

COMMENTS ON TRAI CONSULTATION PAPER No 8/2017

ON

EASE OF DOING BUSINESS IN BROADCASTING SECTOR

Lt Col VC Khare (Veteran) Cable TV Industry Observer

Introduction

.1. Present staff, at TRAI, may recall that :-

- (a) Cable TV networking technology was an entrant in India by stealth. There was no Govt approval, planning training or involvement.
- (b) It was an outcome of need of viewers, in terms of QoS being provided by Prasar Bharati/Door Darshan.
- (c) There was not even ONE paisa of tax payer's money involved in investments in this venture..
- (d) Cable TV, like Broadcasting in India, was without a law, and hence NOT legal till 1994. All transmissions were 'free to viewer' for content. Charges levied were only for network access. Its growth attracted Broadcasters in terms of advertisement revenue potential.
- (e) Cable TV meets engineering definition of broadcast. In that (i) it is point to multi-point using RF carriers , (ii) is multi channel-multi program digitally addressable (iii) medium is wireline instead of wireless for wireless Broadcasts. Networks are not supposed to radiate and interfere with other Broadcasters/Operators and be culpable for prosecution. Yet Cable TV is not Broadcast (a Central Govt Subject) and hence left to State Govts to administer and tax at their whims and fancies.
- (f) MIB seems to be working more for the benefit of Broadcasters (christened as Ministry of Broadcasting) who are licensed by them to satellite cast and downlink their programs (NOT channels, a word which does not form a part of cable TV Act, Rules or Regulations glossary). Digitization was distinctly introduced to facilitate eye balls reach for Broadcasters content from 106 programs (one analog program per RF channel) capacity enhancement of Coaxial Copper networks, depending upon compression ratios varying from 1:10 to 1:24, to 1060 or 2744. TRAI, per se, gets activated by letters/instructions from MIB and issues regulations in conformity with MIB.
- (g) The DAS implementation task force did NOT include even one known person with reputation of having established multi-channel, multi-program addressable digital

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headend, from dot on paper to picture on screen, in India. The result was that except for demise of analog transmission and seeding of set top boxes authorized to enable viewing of all content, acting only as a D2A converter is being claimed as DAS completion.

(h) Broadcast engineering, in general, and wireline broadcasting, in particular, are NOT taught in India. Hence there are hardly any broadcast engineers in govt employment by academic qualifications. Scan records to find even one BSc/Btech(Broadcast Engineering) They are deemed broadcast engineers by virtue of employment and experience accrued in service.

3. A clarification in first instance is, therefore, required as to why Cable TV services broadcasting, over wire line medium, instead of wireless medium, using RF carriers, from one point(the Headend) to multiple viewers, as per definition of broadcast, is NOT broadcast. Next, if it is NOT broadcast, a Central Govt subject, then why is it under Ministry of Broadcasting?

4. Next the question 'Who has benefitted from DAS'? FIRST Broadcasters by seeking avenue to eyeballs through enhanced capacity of program transportation due to compression. SECOND the MIB by earning revenue for downlinking permissions and registrations for Digital Headends. THIRD hardware vendors palming off equipment, NOT necessarily conforming to Indian Standards,. FOURTH Cable Operators, registered with Deptt of Posts, to deliver more programs to their subscribers without noise. FIFTH taxation authorities expecting higher volume of taxes.

5. Subscriber, the intended DAS beneficiary, has only been compelled to buy a set top box. They have not seen any rate card showing 'a-la-carte'/bouquet rates, filling up any application form, allotment of subscriber ID, allocation of a set top box paired with Subscriber ID, receiving itemized bill and receipts for payments collected by Cable Operators. They haven't heard of Customer Care etc functioning. and seeding of set top boxes. No MsOP(Manuals of Practice) have been issued to subscribers.

6. Very ill conceived advertorials were used on cable casts to educate subscribers on need to install set top boxes and DEMAND QoS from Service Provider. The clips did not clearly

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advise the subscribers (a) to seek an application form to apply for services (b) fill up their choice of programs selected from rate card showing 'a-la-carte' and bouquet rates, (c) pay for Set Top Box and service installation, (d) insist on intimation of their ID while installing Set Top Box (e) Upon installation check that it enables viewing of programs which were selected (f) sign an installation report on activation of service (g) call up customer care to know if their page has been opened (h) seek an itemized bill from collection boys and insist on getting a receipt for payments.

