

NEW TARRIF REGULATION (NTR) AND CONSULTATION PAPER(CP)

(Views expressed below are from a common consumer's point of view)

I) ACTUAL BILL PROBLEM - AN EXAMPLE :

I am a common man from Goa, with limited resources, having Tata Sky DTH SD connection since long. My choice was limited and I used to see 11 paid channels with 12 FTA channels of my choice and paid Rs.168/- P.M. only including cost of paid channels and taxes. There were no separate additional charges as Network Capacity Fee, N/W connection fee/rent or service charges etc. The only condition was that the amount of monthly payment should not be less than Rs.165/-. I was happy with the arrangement. But now according to NTR I have to pay Rs.290/- for the same channels resulting in excess payment of Rs.122/- pm.

I want to watch following channels as per my earlier CHOICE with 10 to 15 FTA channels only, to suit my budget. But the total cost I have to pay is as under:

1)Colours (GEC-Hindi)	Rs.22.42	2) Star Plus (GEC-Hindi)	Rs.22.42
3)Sony Set (GEC-Hindi)	Rs.22.42	4) Zee (GEC-Hindi)	Rs.22.42
5)Colours(GEC-Marathi)	Rs.11.80	6) Zee (GEC-Marathi)	Rs.22.42
7)Star Sports-1	Rs.22.42	8) Aaj Tak News (Hindi)	Rs.00.89
9)Music channels(say)	Rs.05.00		

- A) Total cost of paid channels = Rs. 152/- (168-152=16 Diff)
B) NCF for Basic FTA channels =Rs. 153/-
C) Variable NCF for addl channels =Rs. 23/- TOTAL Cost = Rs.328/-
(Note : Earlier I had subscribed for Star Sports-2 whose cost was less)

a) Please help me to know as to how I can reduce my monthly bill below Rs.200/- as earlier.

- b) In case if you are thinking revising tariff, please calculate total amount payable for above mentioned channels as a test case before announcing revision.

II) PROBABLE REASONS FOR FAILURE OF NTR :-

1. From the above example (my case) it is amply clear that the bill is increased only due to addition of NCF and V-NCF. Introducing and enforcing “ Network Capacity Fee” and additional (Variable) NCF amounting to Rs.177/- p.m., which did not exist earlier, is an additional burden on consumers and is the MAIN REASON for failure of NTR and reason for consumer complaints.
2. Earlier the price of the Entertainment channels was below Rs.20/- including Taxes. Now it has been increased to Rs.24.78 (with V-NCF). The Sports channels were excessively charged at Rs.60/- pm which are now reduced to Rs.24.78.
3. Forcing switching over to NTR without giving Option to consumers, to think and decide and opt for Old pattern or New pattern whichever was beneficial to them, was totally against the interest of the consumers.
4. 100 FTA channels are said to have been provided as per choice of DPOs, but consumers are not aware which channels are provided, whether they are of any use to them or not. Again consumers are taken for granted.
5. Maximum Indian population know 2 to 3 languages but most of them prefer their Regional language and/or Hindi for entertainment. Under such scenario, enforcing and mandating channels of all Indian languages, without choice to consumers,

does not serve any fruitful purpose either to consumers or Nation.

6. Believing that consumers see more than 100 channels is in itself a flaw in thinking. Consumers may see 30 to 40 channels on an average. (considering that programme on a channel is for half an hour maximum channels that can be watched in a day is 16 hrs/day x 2 programmes/h = 32 programmes or channels – with 8 hrs sleep, no work and one programme per channel) FTA channels were also available earlier and provided free of charge as per request of consumer.
7. Despite huge investments in mobile network, there is NO Network Capacity Fee for Mobile connections. This requires consideration.
8. The DTH services are said to have been improved but the fact is, receiving signals was a problem in this rainy season and customers have to pay without service.
9. The main Aim, as expressed by TRAI time and again, is “ Consumer pays only for the channels he watches as per his choice”. In short Consumer is the King. But in the NTR every provision has gone against the interest of consumer. Even for having choice of a very FEW Channels he has to pay NCF and VNCF – a ZIJIYA Tax of Rs.177/- P.M.
- 10. IF NCF WAS NOT INTRODUCED THERE WOULD HAVE BEEN NO COMPLAINTS FROM CONSUMERS and all TRAI's efforts would have been widely appreciated.**
11. On going through the Consultation Paper, it appears that TRAI still presumes that the main problem is linked with Bouquet system adopted by Broadcasters and if it is addressed

every problem will be settled. The scope of CP is limited to same issue. But it is not going to happen.

