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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: Minimum 100 channels are sufficient for covering all genres, in the BST. In 100 channels bouquet 80 should be from Hindi market and 20 should be from all the regional channels as there is lot of demand for Regionals channels in U.P. market. TRAI should also keep in mind, that since last 5 years how many channels are Free To Air. Then encryption will not be a question.

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

Comment: In my opinion composition of BST with mix of channels should be done by keeping in mind the demand of last mile consumer, which should cover, Regional/General Entertainment/Music/News/Sports/English, Hindi Movies. It should be made compulsory for each paid bouquet to contribute at least 10 channels from their bouquet (Zee, Star, Sony, Network18) to form healthy BST mix of channels as FTA .

- 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 minimum of Rs 100/- per subscriber, per month. Taxes of state and central should be extra (Ent./ Service) Price should be similar all over India .But BST should always be lesser than DTH basic package. I would also like to request that Entertainment tax should also be the same all over India. The pricing of BST should always be lesser than DTH basic Package.

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: No, in my opinion there should be no linkage between a-la-carte rates of channels with BST because BST includes only FTA channels. We should leave a-la-carte for broadcasters while they are offering bouquet of pay channels, it shouldn't be confused with BST.

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: Retail price should be determined by TRAI. Tariff should be determined while keeping in mind that LCO are different with DTH in manner of providing signals, so our down time should also be considered while fixing the rate, which should always be lower than DTH.

It should be based on experience of four years in CAS areas.

There can be three packages:

a) BST- Price as given above. (in reply to 3)

b) Middle Tier- MRP of Rs 5.35 for the Pay TV Channels which is already proven to be a success in the CAS implementation already notified and till date it has not been challenged in the court by any stake holder.

c) Premium Package/ HD channels. They can be priced at Rs 5.35 + 15% -20% (Rs 6.50 – Rs 7.00) to cover additional cost of production. At present there is no extra cost in production as all cameras and studio equipment are HD and only extra bandwidth is used in transmission.

(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 a-la- carte rate with a discount of 15% - 20% or the other way round. This is a standard margin on a commodity

The wholesale price of the Pay TV channel(s) should also be fixed by TRAI so that the small independent MSOs should not be put in an disadvantageous position vis a vis the large broadcaster owned MSO subsidiaries and there is equality and level playing field within in the service providers. Pricing should always be lesser in comparison to DTH.

(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 ceilings for different genres depending upon the quality of equipment broadcaster are using for re-transmitting the signals and their Content Cost. Before Finalizing there should be house of board of all stake holders for their comments.

(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: If channels are FTA then ceiling itself has no meaning, while encrypted Channels Should also be covered as FTA from bouquet of pay channels (Zee,Star,Sony,Network 18,etc.).

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

Comment: Registration as an LCO is the mandatory requirement so far as starting Cable distribution business is concerned. Therefore, insisting on mandatory written agreement (Clause-4A) is harsh on MSOs/LCOs because Broadcasters keep on taking the subscription money even after the expiry of Subscription Agreement or even when there is no agreement but when discord arises, they take the shelter that there is no subsisting agreement. Hence, mandatory existence of written subscription agreement (Clause 4A) has to be done away with. **This is an example, there are too many modifications required.**

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 in a position to negotiate with the MSOs. Broadcasters collect Subscription amount and also engulf huge advertisement revenue while violating advertisement code (12minutes/60 minutes) without giving any share in the advertising revenue to the MSOs/LCOs. Some mechanism regarding sharing advertising revenue of Broadcasters with the MSOs/LCOs must be evolved.

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 to 15/- per month per subscriber to be charged by the MSO from the LCO towards the services for 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?

Comments: Yes, only for Doordarshan channels.

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’?

Comments: Carriage fee should be the qualifying condition for all ‘must carry’ channels except Doordarshan channels.

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?

Comments: Depend on demands for the channels which will vary in different areas and states.

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

Comments: It can’t be regulated, carriage fees should be market driven as the demand for the channels 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?

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

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

Comments: If cap is placed on the quantum of carriage fee, then there should be mandate for all broadcasters to deal with all the MSO whether they are small or big.

