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Sub: Our comments on Consultation Paper No. 13/2023

We thank TRAI for raising some of the issues and problems we are facing in our business in this Consultation.

We, the LCO/LMO, who have started this industry have put our blood and sweat to create not only the cable TV business but also we are indirectly responsible for Broadcasting and even the broadband industry. What we want is a level playing field and a just and fair revenue share from various sources of revenue.

Please see our comments below:

Issues for consultation:

Q1. Should the present ceiling of Rs.130/- on NCF be reviewed and revised?

- a. If yes, please provide justification for the review and revision.**
- b. If yes, please also suggest the methodology and provide details of calculation to arrive at such revised ceiling price.**
- c. If not, provide reasons with justification as to why NCF should not be revised.**

Our view is that the current NCF of Rs. 130/- + GST should not be changed.

In CAS and initially in DAS the LCO used to get all the NCF. Now, it has been reduced to a minority revenue share, which is unfair and unjust to small business people like the LCO.

- d. Should TRAI consider and remove the NCF capping?**

Q2. Should TRAI follow any indices (like CPI/WPI/GDP Deflator) for revision of NCF on a periodic basis to arrive at the revised ceiling? If yes, what should be the periodicity and index? Please provide your comments with detailed justification.

Q3. Whether DPOs should be allowed to have variable NCF for different bouquets/plans for and within a state/ City/ Town/ Village? If yes, should there be some defined parameters for such variable NCF? Please provide detailed reasons/ justification. Will there be any adverse impact on any stakeholder, if variable NCF is considered?

We would like to have different rates for different areas like Cities, Towns and Villages.

We want to have lower rates for rural markets and we want higher rates for towns and still higher rates for Cities. We want at least 75% of the NCF to be given to the LCO.

Our problem with NCF is because Free is giving all FTA channels and some Pay channels for free and not collecting the GST.

We would like TRAI to immediately ask Free Dish to start collecting NCF and stop showing Pay channels otherwise we will lose whatever business is left in small towns and rural areas.

Q4. Should TRAI revise the current provision that NCF for 2nd TV connection and onwards in multi-TV homes should not be more than 40% of declared NCF per additional TV?

a. If yes, provide suggestions on quantitative rationale to be followed to arrive at an optimal discount

rate.

40% discount on declared NCF is acceptable to us.

- b. If no, why? Please provide justification for not reconsidering the discount.**
- c. Should TRAI consider removing the NCF capping for multi TV homes? Please provide justification.**

Q5. In the case of multi-TV homes, should the pay television channels for each additional TV connection be also made available at a discounted price?

Pay channels should not charge anything for additional TV in the same house.

If yes, please suggest the quantum of discount on MRP of television channel/ Bouquet for 2nd and subsequent television connection in a multi-TV home. Does multi-TV home or single TV home make a difference to the broadcaster? What mechanism should be available to pay-channel broadcasters to verify the number of subscribers reported for multi-TV homes?

b) If not, the reasons thereof?

Customers should not pay for any Pay channels watched on multiple TV sets in the same house.

Q6. Is there a need to review the ceiling on discount on sum of MRP of a-la-carte channels in a bouquet (as prescribed through the second proviso to clause 4 (4) of the Tariff Order 2017) while fixing the MRP of that bouquet by DPOs?

- a. If yes, what should be the ceiling on such discount? Justify with reasons.**

We agree with the 45% Discount on DRP, as the same has been allowed to the Broadcasters. We want our MSO to share the details of the discounts the Broadcasters are offering them.

b. If not, why? Please provide justification for not reviewing the ceiling.

Q7. Whether the total channel carrying capacity of a DPO be defined in terms of bandwidth (in MBPS) assigned to specific channel(s). If yes, what should be the quantum of bandwidth assigned to SD and HD channels. Please provide your comments with proper justification and examples.

Q8. Whether the extant prescribed HD/SD ratio which treats 1HD channel equivalent to 2SD channels for the purpose of counting number of channels in NCF should also be reviewed?

e. If yes, should there be a ratio/quantum? Or alternatively should each channel be considered as one channel irrespective of its type (HD or SD or any other type like 4K channel)? Justify with reasons.

f. If no, please justify your response.

Q9. What measures should be taken to ensure similar reception quality to subscribers for similar genre of channels? Please suggest the parameter(s) that should be monitored/ checked to ensure that no television channel is

discriminated against by a DPO. Please provide detailed response with technical details and justification.

Q10. Should there be a provision to mandatorily provide the Free to Air News / Non-News / Newly Launched channels available on the platform of a DPO to all the subscribers?

g. If yes, please provide your justification for the same with detailed terms and conditions.

h. If not, please substantiate your response with detailed reasoning.

