

Subject: **VIEWS FROM VADODARA**

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From: VADODARA CABLE OPERATORS <jlmows.vadodara@gmail.com>

To,
The Chairman
TRAI,
New Delhi.

Q1. Do you agree that flexibility available to broadcasters to give discount on sum of a-la-carte channels forming part of bouquets has been misused to push their channels to consumers? Please suggest remedial measures.

Ans 1. Yes, because even up to 80-85% discount is being offered to selected DPOs, this is spoiling the level playing field. TRAI should imply 15% capping as drafted in the NTO. This only will give the option to choose to the market force, which was the motto of NTO, and is missing presently.

Also considering introduction of the new channels, new channels will be free for six months as promotional offer, it will be must carry for DPOs, in the process DPOs will enjoy 50% revenue share from 7th to 12th month for carrying the channel free for 1st six month.

Q2. Do you feel that some broadcasters by indulging in heavy discounting of bouquets by taking advantage of non-implementation of 15% cap on discount, have created a non-level field vis-a-vis other broadcasters?

Ans 2. Yes, its creating non level playing field for competing broadcasters as well as for DPOs, as the offer is not rational & totally based on under table understandings, which can't be the basis of an order.

Q3. Is there a need to reintroduce a cap on discount on sum of a-la-carte channels forming part of bouquets while forming bouquets by broadcasters? If so, what should be appropriate methodology to work out the permissible discount? What should be value of such discount?

Ans 3. Yes, the cap should be reintroduced and it should not be 15%, which should be nearer to 25% or may be 30% while keeping an eye that Broadcasters' interest to for, to offer and to sale their bouquets are not adversely affected. A close eye should be kept on the rationality of the offerings.

Q4. Is there a need to review the cap on discount permissible to DPOs while forming the bouquet? If so, what should be appropriate methodology to work out the permissible discount? What should be value of such discount?

Ans 4. Yes. As broadcasters are offering ample discount, it has become a broadcaster's game. TRAI has not considered the importance of the distribution system. The revenue sharing should be 30:35:35 as it was in CAS. In the process all the members of the value chain will be equally fed, therefore all of them will promote the proceedings, in the presence of the feel good ambiance each one will be benefited including the end users.

Q5. What other measures may be taken to ensure that unwanted channels are not pushed to the consumers?

Ans 5. No channels is unwanted in this world, only the Authority needs to keep a close look that those channels are forced on the subscribers. Bouquets will be always beneficial if consumers want to opt to, else they will be given the freedom to exercise their choices.

Q6. Do you think the number of bouquets being offered by broadcasters and DPOs to subscribers is too large? If so, should the limit on number of bouquets be prescribed on the basis of state, region, target market?

Ans 6. Yes. Broadcasters should offer genre wise bouquets & a complete one. DPOs should consider price based bouquets, the most can be offered in certain price limits, considering the ARPU of the area. A la carte should always be there.

Q7. What should be the methodology to limit number of bouquets which can be offered by broadcasters and DPOs?

Ans 7. No need to limit the number of bouquets which if done can limit the consumers ability to choice.

Q8. Do you agree that price of individual channels in a bouquet get hedged while opting for a bouquet by subscribers? If so, what corrective measures do you suggest?

Ans 8. Yes, it has got hedged already. Reintroduction of cap of 15% on A-la-carte price while inserting into a bouquet will only give the market force to decide the momentum.

Q9. Does the ceiling of Rs. 19/- on MRP of a a-la-carte channel to be part of a bouquet need to be reviewed? If so, what should be the ceiling for the same and why?

Ans 9. Not required. Once the cap is implemented & the actual end user is empowered to choose, (which is not available in the present scenario) ceiling will be decided by the market force.

Q10. How well the consumer interests have been served by the provisions in the new regime which allows the Broadcasters/Distributors to offer bouquets to the subscribers?

Ans 10. Very little, as the absence of the capping in the price of the channels forming a bouquet has made the bouquets attractive in pricing and the main motto of NTO, to give choice to consumers has vanished. Also a subscriber by virtue of being a consumer of a small MSO enjoying lesser privilege than the bigger ones, due to irrational offerings of the broadcasters.

