

**தமிழ்நாடு உள்ளூர் தனியார் தொலைக்காட்சி சேனல்
உரிமையாளர்கள் நலச் சங்கம் (TLPCOWA) (Regd.)**

TAMILNADU LOCAL PRIVATE CHANNEL OWNERS WELFARE ASSOCIATION

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BY SPEED POST / EMAIL

July 12th, 2014

To

Shri.Agneshwar Sen

Advisor (B&CS),

Telecom Regulatory Authority of India,

Jawaharlal Nehru Marg,

New Delhi-110 002

Sir

Sub: - Comments for the Consultation Paper on
"Regulatory Framework for Platform Services"

We are an association of owners of Local Channels in the State of Tamil Nadu.

Kindly find our comments to the aforesaid consultation paper in the larger interest
on 1000's of family's dependents on local channels.

We herewith enclose our comments for your kind perusal and favorable
considerations.

Thanking you

For TLPCOWA


M. Senthil Kumar
State Secretary

Comments to the Consultation paper
on
“Regulatory Framework for Platform Services”

Presented by “The Tamil Nadu Local Private Channel Owners Welfare Association”

Before commenting to the issues as said in the Paper, we think it would be fit enough in beforehand to narrate the ground situation, restricted to the “Local Channels” telecasted in MSO networks.

History of Local Channel:

Local channels can be traced to be in existence from the start of 1980s and even before the arrival of satellite channels in this country. Young persons have started the business by their own investment and wired to many houses with the cable network and used to transmit a movie for a day in the said network using VCR/VCP. The Tamil Nadu Legislature, has in fact enacted a law way back in 1984, namely “The Tamil Nadu Exhibition of Films on Television Screen through Video Cassette Recorders and Cable Television Network (Regulation) Act, 1984” to regulate such networks and issued license through District Magistrates”.

At the arrival of satellite channels those networks have been upgraded to Television Cable networks to re-transmit and continued to transmit those local channels.

Local Flavour:

Satellite channels would cover the news of State, National and International importance. There was a vacuum for local news which need was satisfied by the Local Channels. The local news is welcomed by different cross section of the society and the eagerness in seeing their own neighbours, known people seen in the Television and at times seeing themselves on the screen, cannot be measured. Local news would also include live transmission of any school functions, local festivals, religious events and etc.

Apart from giving local news they also serve as a bridge between the consumer and local trader/business. Many business people who can't afford to give their advertisement in satellite channel prefer local channels and the consumers are kept updated with the offers and discounts available in the shops of their own town/locality. The said local flavor cannot be matched by another media.

Viewership :

The importance of local channels can be judged by the strength of its viewership. We have come to understand from our media friends that the viewership of local channels would lie between 10 to 12 % and many channels would also reflect in the GRP ratings of TAM. The continuous support of the local advertisers would further prove the viewership mass for such local channels. The news readers and anchors of the Local Channels are acknowledged as local celebrities by the society.

Independency of Local Channels :

Though initially the local channels have been transmitted only by the MSOs and latter the MSOs started focusing on expansion of network and the dealing with pay channels have become complicated hence a new class of industry namely "Private local channels" erupted. The owners of private local channels are independent business entities with no connection with MSO operations. They pay a mutually agreed amount as carriage fees to the MSO and insert their channel in the MSO's network. The contents of the local channels is 100% produced such local channel owners.

Investments:

The investment for a private local channel in all means shall not exceed Rs. 3,00,000/- (Three lakhs) which includes a computer with required software, play room equipments, one camera, studio furniture/lightings and copy right fees on a 200 sq ft rented building. This shall exclude other variable costs such as salary and other overheads. The location of the office of the local channel is conveniently selected within 2 KM of that of the MSO's head end so that the cable run inbetween is less of length.

This low investment has attracted many creative minds in to the business to demonstrate their innovations at micro level.

Dependent Families :

Every local channel apart from providing self employment to the owner also provides employment to a minimum 5 people within the organization. The number would ascend in bigger local channel organizations.

Making the scenario of Tamil Nadu, We have the state run MSO Tamil Nadu Arasu Cable TV Corporation covering nook and corner of Tamil Nadu and the only MSO for the state to an exception in Chennai where some MSOs have minor share. Having understood the importance of local channels the Arasu Cable TV has invited Tenders for local channels and Infact they give local channels Taluk wise, Town Wise and District wise with 10 local channels in every divided location. A rough estimate would suggest that there are around 700 local channels linked to Arasu cable. Out of 700 channels about 50 channels are run in multiple locations rest are managed by individuals.

A nominal 5 member dependents on a channel would arrive 3500 families solely dependent on the income of the local channels. Considering a family with 5 members in average it would arrive to 17,500 individuals whose bread and butter is based on this local channel industry.

