

Comments on Issues for Consultation for Implementation of DAS

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: 50 channels are sufficient for covering all genres. It can be same for entire India

2. **In the composition of BST, what should be the genre-wise (entertainment, information, education etc.) mix of channels?**

Comment: The mix of the channels should be left to the market and the area. The Must carry Doordarshan Channels can be part of the BST.

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?**

Comment: The price of BST should be between Rs 100/- and Rs 125/- per subscriber per month plus taxes. And on adding Service tax and the Entertainment tax should not be more than Rs 150/- to Rs 160/- so that it is affordable to all. Anything below this would be commercially unviable for the LCOs. We could also have BST with different number of channels and rate specified number of channels wise.

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: Since the FTA channels will also be encrypted so a-la-carte rate for the FTA channel will be actually service charges payable by the subscriber for getting additional FTA channel besides the BST. The Services charges could be priced at Rs 3/- for each FTA channel per subscriber per month. This service charge of Rs 3/- should be equally divided between the MSO and the LCO.

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: The rate could be same as that under CAS. TRAI should also fix the price for the HD channels which should not be more than 1.15 times the normal channel

rate.

- (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 the a-la-carte channel price at the retail should be linked to its wholesale Price. The wholesale price could be the ala carta rate with a discount of 10 to 15% or the other way round.

The wholesale price of the channel should also be fixed by TRAI so that the small operators should not be put in an disadvantageous position vis a vis the large MSO and there is equality in the service providers.

- (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 should be different ceiling for different genres as the cost of the content varies drastically genre wise.

- (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: Since the FTA channel is free ceiling itself has no meaning.

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

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?**

Comment: Yes it should be fixed by TRAI otherwise smaller LCOs will not be able to survive as they may not be a position to negotiate with the MSOs.

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: The Revenue share could be same as CAS as it is working fine in the CAS areas without any complaints. There could be a service charge of say Rs 10/- per month per subscriber to be charged by the MSO from the LCO towards the services

for the BST like billing, provision of the BST, Activation / Deactivation of the STB etc.

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

Comment: Must Carry provision should not be mandated as the channel may be of interest to very few subscribers and the MSO will be forced to invest in the equipment for the few subscribers. The channel may not take proper care of the quality of the content as the MSO will be forced to carry the channel no matter the quality of the channel.

In fact the must provide provision should be mandated so that the broadcaster treats all the MSOs large or small equally.

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

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

Comment: The carriage fees should be market driven as the demand for the channel will vary in different areas and states.

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?

Comment: The carriage fees will automatically get linked to the number of STB installed in the network.

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

Comment: When the carriage fees is market driven the channel and they shall negotiate and arrive at the figure. As it is in present situation also the channels are being run on selected networks only depending on the price quoted by the network. When area demarcation will cease to exist in the Digital scenario the subscriber will always have the option to choose his MSO.

- 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?**

Comment: Yes

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

Comment: The MSO should be responsible for delivering good quality signals at the point of connection to the LCO. The parameters of signal strength easily readable from the signal meter by the LCO should be fixed. The complaints relating to the activation / deactivation of the STB should also be the responsibility of the MSO subject to proper complaint being installed by the LCO at the call centre of the MSO.

All other complaints of connection, disconnection, shifting, billing wrt to the channels chosen by the subscriber etc should be the responsibility of the LCO.

Even today there is cutting of underground optical fibre cables due to which large areas do not have any signals for many hours at a stretch. At present there is analog signal as there is a local analog headend and also the number of STBs seeded are quite less due to which the subscribers are not affected. Under this circumstances even the company providing the optical fibres on lease comes into the picture.

- 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.**

Comment: The Billing to the subscriber should be done by the LCO as he is final service provider to the subscriber. The MSO should generate PDF files for the subscribers of the LCO and pass over the same by hand or email to the LCO for printing. The LCO shall print the invoices and distribute the same to the subscribers. The Invoice should mention the LCO's service tax number, entertainment tax number, PAN number etc.

The MSO shall also raise invoices on the LCO for the pay channel and his services. The MSO shall also send the invoice to the LCO by hand, post or by email. It has been observed under the analog mode that many a times the invoice is not accepted by the LCO by making some excuse or the other. Some mechanism to avoid such situation should also needs to be addressed as under the legal systems the onus of proving the delivery of the invoice is on the person sending the invoice. We feel that the proof of sending the invoice by Regd A/d or courier should be sufficient to prove that the invoice was sent to the LCO.

20. Should pre-paid billing option be introduced in DAS. Please justify your answer.

Comment: No prepaid billing should not be there under DAS and itemized billing should be provided as in CAS. As the billing under CAS is going on smoothly the same method should be used for DAS as well. How will the account for the Prepaid cards be kept as a subscriber might buy more than one card every month.

21. Whether an ad-free channel is viable in the context of Indian television market? Please elaborate with appropriate reasoning.

Comment: There can be a AD free channel which should be classified as premium service.

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

Comment: The tariff for the Ad free channel should be market driven as it will be under premium services. However the tariff should be notified by the broadcaster like all the channels.

23. What should be the provisions in the interconnection regulations in respect of ad-free channels? Please elaborate with appropriate reasoning.

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

Comment: The Ad free channel will be driven by subscription charges only. The revenue sharing for Ad free channel should be favourable to the LCOs than the MSO. It could be 70:15:15 for Broadcaster, MSO and the LCO.

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

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? Please elaborate with details.

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

Comment:

a) It is noted that only the national MSOs have been a part of the entire process of bringing about the digitization so far. Most of the national MSOs have Joint Venture (JV) agreements and also Distributors for the various areas in India. These JV partners and Distributors are the ones who are going to play a major role in the digitization. There has been no representation of these JV partners and Distributors in the task force as a result of which the opinion of the majority of the persons actually responsible for bringing about the digitization has not been taken into account. Trai should call a meeting of the JV partners and Distributors to get the first hand opinion from the persons who actually provide service to the subscribers.

The JV partners have been having analog control rooms since many years and have played a major role in expanding the cable tv systems in India. But under the digitization scenario these JV companies are denied a Digital Headend even though they are willing to invest. So in case the licensing of the headends is introduced then license should be issued to all such JV companies. This will also help the JV companies to provide better service to the subscribers as they are well aware of the choices of the subscribers of their respective areas. The local digital headends will choose channels for the BST as per their local requirements. Even today there is cutting of underground optical fibre cables due to which large areas do not have any signals for many hours at a stretch. At present there is analog signal and also the number of STBs seeded are quite less due to which the subscribers are not affected.

b) All the broadcasters should provide the pay channels to any person who is asking for his digital addressable system. TRAI should fix the minimum number of subscribers for which the MSO is supposed to pay to the pay channels for his new headend under DAS. The channels should be provided by the broadcaster to the MSO within 10-15 days of application and not 6 months as is presently the case. The reduction of the time is essentially required looking at the time left for the DAS to be implemented.

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

d) The customs duty on the STBs and the digital equipment should be waived.