<u>Comments *Consultation paper No: 10/2019 issued on 16.08.2019 by TRAI on Tariff related issues for B&CS*</u>

To,
Mr. V K Agarwal
Telecom Regulatory Authority of India (TRAI)
New Delhi

Dear Sir,

<u>Sub: **Comments *Consultation paper No: 10/2019 issued on 16.08.2019 by TRAI on Tariff related issues for B&CS***</u>

We appreciate the effort taken by TRAI w.r.t to the Tariff Order 2017 which finally got implemented starting earlier this year after a legal battle culminating the consultation process initiated in 2016. TRAI has been also been making tremendous effort in ensuring the implementation of the order over the last many months and we are now reaching some level of stability with respect to the same as it has been a huge process for everybody involved from the regulator to the Broadcasters, DPO's, LCO's and consumers.

As desired by the authority, we are limiting our response to only those provisions of the Tariff Order of 2017, which in our opinion require some modification in order to ensure a level playing field, prevents predatory pricing, protect the interests of consumers and would further help in reducing disputes between the stakeholders.

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.

Ans: We believe that either there should be no bouquet – All channels be sold only as A la carte or if there are bouquets there has to be a cap on the discount which can be given as was prescribed in the original Tariff order notification.

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 broadcaster?

Ans: Our above answer to question No 1 covers this point, we feel having the cap will create a level playing field.

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?

Ans: While we feel if will be better to not have bouquets at all but if the Authority decides to have the same, discount should be restricted to 20% of the sum of A la carte price of the channels forming part of the bouquet.

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?

Ans: The prescribed and duly notified 15% maximum permissible cap on discount should also be made applicable to DPOs while forming the bouquets and offering such bouquets to the end consumers.

Q5. What other measures may be taken to ensure that unwanted channels are not pushed to the consumers?

Ans: This is a very important point, we feel there should be a limit to number of Bouquets which can be formed, they should either be language/region based and channels which are not synergistic to the bouquet being formed should not be allowed.

DPO's should be allowed to offer some channels from a bouquet as suitable for its network without diluting the price. With this, DPO can ensure that DPO bouquets are made of channels as per choice of that area/city 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?

Ans: Yes; number of permissible bouquets from broadcaster and DPO should be restricted.

Suggestion: To explore the option of restricting bouquets based on language or State. For example, only one bouquet should be allowed for Kannada language or Karnataka State. One should not form multiple bouquets for the same language and neither should channels be added which are not synergistic to the bouquet , for example when a Kannada bouquet is formed , one should not add an English news channels to the same which is nothing but a way to push the channel.

Q7. What should be the methodology to limit number of bouquets which can be offered by broadcasters and DPOs?

Ans: Bouquets should be restricted based on language/State.

Q.8 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?

Ans: Yes, we agree with this, that is why we suggest that either we remove the concept of bouquets or we limit the discount which can be offered while forming a bouquet.

Q.9 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?

Ans: While the Ceiling is a call which the Authority can take, we feel that the same will be dictated by market forces even if the same is removed. Formation of Bouquet, though needs to be well regulated.

Q.10 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?

Ans: We feel consumers have not benefited because of the discounting in bouquets forcing them to choose bouquets over individual channels.

Q.11 How this provision has affected the ability and freedom of the subscribers to choose TV channels of their choice?

Ans: The end consumers and subscribers are now much more aware and informed. However under the new regime there has been some increase seen in subscriber bills but under this new regulatory framework some respite have also come to the consumers w.r.t to their subscribing to the HD channels those were before outside the ambit of any regulations framed by the Authority. Now most HD channels are at similar price to SD and is giving the subscribers better quality option.

Q.12 Do you feel the provision permitting the broadcasters/Distributors to offer bouquets to subscribers be reviewed and how will that impact subscriber choice?

Q.13 How whole process of selection of channels by consumers can be simplified to facilitate easy, informed choice?

Ans:

Q14. Should regulatory provisions enable discount in NCF and DRP for multiple TV in a home?

Ans: The NCF must be uniform to all platforms. There should not be any discount on NCF to consumers by any players. A DTH player can afford to give discount on NCF as they are Direct to consumer, but this will make cable business unviable.

Q15. Is there a need to fix the cap on NCF for 2nd and subsequent TV connections in a home in multi-TV scenario? If yes, what should be the cap? Please provide your suggestions with justification.

Ans: This can be considered, rather than a cap there could be a max discount provision on the standard NCF for 2nd or More TVs in a house but this should not apply to communities, commercial establishments etc. This provision may provide some technical challenges to Cable DPOs.

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?

Ans: No, there will be a technical challenge in implementing the same

Q17. Whether Distributors should be mandated to provide choice of channels for each TV separately in Multi TV connection home?

Ans: Yes, this should be without any dilution on pricing provisions

Q.18 How should a long-term subscription be defined?

Q.19 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?

Ans.: Will be difficult to implement for Cable /LCO combine

Q.20 Whether Broadcasters also be allowed to offer discount on MRP for long term subscriptions?

Ans.: Will be difficult to implement for Cable/LCO combine

Q 21 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?

Ans: There should not be any restrictions on placement of channels. It will be between broadcasters and DPO's.

Q 22 How the channels should be listed in the Electronic Program Guide (EPG)?

Ans: Alphabetical order/Genre wise/ Language wise

Q 23 Whether distributors should also be permitted to offer promotional schemes on NCF, DRP of the channels and bouquet of the channels?

Ans: There should not be any discount of NCF by anyone. DPOs can be permitted to offer a discount on Bouquet formed with A la carte channels with a maximum cap of 15%

Q 24 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?

Ans: Please refer our answer to question# 23.

Q 25. What safeguards should be provided so that consumers are not trapped under such schemes and their interests are protected?

Ans:

Q 26 Whether DPOs should be allowed to have variable NCF for different regions? How the regions should be categorised for the purpose of NCF?

Ans: NCF must be uniform across platforms and regions.

Q 27 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/-?

Ans: Maximum of 150 channels can be allowed within the NCF of Rs 130.

Q 28 Whether 25 DD mandatory channels be over and above the One hundred channels permitted in the NCF of Rs. 130/-?

Ans: DD channels will be part of maximum of 150 channels suggested in the NCF

Q 29 In case of Recommendations 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?

Ans:

Q 30 Stakeholders may also provide their comments on any other issue relevant to the present consultation.

Ans:

Authority should not make too many changes to the order; focus should be on improving the consumer experience and ensuring that stake holders can survive the business environment specially the MSO/LCO combine where the costs incurred are higher and there are a large number of stake holders. Prime focus should be on Pricing and formation of Bouquets by limiting the number of bouquets and the discounting. We also propose a revision in pay channel sharing to 50:30:20 (Broadcaster:MSO:LCO)