The scenario shall be the same for the whole of the country and according to the data of TRA, I Tamil Nadu holds 14% market share of the country. Translating the 15% to the nation wide estimation, the figure would arrive to 1,25,000. By and large the local channel industry is feeding above a 1 lakh people and hence the present move to regularize the local channels shall not have any bearing on the life of those dependent people.

Copy right- Issue :

We have two organizations in Tamil Nadu who procure Copy Right exclusively for local channels with an arrangement with film producer council and in turn license the copy right of the films to local channels. The Copy light license fee would be as low as Rs. 5,000/- per month for re-transmission over 1500 listed Tamil movies.

Apart from movies we have other organizations who produce programs on history, temples, churches, mystery theories and etc and license the same to local channels for further transmission in their channels. Hence, the local channels do transmit only copy righted programmes.

Ground for Local Talent :

Local Channels have become a gate way for creative young people to excel their innovations. In practice we have seen people performing in local channel as a NEWS reader or anchor would move forward to leading satellite channels with the experience gained locally. Despite limited infrastructure, the programmes of local channels would be at par with that of satellite channels.

We have found that many local channel operators in Tamil Nadu have upgraded to satellite channel. Polimer TV, Shalini TV, Super TV and Etc are some example for such upgradation.

ISSUE BASED COMMENTS

1. Do you agree with the following definition for Platform Services (PS)? If not, please suggest an alternative definition:

- The Definition given here would place all PS on a same platform which cannot go that way.

PS with respect to local channel is based on MSO network whereas DTH or HITS operator has a nation wide package for their channels and because of the constrain in the satellite transponder bandwidth they cannot localize the channels region wise and would cover the entire country.

The DTH or HITS based PS shall not have any local coverage, as the same is being transmitted nationwide, instead MSO based PS would have local coverage and hence they cannot sail on the same definition.

Thus, we object to the given definition and request TRAI to separate cable PS channels from the definition and form a separate definition.

- In addition to that the definition sticks to programs transmitted by DPO which disallows other independent entities to run their PS. As stated in the introductory part, private Local channels are separate entity and transmit the program using the MSO network with an agreement with them.

The present definition which allows only DPOs to operate PS shall eradicate a small scale industry namely "private local Channel industry" totally and put thousands of families dependent on it to starvation.

Hence, we in the greater interest of thousands of local channel operators in the country humbly request the authority to recognize the independent entities and modify the definition so as to include the independent entities.

We request the TRAI to modify the definition so that cable PS is detached from other PS and recognition of independent entities to provide their programs.

2. Kindly provide comments on the following aspects related to programs to be permitted on PS channels:

1. PS channels cannot transmit/ include

2.1.1 Any news and/or current affairs programs,

NEWS shall be allowed to be transmitted in the PS with respect to cable, however such news shall be of local in nature. Since such NEWS is heavily welcomed by the viewers, the viewers shall not be prevented from continuing to watch such local NEWS.

2.1.2 Coverage of political events of any nature,

When there is no such restriction to the Satellite channels to cover political news, PS channels should also be allowed but within the restrictions of the Programme code.

**2.1.3 Any program that is/ has been transmitted by any Doordarshan channels or TV channels permitted under uplinking/ downlinking guidelines, including serials and reality shows, **

The above programs are already restricted by copy right. The trend followed in recent days are that the serials of other languages are dubbed and re transmitted in the channel with due authorization. Hence, any program transmitted after due authorization/licence from the right copy right holder should be excluded from the above restriction.

2.1.4 International, National and State level sport events/ Tournament/ games like IPL, Ranji trophy, etc.

We are agreeable to the above issue.

2. PS channels can transmit/ include

2.2.1 Movie/ Video on demand

2.2.2 Interactive games,

2.2.3 Coverage of local cultural events and festivals, traffic, weather, educational/ academic programs (such as coaching classes), information regarding examinations, results, admissions, career counseling, availability of employment opportunities, job placement.

2.2.4 Public announcements pertaining to civic amenities like electricity, water supply, natural calamities, health alerts etc. as provided by the local administration.

2.2.5 Information pertaining to sporting events excluding live coverage.

2.2.6 Live coverage of sporting events of local nature i.e. sport events played by district level (or below) teams and where no broadcasting rights are required.

We are agreeable to TRAI's proposal in issue nos 2.2.1 to 2.2.6 and in addition to that PS local channels should be allowed to transmit NEWS and political events.

3. What should be periodicity of review to ensure that the PS is not trespassing into the domain of regular TV broadcasters?

PS operate on a micro level and the TV broadcasters are operating on a macro level, hence there shall not be any trespassing and both would exist in parallel to cater the needs of the viewers. By prescribing clear guidelines the domains can be distincted and further the overlapping domain should also be prescribed. By doing so there would not occur a situation to review.

4. Should it be mandatory for all DPOs to be registered as Companies under the Companies Act to be allowed to operate PS? If not, how to ensure uniform legal status for all DPOs?

