

COMMENTS / SUGGESTIONS AND RECOMMENDATIONS ON TRAI  
CONSULTATION PAPER No. 8/2011 DATED 22<sup>ND</sup> DEC, 2011

BY DDC (RAVI GUPTA - PROP.) ON 16<sup>TH</sup> JAN, 2012

(AN INDEPENDENT MSO IN DELHI)

Charter VI

Issues for Consultation

The following issues have been posed for consultation.

Note :

- i) To better understand and appreciate the viewpoint/comments it is essential that the same are supported with appropriate reasoning.
- ii) It may kindly be noted that the comments may be received in TRAI on or before 16th January 2012. No extension of time will be granted.

Basic Service Tier for the Digital Addressable Cable TV Systems

1. What should be the minimum number of free-to-air (FTA) channels that a cable operator should offer in the basic-service-tier (BST)? Should this number be different for different states, cities, towns or areas of the country? If so, what should be the number and criteria for determination of the same?

Comment: As per notification- every FTA channel will be distributed as an encrypted channel. Since FTA channel by definition is a free to air channel, if encrypted, it no more remains FTA. Hence it is not possible to determine the number of FTA channels to be part of a basic package.

Since, there are more than 600 FTA channels at present. Number of channels in BST should be left to the MSO/cable operator depending upon the affordability of the package in an area.

All Doordarshan channels could be part of a basic package of the MSOs.

2. In the composition of BST, what should be the genre-wise (entertainment, information, education etc.) mix of channels? Should the mix of channels and/or the composition of BST be different for different states, cities, towns? If so, how should it be?

Comments: the I&B Ministry has only two types of licenses for downlinking and uplinking of TV channels: News / Current Affairs and Non-News.

Hence, no other genre need to be specified for the basic package.

3. What should be the price of BST? Should this price be different for different states, cities, towns or areas of the country? If so, what should be the price and criteria for determination of the same?

The price should be same all over India. The price should be Rs. 82/- plus amendment as per the current inflation linked per STB per month. This price is applicable in present CAS notified areas and no one has the objection on this price. (This price is excluding the taxes). Basically BST price needs to run the business (e.g. landline telephone companies charged rental and electricity distribution companies charged meter rental) and it should be affordable to a common man in India.

**NOTE:** The above mentioned price was declared by TRAI on the basis of a study in 2006 for CAS areas.

4. What should be a-la-carte rate of channels that form part of BST? Should there be a linkage between a-la-carte rate of channels in the BST to the BST price or average price of a channel in the BST? If so, what should be the linkage and why?

Comment: BST is the primary / basic service necessary to run the business. It has to be affordable to a common man in India. There is no requirement for any linkage between a-la-carte rate of channels in the BST.

### Retail Tariff for the Digital Addressable Cable TV Systems

#### 5. Should the retail tariff be determined by TRAI or left to the market forces? If it is to be determined by TRAI, how should it be determined?

Comment: Retail price should be determined by TRAI. It should be based on experience of five years in CAS areas.

There can be three packages:

- a) BST- Price as given above. The price should be Rs. 82/- to be revised as per the current inflation rates and be linked per STB per month.
- b) Pay Channel Tier- MRP of Rs 5.35 which is already proven in the CAS areas and till date it has not been challenged in the court by any stakeholder.
- c) HD channel Tier- They can be priced at Rs 5.35+ 15% (Rs 6.25) to cover additional cost of production. At present there is no extra cost of uplinking as all cameras and studio equipment are HD and only extra bandwidth is used in transmission.
- d) Premium Channel (Ad Free) Tier - The tariff for the premium channel (Ad free/HD channel) should be market driven as it will be under premium services.

#### NOTE:

TRAI should regulate the tariff if Broadcaster transmit both the channels (Ad Free and with Ad) simultaneously.

At present Pay Broadcaster have around 8 millions subscribers in India. After 31<sup>st</sup> Dec, 2014 estimated / projected subscriber of pay channels would be increased upto 14 million. If TRAI shall control the price It will

lead to increase in number of subscribers and therefore the price will go down. Therefore TRAI should regulate the price mechanism.

