



Maharashtra Cable Operators' Foundation

महाराष्ट्र केबल ऑपरेटर्स फाऊंडेशन

Reg. NO. F - 57846

Prabhoo Ghar 26, Hanuman Cross Road, No. 2, Vile Parle (East), Mumbai - 400 057.
E-mail - mcof247@gmail.com

Dated : 28th October 2021

To
The Advisor
BC & S
TRAI
New Delhi 110001

Dear Sir,

Re: Your CP dated 25/10/2021

We write with reference to the captioned Consultation, which in our collective, unanimous view suffers from inadequacy of scope of coverage. We also believe that rectification of the shortcomings to make it comprehensive, followed by quick action on the feedback are essential for the survival and revival of this labour intensive, Subscriber friendly service.

We trust that you would realise the futility of any Consultation that does not address the anomalies and imperfections within the eco-system. In our view, the instant consultation is substantially disconnected from the market and will only widen the chasm. We therefore urge you to consider either expanding its Scope and /or address the long pending issues mentioned below before closing the Consultation process

It is our unanimous, collective decision to withhold comments on the instant CP and begin by restating our long pending yet alive grievances and suggestions:-

GROUND'S FOR PROTEST

The CP is completely silent on the turbulences in the Cable TV Market because of Intra-Sector and Inter-Sector factors .

The CP acknowledges the fact that in reality the Cable TV Market belongs to the LCOs with a share of 97.5_%, in terms of Subscriber ownership. The CP as well as the past actions by TRAI appear to overlook the fact that LCOs are the forefathers of the Industry and MSOs arrived to serve the LCOs and not the Subscribers

Against this backdrop, it is dishearteningly unjust, if not humiliating to see the total disregard to LCOs in all actions by TRAI till date. It makes us believe that only a lip service is paid to LCOs in the overall communications. We have yet to receive any response to numerous Sector level grievances raised by the Federations. It may kindly be noted that all our representations have been in The CP reflects the fact that in spite of being relatively expensive DTH is too close for comfort to Cable TV in market share and far ahead in financial success. The smallest of DTH players has more Subscribers than the largest Cable Network



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Some of the major unaddressed issues are reproduced below-

- Cost analysis for MSO business and LCO operations on which a rationale revenue share formula needs to be evolved to replace the archaic and unjust maths.
- LCO oriented Regulations in place of Broadcaster IP protection and MSO profiteering model. It would not be out of place to point out that like Telecom, the Enterprise Valuation is based on number of Customers. Somehow, the MSOs have managed and the Investors have overlooked the miniscule base of primary Points and the fact that MSO is in B2B Space. This has enabled the MSOs to raise large amount of money and Stake Exchange on Paper cum Cash basis. The LCOs have been unable to benefit from various Small Sector oriented Schemes initiated by the **Hon. Prime Minister of India** simply because the Regulations are completely silent on the LCO Business model and Regulatory protections . TRAI has not intervened in MSO acquisitions by Telecom Players, vertically integrated Entities that resulted in near monopoly with all resultant injustice to LCOs and Subscribers
- TRAI has been a silent spectator to the erosion of LCO revenues. We would not have protested had our losses resulted in benefits to our Subscribers. Alas, the only beneficiaries on fall in our revenues and increase in tariffs have been MSOs and Broadcasters, thus defeating TRAI's declared Objectives of protecting Subscriber interests
- Our anguish is increased by the fact that the MSOs have raised huge resources when they do not own even 3% Subscribers being in the B2B Space. Most regrettably, both TRAI and SEBI have not alerted the Investors on their revenues coming from Feed Fee revenues come from/via LCOs and most MSOs have failed to renew ICA, forced SIA down our throats and denied us choice between MIA and SIA, the options prescribed by TRAI. It would not be an over-statement that the MSOs have bulldozed LCOs in snatching revenues and imposed their arbitrary pricing on Subscribers belonging to the LCO. This is very similar to a Tenant dictating terms on the Housing Complex and reducing rent payable to the Landlord Th

Points above are representative in nature and not an exhaustive list, which may please be noted

We hope that TRAI will address the above concerns and initiate dialogue with the LCOs at Federation or One on One levels, hold Open House. This will ensure that the Sector does not disappear under the onslaught of DTH, OTT and other technologies on way

Points above are representative in nature and not an exhaustive list, which may please be noted

Thanking you

Yours truly

For Maharashtra Cable Operators' Foundation

Arundh Prabhoo