



தமிழ்நாடு கேபிள் டி.வி சர்வீஸ் புரொவைடர்ஸ் அசோசியேஷன்

TAMILNADU CABLE TV SERVICE PROVIDER'S ASSOCIATION

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To.

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Shri.Aravind Kumar Ji,
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Sub:

Submission of our TCSPA counter comments on Consultation Paper No. 16/2019.

We" Tamilnadu Cable TV Service Providers Association(TCSPA)" are representing the Cable TV operators of Tamilnadu. In the last years we have achieved a lot in protecting the Cable TV operators interest in Tamilnadu by bringing the problem to the concerned official Knowledge, there by solving their problems in time.

We have been representing them to the trade regulator the" Telecom regulatory Authority of India"(TRAI) and have given so many suggestions and representations to eradicate the bottleneck of cable industry from the ground experience as lastmile Cable TV operators the LCOs.

In view of the above (Consultation Paper No. 16/2019), as a stakeholder we are submitting our comments for your kind consideration..

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.

Our Comment: Yes, TRAI was not able to implement its directions over the Broadcasters who are also MSOs in reality and able to evade the responsibility to be adhered. Every action taken by TRAI as the regulator of broadcasting industry, the worst affected stake holders are the LCOs and the end consumers for whose welfare the measures were taken.

It is worth to mention the admission of these from their own explanation given by TRAI is reproduced below:

The authority in third proviso to clause 3 (3) of the tariff order 2017, prescribed that MRP of a bouquet formed by a broadcaster should not be less than 85% of the sum of MRPs of

the a-la-carte pay channels forming part of that bouquet. As pricing of TV channels have been left to the Broadcasters, there must be some inherent checks to ensure that Broadcasters do not price their a-la-carte channels very high and push channels through bouquets by offering huge discount reducing a-la-carte choice.

But this clause has been challenged by the Broadcasters but the high court judgment was taken to Supreme Court of India in appeal by the service providers. Honorable Supreme Court on 30th October 2018 dismissed the appeals, upholding the power of TRAI to regulate tariffs for broadcasting services

Reasonable expectations were cast upon the Broadcasters that they should exercise the flexibility granted to them in a fair and responsible manner with due consideration to the rights and aspirations of the consumers. However, this appears to be not the case. The authority has observed from the tariff declared by the Broadcasters under new regulatory framework that Broadcasters are offering bouquets at a discount of upto 70% of the sum of a-la-carte rates of pay channels constituting those bouquets. It indicates that in absence of any restriction on the discount on the offering of bouquets, Broadcasters are making prices of a-la-carte channels illusory thereby impacting the a-la-carte choice of channels by consumers and giving huge discounts on bouquets to push even those channels which are not the choice of subscribers.

So it wise to learn from the past experience got from the implementation of CAS regime in 2004,the maximum price of pay channel should be Rs.5 + tax or otherwise if they prefer the highest MRP as Rs.19 then the channels which are priced above rs.5/ should not be included in any bouquet and they should stand alone on a-la-carte basis.

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 broadcasters?

Our Comment: Yes, so many examples are shown by yourselves in your annexure itself. This is because most of the MSOs are owned by the Broadcasters by this tactics they not only cheat the customers alone but also the LCOs, and the small independent MSOs as to eliminate them from the field itself and the regulator TRAI too which is not able to implement the regulations and direction strictly.

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?

Our Comment: It wise to learn from the past experience got from the implementation of CAS in 2004,the maximum price of pay channel should be Rs.5 + tax or otherwise if they prefer the highest MRP as rs.19 then the channels which are priced above Rs.5/ should not be included in any bouquet and they should stand alone on a-la-carte basis. the value

of discount should not be more than 20% of the MRP of a-la-carte price of the channel forming the bouquet.

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?

Our Comment: The discount of 15% is permissible to DPOs while forming the bouquet as prescribed by TRAI

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

Our Comment: As we have mentioned earlier, the maximum discount permissible to bouquet 20% and the MRP for channels stand alone should be Rs.5/ if the MRP of the channel is higher than Rs.5/ then it should not be allowed to be a part of bouquet. Then the unwanted channels will be pushed out of market itself, being not seen by the customers themselves.

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?

Our Comment: Yes, The maximum no of bouquet should be offered by the Broadcasters and DPOs should not be more than 3 all together. there shall be no need of discrimination on the basis of state, region, market because from the survey report already given by the TRAI itself showed that the maximum channels viewed by the customers all over India stands between 5 to 7 only.

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

Our Comment: No Pay Channel should be allowed to be part of more than one bouquet. The methodology adopted in CAS regime has shown a good result and it will limit the no of bouquet by self-elimination of unwanted channels from competitions.

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?

Our Comment: The basic issue to corrected is the MRP for pay channels stand alone. if it is fixed to Rs.5+tax it will correct all the crisis being faced in the broadcasting sector (the implementation of CAS has given good result which has been withdrawn by the regulator(TRAI) is a great mistake which should not be committed once again)

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?

