

# Cable Operators Federation of India

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The Chairman

Telecom Regulatory Authority of India

Mahanagar Doorsanchar Bhawan,

Jawahar Lal Nehru Marg,

New Delhi-110 002

**Sub: Comments on the Draft Tariff Order (Addressable Systems) and Draft Interconnection Regulations (DAS) dated 04 June 2013**

## **Para 2(b) New Second Proviso**

- a) All a-la-carte MRP rates must be declared by Pay TV broadcasters on their websites, in their ads on TV (running scrolls) as well as in newspapers, the way they promote filing of CAF forms so that public is aware of them. **No aggregator/MSO should be permitted to fix rates of pay channels.** It is the pay broadcaster themselves who should do that for each channel.
- b) A-la-Carte rates of FTA channels should also be fixed by TRAI and not left to the MSOs. It can be seen in the present case that MSOs are offering same pay channels at different rates ranging from Rs 3- 5 whereas TRAI has fixed the minimum cost of 100 channels of basic package as Rs 100/- (Rs1 for each channel).

## **Subclause 4**

We could not understand the logic of allowing DTH, IPTV and other addressable service providers to charge a minimum of Rs 150/- even for all FTA channels. Since IPTV and other addressable systems do not exist in the country we presume this has been done to help the DTH operators earn more.

- Please note that **most successful DTH operators are those who have cross media holdings of Pay TV broadcasters because they get preferential deals.** Thus they can provide popular pay channels even in their low cost packages. This has resulted in these non-broadcaster DTH companies finding it difficult to continue in their business. Most of them are finding the going tough and are ready to give their stakes to other players.
- To avoid any unfair deals by Pay Broadcasters with players who are not owned by them or supported by them, TRAI must insist on submission of all RIOs with it and ensure that no discrimination takes place.
- We also wish to submit that when TRAI is not ready to listen to the pleas of LCOs against the unfair revenue share for them, why can't it make the DTH operators accept its tariff formulae? Why the rules should be changed for DTH operators.
- Wholesale cost and MRP of pay channels for any addressable platform should be same. Let the retail be fixed by the platform owners depending on how much profit they wish to make and what kind of service they provide to the consumers. After receiving these inputs TRAI should itself decide whether the retail rates are justified or not.

- No broadcaster should be permitted to sell bouquets in wholesale to distribution platforms. This will lead to discrimination at two ends-
  - (a) firstly from broadcaster to the distribution platform and
  - (b) secondly, from distribution platform to the consumer.
- Only distribution platforms should be permitted to sell in bouquets depending on consumer choice. This will also eliminate the discrimination at the hands of pay channel aggregators.

We also suggest to get rid of the **problems created by Twin conditions. FTA channel package should not be mixed with Pay channels.** There should be a-

**For the Masses (Price Regulated by TRAI)**

- a) Basic package of only FTA channels.
- b) Pay channels of low affordable MRP cost.(Like Rs 5 in CAS areas)

**For the Elite (Price unregulated)**

- c) Premium channels like HD, Sports and 3D etc.
- d) Pay per view and value additions like VoD.

Yours Faithfully,

(Roop Sharma)