The question itself would denote that PS shall be operated only by DPOs, we are against the said move and considering the existing independent entities such independent entities should also be allowed to operate DPO.

A view on the list of MSOs registered under DAS rule would show that many proprietary firms, partnership firms and even an individual apart from companies have been given the registration. When the DPO himself is a non-company, the PS providers should also be treated under the same line.

As told earlier PS in cable can be started with meager investment asking such small business persons to register under companies act would be a difficult task for them as registering expenses including auditor fees would come to Rs. 1,50,000/- which would sent many existing persons from out of business.

Hence, independent entitites should also be allowed to operate PS and company should not be mandatory.

5. Views, if any, on FDI limits?

As the investment itself would be less than 5 lakhs to operate a PS, THE Question of FDI may not be necessary.

6. Should there be any minimum net-worth requirement for offering PS channels? If yes, then what should it be?

Considering first generation business people whose investment is more on creative talent, TRAI may fix the minimum network as Rs. 2 lakhs and the maximum network for operating in multi areas as Rs. 5 lakhs.

7. Do you agree that PS channels should also be subjected to same security clearances/ conditions, as applicable for private satellite TV channels?

With respect to cable PS channels, since their operation is going to be within a minimum geographical area and no FDI limits requires to be brought in, no prejudice would be caused to the security or sovereignty of the country. Hence, security clearance may be exempted to PS channels operated through MSOs.

8. For the PS channels to be registered with MIB through an online process, what should be the period of validity of registration and annual fee per channel?

The period of validity may be for 10 years. Considering the micro level operation, the annual fees for cable based PS channels can be fixed at Rs. 5,000/-.

9. What is your proposal for renewal of permission?

Renewal may be done by a simpler process of renewing for the equal duration of the validity of registration.

10. Should there be any limits in terms of geographical area for PS channels? If yes what should be these limits.

Geographical area cannot be fixed for DTH or HITS operated PS. However the same can be fixed in the case of cable based PS.

Geographical area is directly proportional to the area covered by MSO, Hence without defining the geographical area to an MSO it is difficult to demark the area for a PS.

11. Should there be a limit on the number of PS channels which can be operated by a DPO? If yes, then what should be the limit?

A Cable based DPO may be allowed to have a maximum of ten PS channels either directly transmitted by the cable DPO or by independent entities.

12. Do you have any comments on the following obligations/restrictions on DPOs:

12.1. Non-transferability of registration for PS without prior approval of MIB;

Yes, we are agreeable to this proposal.

12.2. Prohibition from interconnecting with other distribution networks for re-transmission of PS i.e. cannot share or allow the re-transmission of the PS channel to another DPO; and

Yes the DPO shall not re-transmission to another DPO, however, the independent cable based PS channels should be allowed to operate from multiple locations.

12.3. Compliance with the Programme & Advertisement Code and TRAI's Regulations pertaining to QoS and complaint redressal.

We are agreeable to the above.

13. What other obligations/ restrictions need to be imposed on DPOs for offering PS?

The Cable DPOs should be obligated to carry the PS channels of independent entities i.e., Private local channels with an agreement in writing for a carriage fees.

14. Should DPO be permitted to re-transmit already permitted and operational FM radio channels under suitable arrangement with FM operator? If yes, then should there be any restrictions including on the number of FM radio channels that may be re-transmitted by a DPO?

FM radio is a different medium and a re-transmission of mere audio to a tv channel would under utilize the TV set and would consume more electric power than a Radio set. Hence in order to save electricity, we suggest that FM channels shall not be permitted to be re-transmitted in a DPO.

15. Please suggest the mechanism for monitoring of PS channel.

As of today PS channels are being monitored under the cable television networks act 1995. The same module may continue.

16. Do you agree that similar penal provisions as imposed on TV Broadcasters for violation of the terms and conditions of their permissions may also be imposed on PS? If not, please suggest alternative provisions.

No, PS channels are already under the ambit of Cable TV Act where imprisonment is prescribed. Hence, PS channels cannot be fined with heavy penalties which cannot be afforded by them.

17. What amendments and additional terms & conditions are required in the existing registration/ guidelines/ permission/ license agreements w.r.t. DPOs for regulating the PS channels?

TRAI or any competent authority shall make suitable amendments, so as to recognize cable PS (private local channel) as an independent service provider

and make suitable interconnection rules to have the cable PS channel in the network of the MSO.

18. What should be the time limit that should be granted to DPOs for registration of the existing PS channels and bring them in conformity with the proposed regulatory framework once it is notified by MIB?

6 months.

19. Stakeholders may also provide their comments on any other issue relevant to the present consultation including any changes required in the existing regulatory framework.

Suitable amendments shall be made in the regulations, rules and the Act, to consider an independent PS cable channel provider as a separate service provider to encourage innovative talent at local/rural level and on the larger interest of over a lakh people dependent on the industry as such.
