

**SITI NETWORKS LIMITED COMMENTS TO THE DRAFT
TELECOMMUNICATION (BROADCASTING AND CABLE SERVICES)
(EIGHTH) (ADDRESSABLE SYSTEMS) TARIFF ORDER, 2016**

At the outset, we would like to congratulate the Authority for coming up with consultation paper and Draft Telecommunication (B&CS) Tariff Order, 2016. The Authority has put in sincere efforts in coming up with the consultation paper considering the various issues raised by the various stake holders.

We would like to submit our comments to the relevant points as below;

Clause 2(x) in definitions says - “maximum retail price” or “MRP” with reference to a-la-carte channel or bouquet of channels means the maximum price, excluding taxes, payable by a subscriber for that a-la-carte channel or bouquet of channels, declared by the broadcaster;

Our Comments:

Herein “**excluding taxes**” should be replaced with “**including taxes**” in view of the GST being implemented effective next fiscal. In the case of existing DTH pricing also their bouquet prices are including taxes which help in customer service as the MRP is fixed for the service. In case GST is delayed then the existing definition suffice.

Clause 2 (zh) in definition says- “subscriber” means a person who receives television broadcasting services, provided by a service provider, at a place indicated by such person without further transmitting it to any other person and each set top box located at such place, for receiving the subscribed television broadcasting services from the service provider, shall constitute one subscriber;

Our Comments:

Herein “subscriber” means a person who receives television broadcasting services, provided by a service provider, at a place indicated by such person without further transmitting it to any other person and “**each set top box located at such place**”, should be replaced with “**set top boxes located at same place and issued to the same subscriber**” for receiving the subscribed television broadcasting services from the service provider, shall constitute one subscriber. This is important to clarify here that set top box is a device and constituting set

top box as a subscriber is not justified. One subscriber can have multiple set top boxes and pricing can be tagged to the set top boxes instead of subscriber.

Authority in the consultation paper of Quality of Service has mentioned the definition of subscriber as under which should also be looked into since definition should be same at all the places in the regulation to avoid the confusion or dispute later on.

(rr) "subscriber" means a person who is registered on the subscriber management system of the distributor of TV channels for receiving TV broadcasting services provided by a distributor of TV channels or local cable operator, at a place indicated by him without further transmitting it to any other person.

Clause 3. Manner of offering channels by broadcasters. –

(1) Every broadcaster shall declare ----

(a) the nature of each channel as 'free to air' or 'pay' for different relevant geographical areas as specified in Schedule I; and

(b) the maximum retail price, excluding taxes, of each pay channel on a-la-carte basis, to be paid by the subscriber:

Provided that the maximum retail price of a pay channel shall be more than 'zero':

Provided further that the maximum retail price of a channel in a "relevant geographical area shall be uniform" for all distribution platforms in that area:

Provided further that it shall be open for a broadcaster to declare any pay channel as a premium channel.

Our Comments:

It is mentioned in clause 3(1) above that it shall be open to the broadcasters to declare the nature of each channel as 'free to air' or 'pay' for different relevant geographical areas. This will create not only system related issues since most of the DPOs have single head-end catering to different geographies and it would not be possible to define and control the movement of STBs from one location to another and pass on appropriate changes in charges based on the geographical situation of the box to the subscriber. Also rates mentioned at the EPG for different geographies as prescribed in the proposed tariff regulation will also be very difficult to manage and control.

Clause 6. Manner of offering of channels by the distributor of television channels: (1) No distributor of television channels shall charge a rental amount exceeding rupees one hundred and thirty, excluding taxes, per month per set top box from a subscriber for providing a capacity so as to enable the subscriber to receive the signals of up to one hundred SD channels:

Provided that one HD channel shall be treated equal to two SD channels for the purpose of calculating capacity of one hundred channels offered to the subscriber.

Our Comments:

It is proposed that one HD channel shall be treated as 3 SD Channels in view of the fact that one HD channel takes about 3.5 times the bandwidth of a SD channel. Therefore the proposed draft tariff order should be amended accordingly to reflect the bandwidth utilization of a HD channel.

Clause 7. Reporting requirement.

(1) Every broadcaster shall furnish theas called for by the Authority from time to time:

Provided that the first such report, containing maximum retail prices effective from April 1, 2017, shall be submitted to the Authority by March 1, 2017 and, thereafter.....

Our Comments:

It is proposed that maximum retail prices effective from April 1, 2017, shall be submitted to the Authority by **January 1, 2017** since the present tariff order has been proposed to be effective from April 1, 2017. A minimum period of at least 2 months is required for all DPOs for creating consumer awareness regarding the same. Also DPOs require at least two months to formulate their packages and thereafter circulate the publicity material to the Local Cable Operators for creating consumer awareness regarding the same. MSOs need to hold meetings/discussions etc. with their affiliate LCOs to make them aware with

regard to proposed changes in the packaging etc. who in turn will educate the end consumer/subscriber.

Clause (2) Every broadcaster who, after the commencement of the Telecommunication (Broadcasting 14 and Cable) Services (Eighth) (Addressable Systems) Tariff Order, 2016 (of 2016),-----

(a) introduces.....existing channel,

shall, ninety days prior to such introduction or conversion or discontinuation or change, furnish to the Authority, the following information.....

Our Comments:

It is proposed that apart from the Authority the said information should also be provided to the DPOs in advance at the same time for the proposed changes in structure as the same is essential to reformulate / modify their packages / offerings to their respective consumers.

Clause (4) Every distributor of television channels shall furnish the following information to the Authority,

Provided that the first such report, containing monthly subscription charges and retail prices effective from April 1, 2017, shall be submitted to the Authority by March, 2017 and,

thereafter, any changes in such rates ---

(a) shall be reported to the Authority ninety days prior to the change; and

(b) shall also be published on the website of the distributor of television channels:

Our Comments:

It is proposed that the time limit to report any changes in the monthly subscription charges and the retail prices should be reported to the authority 30 days prior to the said change as once the DPO has received information from the broadcaster, it would have to change its offering/package to its subscribers. Keeping in view of the same the reporting requirement for DPOs should be amended to 30 days instead 90 days prior to the change.

Clause (5) Every distributor of television channels.....

(a) introduces any new pay channel or free to air channel or premium channel on its network; or

(b) discontinues any free to air channel or pay channel or premium channel from its network; or
(c) introduces any new bouquet or discontinues any bouquet or changes rate of existing bouquet;
shall, ninety days prior to such introduction or conversion or discontinuation or change, furnish to the Authority....

Our Comments:

As clarified in the above point the time limit for introduction/disconnection of channels/bouquets the time limit should be amended to 30 days instead of 90 days.

Clause 8. Appointment of compliance officer and his obligations. —

(1) Every service provider shall, within thirty days from the date of commencement of this order, appoint a compliance officer.....

(2) Every service provider which is a company shall, within ten days from the date of appointment of the compliance officer.....

Our Comments:

The time limit for appointment of Compliance officer should be amended to 60 days in the clause 8(1) and 30 days in the clause 8(2).

The service providers should get appropriate time for appointment and re-appointment of Compliance Officers as they need to identify/hire suitable person for the required job which is a time taking exercise and cannot be done in a hasty manner.