(a) Should the a-la-carte channel price at the retail be linked to its wholesale price? If yes, what should be the relation between the two prices and the rationale for the same?

Comment: Yes, a-la-carte price should only be 10% more than the wholesale price. This is a standard profit margin on a commodity.

The wholesale price of the Pay TV channel(s) should also be fixed by TRAI so that the small Independent MSOs should not be put in an disadvantageous position vis a vis the large broadcaster owned MSO, DTH & HITS subsidiaries and there is equality and level playing field within in the service providers.

**There should be NO Minimum Guarantee or a Fixed Fee basis mechanism.**

A la carte arrangement for choosing the Pay Channels be encouraged. The tariffs should be decided in such a way that La carte arrangement works out cost effective. Price difference between bouquets and individual choice of Pay Channels (a la carte arrangement) should be minimal and not attractive. It will be beneficial for the subscriber. During the debate on the Bill in the parliament the emphasis was on the Consumer / Subscriber. We must ensure that regulations and procedure benefit him adequately and appropriately.

(b) Should there be a common ceiling across all genres for the pay channels or different ceilings for different genres? What should be the ceilings in each case and the reasons thereof?

Comment: There are only two genres as per licensing regulations- only a common ceiling will suffice.

(c) Should there be a common ceiling across all genres for the FTA channels or different ceilings for different genres? What should be the ceilings in each case and the reasons thereof?

Comment: FTA channels are never priced and hence the issue is not relevant. More over all DD Channels are carried compulsorily without any price.

(d) Any other method you may like to suggest?

Sharing of a single event on two different channels in parts must be stopped. Presently pay sports Broadcasters broadcast same cricket series matches on their two different channels, one match of the series on one channel and the other match on another channel. This happens often on Ten Sports and Ten action, on Star Sports, Star Cricket and ESPN etc. They charge the payment from the customer for two different channels though it should be stopped. Channels must declare their broadcast dates of an event at least 6 months before the event, This will enable consumers to decide which channel to buy.

#### Interconnection in the Digital Addressable Cable TV Systems

6. Does any of the existing clauses of the Interconnection Regulations require modifications? If so, please mention the same with appropriate reasoning?

Comments: Too many modifications are required.

Interconnection agreement should be between Pay Broadcasters and MSOs & between MSOs and LCOs. It should be defined clearly and precisely.

Agent / Distributors of the Pay Broadcasters should be kept out of it. No third party should be allowed between the relationship of Pay Broadcaster and MSO. Pay broadcaster can have his business run the way

he wants, but his dealings with the MSOs should be direct. It will keep the costs under control for all stakeholders.

Cross holdings, Common Ownership between Pay Broadcasters, DTH Operators, Pay Channel so called Agents/Distributors/Aggregation Companies and Cable Operators (MSOs & LCOs) be prohibited. Benami operations in this domain be declared a criminal offence.

The minimum period of pay channel subscription should be 30 days to subscribe the channel because subscriber / customer doesn't understand the lock in period.

7. Should the subscription revenue share between the MSO and LCO be determined by TRAI or should it be left to the negotiations between the two?

YES, subscription revenue share between the MSO and LCO be determined by TRAI.

8. If it is to be prescribed by TRAI what should be the revenue share? Should it be same for BST and rest of the offerings?

Comment: Revenue sharing in Pay Channels - Broadcaster 20%, MSO-20%,LCO-60%.

Through DAS transparency would increase and hence the number of subscribers of MSOs and Pay Broadcasters would drastically increase. Market would also get wider for MSOs and Pay Broadcasters, though small geographical area for LCO remains the same as earlier. The margin for LCO should be more as their income will not improve because they have limited number of subscribers.

No revenue sharing be permitted for BST, it should remain with LCO. MSO has other means to earn such as carriage fee, placement charges and advertisements. BST consists of FTA and hence no revenue needs to go to Broadcaster.

9. Should the 'must carry' provision be mandated for the MSOs, operating in the DAS areas?

NO, 'must carry' provision be mandated for the MSOs, operating in the DAS areas. MSOs are already investing for DAS, For 'Must Carry' channels, MSO investment would increase.

Due to 'Must Carry' channels, broadcasters would have undue advantages and their income also got increase due to increase in the advertisements and other revenues.

