Telangana Cable Operators Federation (TCOF)

(Regd. No. 859/2014)

H.No. 37-102/302, Sree Colony, Neredmet, Malkajgiri, Secunderabad. R.R. Dist, Telangana State
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U.Ramesh	A.Surender Yadav	K.Sunil Kumar	C.Eshwar Raju	P. Gyaneshwar Yadav
President	Vice president	Secretary	Joint Secretary	Treasurer

letter no 126/09/2019.

Dated 23 sep 2019.

To,

CHAIRMAN

Telecom Regulatory Authority of India

NEW DELHI

sub: Consultation Paper on Tariff related issues for Broadcasting and Cable services

ref: Information note to the Press (Press Release No.71 12019) dated 12 sep 2019

Sir

We, the **CABLE TV OPERATORS** LMO'S (last mile owners) of Telangana would like to put some points in front of you for.

First of all we are the people who had created this entertainment industry from scratch to the industry which is today, after creating such a big industry we are nowhere recognized in this industry. we are 60,000 (appx) LMO'S all over India and our families, who are providing employment to lakhs of employees and empowering their families which government couldn't do after creating such a big industry. We the LMO'S are not been considered as part of the industry. After the implementation of new tariff the survival of the LMO itself has become is very difficult how can we support the families of our employees. Mostly operators were of age between25 to 30 when started our business now we are above 50 years what other business can we do know how we can support our families who are dependent on us.

We have created this business with our own investment's wherein we are not been supported by the government by providing any type of loans for expansion of our business ,there are no schemes for the LMO' s who is the base of the entertainment industry

Before implementing the new tariff order you would have taken the ground realties and take the views of the customers & operators into consideration you would have implemented the new tariff order.

The following are the points:

According to **CAS** , FTA channels amount was to be taken by the LMO only, where as in new tariff order TRAI has provide revenue share of 45:55 where there is no extra expenditure on the free to air FTA channels to the MSO , the entire amount should be given to the LMO. Because the LMO has only **single** source of income, whereas the MSO's has multi source of income I.E., add revenue, placement chargers/carriage fee and local channels.

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Before this tariff order LMO on an average is charging Rs.150/- to 200/- for 300 plus channels including all pay channels, according to your new tariff order the customer has to payRs.130+taxes that is becomingRs. 153.40/-. Plus the pay channels they select, for example 4*19/-=76/-+18%tax=Rs.13.68/- total =Rs. 89.68/-, FTA Rs.153.40/- the customer has to pay for FTA plus 4 pay channels will beRs. 239.68/- in which he is not able to view all the pay channels, so we request you to kindly explain where the customer is benefited, we understand according to the new tariff order ultimately the customer has to pay more and enjoy less.

Below is the statement before and after the NTO in which how can a LCO can survive :

Description	Before implementation	After implementation
Connections (Approx)	300	300
Monthly subscription (on an average)	200	130
Collection from customers	Rs. 60,000	Rs.39000
Service charges payable to MSO @ Rs.78 per connection) 78*300 to MSO according to existing tariff	Rs. 23400	As impugned information note to the press (Press release No: 121/2018) dated 18-12-2018 petitioners will get an amount of Rs. 58.50 Paise per connection Rs. 21450
LCO office rent	Rs. 4500	Rs. 4500
power bill	Rs. 2000	Rs. 2000
technician salary	Rs. 10000	Rs.10000
DTP operator charges	NIL	Rs.6500
Regular maintenance	Rs.2500	Rs.2500
LCO salary	Rs.12,000	Rs.12000
Total Expenditure	Rs.54400	Rs.58950
Net Profit	Rs.5,600	Rs.(-)19950

According to the new tariff plan the LMO who is the base and strong player in the broadcasting industry has been forcing to leave all the

It is very difficult to convince the customer into prepaid model, because since last 25 years customers are paying on postpaid basis only .Till date the customers/LMO'S/MSO's are not aware about the new tariff order, like how to select the channels etc., so we request you to please create awareness program's regarding to the above mentioned order.

