

27th August, 2013

Mr Wasi Ahmad,
Advisor (B&CS),
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawaharlal Nehru Marg, New Delhi – 2.

Sub: Consultation Paper No. 8/2013 dated 6th August 2013 on Distribution of TV Channels from Broadcasters to Platform operators.

Dear Sir,

At the outset, we would like to thank TRAI for floating a consultation paper to address a long pending anomaly of bundling of channels by a broadcaster and among broadcasters which has been burdening the consumers. The Digital Addressable System implemented in phase 1 and 2 carried on the lacunae of analog system where the MSO and the consumers were forced to take the bouquets / channels which he did not intend to subscribe leading to abuse of market power as the aggregators / distribution agents decided the way channels of a broadcaster / multiple broadcasters are bundled to push less popular / unwanted channels.

On behalf of Asianet Satellite Communications Ltd, a large MSO cum LCO, operating in the State of Kerala, we are submitting our comments on the draft amendments.

- 1) We strongly welcome the proposals that:
 - a) only a broadcaster would enter into interconnect agreements with the MSO and not a distribution agent.
 - b) The distribution agent will not change the composition of the bundle of channels / bouquets of channels formed by the broadcaster.
 - (c) The distribution agent will not bundle bouquet or channels of one broadcaster with those of other broadcasters.

We further recommend the following modifications to TRAI:

- A) (i) Definition of broadcaster proposed to be amended may kindly be modified as below:

“Broadcaster means any person including an individual, group of persons, public or private body corporate, firm or any organization or body who or which is providing programming or **broadcasting** services”.

“Explanation: Parent/Holding company and subsidiaries will be treated as different broadcasters for the purposes of this Act/Order/Regulation”.

(ii) Definition of Interconnection Agreement should include a renewal agreement. Hence, only a Broadcaster would enter into renewal agreements with MSO and not a distribution agent.

B) there should be no cross share holdings, fully or partially, between the MSOs / platform operators / LCOs in any geography AND broadcasters AND/or distribution agents, to ensure that there are no hidden, vested interests and there is transparency in business while entering into interconnection agreements.

If such stakes exist directly / indirectly, the interest / shareholding in entities other than one (MSO – platform operator / Distributor agent /broadcaster) should be liquidated within a reasonable period of 3 months from the amendment.

C) Separate bouquets for different languages: India is a diverse country in terms of languages and cultures. In such a context, it is a burden on MSO and Consumer if for instance, a Tamil/Malyalam Channel is bundled with Hindi channels or some other language channels. From the perspective of consumer interest, it is recommended to restrict the channels in a bouquet to a particular language so that the consumer is not burdened with unwanted channels he may not understand.

D) Pricing of a la carte channels: TRAI has stipulated rules for pricing of bouquet of channels vis a vis a la carte channels. TRAI has also stipulated rules for pricing by MSOs for subscribers. But the a la carte prices are not regulated leading to excessively high, unrealistic, a la carte prices – especially among the sports channels and HD channels. TRAI may kindly look into this to make the a la carte channels affordable.

E) Post digitalization, as noted by TRAI, there have been several deals done between broadcasters and MSOs where fixed fee / minimum guarantee deals are not linked to actual offtake of channels by consumers. It is observed that the deals are done much below Reference Interconnect Offer (RIO) rates as the RIO rates are not realistic. Hence, we humbly request to make sure that RIO rates are brought down to lower, reasonable levels. Otherwise, in effect, the analogue system of negotiated fees is continuing even in Digital mode.

Yours Sincerely,
For Asianet Satellite Communications Ltd

Authorised Signatory.