

Subject: **Fwd: Consultation paper on tariff issues related to CABLE TV SERVICES**

To: Manoj Verma <manoj@traf.gov.in>

Cc: Shreya Jain <shreya@traf.gov.in>

Date: 03/17/16 03:45 PM

From: Group Captain Umesh Kumar <umesh@traf.gov.in>

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please move another combined note for these belated ones and upload

regards

umesh

----- Original Message -----

From: **Arvind Prabhoo** <arvindprabhoo@gmail.com>

Date: Mar 17, 2016 3:41:17 PM

Subject: Consultation paper on tariff issues related to CABLE TV SERVICES

To: pradvbcs@traf.gov.in, umesh@traf.gov.in

Respected Sirs,

We take pleasure in submitting the following document as attached and also printed in the mail as under. Hope you will consider the same.

**Date: March 7th 2016.**

**MCOF's Consultation Paper on : TARIFF ISSUES RELATED TO CABLE TV SERVICES**

**Summarized Comments:**

- We are indeed obliged to TRAI for the extensive ground-work done that is very enlightening
- We have provided our feedback against respective questions, whichever are applicable to us directly and omitted to respond to Questions on which we do not have specific feedback to provide. Our omission may kindly not be considered as endorsement or opposition , but as a neutrality to the matter
- We, however, believe that some basic ground realities have not been touched
- In US, the ARPU is said to approximate USD.90.00 /+. However, when seen in PPP(Purchasing Power Parity) terms , it is under INR.500.00 for Cable TV services.
- Content, other than News , has much longer life and near Universal appeal
- Foreign Broadcasters to little beyond sub-titling or in some cases, dubbing to make the Content palatable to Indian Audiences. The very same Content is exploited by them Globally for anywhere between 5 years to 50 years e.g. Cartoons like Donald Duck
- Indian Content also has takers in numerous countries beyond India. The Channels claim reach into [50/84/150](#) countries and are offered everywhere as Pay Channels
- Most Channels do not have Original Content of more than 4 hours a day .In other words, the Fresh Content constitutes less than 16% of Airtime paid for by the Subscribers
- Week-ends are often used to re-run the New Shows of the week as part of Catch up TV thereby dropping the Fresh Content Share

- The 4 Leading Pay Broadcaster Groups have launched pure re-run(Zero Original Content Channels)
- **Advertising Revenues for Broadcasters has increased in absolute Terms but reduced in %of their Total Revenues. To us this implies that in absolute terms, the Broadcasters are earning more than before .**
- **Broadcasters have launched OTT Services and offer the Live and archived Content Free of Cost, thereby weaning away Cable Operators revenues**
- Movies have been the traditional revenue earner for Cable Networks. Most broadcasters, as a pre-emptive strategy, have been acquiring Cable Rights without owning any Cable Network or monetizing the same on Cable Channels by sub-licensing. This is nothing but monopolization of Advertising Revenue pie
- Compared to the Broadcaster lot, the MSO and LMO fraternity does not seem to be stagnating with historical tariffs at work. Some Larger MSOs are insulated to a large extent by Carriage Fee and Marketing Fee that Broadcasters pay them
- **An eco-system where Value Chain is seen in bits and pieces, runs the risk of being too soft or too harsh on one or more of the elements**
- Ideally the CP could have included MRP /Customer affordability , Operating costs for each component including Broadcasters and thereafter laid parameters for pricing
- Pricing would work backward into A La carte/Bouquet deals and whether DTH Terms be different than Cable Services
- We are of the opinion that DTH and Cable are competing with each other and Broadcasters try to maximize revenues from Cable Networks since the DTH Deal terms are worked backward from Cable Platform terms
- We would rather propose that MRP for Customer be set for DTH and Cable and Content Price be standardized across Platforms , with Cable being provided additional margins for Infrastructure and maintenance costs
- Purchase price differentiation has been leveraged by DTH to undercut Cable Services

We sincerely hope that the above views will be taken into consideration...

Thanking You,

Sincerely,

For Maharashtra Cable Operators Foundation(R)

Arvind Prabhoo

President

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**Your Attitude, not your Aptitude, will determine your Altitude - Zig Ziglar**