'Must Carry' clause doesn't apply to DTH/HITS etc. Hence it should not be mandatory for MSOs / LCOs.

10. In case the 'must carry' is mandated, what qualifying conditions should be attached when a broadcaster seeks access to the MSO network under the provision of 'must carry'?

The 'must carry' provision only for Indian Govt. National Channels . The rest of the private channels left to the market forces.

11. In case the 'must carry' is mandated, what should be the manner in which an MSO should offer access of its network, for the carriage of TV channel, on non-discriminatory terms to the broadcasters?

'Must carry' for Private channels should not be mandated, so this question is not relevant.

12. Should the carriage fee be regulated for the digital addressable cable TV systems in India? If yes, how should it be regulated?

NO, broadcasters doesn't give the carriage money to each and every MSO all over country but the few broadcasters pay the carriage fee to those MSOs where the advertisers and ad agencies have interest. So it should

be left on market forces. Its impossible to decide the mechanism for regulation of carriage fee.

Other platforms like DTH / HITS etc. does not have carriage fee regulation and DTH operators earn money for carrying of the channel. Moreover there is no law for carrying of channels on DTH/HITS platform. So this will not accord a level playing field to cable operators.

13. Should the quantum of carriage fee be linked to some parameters? If so what are these parameters and how can they be linked to the carriage fee?

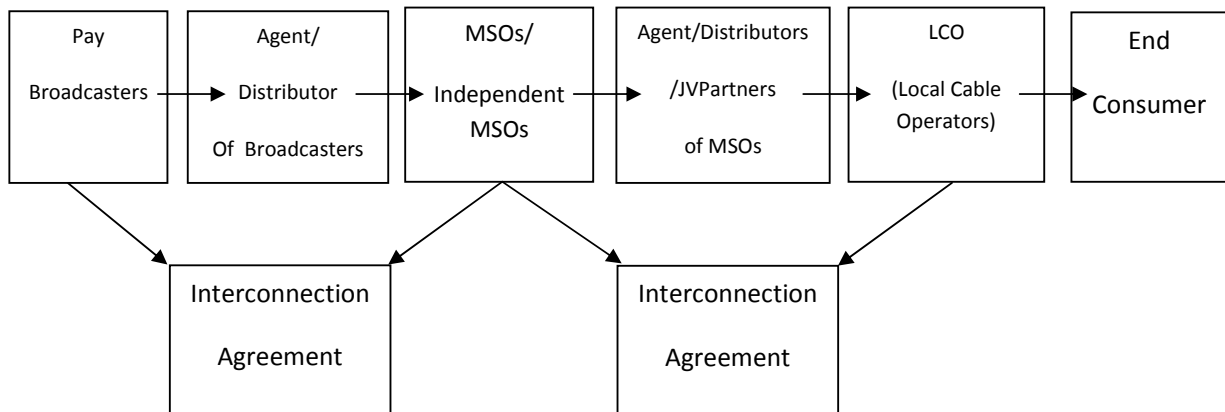
NO, broadcasters doesn't give the carriage money to each and every MSO all over country but the few broadcasters pay the carriage fee to only those MSOs where the advertisers and ad agencies have interest. So it should be left on market forces. Its impossible to decide the mechanism for regulation of carriage fee.

14. Can a cap be placed on the quantum of carriage fee? If so, how should the cap be fixed?

NO, When the carriage fees is market driven the channel and they shall negotiate and arrive at the figure. As it is in present situation the channel broadcasters wants their channels to be run on selected networks and only depending on the negotiated mutually agreed price. When area demarcation will cease to exist in the Digital scenario the subscriber will always have the option to choose his digital service through any platforms (MSOs / DTH / IPTV).

15. Should TRAI prescribe a standard interconnection agreement between service providers on similar lines as that for notified CAS areas with conditions as applicable for DAS areas? If yes, why?

YES, but some amendments are required.



(this is a flow chart between stake holders)

In standard interconnection agreement between Pay Broadcasters and MSOs & between MSOs and LCOs be needed to define that there is no requirement to sign any agreement between FTA broadcasters and MSOs. There is one more issue : The definition of the Broadcaster needs to be amended as stated below:

The definition of Broadcaster needs more elaboration and precision:- Indeed “Broadcasting” word needs precise definition to include “multicasting” and other means of content distribution to masses (multiple receivers) from a single transmission source.