Our Comment: Yes, the ceiling of MRP may be Rs.9/- as the pay channels are coming with more and more advertisements (90% of the revenue for channels comes from advertisements as mentioned TRAI itself)

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?

Our Comment: After the implementation of new regime DAS, it has been felt by the customers that the privileges offered to them to select their choice of channels and bouquet were negated by the Broadcasters which has resulted to the increase of cable cost to Rs.225 to Rs.250 which is very high when the regulator has found out from its survey that the ordinary consumer is not preferred to pay more than Rs.100/-. If the regulator is correct then it should not allow the Broadcasters and MSOs to by-pass the rules and cheat the common man who has no voice if he is harassed.

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

Our Comment: From the experience after the implementation new DAS regime, all the rules and regulations framed by the regulator to protect the interest of the consumers were illusionary and practically you are killing the consumers leaving them without alternate and be fray to the vims and fences of the Broadcasters who never bother about the regulations so far.

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

Our Comment: Sure, if very limited bouquets are allowed it will be having definite impact on subscribers in their channel choice.

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

Our Comment: If the regulator truly wishes to protect the interest of the common people (65% of the total population comes under this category) then it should fix the MRP of pay channel to rs.5/+ tax and they should be stand alone. No bouquet should be allowed to be formed by the Broadcasters and MSOs as both are one and the same who wants to get more revenue from the advertisement and the subscription from the common people. They are having two platforms:

1.The DTH

2.The broadcasting which are all the having the huge investment of capital. With whom the ordinary LCO cannot fight that too for their survival.

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

Our Comment: No regulatory provisions implemented so far can stop the malpractices of the Broadcasters as there is no redressal option for the common man or the lastmile cable TV operators. If the rules and regulations are violated by anybody, and it is not rectified by the regulator then they should seek the intervention of court only. The justice can be rendered in time if the court is at the reachable distance in broadcasting only one TDSAT which is in Delhi which can never be knocked by the LCO or the enduser the customer as it is far away and more expensive. So one branch should be opened in the southern states preferably either in Chennai or Bangalore.

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.

No comments.

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?

Our Comment: No.as the lastmile cable operator cannot invest more and more in technology upgradation as his margin is going down, this option may be implemented in DTH only.

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

No comments.

Q18. How should a long term subscription be defined?

Our Comment: This question is irrelevant as the regulator has knew the fact that the consumer is not ready to pay for cable TV more than Rs.100/month, then where will be the question of long term subscription ?

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?

No comments.

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

No Comments.

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?

Our Comment: In digital era, there is no need for placement if every genre should be allowed to be strictly in one uniform pattern which should be easily accessible by the consumer.

Q22. How the channels should be listed in the electronic program guide (EPG)?

Our Comment: In digital era, there is no need for placement if every genre should be allowed to be strictly in one uniform pattern which should be easily accessible by the consumer.

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

No comments.

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?

Our Comment: Only one time in a year

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

Our Comment: When the consumers and LCOs have no control over the choice of channels this question is irrelevant

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

No comments

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/-?

Our Comment: The answer is in the question itself. When the DPOs are offering more FTA channels and there more than 800 channels in the air, why should the regulator restrict the Nos as 100. It may more than 200. Whatever the Nos the common people will see only 5 to 7 channels.

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

Our Comment: Yes

Q29. In case of recommendations 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?

No comments.

Any Other Issues

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

Our Comment: The Licensor MIB or The Regulator TRAI may enact rules and regulations for the four sectors of broadcasting in which the two sections the channels or the broadcasters and the MSOs never ready to obey them and the regulators are not ready to control them. In the true sense we the LCOs will be happy if the consumer's interest is to be protected for which the following terms should be dictated:

1. The maintenance cost of every input in CableTV industry is increasing every day in inflation era is high, 24x7x365 days of service given by the CableTV operators shall not be able to be provided if their revenue per connection is less than Rs.150/-per connection(Exclusive of Tax) which should be ensured by the regulator through its regulation.
2. The pay channels MRP should be between Rs. 5/- to Rs.7/- only
3. The rate of channels that are in bouquet should be below Rs.5/-
4. If the rate is to be changed it should be allowed only after 1 year of old rate.
5. Strict measures are to be applied against those broadcasters who violate the regulations if you truly want to protect the interest of the customers are 60% of Indian population which is below the poverty line as per Indian Government statistics.
6. A branch of TDSAT should be opened in the southern states either in Chennai or Bangalore to control the activities of the violators of regulations of MIB and TRAI. As the affected LCOs are customers by MSO or Broadcaster are not able to redress of grievances by approaching the TDSAT which is in Delhi (When the High Courts are not entertaining the Broadcasting disputes now a days) when every state is having one High Court why the TDSAT shall not have two or three more branches all over India. (It is learnt that one more branch of TDSAT has been sanctioned by the Government very long ago)

With Best Regards,

Your's Sincerely,

**SPK.Goguldoss,
(State President-TCSPA)**