



SATELLITE & CABLE TV NETCOM

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Ref. No :

Date : 15-09-2019

We as a Local Cable Operator of Eastern Region, named as Satellite & Cable TV Netcom give some observations to the New Tariff Order by the Regulatory and the Government

Q1. Do you agree that flexibility available to broadcasters to give discount on sum of a-la-carte channels forming part of bouquets has been misused to push their channels to consumers? Please suggest remedial measures.

Ans. Prior to the NTO the sub base which existed have reduced about to 25% to 30% across India. Since, NTO came with the regulation where customer was provided option to choose their own choice of channel or bouquet which they were not in habituation. Thus, we recommend a fix capping of discount of 50% instead of 15%. The customer who are opting for individual alacarte channels are slowly migrating to bouquets where customer are getting almost all the channels of different genres of a broadcaster within their affordability.

Q2. Do you feel that some broadcasters by indulging in heavy discounting of bouquets by taking advantage of non- implementation of 15% cap on discount, have created a non-level field vis-a-vis other broadcaster?

Ans. Answer is same of No. 1 (one).

Q3. Is there a need to reintroduce a cap on discount on sum of a-la- carte channels forming part of bouquets while forming bouquets by broadcasters? If so, what should be appropriate methodology to work out the permissible discount? What should be value of such discount?

Ans. Answer is same of No. 1 (one).

Q4. Is there a need to review the cap on discount permissible to DPOs while forming the bouquet? If so, what should be appropriate methodology to work out the permissible discount? What should be value of such discount?

Ans. Answer is same of No. 1 (one).

Q5. What other measures may be taken to ensure that unwanted channels are not pushed to the consumers?

Ans. Who & how it is defined as an unwanted channel is questionable? As, consumers have the full authority to choose their own channels and make their own pack in NTO so which is unwanted or wanted cannot be distinguished.

Q6. Do you think the number of bouquets being offered by broadcasters and DPOs to subscribers is too large? If so, should the limit on number of bouquets be prescribed on the basis of state, region, target market?

Ans. Yes, we think the no of bouquets are too large, which create confusion among consumers. We recommend lesser & Quality bouquet which is consumer friendly and affordability.

Q7. What should be the methodology to limit number of bouquets which can be offered by broadcasters and DPOs?

Ans. Answer is same of no 6 (six) .

Q8. Do you agree that price of individual channels in a bouquet get hedged while opting for a bouquet by subscribers? If so, what corrective measures do you suggest?

Ans. Answer is same of no .1(one).

Q9. Does the ceiling of Rs. 19/- on MRP of a a-la-carte channel to be part of a bouquet need to be reviewed? If so, what should be the ceiling for the same and why?

Ans. No, not to be reviewed. But we think that there should be no channel less than price of Rs.1/- (one). This will be help us to calculate bill & as well as govt. taxes.

Q10. How well the consumer interests have been served by the provisions in the new regime which allows the Broadcasters/Distributors to offer bouquets to the subscribers?

Ans. No way consumer interest has been served in NTO, because earlier consumer used to get almost all channel in a fixed price or within price range with low value. But consumer was not aware of the new process which comprised of pricing of a single or a bouquet of channel. So, it is a surprising factor to the consumer.

Q11. How this provision has affected the ability and freedom of the subscribers to choose TV channels of their choice?

Ans. At present in NTO regime the freedom of the consumer to choose channel is utmost. If we consider prior to NTO there to consumer had choice to select their own packages irrespective to the genre or nature of the channel. In present NTO customer have freedom but with limitation on pricing where freedom has been provided with an option of cost. Which was not applicable in prior NTO regime?

Q12. Do you feel the provision permitting the broadcasters/Distributors to offer bouquets to subscribers be reviewed and how will that impact subscriber choice?

Ans. Same as Three (1)

Q13. How whole process of selection of channels by consumers can be simplified to facilitate easy, informed choice?

Ans. Broadcaster should compose all the bouquet on genre wise or can have single bouquet comprising of all channels at affordable price which can allow consumers to choose as per their choice for channels or bouquet.

Q14. Should regulatory provisions enable discount in NCF and DRP for multiple TV in a home?

Ans. We oppose discount in NCF in multiple tv home because maintenance cost is same for every tv. But broadcaster may allow this discount in channels and bouquets offered by them, which should be applicable for consumer as well as LCO's both and not be a constraint or limited to DPO only.

Q15. Is there a need to fix the cap on NCF for 2nd and subsequent TV connections in a home in multi-TV scenario? If yes, what should be the cap? Please provide your suggestions with justification.

Ans. We recommend that multi TV concept should be applicable for maximum 3, since the option of multi-TV has limitation and will open another junk box where DTH's will start offering in Multiple Dwelling Units with one connection as parent and rest all connection as child. Further, the limitation will also help consumer to have proper choice of package and channels as per their choice and restricted to force option provided by the Broadcaster or DPO.

Q16. Whether broadcasters may also be allowed to offer different MRP for a multi-home TV connection? If yes, is it technically feasible for broadcaster to identify multi TV connection home?

Ans. Yes, and mandatorily but there must be valid regulation and measures to identify the multi tv connection for home.