Q11. How this provision has affected the ability and freedom of the subscribers to choose TV channels of their choice?

Ans 11. There is a very little scope of choosing, as 2 a la carte channels of a specific broadcaster's bouquet cost same as it is of its 20 channel bouquet consisting those 2 channels, why should customer exercise his choice, rather he or she is bound to carry the hefty bouquet.

Q12. Do you feel the provision permitting the broadcasters/Distributors to offer bouquets to subscribers be reviewed and how will that impact subscriber choice?

Ans 12. No review is needed, the basics needed to be changed, bouquets should be prepared to give more comfort to consumers, instead the broadcasters are preparing bouquets to sale their non saleable channels & DPOs are preparing bouquets to enhance their kitty compelling with the broadcasters given conditions.

Q13. How whole process of selection of channels by consumers can be simplified to facilitate easy, informed choice?

Ans 13. Process of selection can be made simplified by ordering from A single app consisting al a cart pricing & broadcasters bouquet applicable for all DPOs. Only DPO packs will be offered & subscribed from DPOs end.

Q14. Should regulatory provisions enable discount in NCF and DRP for multiple TV in a home?

Ans 14. Any discount if TRAI wants to make available for multiple TV in a home must keep the following points (bone of contention) while deciding that : a) Now in the era of 5th generation technological advancement every TV set in a home needs equal and separate attention and investment unlike analog era which now involves everything separate for each TV set such as Set Top Box, separate coaxial/fibre, separate accessories outside/inside the home, necessary proper optical power. So, the cost involved to connect a TV set has been increased many fold over the years along with inflation and this last mile connection is done only by the LMOs and bear the cost described above single handedly which is not shared by the other two stakeholders i.e. MSOs and Broadcasters. The cost of service after installation such as complain attendance, replacing Set Top Boxes if necessary, even educate the consumers how to change the mode from TV to Av by using TV remote and each and every service related with cable TV rendered only by the LMOs. b) On the contrary as the Broadcasters and/or MSOs do not incur any expense related with the last mile connectivity, their expense and investment do not increase to connect any extra TV set in a multi TV home or anywhere. The Broadcasters only invest in making contents and make revenue and MSOs only invest in providing signal at a single point and maintain that only to the office of the LMOs and earn. Thus they only enjoy gradually inflated net income. So, any discount involving multi TV sets in a home must not be made from LMOs net income. If done it will adversely effect the direct service to the end consumers. Over & above if anything similar is done there should specific capping on all stake holder, else it should create a mess.

Q15. Is there a need to fix the cap on NCF for 2nd and subsequent TV connections in a home in multi-TV scenario? If yes, what should be the cap? Please provide your suggestions with justification.

Ans 15. It is already there, by virtue of our LMOs, local clubs, party offices electrical substations enjoy free or lesser NCF. If anything such is implemented mess will occur. It is proven that in the last mile LMOs of the country offer the best without any bindings.

Q16. Whether broadcasters may also be allowed to offer different MRP for a multi-home TV connection? If yes, is it technically feasible for broadcaster to identify multi TV connection home?

Ans 16. No. Rather a 5% general discount should be offered throughout the value chain should be applied, to cater clubs, party offices electrical sub stations, LCO offices, LCO partners, staffs, 2ND connections, which is already served by the LCO according to market requirement. Technically identifying will be a problem and create chaos.

Q17. Whether Distributors should be mandated to provide choice of channels for each TV separately in Multi TV connection home?

Ans 17. Actually, the scope of choice of channels/bouquets, whatsoever is available in NTO for each TV set separately in a multi TV connection home already prevails there for consumers

now in this system after NTO is implemented. After providing discount the scope will be under question.

Q18. How should a long term subscription be defined?

Ans 18. The long term subscription should be defined as follows:
a) Starting only for the period of minimum 6 months (Six months) subscription charges paid. b) Subscription charges paid for one year and beyond.

Q19. Is there a need to allow DPO to offer discounts on Long term subscriptions? If yes, should it be limited to NCF only or it could be on DRP also? Should any cap be prescribed while giving discount on long term subscriptions?