Broadcasting as understood by the people from the word is distribution of multimedia content, voice, video and data mainly through wireless. Through wire broadcasting has also been used in India by AIR in Delhi for sometime in the 60s.

Multicasting is a technique by which content using UDP/IP and IGMP protocols can be sent to multiple receivers. There can be multiple source of transmission and multiple receivers for the same content, or different content, using one type or multiple type of media, wireline, wireless (multiple kind of wireless) using multiple types of technologies and protocols and all of them will be broadcasters.

As per the Indian Law a Broadcaster has to obtain a License/permission to broadcast. Hence only those who have obtained such License/permits can be classified as Broadcaster. They can appoint agents, franchisees, to take care of their business operations, but such agents and franchisees cannot be called / treated as broadcasters.

There are individuals, organizations who may aggregate the content. They buy the content from content production houses and sell to broadcasters. Similarly some such individuals may aggregate channels from different broadcasters and sell them to MSO/LCO as a bouquet or on A La Carte menu. These aggregators can play havoc with MSOs and LCOs which ultimately hurt the consumer and jeopardise the entire process of digitalization. This needs to be closed way of a fair regulation. While the business of aggregation is perse may not be objectionable, there is need to interconnect agreement, between all parties as mentioned hereunder. These agreements must have a stamp of approval from TRAI to ensure that it is fair for the parties, does not violate the spirit behind digitalization, and is not anticompetitive.

Interconnect agreements should be between:

1. Licensed Pay Broadcaster and Licensed MSO (not between Agent/Distributor/channel aggregator and MSO).
2. Licensed MSO and Licensed LCO.
3. Pay Broadcaster and Agent/Distributor/Channel Aggregator. This should include in transparent manner the retail rate for a channel bouquet of the Pay Broadcaster.

4. The Agent/Distributor/Channel Aggregator should not be allowed to create a bouquet for multiple Pay Broadcasters. The rate must have a cap by TRAI.
5. Every Pay Broadcaster must mention/display the MRP of their channels on their website.
6. Every Pay Broadcaster must mention/display the customer care number on their **own** website so that any consumer can register their grievances regarding their channel(s) content etc.
7. In Interconnection Agreement between Pay Broadcaster and MSO, it should be clearly mention in the agreement what shall be the minimum signal strength / signal provided by the pay broadcaster to the MSO.

### **Amendments required**

In Annexure V, Schedule III of the Telecommunications (Broadcasting and Cable Services) Interconnection (fifth Amendment ) Regulation, 2009 dated 17th March 2009.

Terms and conditions which should compulsorily form part of Reference Interconnect Offers for interconnection for the direct to home platform and for other addressable platforms.

**Anti-piracy :** If the results of any technical audit are not found to be satisfactory by either parties (Pay Broadcaster and MSO) then audited through an independent agency as may be specified by the authority and submit the report in respect of such audit to the authority is required to be added before any deactivation/suspend of the pay broadcaster signals.

**Term :** The interconnection agreements between the parties shall be not less than 5 years. If any changes in terms of pricing only then a separate short agreement of amendment needs to be sign.

**Standard Interconnect Agreement** be in place as an approved document between all stake holders. No other interconnect agreement without prior approval of Regulator be treated as valid.

**Refusal/ denial of Content** by Broadcasters to MSO/Independent MSO should not be permitted. Broadcaster often on one pretext or the other has a tendency to refuse or deny their content to a start up MSO/Independent MSO (where subscriber base are not large). The arm twisting has been in vogue. We want Regulator to play an effective role and ensure that:

- a. Content is not denied irrespective of the size of operations of MSO/Independent MSO
- b. Guide lines on finger printing, Copy Protection, Subscriber Management System, Billing etc must be laid down by TRAI which are implement-able in Indian Context and not exotic. Since such technical issues may deter the Nation wide deployment of digitalization policy of Govt. of India. Some broadcasters use this as a pretext to refuse giving the content.