Every day new channels gets launched and we cannot carry all new channels and also it will impact the carriage revenue. The other problem is that new channels once they become popular because it is getting carried on our network, they will demand more subscription and also not pay carriage.

Q11. Should Tariff Order 2017, Interconnection Regulations 2017 and Quality of Service Regulations 2017 be made applicable to non- addressable distribution platforms such as DD Free Dish also?

Nobody should be allowed to offer any channels in DAS in non-addressable system including Free Dish as it is against the Law. If government goes and breaks the Law what is the sanctity and point of making a law.

All channels on Free Dish must be fully addressable by encrypting them and Free Dish should also collect NCF and GST.

Also Free Dish should not carry any Pay channels where we are paying subscription money.

All the rules should be same for all business and legal action should be taken against Free Dish, otherwise we should also be allowed to show all channels including pay channels without any encryption.

Q12. Should the channels available on DD Free Dish platform be mandatorily made available as Free to Air Channels for all the platforms including all the DPOs?

Our suggestion is that all such channels, other than DD channels, which are shown on Free Dish should not be allowed to be shown on Cable TV or DTH.

Q13. Whether there is a need to consider upgradation of DD Free Dish as an addressable platform? If yes, what technology/ mechanism is suggested for making all the STBs addressable? What would be the cost implications for existing and new consumers? Elaborate the suggested migration methodology with suggested time-period for proposed plan. Please provide your response, with justification.

Yes, if Free Dish is allowed to show channels without encryption, we want TRAI to allow our MSO to give us all channels without Encryption as you cannot have different rules for different people operating in same business.

Q14. In case of amendment to the RIO by the broadcaster, the extant provision provides an option to DPO to continue with the unamended RIO agreement. Should this option continue to be available for the DPO?

- a. If yes, how the issue of differential pricing of television channel by different DPOs be addressed?
- b. If no, then how should the business continuity

interest of DPO be protected?

Q15. Sometimes, the amendment in RIO becomes expedient due to amendment in extant Regulation/ Tariff order. Should such amendment of RIO be treated in a different manner? Please elaborate and provide full justification for your comment.

Q16. Should it be mandated that the validity of any RIO issued by a broadcaster or DPO may be for say 1 year and all the Interconnection agreement may end on a common date say 31st December every year. Please justify your response.

Q17. Should flexibility be given to DPOs for listing of channels in EPG?

- a. If yes, how should the interest of broadcasters (especially small ones) be safeguarded?**
- b. If no, what criteria should be followed so that it promotes level playing field and safeguard interest of each stakeholder?**

Q18. Since MIB generally gives permission to a channel in multiple languages, how the placement of such channels may be regulated so that interests of all stakeholders are protected?

What we want is that the MSO should clearly show all channels with the same language, so that it is easy for the customer and MSO should also mention the same in their Marketing brochure or on advertisements.

Q19. Should the revenue share between an MSO (including HITS Operator) and LCO as prescribed in Standard Interconnect Agreement be considered for a review?

a. If yes:

All revenues should be shared transparently by the MSO with the LCO as they get carriage, advertisement and other revenue because of LCOs subscribers.

LCO should get more than 50% of revenue as the MSO is a wholesaler and in any business the wholesaler gets less margins than the retailer.

We, the LCOs are the retailer and we have very small business and MSO has many LCOs connected to them and so they should get less revenue share. This is how it is in any other business, but we don't know why TRAI is always favouring the MSO and the Broadcaster and depriving us of our revenues.

i. Should the current revenue share on NCF be considered for a revision?

We want TRAI to give us at least 75% of NCF and also in Pay channels we want 50% revenue share to LCO + MSO and 50% to Broadcaster.

ii. Should the regulations prescribe revenue share on other revenue components like Distribution Fee for Pay Channels, Discount on pay channels etc.? Please list all the revenue components along-with the suggested revenue share that should accrue to LCO.

Please provide quantitative calculations made for arriving at suggested revenue share along-with detailed comments / justification.

We want all the revenues from carriage, placements and advertisements that MSO earns to be shared with the LCOs, at least 50% to LCO.

i. If no, please justify your comments.

Q20. Should there be review of capping on carriage fee?

- a. If yes, how much it should be so that the interests of all stakeholders be safeguarded. Please provide rationale alongwith supporting data for the same.
- b. If no, please justify how the interest of all stakeholders especially the small broadcasters can be safeguarded?

There should be no capping on Carriage fees and Carriage Fees should be shared with LCOs.

