

# Chennai Metro Cable Tv(CAS) Operators Association

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Respected Sir,

We Chennai Metro Cable Tv(CAS) Operators Association have been working for the Cable tv Operators of Greater Chennai in particular and to safeguard the beneficial of the interest of Cable Subscribers. We hereby submitting the comments for the consultation paper of 100% Digitalization.

**1. What should be the minimum number of free-to-air (FTA) channels that a cable operator should offer in the basic-service-tier (BST)? Should this number be different for different states, cities, towns or areas of the country? If so, what should be the number and criteria for determination of the same?**

**CMCOA COMMENT:** 400+ channels (i.e.60% of I & B permitted 727 channels.)

Yes, depending on the no. of channels per regional language, e.g., in Chennai, Tamil -45, neighborhood state Malayalam - 10+, kannada - 10+& Telugu - 15+. Consolidated regional channels must be 100% in Chennai, of total 400+ channels.

**2. In the composition of BST, what should be the genre-wise (entertainment, information, education etc.) mix of channels? Should the mix of channels and/or the composition of BST be different for different states, cities, towns? If so, how should it be?**

**CMCOA COMMENT:** in BST, the genre wise mix of channels is very important. The ratio may be fixed state wise in considering the Mother Tongue language: neighborhood states (useful in state border areas) language: International channels: Sports channels: other Indian regional channels.

The mix of channels and composition of BST should be equal to all centers of our country as we have to compete in other digital platforms which have single control room per player.

**3. What should be the price of BST? Should this price be different for different states, cities, towns or areas of the country? If so, what should be the price and criteria for determination of the same?**

**CMCOA COMMENT:** The BST MRP should be Rs.150/- throughout the country as we will be carrying 400+ channels.

It should be left to LCOs to collect not exceeding the TRAI fixed MRP as per the market force as in their respective state, city towns or villages.

**4. What should be a-la-carte rate of channels that form part of BST? Should there be a linkage between a-la-carte rate of channels in the BST to the BST price or average price of a channel in the BST? If so, what should be the linkage and why?**

**CMCOA COMMENT:** The BST is supposed to be the free to air channels. No question of a la carte rates for FTA channels.

CAS rate of Rs.5.35 per pay channels may remain in DAS rate also.

**5. Should the retail tariff be determined by TRAI or left to the market forces? If it is to be determined by TRAI, how should it be determined?**

**CMCOA COMMENT:** Yes, it should be determined by TRAI.

As DAS will be fool proof on declarations the retail pay channels tariff can remain as in CAS. Only for HD services a new rate should be fixed by TRAI as they collect exorbitant charges. e.g. 45 days sport event was charged Rs. 13,500/- in HD services.

(a) Should the a-la-carte channel price at the retail be linked to its wholesale price? If yes, what should be the relation between the two prices and the rationale for the same?

a) CMCOA Comment : The question of whole sale price does not arise in DAS, as all the individual TV sets will be ACCOUNTED by STBs.

(b) Should there be a common ceiling across all genres for the pay channels or different ceilings for different genres? What should be the ceilings in each case and the reasons thereof?

b) CMCOA Comment : Yes, common ceiling across all genre should continue in the lines of CAS pay channel prices. In India we allow unrestricted advertisements in pay channels.

(c) Should there be a common ceiling across all genres for the FTA channels or different ceilings for different genres? What should be the ceilings in each case and the reasons thereof?

c) CMCOA Comment: No Ceiling to be fixed for FTA Channels.

(d) Any other method you may like to suggest?

d) CMCOA Comment : Refer quest 1 answer on BST.  
Ratio of 60% on I&B permitted channels = 400 – mrp-Rs.150/-  
Ratio of 50% on I&B permitted channels = 350 – mrp-Rs.130/-  
Ratio of 40% on I&B permitted channels = 300 – mrp-Rs.120/-

6. Does any of the existing clauses of the Interconnection Regulations Require modifications? If so, Please mention the same with reasoning?

CMCOA Comment: Interconnection agreement presently only between Broadcasters and MSO. Now in Digital Scenario a tripartite agreement involving LCOs as the third party in the agreement is needed.

7. Should the subscription revenue share between the MSO and LCO be determined by TRAI or should it be left to the negotiations between the two?