Q17. Whether Distributors should be mandated to provide choice of channels for each TV separately in Multi TV connection home?

Ans. Yes.

Q18. How should a long-term subscription be defined?

Ans. Long term subscription be defined as annual subscription plan & six month subscription plan.

Q19. Is there a need to allow DPO to offer discounts on Long term subscriptions? If yes, should it be limited to NCF only or it could be on DRP also? Should any cap be prescribed while giving discount on long term subscriptions?

Ans. Yes & it should be on NCF & DRP both. Long term subscription plan discount on NCF should not be more than 5% and on pay channel amount the discount should not be more than 15%.

Q20. Whether Broadcasters also be allowed to offer discount on MRP for long term subscriptions?

Ans. Yes, Broadcaster also should be allowed but with specific capping.

Q21. Is the freedom of placement of channels on EPG available to DPOs being misused to ask for placement fees? If so, how this problem can be addressed particularly by regulating placement of channels on EPG?

Ans. We want channels on genre wise & regionally.

Q22. How the channels should be listed in the Electronic Program Guide (EPG)?

Ans. Answer on No. 21 (Twenty one).

Q23. Whether distributors should also be permitted to offer promotional schemes on NCF, DRP of the channels and bouquet of the channels?

Ans. We strongly oppose of any promotional scheme, such as free for a period. This occurs a huge disaster in the business as well as loss in Govt. taxation.

Q24. In case distributors are to be permitted, what should be the maximum time period of such schemes? How much frequency should be allowed in a calendar year?

Ans. Answer on 23 (Twenty Three).

Q25. What safeguards should be provided so that consumers are not trapped under such schemes and their interests are protected?

Ans. Answer on 23 (Twenty Three).

Q26. Whether DPOs should be allowed to have variable NCF for different regions? How the regions should be categorized for the purpose of NCF?

Ans. No, NCF should be same in every region but LCO should be allow to charge Rs.25/- monthly basis for the services provided from their end at the consumer door step.

Q27. In view of the fact that DPOs are offering more FTA channels without any additional NCF, should the limit of one hundred channels in the prescribed NCF of Rs. 130/- to be increased? If so, how many channels should be permitted in the NCF cap of Rs.130/-?

Ans. 100 channel limit should be maintain in prescribed NCF of Rs.130/-

Q28. Whether 25 DD mandatory channels be over and above the One hundred channels permitted in the NCF of Rs.130/-?

Ans. 25 DD channels should be mandatory within 100 FTA channels.

Q29. In case of Recommendation to be made to the MIB in this regard, what recommendations should be made for mandatory 25 channels so that purpose of the Government to ensure reachability of these channels to masses is also served without any additional burden on the consumers?

Ans. Same as above

Q30. Stakeholders may also provide their comments on any other issue relevant to the present consultation.

- A.** There should be changes in pay channel sharing. As we are the last mile distribution platform, we get 35% on cash regime. (Why less in the NTO regime) we demand above 35%. Because broadcasters income is from advertisement which are pushed through their channel & which is distributed using our

network. sharing of the pay channel price as a la carte value or equivalent on pricing of Bouquet. Since, broadcaster's major income is from advertisements which are pushed through their channel to consumer end which is distributed using our network and services but LCO's are not provided any share of the revenue earned through the advertisement.

- B.** We demand to reconsider the NCF sharing because as per your research in 2006 you declared FTA charge to LCO a whole of Rs.72/- with 7% inflation increase in every year. But as per your new tariff order you have brought down the percentage of LCO sharing with MSO/DPO. In the past order that you have passed the whole Rs.77/- was allotted to LCO. Whereas the inflation rate or valuation has increased manifold but the sharing has gone decremental.
- C.** We demand there should be only DD channels in free dish. If there are private channels then it should be regulated under NTO. The justification is that customers who are viewing through Free Dish are not paying any Taxes other than 1-time purchase cost whereas they are having the same entertainment through Private channels where one customer is paying for the same and Free Dish Customer is paying NIL. So, simultaneously the government is also losing the taxes for those customers.
- D.** We demand OTT platform should be regulated through proper consultation process by TRAI. Many OTT platform such as NETFLIX are not Indian & they have huge viewers who are paying or recharging their subscription, but this amount is not received or taxation part is not received by Govt. of India. Thus, leading to huge revenue loss to Govt. of India and cash flow is outside India.

A 500 points LCO needs at-least a minimum income of Rs.40000/- per month to fulfill his monthly household needs for his family which includes the operator himself, his spouse, 2 children, his parents, education expense, electricity bills, medical expense, Medclaim & insurance and a minimal savings and for that we urge to get at least 60% of the total billing of a subscriber excluding GST.

We want such a SYSTEM in which the End-users are satisfied, the Government gets its revenue and the LCOs can be secured in the Cable TV Industry.

We the LCO are the main pillar of the industry. We collect subscription & tax directly from the consumers, which are distributed in the industry & to the Govt. But we have no business security. We the cable operators create this 40000 core entertainment industry .we starts and run this business without any financial support from bank or financial institution. we employed our self and create jobs for lakhs of our employees. We urge to TRAI to protect this LCO segment, who are the pioneer of this industry.

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