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The revenue sharing should be clearly specified in the MIA which should be same all over India to all the MSO's.

It is humbly requested that, as the matter is related to high level sensitivity, the implementation of current tariff order

There should be difference between the pricing of DTH and LMO, because DTH players charge all type of services to the subscriber's like installation, repairs, shifting, realignment etc. and they do not have any regular maintenance. We the LMO'S have to maintain our OFC cables, nodes, boosters, and unforeseen issues where we have to replace on our own to satisfy the customer, because of this our maintenance cost is high so we request you to take this into consideration .

As per your new tariff order you have said that there will be transparency between LMO and MSO, MSO and broadcaster, as per the TRAI rules all the STB details by the LMO'S are provided to the MSO, without that the STB'S are not activated but, we are not sure whether there is a transparency between the broadcaster and the MSO, is as same. How will we come to know the transparency between the broadcaster and MSO, is there any mechanism where the LMO can know the same?

According to your rule after entering into the agreement with the MSO ,the MSO has to give an acceptance agreement within 15 days from the date of agreement to the LMO ,but this is not been done till date, the LMO'S have not received the copy of the same.

As broadband is available at low cost and high speeds, customers has a choice to view the channels on their mobiles/smart TV'S through the OTT platform that is through APPS, he can view all the channels where there is no regulation for the OTT players, we request you to get the OTT players into the TRAI regulations .

TRAI's motive forDigitization was to benefit the public at large. The Digitization leads to a compact spectrum which directly benefits the government for selling it to other telecom players. As in USA whileDigitization, the government subsidized STBs to their public to the extent of 60% per STB, so that public may be benefitted. India must also adopt these steps especially considering as in India most of the public falls under below poverty line.

SET TOP BOX ISSUE TO THE SUBSCRIBER: Every time the customer shifts from one place to another he is forced to buy a new set top box so we would request you to see that as you have made a rule in the telecom industry for mobile portability, likewise please implement the same system in cable industry like interoperable set top boxes, By which customer need not buy a new set top box every time he changes his location.

SECURITY OF THE BUSINESS OF THE LMO'S: There's another big problem in our industry, where in the LMO'S does not have the security of his business as and when there is a new M.S.O coming up, they are forcing the LMO's to buy their STB'S If resisted they are creating dummy operators and disturbing the existing LMO who is existing from more than

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two and a half decades. Where in the LMO's have already seeded 100 % of the set top boxes of the existing M.S.O., it is becoming a big burden to the LMO's to again invest on the new STB'S of the new M.S.O.

Forcefully Binding Of Regulation Is For LMO's Only But Not The MSO's , The existing MSO'S and the new MSO'S who are into MSO business are shutting down their businesses without intimation to the LMO'S and customers , due to which the LMO'S are forced to replace the set top boxes of the customer's for which the LMO'S are losing their hard earned money with no fault of theirs .Due this effect the LMO'S are overburdened and getting into debts, for this problem no one is taking responsibility to save the LMO'S .In spite of having so many regulations, the LMO business is at stake.

"Hence we request TRAI to create a law for MSO'S & bind them in such a way which does not affect the customer's and LMO'S".

WE REQUEST YOU TO KINDLY AMEND THE BELOW POINTS WHICH ARE IN THE MIA:

4.2 The LMO shall, within fifteen (15) days of the termination or expiry of the term, as the case may be, of this Agreement in terms of the provisions mentioned herein, hand over to the MSO all properties and assets belonging to the MSO , which are in the custody of the LMO. The LMO shall also be liable to make good all the losses or damages, caused to such properties and assets belonging to the MSO, in custody of the LMO, within thirty (30) days from the receipt of notice to this effect from the MSO.

As specified in point no 4.2 to hand over all the property belongs to the MSO, MSO is showing the set top box as their property in their book of accounts, whereas the customer has paid the amount and taken the set top box, therefore we request you to clearly specify that the set top box ownership should be with the subscriber only.

