be changed.

In CAS and initially in DAS the LCO used to get all the NCF. Now, it has been reduced to a minority revenue share, which is unfair and unjust to small business people like the LCO.

Q3. Whether DPOs should be allowed to have variable NCF for different bouquets/plans for and within a state/ City/ Town/ Village? If yes, should there be some defined parameters for such variable NCF? Please provide detailed reasons/ justification. Will there be any adverse impact on any stakeholder, if variable NCF is considered?

A- We would like to have different rates for different areas like Cities, Towns and Villages.

We want to have lower rates for rural markets and we want higher rates for towns and still higher rates for Cities. We want at least 75% of the NCF to be given to the LCO.

Our problem with NCF is because DD-Free is giving all FTA channels and some Pay channels for free and not collecting the GST.

We would like TRAI to immediately ask Free Dish to start collecting NCF and stop showing Pay channels otherwise we will lose whatever business is left in small towns and rural areas.

Q4. Should TRAI revise the current provision that NCF for 2nd TV connection and onwards in multi-TV homes should not be more than 40% of declared NCF per additional TV?

A- 40% discount on declared NCF is acceptable to us.

Q5. In the case of multi-TV homes, should the pay television channels for each additional TV connection be also made available at a discounted price?

A- Pay channels should not charge anything for additional TV in the same house.

Q6. Is there a need to review the ceiling on discount on sum of MRP of a-la-carte channels in a bouquet (as prescribed through the second proviso to clause 4 (4) of the Tariff Order 2017) while fixing the MRP of that bouquet by DPOs?

A- We agree with the 45% Discount on MRP, as the same has been allowed to the Broadcasters. We want our MSO to share the details of the discounts the Broadcasters are offering them.

Q10. Should there be a provision to mandatorily provide the Free to Air News / Non-News / Newly Launched channels available on the platform of a DPO to all the subscribers?

A- Every day new channel gets launched and we cannot carry all new channels and also it will impact the carriage revenue. The other problem is that new channels once they become popular because it is getting carried on our network, they will demand more subscription and also not pay carriage.

Q11. Should Tariff Order 2017, Interconnection Regulations 2017 and Quality of Service Regulations 2017 be made applicable to non-addressable distribution platforms such as DD Free Dish also?

A- Nobody should be allowed to offer any channels in DAS in non-addressable system including Free Dish as it is against the Law. If government goes and breaks the Law what is the sanctity and point of making a law.

All channels on Free Dish must be fully addressable by encrypting them and Free Dish should also collect NCF and GST.

Also Free Dish should not carry any Pay channels as cable industry paying subscription money for such pay channel.

All the rules should be same for all business entity and legal action should be taken against Free Dish, otherwise we should also be allowed to show all channels including pay channels without any encryption.

Q12. Should the channels available on DD Free Dish platform be mandatorily made available as Free to Air Channels for all the platforms including all the DPOs?

A- Our suggestion is that all such channels, other than DD channels, which are shown on Free Dish should not be allowed to be shown on Cable TV or DTH.

Q13. Whether there is a need to consider upgradation of DD Free Dish as an addressable platform? If yes, what technology/ mechanism is suggested for making all the STBs addressable? What would be the cost implications for existing and new consumers? Elaborate the suggested migration methodology with suggested time-period for proposed plan. Please provide your response, with justification.

A- Yes, if Free Dish is allowed to show channels without encryption, we want TRAI to allow our MSO to give us all channels without Encryption as you cannot have different rules for different people operating in same business.

Q18. Since MIB generally gives permission to a channel in multiple languages, how the placement of such channels may be regulated so that interests of all stakeholders are protected?

A- What we want is that the MSO should clearly show all channels with the same language, so that it is easy for the customer and MSO should also mention the same in their Marketing brochure or on advertisements.

Q19. Should the revenue share between an MSO (including HITS Operator) and LCO as prescribed in Standard Interconnect Agreement be considered for a review?

A- All revenues should be shared transparently by the MSO with the LCO as they get carriage, advertisement and other revenue because of LCOs subscribers.

LCO should get more than 50% of revenue as the MSO is a wholesaler and in any business the wholesaler gets less margins than the retailer.

We, the LCOs are the retailer and we have very small business and MSO has many LCOs connected to them and so they should get less revenue share. This is how it is in any other business, but we don't know why TRAI is always favouring the MSO and the Broadcaster and depriving us of our revenues.

i. Should the current revenue share on NCF be considered for a revision?

A- We want TRAI to give us at least 75% of NCF and also in Pay channels we want 50% revenue share to LCO + MSO and 50% to Broadcaster.

i. Should the regulations prescribe revenue share on other revenue components like Distribution Fee for Pay Channels, Discount on pay channels etc.? Please list all the revenue components along-with the suggested revenue share that should accrue to LCO.

A- We want all the revenues from carriage, placements and advertisements that MSO earns to be shared with the LCOs, at least 50% to LCO.

Q20. Should there be review of capping on carriage fee?

A- There should be no capping on Carriage fees and Carriage Fees should be shared with LCOs.

Q24. Whether the extant charges prescribed under the 'QoS

Regulations' need any modification required for the same?

Our cost of running our business is going up on one hand and we are losing our business because of OTT and Free Dish. We therefore request TRAI to review and increase the Activation charges for New connection and also for reconnection.

31 E. Any other issue

We want to request TRAI why in a pre-paid billing model so many case are filed against LCO in TDSAT.

Most are big corporate companies and they have lawyers working for them and file cases against us just to harass us. On one hand they are not giving us share of carriage and other revenue and taking most of the NCF and on the other hand they file cases so that we don't get our dues or just to delay our money or mostly to harass us. Many MSOs want to take away our customers and make direct points and so they show big outstanding amount against us so that we come under pressure.

We want TRAI to look into this and put everything in the monthly billing so that everything is transparent and MSO do not file false cases.

Thanking you.

For (RITA COMMONUCATION & BROADBAND SERVICE)

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