#### Quality of Service Standards for the Digital Addressable Cable TV System

16. Do you agree with the norms proposed for the Quality of Service and redressal of consumer grievances for the digital addressable cable TV systems? In case of disagreement, please give your proposed norms alongwith detailed justifications.

There are some changes needed in this context:

Annexure-VI of the Consultation Paper No. 8/2011 dated 22<sup>nd</sup> Dec, 2011

Proposed norms for the Quality of Service and Redressal of Consumer Grievance Regulations for Digital Addressable Cable TV Systems.

1.2 (i) Only one language is enough because all consultation papers or communications by TRAI is only in English. **Please remove including one local language.**

1.2 The devised format of application, inter alia, must contain the following details: **In the details it isn't easy to mention all these details in a single application. Moreover mentioning all the details in the form seems to be only formality as it is not readable due to very small font size. Other mechanism needed .**

Provisions relating to complaints handling and redressal

5. Establishment of Call Centre

5.1 Every cable TV service provider shall, on or before the date of commencement

of these Regulations or before or simultaneously with commencement of its operations, establish one or more Call Centres for the purposes of registering of service requests, answering queries, registering of complaints and redressal of grievances of its subscribers, and such Call Centre shall be accessible to its subscribers round the clock during all days in a week. A facility for automatic recording of complaints or some other mechanism for registering of complaints shall be in place. It may be ensured that the staffs at customer service centre or help desk are qualified and competent enough to handle the requirements of

service. [DTH] **There is a need to change it because round the clock call centre is not easy to operate for the cable operators as it involves heavy investment. From the last 28 years cable operators are providing 10 am to 8 pm service for 7 days which is good enough. On special occasions holidays are needed like Diwali, Holi etc.**

5.3 Every cable TV service provider shall ensure that no call charges are levied upon, or payable by its subscriber, for calls made to the “toll free number” or “consumer care number” or “help line number” or special

number, as the case may be. [DTH]: **It needs to be amended because it also involves heavy investment and it will increase the expenses of the operators. Cable operators will provide the same service as they are providing from the last 28 years.**

Set Top Box (STB) related issues

12. Option to provide STB on outright purchase or hire purchase or rent.-

12.1 Every cable TV service provider shall give all the three options ,namely,(1) on outright purchase basis (2) on hire purchase basis and (3)on rental basis, to every person making request under regulation 1.1 to make available to him, the STB conforming to the Indian Standard set by the Bureau of Indian Standards as applicable--- [DTH]: **Amendment requires here in this context. Above mentioned three options shall be applicable only for vanilla set top box, for Higher End Set Top Boxes (like HD STB,OTT STB etc.) scheme/offer shall be left to the market forces.**

(iv) refund of security deposit or advance payments, if any, after appropriate and reasonable adjustments in case of return of STB by a subscriber to the cable TV service provider:

Provided that, in case the STB to any subscriber before the commencement of these regulations does not conform to the Indian Standard set by the Bureau of Indian Standards as applicable, the cable TV service provider shall, within seven (07) days of commencement of these regulations, replace, without any extra charge, the STB made available before such commencement with the STB conforming to the Indian Standard set by the Bureau of Indian Standards as applicable.

[DTH] **Amendment required here There are no BIS standards set for MPEG4 set top boxes at present for Cable TV. So all the MPEG4 boxes already imported by MSOs shall not be replaced, future imports shall be put under this otherwise who will bear the burden of price and why because it is the fault of the Govt.**

12.7 In case the subscriber does not owe any dues including any arrear towards installments of hire purchase scheme or arrears of rent for the STB of such cable TV service provider, such cable TV service provider shall not disable the Set Top Box of such subscriber who does not intend to continue to opt or avail services offered by such operator and uses or

intends to use the STB for viewing the service of any other cable TV service provider. [DTH] **Amendment is required because there is no common Conditional Access System. So its not possible that the subscriber use that box to avail the services of other service providers.**

15. Inspection and Auditing: -

15.4 The cost of the audit under clause (b) of sub-regulation (15.3) shall be borne by the concerned cable TV service provider. [DTH] **Amendment required as the cable operator cannot bear the burden of these kind of expenses in the limited income. Please remove it.**