Ans 19. Market force will claim the said discount, no need to come out with an order for this, if at all something such is going to come out there should be uniformity across all platforms cable TV, DTH, OTT, IPTV etc.

Q20. Whether Broadcasters also be allowed to offer discount on MRP for long term subscriptions?

Ans 20. Broadcasters may think of it, if it assures their business interest, nothing to be mandated apart from the uniformity across all platforms. Need to be cautious while implementing any such scheme as Big bulls may take undue advantage of this.

Q21. Is the freedom of placement of channels on EPG available to DPOs being misused to ask for placement fees? If so, how this problem can be addressed particularly by regulating placement of channels on EPG?

Ans 21. No, the scenario is totally different, every broadcaster have defined their criteria for additional discount over 20%, & only compelling with the same the DPOs are entitled to get the nominal placement discounts, therefore no scope of misusing the placement.

Q22. How the channels should be listed in the Electronic Program Guide (EPG)?

Ans 22. Channels should be listed genre wise.

Q23. Whether distributors should also be permitted to offer promotional schemes on NCF, DRP of the channels and bouquet of the channels?

Ans 23. It depends on the ground scenario. But a regulation has a part to regulate maximum incentivising which may hamper the level playing field.

Q24. In case distributors are to be permitted, what should be the maximum time period of such schemes? How much frequency should be allowed in a calendar year?

Ans 24. Maximum time period for such schemes should be for three months period. It should be allowed only once in a year if really necessary.

Q25. What safeguards should be provided so that consumers are not trapped under such schemes and their interests are protected?

Ans 25. There should be a capping of 10-15% which is maximum in a stake holders kitty. Else it may hamper the livelihood of competing stake holders as well as the offering ones.

Q26. Whether DPOs should be allowed to have variable NCF for

different regions? How the regions should be categorized for the purpose of NCF?

Ans 26. No, DPOs should not be allowed to charge variable NCF for different region as the investment pattern and volume, cost and expenses are equal throughout India. No platform, medium whether it is through wire or wireless such as DTH, OTT or IPTV should be allowed to do so affecting the competitiveness among the contenders.

Q27. In view of the fact that DPOs are offering more FTA channels without any additional NCF, should the limit of one hundred channels in the prescribed NCF of Rs. 130/- to be increased? If so, how many channels should be permitted in the NCF cap of Rs 130/-?

Ans 27. Existing Rs.130/- for 100 FTA channels is ok. No pay channel should be included in that bouquet of 100 channels except FTA channels. Additional NCF of Rs.20/- for every 25 channels should be maintained. Including pay channels within the FTA bouquet is a complicating job, if possible it could be avoided increasing 25 more FTA channels in the basic pack.

Q28. Whether 25 DD mandatory channels be over and above the One hundred channels permitted in the NCF of Rs. 130/-?

Ans 28. No assorted 25 DD channels should be included within the limit of the 100 FTA channels. It can only take place if including pay channels within the FTA pack is avoided.

Q29. In case of Recommendation to be made to the MIB in this regard, what recommendations should be made for mandatory 25 channels so that purpose of the Government to ensure reachability of these channels to masses is also served without any additional burden on the consumers?

Ans 29. DD channels are already within the limit of 100 FTA channels. In fact all DD channels except 3 to 4 channels for Govt. Of India broadcasting necessary information, announcement and content be fed with every nook and corner of India. As of now say for example Tamil people are being fed with Bengali channels and vice versa should not be done anyway.

In case of recommendation to MIB, it should be specifically mentioned that this industry is feeding millions of people & being brought under regulation prescribed by TRAI, MIB should not violate such norms like providing pay channels in its FTA bouquet under the banner of DD Freedish.

Q30. Stakeholders may also provide their comments on any other issue relevant to the present consultation.

Ans. 30. Post NTO, all stake holders are handicapped in this industry, where livelihood of millions are engaged, The Regulator has the responsibility to safeguard the handicapped industry from unregulated stuffs like OTT, either it is supposed to come under same regulation or equal facility should be available to all stakeholder with minimum effort. For instance pay contents availability for OTT live channels is still unavailable to small DPOs, it should be taken care of.

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