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?

Comments: No, it needs change, because registration as an LCO is the mandatory requirement so far as starting Cable distribution business is concerned. Therefore, insisting on mandatory written agreement (Clause-4A) is harsh on MSOs/LCOs because Broadcasters keep on taking the subscription money even after the expiry of Subscription Agreement or even when there is no agreement but when discord arises, they take the shelter that there is no subsisting

agreement hence interconnection agreement between service providers on similar lines as that for notified CAS areas with conditions as applicable for DAS area needs a change.

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 along with detailed justifications.

Comments: Yes, I agree with the norms proposed for the Quality of Service and redressal of consumer grievances for the digital addressable cable TV systems. The standards may need modifications from time to time as the technologies develop.

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

Comments: There should not be monopoly in the market as competition in the market will result into a qualitative growth of the cable industry.

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?

Comments: 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 strength 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 forwarded by the LCO at the call centre of the MSO in writing or by email transmission.

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

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.

Comments: 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.

Comments: Pre-paid billing can be done for BST only. It can't be done on itemized billing. Secondly, how will the account for the pre-paid 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.

Comments: There can be an Ad- free channel which should be classified as premium service and the tariff for these kinds of premium services should be left open for the market forces to decide.

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.

Comments: The interconnection in respect of ad-free channels should be same as other pay channels. There is no need for separate provisions in the interconnection.

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

Comments: The ad-free channels will be given by subscription charges only. The revenue sharing should be favourable for broadcaster then LCO/MSO. It could be 60:25:15 for broadcaster, LCO and then MSO.

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

Comments: Non -addressable STBs should be allowed to at least avail the BST services by the masses of this poor, under developed country. As this will also solve the basic

issue of STB inter operatibility. This will not deny access to the right of information and news / views to a very large population of India. Where even DD -Direct the government owned and operated Free DTH service is without encryption and can be received by any Non- Addressable DVB-S STB then why are we running behind only addressable STBs to be made available in the market for the Indian Masses. It can be more economical and fruitful in the entire digitization process of the country if the LCOs or MSOs can be allowed to turn around the DD-Direct service and provide to the customers through their distribution plant, thereby avoiding the cost of installation of the Dish Antenna and its periodic maintenance.

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.

Comment: This needs to be seen when the actual implementation takes place, but we are of the opinion that there should not be a forced black out for the millions of cable TV consumers in the country. Hence, the sunset date should be aligned all over the country where the Basic Cable service of about 30- 45 FTA channels in analogue should be continued to run till the actual sunset date of December 2014. Otherwise, this digitization process will only bring harassment and complete unrest in the consumers of this country. It will also, be driven by DTH operators and LCO will find themselves standing no were, by loosing their consumers to DTH operators.

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

Comment:

- (i) In case the Government is doing this entire digitization exercise to favour the DTH companies so that they can expand their subscriber base manifolds and can extort as much money from their customers, then please be assured that this fight for the consumers interest will come down to the streets and we will ensure that every citizen gets educated on these evil designs of the regulator and this government.**
- (ii) In case the Regulator is trying to push this digitization process for the purpose of making free the VHF and UHF spectrum that are earmarked CATV frequencies for the last 25 years and the Government is exploring ways to now auction this CATV spectrum then also please be reminded of the 2G scam and how many people have been visitors to the Jail.**
- (iii) In case this exercise is being conducted to make the many News Channels fraternity happy , that they adopt pro- government reporting, as they will not be asked to pay huge carriage fees to carry their respective channels. Then it is going to get badly mis fired.**

- (iv) Availability of electricity in rural areas is a significant aspect that should be touched. It is a big hurdle in the consumer interest as electricity in rural areas is unavailable for long hours. Consumption of electricity will also increase, Central Government should confirm first to all states government that how much increase in load of electricity required.
- (v) There is one thing more which should keep in mind that the JV ship scenario as this random huge investment must not affect the 49% shareholding of the JV partner and coming as a result of dilution of his/her shares.
- (vi) The custom duty on the STBs and the digital equipment should be waived off.
- (vii) FDI should not more than 49%.