### **AMENDMENT NEEDED IN**

TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,  
PART III, SECTION 4

**THE TELECOMMUNICATION (BROADCASTING AND CABLE  
SERVICES) INTERCONNECTION (FIFTH AMENDMENT)  
REGULATIONS, 2009**

**No. 4 of 2009**

**TELECOM REGULATORY AUTHORITY OF INDIA  
NOTIFICATION**

New Delhi, the 17th March, 2009

#### Schedule IV

Specifications for Set-Top-Boxes (STBs), Conditional Access System (CAS) & Subscribers Management System (SMS) for implementation of Digital Addressable Systems

(C) CAS & SMS Requirements:

9. The SMS and CAS should be able to handle at least one million concurrent subscribers on the system. **Amendment needed**

**The figure quoted is high. It is not relevant to Cable TV operations, particularly in Tier 2 & 3 areas. The figure should be 100 K subscribers. It can of course should be scalable to 10 Million.**

10. Both CA & SMS systems should be of reputed organization and should have been currently in use by other pay television services that have an

aggregate of at least one million subscribers in the global pay TV market. **This clause discourages Indian IT Industry. AMENDMENT NEEDED because India is considered as a huge software market and software developments are regular in India. Market for digitalization is now opening, so the cap of at least one million subscribers shall be removed as mentioned here above.**

17. Please specify any other norms/parameters you may like to add with the requisite justifications and proposed benchmarks.

YES, there are some amendment needed.

All television channel broadcasters should ensure that the satellite signals are of sufficient strength and quality so that the cable operators are able to offer and maintain quality.

The IRD's or professional IRD's provided by encrypted channel broadcasters to MSO's/cable operators should not be purely analog but must have both SDI and IP outputs.

18. Who should (MSO/LCO) be responsible for ensuring the standards of quality of service provided to the consumers with respect to connection, disconnection, transfer, shifting, handling of complaints relating to no signal, set top box, billing etc. and redressal of consumer grievances?

MSO must provide redundancy of their good quality signals to the LCO, so that LCO receive uninterrupted good quality signals. At present maximum MSOs are not providing their signal redundancy to LCOs.

At present national MSOs (5 in numbers) are covering less than 20% of the areas of India, rest of the 80% areas are covered by Independent MSOs. Most of Independent MSOs started their business as a Cable Operator who provide direct services to their subscribers. In another way they are LCOs. LCO have 28 years experienced in this field and they can

handle above mentioned issues very efficiently, so there is no need to elaborate more.

**19. Whether Billing to the subscribers should be done by LCO or should it be done by MSO? In either case, please elaborate how system would work.**

At present national MSOs (5 in number) are covering less than 20% of the areas of India, rest of the 80% areas are covered by Independent MSOs. Most of Independent MSOs started their business as a Cable Operator who provide direct services to their subscribers. In another way they are LCOs. LCO have 28 years experienced in this field and LCO billed to subscribers and collect the payment from them. If any dispute regarding payment or service or discounts raised by subscriber, the issues immediately resolve by the LCO and subscriber feels satisfied.

In CAS zone the model is very good, MSO bills to the LCOs after deduction of 25% of the LCO margin, MSO bills on rest of 75% plus service tax to LCO. LCO directly submit the entertainment tax and service tax if applicable to the respective Govt. departments.

LCO is a final service provider for the subscriber. So billing shall only be done by LCO to the subscriber.

LCO is a owner of their subscriber base, so only LCO have a right to do the billing of their subscribers.

As per Tax Departments, only the final provider of service or product and recipient of the payment can bill to the customer.

**FINAL OUTCOME IS BILLING BY LCO TO THE CUSTOMER**

**20. Should pre-paid billing option be introduced in Digital Addressable Cable TV systems?**

YES, in prepaid scenario MSO give prepaid cards for pay channel services to the LCO after deduction of their commission. OR MSO give terminal to

the LCO for recharging the STBs, then LCO can pay in advance to the MSO. For e.g. LCO can give 75% money to the MSO and MSO recharge for 100% value on the card.

