

## *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?

***The minimum number of channels in BST should be 70. This would include 50 FTA channels including 8 channels of DD + an additional 20 Pay channels.***

***The genre-wise composition of 20 PAY CHANNELS in the BST is proposed as follows :***

<b><i>a. Hindi GEC</i></b>	<b><i>- 2</i></b>
<b><i>b. Hindi Movies</i></b>	<b><i>- 2</i></b>
<b><i>c. Hindi News</i></b>	<b><i>- 4</i></b>
<b><i>d. English GEC</i></b>	<b><i>- 1</i></b>
<b><i>e. English Movie</i></b>	<b><i>- 1</i></b>
<b><i>f. English News</i></b>	<b><i>- 2</i></b>
<b><i>g. Kidz</i></b>	<b><i>- 2</i></b>
<b><i>h. Infotainment</i></b>	<b><i>- 1</i></b>
<b><i>i. Music</i></b>	<b><i>- 1</i></b>
<b><i>j. Regional (GEC, Movies &amp; News)</i></b>	<b><i>- 3</i></b>

***The number of channels in BST across the country should be same.***

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?

***The genre-wise mix of pay channels should be the same as detailed above, except the language of the regional channels which can be decided by the MSO depending on the composition of the subscribers in their network.***

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 basic price for the 50 FTA channels in BST should be Rs.150/- (exclusive of taxes), per month, per subscriber, which can be shared equally between the MSO and the LCO and should be same across India. The basic price of Rs. 150 is primarily towards the infrastructure to provide the service to the subscriber***

***In addition to the above, for the additional 20 PAY CHANNELS in the BST, the price to the subscriber should be at Rs. 60/- per month, which can be shared equally between MSO, Broadcaster and LCO. The broadcasters should be entitled to Rs. 20/- for the 20 pay channels, as these channels will be seen by the entire subscriber-base of that network.***

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?

***No a-la-carte system should be allowed in BST. BST will comprise mostly of FTA channels and therefore will not be relevant to provide a-la-carte rates. As for pay channels in BST, the rates and the sharing are as mentioned in point 3 as these channels will be seen by the entire subscriber-base of that network.***

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

***The DAS programs entails investments to the tune of approx. Rs.30, 000 Crores, most of which will have to be done by the MSOs. Hence, due consideration should be given to this by the MIB / TRAI while computing the tariff, so as to enable the MSO's to recover their investments.***

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? 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?

***The retail tariff should be determined by TRAI. There are broadcasters / content aggregators who have interest in Cable Television and DTH companies and therefore it is pertinent for TRAI to determine the rates, as otherwise there could anti-competitive pricing pressures.***

(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?

***There could be genre-wise ceilings. Our recommendations for GEC & Movies is Rs. 7/- , Sports – Rs. 10, News and Music Rs. 3/-, Infotainment – Rs. 3, Kidz – Rs. 4/- (prices are per subscriber, per month and exclusive of taxes).***

(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?

***As suggested above.***

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

***None***

#### ***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?

*The existing Standard Interconnection regulation for CAS can continue for DAS. Please also refer to point 5a.*

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?

*The subscription revenue share should also be decided by TRAI. It can be on similar lines as CAS, but may be a higher revenue share can be kept for the MSO's keeping in mind the investments.*

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?

*We recommend a share as follows :- MSO-40%, LCO – 35% & Broadcaster - 25%. AS for BST, we have suggested the revenue share in point 3 above.*

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

*There is no question of a must carry provision to be mandated because*

- a. It will promote unfair competition in the CATV industry. Small MSOs who have limited wherewithal to expand/upgrade their headend/network capacity as new channels keep on adding, will be disadvantaged. Even big / national level players will find it extremely difficult to comply with this irrational suggestion.*
- b. There is a practical limitation - both commercial and technical because of which a must carry provision is impossible to agree to. A contract is negotiated between the MSO' and CAS vendor' for encrypting a predetermined number of channels. As the number of channels goes beyond this threshold number, the contract will have to keep getting renegotiated which is almost impracticable and also not commercially viable.*
- c. It would be very difficult for DTH players to execute must carry provision considering the transponder space crunch and the associated costs also.*

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'?

