

Response of Ortel Communications Ltd on Consultation on

Issues related to Tariff for Cable TV services

In CAS notified Areas

1. Should there be only two broad tariff regulatory frameworks, one for analogue non- addressable (Non-CAS) and another for digital addressable systems.

Yes. Since the principle of addressability is similar in different format of digital addressable tiers they can be clearly put in one category. This would further bring uniformity and help achieve the ultimate objective of addressability where the consumers will have a choice to choose his channels and pay for it.

2. If yes, should such a framework be same for wholesale and retail.

Yes it should be same for wholesale and retail.

3. If no, why it should be different?

NA

4. Should usage of STB be mandated in CAS notified areas for viewing both FTA and pay channels?

No. Because the cable networks have capacity to give more than 50 analog channels and simultaneously maintain a digital tier of more than 200 channels. This capability should be leveraged to provide the FTAS to the target market without a STB i.e without additional cost. The consumers who are happy with more than 50 analog channels should not be forced to bear the cost of STB.

5. Which of following method should be used to regulate the tariff ceilings for basic service tier in CAS notified areas?

- a. By providing periodic inflation linked adjustment in the present ceiling of Rs.82/- (excluding taxes) per subscriber per month.

Yes for FTAs only.

- b. Forbearance
- c. Any other method you may like to suggest

6. Which of following method should be used to regulate the retail tariff for pay channels in CAS notified areas?

- a. By providing periodic inflation linked adjustment in the present ceiling of Rs.5.35/- (excluding taxes) per pay channel per subscriber per month.
- b. Single ceiling across all genres. If so, what should be that ceiling?
- c. Different ceilings for different genres. In such case what should be the genres and what should be their respective ceilings?

There should be different ceilings for different genres since the cost of the content varies with the genre. Even within the same genre there can be different ceiling for channels with different range of TRP ratings. This can be found out with historical TAM data say for average of one year. For regional channels the data should relate to the respective regional market.

- d. Forbearance
- e. Any other method you would like to suggest

7. Should a relation between a-la-carte and bouquet price be prescribed to prevent perverse pricing? If, so what should be the relation? Should it be different for broadcaster and MSO?

Absolutely yes. Currently it is seen that the sum of the a-la-carte pricing of the channels is around 50% higher than the bouquet price. This is not a correct practice as it discourages a-la-carte subscription. We suggest the sum of the ala carte prices of all channels of a bouquet should not be more than 10% higher than the bouquet price.

8. How should the retail tariff for advertisement free channels be regulated in CAS notified areas? Should it be different from other pay channels?

No comment.

9. How should the retail tariff for niche channels which requires specialized STB be regulated in CAS notified areas? Should it be different from other pay channels?

No comment.

10. Should there be any provision of minimum period of subscription for pay channels? If yes, what should be that period?

Yes, it should be 3-6 months.

11. How should the tariff for supply of STB be regulated?

a. Continue with the presence system. If so, should there be any modification?

Yes

b. Left to the market forces.

c. Any other method which you would like to suggest.

12. How should the sharing of revenue from pay channels subscription between broadcaster, MSO and LCO be regulated?

a. Continue with the present arrangement. If so, should there be any modification?

Yes

b. Left to the market forces.

c. Any other method which you would like to suggest.

13. How should the sharing of revenue for basic service tier between MSO and LCO be regulated?

a) Left to the market forces.

b) Any other method which you would like to suggest.

No comment

14. Any other related issue, you would like to comment upon or suggest.

The current CAS Regulation is only restricted to mandated CAS areas which are very small part of the market and for which the Regulation does not achieve the desired objective of higher level of digitalization and addressability. We strongly recommend that the same Regulations should be mandated for all the markets and networks where digital addressability is deployed on a voluntary basis.

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