12. It is disheartening to note that the main issue of NCF and V-NCF which is directly connected with increasing the bills of consumers is not discussed in detail nor given space in CP. Thereby showing least importance given to consumer interests in the entire process.

3. SUGGESTIONS AND SOLUTIONS :

A) ON NTR :-

- 1) Retain cap of Rs.19/- only if NCF is scrapped, otherwise it has to be reduced to average price of Rs.15/-, irrespective of it forms part of bouquet or not. It is already time to think about fixing MRP Genrewise
- 2) Consumers are already trapped only because of faulty provisions in NTR and they are first required to be set right by totally scrapping of Network Capacity Fee and Variable NCF. All the provisions in the NTR are ANTI-CONSUMER and favouring Broadcasters and DPOs. That is the reason why broadcasters could discount their bouquets over 70%. Though prices of some of the channels are reduced after NTR, they can be increased by broadcasters at any time they want depending on the demand. Leave them to stabilize under market conditions. 25% increase on average rate was allowed while fixing cap rate of Rs.19/- in order to allow discount to DPOs at consumer cost then what was necessity of NCF & VNCF is not made clear in CP. If NCF was for providing 100 FTA channels, instead it would

have been more convenient and suitable to consumers to choose as per choice if their proportionate rate was fixed as a a-la-carte channel. Even without NCF it will cost consumer Rs.224/- per month to watch 10 popular channels (10 x 22.42) as per his choice. (There was no NCF pre-NTR). No relief can be given to consumers without scrapping NCF.

- 3) Fix minimum charges inclusive of channel prices for DTH/Cable connections separately for SD and HD connections.
- 4) DD national channels (viz DD : National, News, Bharati, India, Sports, Rajya Sabha, Lok Sabha and two Regional language channels) can be made mandatory. All other DD channels can be provided on request under FTA category. Forcing South Indian languages on North Indians, East Indian languages on West Indians and vice-versa nither serve any National interest nor consumers interest.
- 5) Other FTA channels are to be provided as earlier as per choice and request of consumer without any fee.

B) ON BOUQUETS AND MULTIPLE CONNECTIONS :

1. Full freedom and business flexibility is granted to Broadcasters and DPOs by TRAI under which bouquets are created and discounts given, to serve their business interests, hence Madras High Court has ruled against capping the discount. Therefore capping discount is not advisable nor it will stand judicial review unless and until Court is convinced and made believe that Broadcasted are resorting to Monopolistic practices at the cost of consumers interest and choice. Before that TRAI has to rectify faulty provisions in NTR which lead to

such practices and reaping the entire benefits without passing to consumers while fixing channel prices. Bouquet system and discounts on bouquets are to continue as long as they are in accordance with NTR.

However, maintaining the status quo and spirit of Judgement at present, alternate ways can be applied to make the bouquets suitable and affordable to consumers to some extent:-

- a) Maximum number of times a channel can be repeated in a bouquet can be fixed – say five times.
- b) Maximum number of channels contained in a bouquet can be fixed - say 10 channels.
- c) Each bouquet shall not contain less than 50% of the channels priced below 50% of the highest priced channel in the bouquet. (Expln : Supposing a bouquet contains 8 channels and highest rate channel is of Rs.15/-, bouquet should contain at least 4 channels priced higher than Rs.7.50 and so on. 0.5 channel to be rounded to next higher digit. ---- This provision is prone to manipulation by increasing prices and providing high discount)
- d) Maximum price of bouquet AFTER DISCOUNT can be fixed at Rs.40/- (or so) to make it affordable to consumer.
- e) Freely converting of FTA channels to paid channels to be restricted and done under TRAI's approval.

(Figures mentioned above are random and requires study)

2. In cases of Multiple connections: Minimum charges fixed for a connection can be permitted as fee for 2nd connection without treating it as separate connection.