## Miscellaneous Issues

### Broadcasting of Advertisement free (ad-free) channels

21. Whether an ad-free channel is viable in the context of Indian television market?

YES

22. Should there be a separate prescription in respect of tariff for ad-free channels at both the wholesale and retail level?

YES, The tariff for the Ad free channel should be market driven as it will be under premium services but the same channel should not be broadcast simultaneously with and without the advertisement because if the broadcaster broadcast the same content with and without advertisement then only the uplinking cost is increasing for the broadcaster which is very negligible. In that scenario the channel tariff shall be regulated by the authority. Rest of the terms and conditions of the interconnection agreement shall remain the same.

23. What should be the provisions in the interconnection regulations in respect of adfree channels?

Apart from the comments mentioned here above in point 22, rest of the terms and conditions of the interconnection agreement shall remain the same.

24. What should be the revenue sharing arrangement between the broadcasters and distributors in respect of ad-free channels?

REVENUE SHARING shall be the same as in advertisement / normal channels between Pay Broadcasters and MSOs & MSOs and LCOs for ad free channels also.

## Non addressable digital Set top boxes

25. In case you have any view or comment on the non-addressable STBs, you may please provide the same with details.

### Reference point for wholesale price post DAS implementation

There shall be permission for the Non addressable and Non Encrypted STBs to provide/deliver free to air channels to the subscribers. DD Direct which is not addressable and not encrypted, is available on non addressable and non encrypted STBs and this will not accord a level playing field to cable operators under DAS. One more thing in this regard is if one MSO shut down their digital system due to any uncontrollable circumstances, then that MSO can take the feed from other MSO and can provide at least free to air channels to the subscribers OR LCOs shall install their own free to air digital channels headend in their premises so that they can provide un encrypted FTA non addressable and non encrypted signals to the subscribers like in analogue scenario. Moreover an LCO can add that channel within their specified area which is demanded by the subscriber but not telecast by the MSO. In a country like India which is a huge country, time is required to built the infrastructure for providing 100% addressable and encrypted services to the consumers.

26. Would there be an impact on the wholesale channel rates after the sunset date i.e. 31st Dec 2014, when the non-addressable systems would cease to exist? If so, what would be the impact?

If we left it on Pay Broadcaster then the rate would got increase by Pay Broadcaster to earn more profit. At present Pay Broadcaster have around 8 millions subscribers in India. After 31<sup>st</sup> Dec, 2014 estimated / projected subscriber of pay channels would be increased up to 14 millions, so TRAI shall control the price considering this point. It leads to increase in number of subscribers when the price go down drastically and therefore TRAI should bring down the price accordingly.

## 27. Any other relevant issue that you may like to raise or comment upon.

27.1 The time frame for the sunset of analogue for the first phase is very less for the smooth implementation of DAS therefore the sunset date of analogue should be extended to 31st Dec-12.

### REASONS:

- A. Non Availability of required number of Set Top Boxes.
- B. Rules and regulations not on place because at present I&B Ministry and TRAI are not clear whether the license for DAS System is compulsory or not. Due to this Independent MSOs and new players not yet ordered/installed Digital Addressable System and waiting for the clarities on this.
- C. Weather in Delhi is very hot (in summer season), around 46 degree. In this season maximum number of employees go on leave to their native places for cutting the crops. So there will be shortage of manpower for installation of STBs and the weather will also not supporting.

27.2 What will happen in case of large hotels and institutional campus. consequent to DAS. More clarities required. They are also converted their systems from analogue to DAS.

27.3 The mechanism for registration of MSOs needs to be transparent and faster. Clarity needed.

27.4 Some Licensed MSOs / Independent MSOs operating their services with digital addressable encrypted cable TV system in CAS areas (Delhi, Mumbai, Kolkata). Please allow these Licensed MSOs / Independent MSOs to operate their services in rest of non CAS areas/rest of cities before three months of implementation of DAS because they are well equipped and infrastructure to provide their services to the rest of areas to avoid last minute mess up.

27.5 Stop DTH operators to operate their services through MDU because they are entering in cable TV domain / business from the back door silently. This is the hidden agenda to enter in this domain through complete digital addressable encrypted cable TV system.

27.6 What are the Govt. (TRAI and I&B) views about the spectrum that the cable operators will use (Worldwide standards 45 – 1050 MHZ used).

