Cosultation paper 10/2019

Consultation Paper on Tariff related issues for Broadcasting and Cable services

16 th August, 2019

	Point for recommendation	Comments.
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.	Yes. By offering deep discount on bouquets as illustrated in figure 3.1 ranging 40 to 54%, broadcasters have smothered La-carte option silently. Remedial measure is to reintroduce discount cap.
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?	Don't think so as all major broadcasters are offering 40 to 54% discounts. *We can also infer from such discount that the MRP of popular channers are heavily inflated to maximase profits, as they generate about 80-90% revenue for broadcasters.*
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?	Absolutely necessary. As regards methodology, it is necessary to work out La-carte MRP rate for consumer logically. Once determined, broadcasters may offer discounts on bouquets only to DPOs, which could be 8 to 12% maximum.
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?	Yes. As given Q3 above.
Q5	What other measures may be taken to ensure that unwanted channels are not pushed to the consumers?	As consumers watch various channels from number of broadcasters, only DPO should be allowed to offer limited number of bouquets to consumers.
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?	Yes. Also the consumer has little say in a bouquet. Therefore, consumer may be allowed to select specific channels of his choice from various broadcasters and pay for his bouquet.
Q7	What should be the methodology to limit number of bouquets which can be offered by broadcasters and DPOs?	As consumer is watching channels of variuos broadcasters, no bouquets to be offered by broadcaster to consumer. DPOs can offer bouquets on sqareroot method.
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?	It is not hedging, it is manipulation by broadcaster. Hence no bouquets from broadcater to consumer. Also broadcaster must be prevented from copmpelling DPOs to offer all its channel to consumer. This is required to protect consumer rights.

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?	In view of 40 to 54% discount offered by broadcasters, it is necessary. From figure 3.3,3.4 and 3.5, it is felt that MRP can be reduced to ₹ 8 for most viewed channels.
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?	Not really as it is misused. It can be protected by rationalising La carte MRP for channels and discount offered, so that he can select channels of his choice.
Q11	How this provision has affected the ability and freedom of the subscribers to choose TV channels of their choice?	Broadcasters tacitly compell DPOs to include his bouquets in offer and hence consumer suffers with various channels, he really does not want to subscribe.
Q12	Do you feel the provision permitting the broadcasters/Distributors to offer bouquets to subscribers be reviewed and how will that impact subscriber choice?	By rationalising MRP rates and restricting discount on bouquets, consumer will have more freedom to select channels of his own choice.
Q13	How whole process of selection of channels by consumers can be simplified to facilitate easy, informed choice?	Details of MRP for La-carte channels, and discount offered by all broadcaster to DPO should be available in public domain.
Q14	Should regulatory provisions enable discount in NCF and DRP for multiple TV in a home?	In 1st place, why NCF is allowed is not clear. At present, cost of Set top box, installation and fault service charges are recovered from customers. Thus rational benind NCF is to allow DPO/LCO to make hefty profits. As such it sould be nominal say ₹50 per house per month irrespectivr of number of TVs at home.
Q15	Is there a need to fix the cap on NCF for 2 nd and subsequent TV connections in a home in multi-TV scenario? If yes, what should be the cap? Please provide your suggestions with justification.	When there is only one set top box through which distribution is done, there should not be any additonal NCF for multi TV connections. NCF should be notional small ammount per home unless more than 1 Set top box is installed.
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?	What is the justification for aditional MRP? Is there any additional expenses for Broadcaster/DPO if consumer watches two or three programs on different sets? No additional MRP is allowed for multi connections in same house, unless technically required. Today on Wi-Fi we can add upto 8 phones at no extra charge, then why for TV?
Q17	Whether Distributors should be mandated to provide choice of channels for each TV separately in Multi TV connection home?	This is required only if separate Set top box is available for each TV.
Q18	How should a long term subscription be defined?	This period should be 6 months to 3 years.

