



Confederation of Indian Industry

CII Response to TRAI DAS Consultation Paper

The Confederation of Indian Industry (CII) works with all stakeholders of the digitization process – Government, regulator, broadcasters, MSOs, LCOs and consumer bodies and member companies of the Confederation.

CII has been bringing successful bringing all stakeholders to deliberate for the smooth transition to Digitization. The airwaves are public property and interest of the consumers is vital and should be guarded.

We are of firm view for digitization to succeed wholly depends on empowering and protecting the consumers' interest with fairness to all stakeholders in the digitization process.

India has undertaken a massive mandate to move from analog to digital mode. For the first phase over 12 million people in four metros have to migrate to watching private broadcast channels buying a set-top-box or buy a box through other platforms (DTH, IPTV et al). The only other option cable TV consumers will have in the current scenario without buying a set-top-box is to watch the national broadcast DD channels through terrestrial mode.

Basic Service Tier for Digital Addressable Cable TV Systems

For a smooth transition to digitization CII is of view that there should be a free-to-air (FTA) basic tier package that would ensure transition. For a brief period (one or two years) Government/regulator should exercise the basic tier package rates and tariffs and fix a maximum cap (to protect majority consumer interest) and then it can be left to market forces to decide to work within the cap. This basic rate should be application across the country. For consumers to adapt to digitization the FTA channels should be relevant to the consumer and basic tier should have around forty to fifty FTA channels.

While there are no international precedents to fix basic rates, India is different from other developed markets. Already there is a tariff order tier of July 2010. Market forces will determine pricing of non-FTA channels.

As of now, there has not been a clear differentiator between various genre of pay TV channels and transition by consumers to digitization will determine that. It is the consumer who will eventually decide whether to watch a channel or not and buy a channel a channel or a bouquet.

Retail Tariff for Digital Addressable Cable TV Systems

It should be left to the market forces to determine pricing of pay TV channels. Consumers have to be protected and at all times they should be able to watch the channels or demand and watch channels of their choice and pay for it. The “must carry” clause by broadcasters and “must provide” clause by MSOs have to be clearly framed in the rules and business interest and consumer interest have to be differentiated to protect the interests of the consumer. Normally, pay channel by definition outside the country doesn’t carry ads. A maximum cap for ads could to be fixed for pay TV channels (which doesn’t come under the bracket for FTA channels).

Interconnection in Digital Addressable Cable TV Systems

Primarily, it should be left to the market forces to determine interconnect relationship between broadcaster and MSO, as well as the MSO and LCO. However, the regulator can step in if the interconnect contract between broadcaster and MSO or MSO and LCO hurt the interest of consumers. To safeguard independent cable operators TRAI can prescribe interconnect agreements with conditions.

Carriage fees should be discouraged and there should be a transparent mechanism. While the question of carriage fee does not arise in DAS, in a scenario of “Must Carry” and “Must Provide” clause by the regulator to both broadcasters and MSOs. As subscriber management system will be managed by MSOs the bills should be generated from their end. The set-top-box has be just BIS compliant and there should be self regulation to meet the prescribed requirements.