27.7 Whether the cable TV services comes under the category of essential services.

27.8 FDI shall not be allowed beyond 49%.

27.9 HITS shall be allowed only on C Band and not in KU Band.

27.10 TRAI should lay down the Guide Lines for interconnect agreements between the Pay Broadcaster, MSO and LCO. The draft model agreement in this regard may please be put up at TRAI website. All such agreements between the three stakes holders mentioned above should be submitted to TRAI for approval/ clearance/ once approved / cleared no alterations (additions / deletions) allowed in this agreement. It has been the experience of several Independent MSOs that Pay Broadcasters and National MSOs pressurise and amend their conditions which result in disputes and court cases pile up.

Regular monitoring of implementation of policy and Guidelines by TRAI and timely corrective actions will ensure a smooth working of the industry and achieving the desired goals. All stake holders should provide monthly reports on set parameters. For example the broadcasters must tell the TRAI as to how many requests it received from MSOs for its content and how many were provide and in what time frame and as to why balance could not be provided with specific reasons thereof. A similar report from MSOs in respect of LCOs can be obtained. Such monitoring with prompt corrective action will set right the situation and will ensure smooth functioning. Initial teething trouble need to be tackled in a timely manner to set the standard workflow and procedures.

**TRAI should set up a grievance cell in their department for redressal of stakeholder's complaints or issues.**

27.11 The most irritating aspect of viewing TV today is the time devoted to advertising. The limits have been crossed. Consumers are suffering and there seems to be nobody is interested to give them relief. If the consumer is paying for the content why should he be forced to see so much of garbage in which he is not interested? The demand is that Pay channels should not carry any advertisements. However if it can create a situation where pay channel prices go upward exorbitantly high the limits should be set for the Ad duration. For example Ad should not exceed more than 5% of the content. Hence a 30 minutes chunk should not have more than 1.5 minutes of advertisements. The number of Ad breaks should also not exceed more than three; one in the beginning, one in between and one at the end. This will promote viewer ship and remove stress and strain.

27.12 Govt. /Regulator must lay down guidelines and limits on FDI. At least 20% of FDI amount to be invested in rural Networks (for setting up Digital Headends) . This should be made mandatory for all foreign investors in Cable TV Distribution System.

MSOs operating on National Scale or all those who are desirous of operating on National Scale must invest at least 10% of their total capital in creating rural infrastructure (for setting up Digital Headends). Failing to do so should result in loosing the All India Licence. Mechanism for monitoring /Time frame for rural deployment and relevant rules and procedures can be drafted and discussed in open house.

27.13 Pay TV broadcasters must provide Professional IRDs which must conform to International Standards. The output Interface is critical. Beside Component/ CVBS it should have SDI / IP out put. Detailed specs can be provided. Alternately Broadcaster should provide CAM Module.

27.14 Licensed MSO must be allowed to provide internet services to their subscribers through STB / Network.

Allow Cable TV operators to provide broadband and similar kind of services (provided by telecoms.) to the consumers because cable TV operators have huge infrastructure of fiber and copper cables as well as manpower, management capabilities, knowledge of geographical areas, relationship with customers, customer base, low cost service provider experience and Cable TV operators adopt very fast to the new technology etc.

Another huge barrier / major concern of cable TV operators is that most of Cable TV operators/networks operations are either through individuals or partnership firms and they are not eligible for ISP license because eligibility criteria for apply of ISP License should be registered under Companies Act 1956. Even DoT also refuses LLP (Limited Liability Partnership) companies to eligible for ISP License.

Our suggestion is allow cable TV operators (individuals or partnership firm) for ISP services. This will help in increasing broadband connection and OTT services through set top box in India.

27.15 TRAI should formulate rules and regulations to ensure that only some big houses are not benefitted but also all the stakeholders keeping in mind:

800 Broadcasters

Out of which 160 Pay Broadcasters and

remaining 640 FTA Broadcasters

5 National MSOs covering less than 20% of the areas of India

Around 8,000 Independent MSOs

Around 8,000 Independent FTA MSOs

Around 60,000 LCOs

Around 14 million cable homes

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