CMCOA Comment : By TRAI only as in CAS

Presently the MSOs collect the MRP from the LCOs, later they pay LCOs share once in 2 or 3 quarters only. This practice should not be allowed as LCOs get affected.

The MSOs should not sell pay channels on MRP to LCOs, instead they should collect in LCO price including the service tax portion of MRP

8. If it is to be prescribed by TRAI, what should be the revenue share? Should it be same for BST and rest of the offerings?

CMCOA Comment : The Revenue share question does not arise as we do not share on MSOs carrier/ placement fees as their equipments are on their own investments, so our network infrastructure is on our (LCO) OWN INVESTMENTS.

TRAI should prescribe only on pay channel revenue share.

**9. Should the 'must carry' provision be mandated for the MSOs, operating in the DAS areas?**

**CMCOA Comment:** Yes, it has to be mandated as suggested in Answer 1.

**10. In case the 'must carry' is mandated, what qualifying conditions should be attached when a broadcaster seeks access to the MSOs network under the provision of 'must carry'?**

**CMCOA Comment:** committee to be setup to oversee the MSO operations

- 1) Engineers / officials under I & B Ministry
- 2) Official representing cable Tv Association
- 3) officials representing resident consumer associations or forum
- 4). Officials representing Broadcasters.

**11. In case the 'must carry' is mandated, what should be the manner in which an MSO should offer access of its network, for the carriage of TV channel, on non-discriminatory terms to the broadcasters?**

**CMCOA Comment:** Must carry should be mandated as per the ----- recommendations, and more importantly the carriage of Tv channels, in technical aspects also. E.g: 4 Mbps in MPEG-2 to maintain digital quality and to deliver the sports and fast moving recording programmes, should be delivered without breaking pixellette.

**12. Should the carriage fee be regulated for the digital addressable cable TV systems in India? If yes, how should it be regulated?**

**CMCOA Comment :**Yes, it should be regulated by TRAI. But in DAS scenario the prime band and non prime band does not arise. Presently TAM ratings are fixed on the frequency basis in DAS scenario the rating measurement is not determined so for.

It may be fixed on the volume of penetration of STBs in that city where the MSO runs the network and not on consolidation across the country.

**13. Should the quantum of carriage fee be linked to some parameters? If so what are these parameters and how can they be linked to the carriage fee?**

**CMCOA Comment :**Yes. The quantum of carriage fee must be fixed in linking with STBs deployed by the particular MSO in the respective city, towns etc.,

The carriage fee parameters can be in graded as A, B, C & D GRADES AS BELOW:

- A. 85% of total city's STB penetration for that particular MSO
- B. 75% of total city's STB penetration for that particular MSO
- C. 50% of total city's STB penetration for that particular MSO
- D. Below 50% of total city's STB penetration for that particular MSO

The grade rates must be fixed by the TRAI.

**14. Can a cap be placed on the quantum of carriage fee? If so, how should the cap be fixed?**

**CMCOA Comment :** Yes, CAP must be placed to avoid the time delay in resuming of new channels by negotiations between the broadcasters and MSOs. The CAP may be fixed as suggested in Ans. 12 &13, giving importance to volume of STBs deployed in particular city/town where the MSO has the license.

**15. Should TRAI prescribe a standard interconnection agreement between service providers on similar lines as that for notified CAS areas with conditions as applicable for DAS areas? If yes, why?**

**CMCOA Comment** - Yes. CAS and DAS the difference is only phasing out of analog signal but in interconnection agreement Refer the ans. Of the question 6.

**16. Do you agree with the norms proposed for the Quality of Service and redressal of consumer grievances for the digital addressable cable TV systems? In case of disagreement, please give your proposed norms alongwith detailed justifications.**

**CMCOA Comment** - For more effective services in terms of call center as millions of homes are to be placed with STBs and DAS

The digital FTA consumers' connection and disconnection facilities must be with LCOs only.

In case of pay channel consumers the C&D must be with MSOs only as they are answerable to pay channel broadcasters, thus making it easier for consumers and MSOs in terms of handling the calls received by the call center.

For example, CAS in Chennai is 9 years old, but 90% prefer the FTA channels only, as south Indian channels are offered free of cost.