6.5 The MSO shall have the right to package the channels/services offered on the network, as per its business plan and as per prevailing norms, policies , the applicable loss and rules, regulations and tariff orders.

As per point no 6.5 the MSO had given codes to LMO's to activate or de activate the STB'S, the same can be implemented for packages, where LMO can manage the packages required by the customer

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8.5 The MSO shall generate bills for subscribers on regular basis, for charges due and payable for each month or as per the billing cycle applicable for that subscriber, within 3 days from the end of the billing cycle.

According to the MIA point no 8.5 specifies that the billing will be done by the MSO, but we request you to give the billing rights to the LMO only.

8.11 The MSO shall not disconnect the signals of TV Channels, without giving three weeks' advance notice to the LMO and clearly specifying the reasons for the proposed disconnection as envisaged in the Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012.

According to point No 8.11 the MSO's are not disconnecting the signals directly, but they are partially switching off the channels without any prior notice to the LMO's because of which the LMO's are losing the customers this is called vertical monopoly because the broadcaster is a DTH player and MSO also .In this case the broadcaster is not losing the customer we the LMO'S are losing the customer, the customer is shifting to DTH.

8.12. The MSO shall provide online payment gateways, prepaid system for subscribers and facility for electronic acknowledgment to the subscriber on the receipt of payment from the subscriber

According to point no 8.12 the collection of the payment from the subscribers should be with the LMO only.

9.1 The LMO shall handover a copy of application form received from subscribers within 15 days to the MSO; According to 9.1 the CAF form should be with the LMO only because the LMO is only connected with the subscriber not the MSO, because the MSO can directly contact the subscriber and surpass the LMO.

9.3 The LMO shall not indulge in any piracy or other activities, which has the effect of, or which shall result into, infringement and violation of trade mark and copyrights of the MSO, or any other person associated with such retransmission.

According to point no 9.3 the MSO has to give a possibility to insert a local channel for the LMO's for the benefit of the subscribers.

9.4 The LMO shall have no right, without the prior written consent of the MSO, to assign or transfer any of its rights or obligations under this Agreement.

According the point no 9.4 the LMO shall not transfer the rights, but the same has to be implemented to the MSO also, but **HATHWAY *,DEN & GTPL Networks had already transferred the rights to reliance JIO*** .Is it permissible? And what is the stand of TRAI on this act.

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9.5

(iv) not alter or temper the Hardware including the seal (seal to prevent opening of set top box), misuse, replace, remove and shift the Smart card or set top box without the written consent of MSO from their respective original addresses;

According to 9.5 of (iv) the above rule should be applicable within the warranty period only. According to TRAI rule the set top boxes should be of **BIS** certified whereas the MSO's are not using the specifications recommended by TRAI, they are using very low quality set top boxes which are not sustaining for more than 6 to 8 months where the subscriber is not able to watch the programs and forcing LMO to give the new box. During analog system the customer were paying Rs. 100/- for limited free and pay channels but after implementation of digitations the customer was forced to buy the set top box along with the increased monthly subscription, and without being given the clarity on the ownership of the set top box. Therefore we request you to give The customers a choice to select between analog or digital transmission according to their requirement.

12. In cases where the subscription amount has not been realized from the subscriber, the LMO or the MSO, whoever is issuing bills to the subscriber, shall update the details in the SMS within three days from the due date.

According the point no 12 the revenue of the FTA channels completely to be given to the LMO the revenue sharing should be applicable in pay channels as 50:50. Regarding the bills MSO should raise invoice to the LMO and, LMO will generate the bills to the subscribers.

There is no remedy present for the LMOs in various TRAI regulations. The above points are not only from TCOF, these are from all the LMO's across India. Last but not least there is no such order or regulation in the world.

Thanking you,

With regards,

K.S.SUNIL KUMAR