Q21. To increase penetration of HD channels, should the rate of carriage fee on HD channels and the cap on carriage fee on HD channels may be reduced. If yes, please specify the modified rate of carriage fee and the cap on carriage fee on HD channels. Please support your response with proper justification.

Q22. Should TRAI consider removing capping on carriage fee for introducing forbearance? Please justify your response.

There should be no capping on Carriage Fee Rates.

Q23. In respect of DPO's RIO based agreement, if the broadcaster and DPO fail to enter into new interconnection agreement before the expiry of the existing agreement, the extant Interconnection Regulation provide that if the parties fail to enter into new agreement, DPO shall not discontinue carrying a television channel, if the signals of such television

channel remain available for distribution and the monthly subscription percentage for that television channel is more than twenty percent of the monthly average active subscriber base in the target market. Does this specified percentage of 20 percent need a review? If yes, what should be the revised prescribed percentage of the monthly average active subscriber base of DPO. Please provide justification for your response.

Q24. Whether the extant charges prescribed under the ‘QoS Regulations’ need any modification required for the same? If yes, justify with detailed explanation for the review of:

a. Installation and Activation Charges for a new connection.

Our cost of running our business is going up on one hand and we are losing our business because of OTT and Free Dish. We therefore request TRAI to review and increase the Activation charges for New connection and also for reconnection.

b. Temporary suspension of broadcasting services

c. Visiting Charge in respect of registered complaint in the case of DTH services

d. Relocation of connection

e. Any other charges that need to be reviewed or prescribed.

Q25. Should TRAI consider removing capping on the above-mentioned charges for introducing forbearance? Please justify your response.

Q26. Whether the Electronic Programme Guide (EPG) for consumer convenience should display

- f. MRP only**
- g. MRP with DRP alongside -**
- h. DRP only?**

Justify your response by giving appropriate explanations.

A. Billing cycle for pre-paid payment option shall be thirty days from the date of activation of services

Q27. What periodicity should be adopted in the case of pre-paid billing system. Please comment with detailed justification.

Q28. Should the current periodicity for submitting subscriber channel viewership information to broadcasters be reviewed to ensure that the viewership data of every subscriber, even those who opt for the channel even for a day, is included in the reports? Please provide your comments in detail.

Q29. MIB in its guidelines in respect of Platform Services has *inter-alia*

stated the following:

- a. The Platform Services Channels shall be categorised under the genre 'Platform Services' in the EPG.**
- b. Respective MRP of the platform service shall be displayed in the EPG against each platform service.**
- c. The DPO shall provide an option of activation /deactivation of platform services.**

In view of above, you are requested to provide your comments for suitable incorporation of the above mentioned or any other provisions w.r.t. Platform Services channels of DPOs in the 'QoS Regulations'.

Q30. Is there a need to re-evaluate the provisions outlined in the 'QoS Regulations' in respect of:

- a. Toll-free customer care number
- b. Establishment of website
- c. Consumer Corner
- d. Subscriber Corner
- e. Manual of Practice
- f. Any other provision that needs to be re-

assessed Please justify your comments with detailed explanations.

Q31. Should a financial disincentive be levied in case a service provider is found in violation of any provisions of Tariff Order, Interconnection Regulations and Quality of Service Regulations?

- a. If yes, please provide answers to the following questions:
 - i. What should be the amount of financial disincentive for respective service provider? Should there be a category of major/ minor violations for prescription of differential financial disincentive? Please provide list of such violation and category thereof. Please provide justification for your response.
 - ii. How much time should be provided to the service provider to comply with regulation and

payment of financial disincentive, and taking with extant regulations/tariff order?

- iii. In case the service provider does not comply within the stipulated time how much additional financial disincentive should be levied? Should there be a provision to levy interest on delayed payment of Financial Disincentive?
 - 1. If yes, what should be the interest rate?
 - 2. In no, what other measures should be taken to ensure recovery of financial disincentive and regulatory compliance?
- iv. In case of loss to the consumer due to violation, how the consumer may be compensated for such default?

- b. If no, then how should it be ensured that the service provider complies with the provisions of Tariff Order, Interconnection Regulations and Quality of Service Regulations?

Any other matter related to the issues raised in present consultation

We want to request TRAI why in a pre-paid billing model so many case are filed against LCO in TDSAT.

Most are big corporate companies and they have lawyers working for them and file cases against us just to harass us. On one hand they are not giving us share of carriage and other revenue and taking most of the NCF and on the other hand they file cases so that we don't get our dues or just to delay our money or mostly to harass us. Many MSOs want to take away our customers and make direct points and so they show big outstanding amount against us so that we come under pressure.

We want TRAI to look into this and put everything in the monthly billing so that everything is transparent and MSO do not file false cases.