7. Service being run by around 60000 cable operators, who are not service management literate, need spoon feeding. They cannot be expected to read to implement rules and regulations. In 2003 CAS implementation, definition of PAY content was that for which subscriber pays to broadcaster. Entities in value chain were Subscriber-Cable Operator-Headend Service Provider- Revenue Authority and Broadcaster. Accordingly rate for Pay content was fixed by TRAI, interconnect formats were annexed to regulations and revenue share was laid down. CAS however ended in a fiasco as far implementation was concerned. In DAS the definition of Pay content changed to content for which Headend Service Provider pays to the Broadcaster at rates agreed between the two. Hence entities Subscriber and Cable TV Operator vanished from scan screen of value chain. Till date Inter Connect Offer between Cable Operator and Headend Service Provider are is under disarray.

8. Helpless in subscriber billing, and under pressure from revenue authorities, Headend Service Providers are now billing Cable Operators some amount per month per subscriber based upon set top boxes seeded in their network. This is contrary to all rules and regulations. Headend Service Provider has to bill subscriber and no one else.

9. TRAI , instead of discouraging carriage fee, bothering Broadcasters, having no place in DAS regime due to enhanced program carrying capacity, is regularising this practice through tariff orders and amended inter connect offers.

10. In view of above the comments on the consultation paper are confined to Cable TV only.

Comments on Issues for Consultation on Cable TV

Q9. What are the specific issues affecting ease of doing business in Cable TV Sector?

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11. (a) Recognition of Cable TV as Multi Channel, Multi Program, Digital Addressable BROADCAST over wireline medium, a central govt subject or taking it out of MIB jurisdiction since NOT a BROADCAST.
- (b) At MIB level staff in Registration of Headends should have knowledge of performing headends , scrutiny of headend architecture with registration and incorporating RoW permissions. This is necessary to prevent demise of Cable TV networking against TELCO initiatives of FTTH to invade residential segments.
- (c) Lay down norms for fixing basis for pricing of PAY TV content by Broadcasters. So far, MIB and TRAI both have not been able to get it from Broadcasters and put it in public domain
- (d) Accrediting more agencies to audit Headends rather than having only BECIL who, except from being a Govt organization, do not have the established competence to audit digitally addressable headends in terms of employees experienced in design, installation, testing and commissioning of DAS Headends .
- (e) Introducing wireline broadcasting, as a subject, for certificate/diploma/degree level teaching and training in India.
- (d) Associate knowledgeable persons from Cable TV industry to audit DAS implementation and counsel Headend Service Providers till implementation, as legislated is achieved. Provide that if NOT complied in 6 months of counselling registration will be revoked.
- (e) Understand that service is provided to subscriber by the cable TV technician in direct contact with subscriber who needs up skilling in DAS environment and facilitate the same. Possibly mandate certification for employment.
- (f) Understand that QoE(Quality of Experience) is to be monitored at Subscriber end and NOT in numerical statistics like counting number of STBs seeded.
- (g) Facilitate complaints redressal of Cable Operators at TRAI level rather than routing them to TDSAT.
- (h) Appear to be more Cable Operator friendly rather than Broadcaster or Headend Service Provider favouring.

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What Modifications are required to be made in the extant framework to address these issues ?

12. A total change in demonstrated attitude towards Cable TV operators and subscribers at bureaucratic levels. Change to empathy rather than apathy. Address 11 (a) to (h) in toto.

Q10. Is there a need to increase validity of LCO registration from one year?

13. Yes !. Further, area of operation bound by coordinates on a survey map should be attached to the certificate. Every LCO should be confined to receiving program feed from one Headend Service Provider only.

In your view what should be the validity of LCO registration ?

14. Should be same as for Headend Service Provider i.e. 10 years.

Conclusion

15. The 'Business of business is to generate BUSINESS'. Cable TV business is typically a service delivering video content, marketed by Broadcasters, through a Headend Service Provider and Cable Operator, to the Subscriber, who yields revenue moving up the chain with appropriations to Cable Operator, Revenue Authorities, Headend Service Provider and the Broadcaster. These broadcasters earn remuneration from subscriptions for content as well as advertisements.

16. Today, people have capacity to pay but they want to value the service. Unfortunately, the chain ends at Subscriber interfacing with Cable TV technician (popularly called CABLE WALA) who is deemed to be a CABLE TV SERVICES AMBASSADOR. It is this entity which is expected to impress the subscriber and highlight the QoE(Quality of Experience).

17. The bureaucratic set up in governance expects revenue from this service by way of taxes, without any investments from the treasury, dealing only with elite English speaking well dressed management executives, corporatized to the hilt, without the end of the line pulse feeling of subscriber and the technician. A stage has been reached where this business is severely threatened by TELCO initiatives, in residential segment through FTTH. Nothing was ever done for the benefit of the subscriber. If attitudes don't change, Cable TV business may demise in 5 to 7 years through triple play delivery by TELCOs. This cannot be done

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on files , minutes of meetings and notings in closed and cozy office rooms. No serious effort has ever been made to find out where the shoe pinches.

18. The style of functioning over 23 years needs to be empathetic and revamped.