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?	Long term subscription partially meets working capital needs and hence DPOs may offer discount on the same. Such discounts should be 5 to 10%. if Discount is >20% indicates jacked up charges.
Q20	Whether Broadcasters also be allowed to offer discount on MRP for long term subscriptions?	Yes. logic is given above @ Q19 comment. However it should be to DPO/LCO only.
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?	This is a simple database issue. There are 3 variables i.e. Genere, Language, and Broadcaster. A simple querry will give consumer requested data and rates as per his wish by selecting variables.
Q22	How the channels should be listed in the Electronic Program Guide (EPG)?	It should be in data-format and consumer can see it through variable selection query.
Q23	Whether distributors should also be permitted to offer promotional schemes on NCF, DRP of the channels and bouquet of the channels?	It can be limited upto DPO. Since consumer wants programs from multiple broadcasters, it may not be offered to consumers.
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?	promotional schemes may be allowed only at the time of launching new channels/ products and should be limited for maximum 3 months period.
Q25	What safeguards should be provided so that consumers are not trapped under such schemes and their interests are protected?	To protect consumers, bouquets should be barred from such schemes, less broadcasters will keep on changing bouquet content and offer it as new product which will be a misuse. It can also be protected by allowing such schemes 2 times in a year at the most.
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. Since it is locally manageable irrespective of region, i.e. urban, semi urban and rural, and spread criteria working is cumbursome, it will be misused.
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/-?	Is there any incremental expenditure for offering FTA channels? Earlier we received FTA channels at home with just one antenna. Is it feasible for customer to receive these channels directly. In short, FTA should remain FTA without any NCF.
Q28	Whether 25 DD mandatory channels be over and above the One hundred channels permitted in the NCF of Rs. 130/-?	See answer at Q 27.
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?	1)An app should be developed which will allow consumer to receive DD channels directly. 2)For smart TVs sold in India, DD channels must be preloaded in TV along with Netflix, Youtube,prime video etc. Feasibility to load FTA in such TVs to be explored.

Q30	Stakeholders may also provide their comments on any other issue relevant to the present consultation. With Average month;y charge of ₹ 300 and a base of 17 crores households, Indian TV distribution market has a turn over of about ₹ 60000 crores per annum, which is controlled by select broadcasters. Their stranglehold can be clearly seen as MRP for La-carte channel is fixed at ₹19 and then they are offering 40 to 54% discount. The data base is scanty, and even paper is not clear about rate working. Secondly real subscriber number is not available and bills are seldomly generated electronically. Almost all LCOs are collecting montly charges manually without giving proper bills enabling them to underreport subscriber base and avoid tax. In view of above, following points may be considered: 1) In many conuntries Broadcasters/DPOs has only 1 option for revenue generation: a) Only FTA channel can generate revenue through Advertisement. b) Pay channels can not make advertisement on channel. This may be explored in India. This is necessary because advertisement income is very lucrative. If I recollect correctly, DD used to charge ₹ 70000 per 10 second advertisement (premium rate) in 90's and broadcasting time was limited to 4 to 5 hours. Today it is round the clock. 2) Earlier for radio, we had registration and paid annual licence fee of ₹ 15 in Post offices. For TV users make it mandatory to have a Aadhar base registration with any nationalised bank and payment of annual fee of ₹50 may be recovered directly from their SB account. Also make it mandatory for DPOs/LCO to keep subscriber base data in electronic form and generate bills electronically. These two data bases can be linked and figures can be checked . This will minimise GST loss. 2) MRP for La-Carte rate channel must be reassessed. From from Figures 3.2 to 3.5 I have assessed that it could be around ₹8 to 10 only. This will stop hefty discount for bouquets and make it feasible for subscriber to select channels of his own choice. 3) Discount offered by Broadcaster to DPOs should be restricted to 12 % of sum total of La-carte rates of channels included in the bouquets. Broadcaster/DPO should not offer any bouquet to subscriber as he has to watch programs aired by different broadcasters. At the subcriber level La-Carte based selection should be the only choice and that's too at reasonable/rational rates. 4) Feasibility of allowing subscribers to access FTA through different modes like Wi-fi, Apps, separet Set top box or Combo set top box should be reviewed. Thus middleman called DPO/LCO will be removed by IT and no additional burden for subcriber in the form of NCF, which appears to me as totally irrational and highly scewed in favor of DPO/LCO. Subscriber has to make one time investment. 5) A committee may be appointed to recomment procedure so as subscriber can get channels directly from one nodal broadcasting agency like DD/Prasar-bharati/BSNL. As 50% of houses now have Wi-Fi and net connections, BSNL should be a natural choice. This will enable Government to get good revenue at minimal cost of this market as it is Informantion Technology driven and at the same time subscriber will have an opportunity to get rid of cartel of few broadcasters and LCOs, or for survival they have to offer most realistic and competitive rates. 6) As proactive step, kinldy appoint a committee study and recommend regulations for offers given by prime video, Netflix, Youtube etc as this mode is gaining momentum and we should not be wanting for the same. This is 1.5 billion dollars market for them.

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