*It is not feasible to implement must-carry*

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 nondiscriminatory terms to the broadcasters?

*Must carry is not feasible to implement*

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

***Carriage fees should not be regulated. In any case there is no mechanism by which carriage fee can be regulated, even if one wants to. However, digitization will ease the pressure on carriage fee, substantially.***

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. Not possible.***

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

***No. Not possible as carriage deal is a business to business deal and is a marketing activity undertaken by the broadcaster and there cannot be a cap on marketing spends.***

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, we strongly recommend the adoption of the CAS model, as this is a tried, tested and proven model, besides being accepted by all the stakeholders.***

#### *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.

***Yes, we agree with the proposed Quality of Service norms. However, QOS will be effective only if the Broadcaster and the LCO are included in the purview of the same. The MSO can be made responsible for the headend, STB, Billing, encryption and the trunk line signal quality while the LCO should be made responsible for signal quality in their respective networks and the last mile and the Broadcaster should be responsible for the quality of broadcast signals.***

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

***None.***

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?

***The MSO should be responsible for subscription billing, STB and signal quality at trunk level of the Optical fiber.***

***The LCO should be responsible for connection, disconnection, transfer, shifting and signal quality at network level.***

***Both MSO & LCO should be responsible for redressal of consumer grievances.***

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.

***The billing to the subscriber should be done by the MSO since the SMS & CAS is at MSO end and also the MSO is the license holder.***

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

***Absolutely essential. Pre-Paid billing option is required and should be introduced for DAS.***

*Miscellaneous Issues*

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

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

***An ad-free channel would be welcome by the subscribers who are willing to pay a premium. We recommend total forbearance on subscription rates; both at the Wholesale and retail level, for these channels. Infact world over pay channels do not carry advertisements and only in India that this practice was prevalent because of the absence of addressability. Now that DAS is happening, we recommend that this practice of carrying ads on pay channels itself should be stopped.***

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

***There should be forbearance on tariff for ad-free channels at both the wholesale and retail level.***

23. What should be the provisions in the interconnection regulations in respect of ad-free channels?

***Existing Interconnection regulation as in CAS can do for ad-free channels***

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

*In this case (ad-free channels), we recommend a share of 45% to Broadcaster, 30% to MSO and 25% to LCO.*

*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.

*Non-addressable STBs should continue in non DAS markets waiting for the sunset of analog. This will enable the subscribers to acquaint with the Digital service and will also help in promoting the Digitalization in these markets. Also, this will enable the LCO to provide better value and service.*

*Reference point for wholesale price post DAS implementation*

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?

*The existing analog RIO rates should be frozen and be taken as a base rate for any DAS tariff order. If this is not done there is a strong possibility that the broadcaster would price their driver channels in such a manner that the MSO's would be forced to subscribe to the weaker channels as well, thereby defeating one of the key objectives of DAS.*

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

*We strongly urge that pending the promulgation of the final tariff order, the regulator should come out with an interim order facilitating the availability of content on Digital platform for MSO's. This is most important because the digitization process needs to be kick-started immediately and the broadcasters are not willing to provide content.*

*In addition, we also recommend that Broadcasters should remove area restrictions for all the Digitization phases simultaneously to enable MSO's having the wherewithal (Technology, STB's and Financial capabilities) to carry their Addressable Digital Signals to connect any operator willing to convert to Digital platform, anywhere in India.*

*DTH should not be allowed to provide a common service to a MDU. Connecting multiple households in an entire building thru' a single Dish Antennae is what used to be termed as SMATV (Single Master Antenna TV – this was the early days of cable TV) and is de facto Cable Television, which DTH should not be allowed to operate in.*

*DTH clearly means direct to home TV in which a subscriber gets the signal/program directly from the satellite, whereas in a MDU the signal from the Satellite is not relayed directly to the home, but thru a distribution system, which is SMATV and therefore Cable TV.*