

## Issues for Consultation

### Basic Service Tier for the Digital Addressable Cable TV Systems

**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-1** As per the Notification every FTA channel will be distributed as an encrypted channel. FTA channel by definition is Free To Air channel. Getting encrypted, it no more remains FTA. It however, becomes a part of BST pack available with the STB. Number of channels in the BST should be left to the MSO/Cable Operator who would tailor it as per the affordability of the area.

One suggestion: All DD Channels could be part of the BST. Moreover, this would also satisfy basic regional demand of the subscriber by providing at least one channel of his language.

**2. In the composition of BST, what should be the genre-wise (entertainment, information, education etc.) mix of channels? Should the mix of channels and/or the composition of BST be different for different states, cities, towns? If so, how should it be?**

**Comment 2:** BST should have a mix of News, Music and General Entt channels. It could be in the ratio of 6:2:2. This is besides the DD Channels.

**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-3** BST price should be uniform all over India. It could be Rs 82 per STB per month. The monthly BST price should be inflation linked. This price is presently charged in the CAS areas and has been accepted by the market.

**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-4** BST charge is a primary/basic charge levied to cover some fixed costs of business. BST should not be linked to ala carta channel prices.

### Retail Tariff for the Digital Addressable Cable TV Systems

**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- 5** MRP should be determined by TRAI. This pricing mechanism has been tested successfully in CAS areas.

- i) **BST** Rs 82 plus taxes
- ii) **Pay Channel tier** – Rs 6 per channel
- iii) **HD Channels Tier** – These channels can be priced 15-25% higher to cover extra bandwidth costs of the Broadcaster.
- iv) **Premium channels-** The tariff of Premium channels should be left to the market forces.

- 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?**

**Comments 5a** There must be a margin of 15-20 per cent. There should not be any Minimum Guarantee or Fixed Fee basis arrangements.

- 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- 5b** A common ceiling shall suffice.

- 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-5c** FTA channels are Free with STB.

**Any other method you may like to suggest?**

**Comment- 5d** Sharing of a single event on Two channels is to be prohibited. This practice is presently undertaken by Sports channel Broadcasters. Therefore, at least two channels have to be subscribed to view the series.

**Interconnection in the Digital Addressable Cable TV Systems**

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

**Comments-6** The interconnect regulations as laid down by TRAI are ineffective, and the Pay TV broadcasters have always been successful in circumventing these provisions. This is clearly evident as hundreds of cases pending in the TDSAT are on the grounds of interconnect regulations and their interpretation. Broadcasters need to be penalized if they fail to deliver content within a month of demand from MSO. It will be in fitness of things if TRAI invites a open house on the issue before going for DAS.

**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-7** Yes, it should be fixed by TRAI.

**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-8** Broadcaster 40%, MSO 40% and LCO 20%

**9. Should the 'must carry' provision be mandated for the MSOs, operating in the DAS areas?**

**Comment-9** No must carry provision be mandated for the MSOs. Must carry will only inflate MSO investment. And as must carry is not applicable to DTH/HITS it should not be applied to MSOs/LCOs.

**10. In case the 'must carry' is mandated, what qualifying conditions should be attached when a broadcaster seeks access to the MSO network under the provision of 'must carry'?**

**Comment-10** – Must Carry can be mandated only in Channels of National Interest like DD National, News, Lok Sabha and Rajya Sabha.

**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 nondiscriminatory terms to the broadcasters?**

**Comment -11** As the channels carried will be in national interest, they have to be carried as mandated.

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

**Comment-12** It should be left to market forces.

**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?**

The carriage fees will automatically get linked to the number of STB installed in the network and TRP ratings of the networks.

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

The issue is market driven and needs no regulation.

**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?**

**Comment-**

Yes, it is pertinent to mention that not a single case is reported between the stake holders. By default all the regulations notified for CAS have proved to be quite effective.

**Quality of Service Standards for the Digital Addressable Cable TV System**

**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 alongwith detailed justifications.**

**Comment-16** The QoS standards are a must requirement for any service industry. The Quality of Service starts from the production/ procurement of the content, editing,

encryption at broadcaster level, uplinking (as per DVB norms) and finally the decoding equipment provided by the broadcasters should be professional grade and compliant of DVB standards. The QoS standards were also made in consultation for the implementation of CAS. The Standards may need some modifications from time to time as the technologies develop.

**Note- In this issue TRAI has forgotten Broadcaster Quality of service**

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

**Comment-17** Norms/parameters are not fixed but may need revision with time and experience.

**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?**

**Comment-** The MSO should be responsible for delivering good quality signals at the point of connection to the LCO. The parameters of signal strength/quality delivered to the LCO should be established and maintained by the MSO. Complaints relating to the activation / deactivation of the STB should also be the responsibility of the MSO. The LCO is responsible to forward the complaint to MSO call centre in writing or by email. Complaints of connection, disconnection, shifting, billing to 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.**

**Comment-** The Billing to the subscriber should be done by the MSO. Bills can only be generated by MSO and passed over to the LCO by email. The LCO will print, distribute and collect.

**20. Should pre-paid billing option be introduced in Digital Addressable Cable TV systems?**

**Comment-20** The LCO's have all along been collecting payments for the month in the subsequent month. Hence, pre-paid may not find market acceptance. Consumer is not used to pay for cable TV in advance.

### Miscellaneous Issues

#### Broadcasting of Advertisement free (ad-free) channels

**21. Whether an ad-free channel is viable in the context of Indian television market?**

**Comment-21** An Ad-free channel classified as premium service can find market acceptance. Tariff for these kind 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?**

**Comment-22** The tariff for the Ad free channel will be market driven as it will be under premium services. However, such tariff should be notified by the broadcaster like all the channels.

**23. What should be the provisions in the interconnection regulations in respect of adfree channels?**

**Comment-23** As for Pay Channels

**24. What should be the revenue sharing arrangement between the broadcasters and distributors in respect of ad-free channels?**

**Comment-24** Broadcaster 40%, MSO 40%, LCO 20%

#### Non addressable digital Set top boxes

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

**Comment-25**

**Reference point for wholesale price post DAS implementation**

**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?**

**Comment-26** Properly implemented everybody in the chain will benefit. LCO will get more collections, MSO will become Profitable ventures, Broadcaster revenues will surge. To top it all Govt. coffers will get an enormous fill up as Tax Collections.

Pay Channel prices may fall as collections go up.

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

**Comment-27**

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