**17. Please specify any other norms / parameters you may like to add with the requisite justifications and proposed benchmarks.**

**CMCOA Comment** :No Comment

**18. Who should (MSO/LCO) be responsible for ensuring the standards of quality of service provided to the consumers with respect to connection, disconnection, transfer, shifting, handling of complaints relating to no signal, set top box, billing etc. and redressal of consumer grievances? Please elaborate with reasons.**

**CMCOA Comment** : Connection : Both MSOs/LCOs. But to provide day to day connections to the subscribers adequate stocks of STBs should be available for new connection in the LCO offices.

Disconnection : BST disconnection only thru LCO by providing success in the online for their own respective connections. Pay channel disconnection should be thru MSOs only as they are answerable to broadcasters.

Transfer / Shifting : Transfer and shifting in the distribution area of the same MSO network should be done with the written consent of the LCO.

No Signal : Availability of the uninterrupted signal till the LCO control is the responsibility of MSO. The redistribution of the same till the subscriber point is the sole responsibility is with LCO

Set Top Box: Faulty STBs should be replaced with spare box immediately and the faulty box should be serviced by the MSOs authorized service center with 48 hours TAT. But the responsibility of replacing the STBs at subscriber premises should be LCOs.

Billing : Since the redistribution of the signal and maintenance of same is done by the LCO, all Billings to the subscriber should be raised by the LCO only.

Redressal of Consumer grievances : the redressal of consumer grievances shall be addressed by a joint committee of representatives from MSO, LCO and authorised representatives from TRAI.

**19. Whether Billing to the subscribers should be done by LCO or should it be done by MSO? In either case, please elaborate how system would work.**

**CMCOA Comment** :As per MSO license clauses they are not eligible to directly deal with the subscribers, hence the billing should be done only by LCOs. In pay channels MSOs have to bill at dealer rates to LCOs along with taxes applicable.

The LCOs will be billing to subscribers for BST and pa channels separately as the subscribers belong to LCOs only.

**20. Should pre-paid billing option be introduced in DAS. Please justify your answer.**

**CMCOA Comment :** Instead of pre paid bill, pre paid coupons must be introduced, in different denominations and must be supplied to LCOs at their price in DAS as the subscribers can choose any pay channel through pre paid coupons by contacting 24/7 MSO call centers / online portal accessible to subscribers.  
This will empower the subscriber to choose any desired channels even after office hours.

**21. Whether an ad-free channel is viable in the context of Indian television market? Please elaborate with appropriate reasoning.**

**CMCOA Comment :** Not viable in multi lingual Indian market. VOD (Video on Demand) will take care of this ad free content.

**22. Should there be a separate prescription in respect of tariff for ad-free channels at both the wholesale and retail level? Please elaborate with appropriate reasoning.**

**CMCOA Comment :** Not Applicable in the context of our comment for Question No.21

**23. What should be the provisions in the interconnection regulations in respect of ad-free channels? Please elaborate with appropriate reasoning.**

**CMCOA Comment – Refer comment of Question 6 answer..**

**24. What should be the revenue sharing arrangement between the broadcasters and distributors in respect of ad-free channels? Please elaborate with appropriate reasoning.**

**CMCOA Comment :** Not Applicable in the context of our comment for Question No.21

**25. In case you have any view or comment on the non-addressable STBs, you may please provide the same with details.**

**CMCOA Comment :** As per the Govt. of India 100% Digitalization programme the non addressable STBs will not serve of transparency in the business and to implement other value added services. Hence the non addressable STBs may not be viable.

**26. Would there be an impact on the wholesale channel rates after the sunset date i.e. 31st Dec 2014, when the non-addressable systems would cease to exist? If so, what would be the impact? Please elaborate with details.**

**CMCOA Comment :** In DAS, every TV set is to be accounted, thus the question of whole sale does not arise. As DAS will be fool proof on declarations the pay channels tariff can remain as in existing CAS which will not have the impact on pay channel pricing.  
Only for HD services a new rate should be fixed by TRAI as they collect exorbitant charges. e.g. 45 days sport event was charged Rs. 13,500/- in HD services.

For CMCOA  
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