

Subject: **Consultation Paper on Tariff related issues for Broadcasting and cable Services dated : 16th August 2019.**

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Chapter V Summary of Issues for Consultation

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. Broadcaster forcibly pushing their bouquet/packages at discounted rate and misuse the new NTO for their favour. to stop this TRAI must implement 15 % sealing in bouquet and al-carte in tariff order (clause 3(3) 2017.

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... (Please refer to Answer 1)

Q3. Is there a need to reintroduce a cap on discount on sum of ala-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. Request you to please implement the 2017 NTO clause 3 (3) which is still pending.

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. DPO's have no options to give any discount other than 20% which is been given by the Broadcaster, out of which MSO's has to shed out to the LCO's also to maintain the network.

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

Ans 5. Broadcaster must make bouquet genre-wise and should not be more than 4 channels in one bouquet.

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. Refer to answer no 5 and make statewide/ language-wise Bouquet.

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

Ans 7. Refer to answer no 5 & 6

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. Refer to answer No 1 and each bouquets should be genre-wise and should not be more than 4 channels in one bouquet.

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. Rs19 should be considered as a price for niche/premium channel and such niche/premium channels should not at all be allowed to be the part of any bouquet. They expressed the view that bouquet should be allowed to be formed of channel which are affordable and are in similar price brackets.

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. Broadcaster have designed their bouquet just to push their unwanted channels and forcing the customers to subscribe it, so that customers are commercially blackmailed. And, Distributor have prepared Bouquet for ease of customers benefit as per languages and area-wise. Other than this DPO's are also providing Broadcasters Bouquet and Ala- carte to their customers as per system limitations.

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

Ans 11. Broadcasters are offering maximum channels ranging from 13 to 20+ channel in a bouquet with a discount ranging between 30 to 60% as compare to ala-carte rates of the said channels. And, because of this reason subscribers are choosing for 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. Yes!!!. Broadcaster Bouquet has to be reviewed... Broadcaster must make bouquet genre-wise and should not be more than 4 channels in one bouquet. Also, Broadcaster forcibly pushing their bouquet/packages at discounted rate and misuse the new NTO for their favour. to stop this TRAI must implement 15 % sealing in bouquet and al-carte in tariff order (clause 3(3) 2017.

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

Ans 13. Customers should be given access of DPO's user friendly app, wherein customers can choose and select channel of their choices as and when required.

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

Ans 14. In new NTO 2017, TRAI has introduced 100 FTA Channel's pricing @ Rs 130 (NCF Excl.Tax) which including 26 number of DD channels mandatory. Also, liberalized customer to choose and pick remaining 74 channels from 100 FTA/ Pay channels. And out of NCF Rs 130/- LCO get Rs 78 (i.e 60%) and MSO gets Rs 52(i.e, 40%) of the FTA revenue sharing going on as on today. Today MSO's are providing more than 100 FTA channels free of cost @Rs 130/- (NCF Excl.Tax) to please the subscribers who is not satisfied with the new MRP Regime. In new NTO regime Broadcaster's provide only 20% on pay channels to DPO's in which DPO has to share with Local Cable operator.

As per these calculation if customer pays Rs 150/- for pay channel.

Rs 130 NCF		Rs 150 From Pay Channels	
LCO's Share (60%)	DPO's Share (40%)	LCO's Share (50%)	DPO's Share (50%)

78	52	15	15
LCO NCF + Pay Channel Share	93		
Additional NCF approx.	20		
Total LCO Share	113		
MSO's Share	67		

An LCO, who is having 500 subscribers X 113 (LCO Share, as per above calculation) will get an income of Rs 56,500/-

Income	56,500
Less:- Approx. 2 Person Salary	30,000
Less:- Approx. Rent	10,000
Less:- Approx. Telephone/ Mobile Exp	1,000
Less:- Approx. Electricity Bill	2,000
Less :- Approx. Others misc.	2,000
Less:- Approx. Network Maintenance	3,000
Profit/Loss	8,500

In view of the above expenses LCO's are unable to run the business at any cost ,further any deduction of the existing revenue operator will not survive in his business.

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. As per above calculation it shouldn't be allowed to any DPO's

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... In this NTO regime customers have a choice to pick and choose channel of his/her choice. Hence any offer or discount on multiple TV is not required.

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

Ans 17. Yes it is... The aim of new NTO is to avoid subscription of unwanted channels and customers can choose channel of his/her choice.

Q18. How should a long term subscription be defined?

Ans 18. TRAI has given full power to the customer that they can add or delete any channel of their choice as per their requirement anytime, hence long term subscription is not possible since GST, Credit & Debit entries are involved in it.

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. No... since there are no additional revenue for DPO or LCO for business survival. Also, refer to ans no 14.

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

Ans 20. It's completely at the discretion of the Broadcaster.

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. As per new NTO interconnection agreement/subscription EPG for the set as per genre for a year.

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

Ans 22. Rs 19 should be considered as a price for niche/premium channel and such niche/premium channels should not at all be allowed to be the part of any bouquet. They expressed the view that bouquet should be allowed to be formed of channel which are affordable and are in similar price brackets.

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

Ans 23. No...Please Refer to Ans No.14 for promotion scheme on NCF/DRP

Q24. In case distributors are to be permitted, what should be the maximum time period of such schemes? How much frequency 72 should be allowed in a calendar year?

Ans 24. Refer to Ans no 23.

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

Ans 25. As a DPO there are hardly any margins left hence any discount won't be possible and please refer to Ans no 23.

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. Since pay channel rates are uniform across india... NCF should also be kept uniform across india.

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. Yes...Today DPO's are providing more than 100 FTA channels free of cost @Rs 130/- (NCF Excl.Tax) to please the subscribers who is not satisfied with the new MRP Regime.

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

Ans 28. No it should be included 26 DD channels.

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. As per MIB regulation 26 DD channels are must carry and must provide all subscribers hence there are no burden on 26 DD channels because customer still have 74 channel to choose from FTA/Pay Channel.

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

Ans 30. There are upper limit set for pay channel which is Rs 19, hence lower limit should be set, so that many pay channel who has kept price like 10 paisa (which does not exist in India currency) should be kept free. since it doesn't make sense to subscribe for 10 paisa channel for which customer have to fill a form worth rupees Rs 1 and the commission which is been received is 2 paisa from the Broadcaster. It's a mockery made by the Broadcaster of the NTO regime. DPO should at least receive 2 rupees or 20% whichever is higher as a commission from either ala carte or from a Bouquet of pay channels to share with LCO.

Point No 2 :- Also as per rule Broadcaster have to play only 10 min advertisement + 2 min Promos in one hour programme. But it has been notice that Broadcasters are playing more than 10 sec or in some cases upto 20 min to draw maximum advertisement revenue which is against the Law.

Regards,

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