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**Patu Keswani**

Chairman & Managing Director  
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**Anil Madhok**

Managing Director  
Sarovar Hotels Limited

NO: 2014/HAI/600/229

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**MR WASI AHMAD  
ADVISOR (B&CS)  
TELECOM REGULATORY AUTHORITY OF INDIA  
MAHANAGAR DOORSANCHAR BHAWAN  
JAWAHAR LAL NEHRU MARG  
NEW DELHI - 110 002**

**Subject : TRAI Consultation Paper on "Tariff Issues Related to Broadcasting and Cable TV Services for Commercial Subscribers", Response of Hotel Association of India Thereto**

Sir,

The Hotel Association of India (HAI) takes this opportunity to thank the Telecom Regulatory Authority of India for eliciting its views/suggestions in respect of the TRAI Consultation Paper on "Tariff Issues Related to Broadcasting and Cable TV Services for Commercial Subscribers", issued on June 11, 2014.

The Association has sought to articulate the views/suggestions of its member hotels on those Provisions of the Consultation Paper that affect the hotel industry, and are reproduced below for your kind consideration :-

HTA/14/2014

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### HOTEL ASSOCIATION OF INDIA

B - 212-214, Somdutt Chamber-I, Bhikaji Cama Place, New Delhi - 110 066 - INDIA  
Tel. : 91-11-26171110, 26171114 Fax : 91-11-26171115

E-mail : [hai@hotelassociationofindia.com](mailto:hai@hotelassociationofindia.com) / [info@hotelassociationofindia.com](mailto:info@hotelassociationofindia.com) Website : [www.hotelassociationofindia.com](http://www.hotelassociationofindia.com)

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**Definition of 'Commercial Establishment': Reference Para 1.23**

HAI agrees in principle to the definition of "Commercial Establishment" given in the Para. However, this should not affect the determining of tariff by the broadcasters.

As for sub-categorizing of the commercial subscribers, *we do not support the move* on the ground that it can be disadvantageous for the luxury hotels, as the rate structure can become higher. In case no sub-categorization is done, then all commercial establishments (e.g. hospitals, restaurants, all categories of hotels, malls etc) can have a uniform rate.

Further, the logic of sub-categorizing large hotels into a separate category for tariff determination on the grounds that they have better powers to negotiate, or that such tariffs form an insignificant part of their costs, is illogical - considering the fact that the broadcasters have a monopoly and that leaves little room for negotiation. Moreover, these services are as essential for the hotel guests as they are for domestic subscribers.

**Distribution of TV Signals: Reference Para 1.27**

As for which Model should be prescribed for distribution of TV signals to the commercial subscribers, the Association is of the view that the third Model mentioned in the Para is preferable, as it is "a combination of the first two Models" mentioned in the Para. "In this Model both the above options are available to the commercial subscribers."

As entailed therein, the DPOs and the broadcasters both publish the RIOs and there will be competition amongst the DPOs, as well as between DPOs and broadcasters. The commercial subscribers will thus have more flexibility and options for negotiations to get competitive rates.

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Also, there should be special discounted rates for hotel groups with 1000, 2500, 5000 rooms in India.

**Tariff for Subscribers: Reference Para 1.28**

HAI strongly supports the first option mentioned in Para 1.28 of the TRAI Paper, which stipulates that "the tariff for commercial subscribers is same as that for ordinary subscribers".

This is primarily because as far as the tariff for TV services is concerned, the end consumer is the same - whether he is viewing in a commercial establishment or at home. Moreover, since the consumer pays nothing while viewing TV services in a commercial establishment, there should not be a different rate for him from the one charged from a domestic viewer. Further, the content delivered by the broadcaster to both the consumers is the same !

However, the broadcasters be mandated to offer all their channels on à la carte basis and specify their rates. Similarly, DPOs be also mandated to offer all the channels, available on their platform, on à la carte basis.

In case the channels are also offered in the form of bouquet of channels, relationship for pricing of such bouquets vis-à-vis à la carte rate of the channels, forming part of the bouquet, be defined. The relationship could be defined as under :-

- a) The sum of the à la carte rates of the pay channels forming part of such a bouquet shall in no case exceed one and half times of the rate of that bouquet of which such pay channels are a part; and
- b) The à la carte rate of each pay channel, forming part of such a bouquet, shall in no case exceed three times the average rate of a pay channel of that bouquet of which such pay channel is a part.

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Since the TRAI Consultation Paper has not mentioned any ala carte rate, the la-carte rates for DTH operators of pay channels for non CAS areas, as reported to TRAI by the respective Broadcasters, may be made applicable while determining the rates for hotels.

Besides the above, HAI also seeks to emphasize that :-

- 4-Star Hotels and above should not be discriminated against, by excluding them from any regulatory regime;
- In this regard, previous Judgments - such as HAI Judgment dated 24.11.2006, Cellular Association of India & Ors. vs. Uoi & Ors. (2003 2SCC 186) – may be referred to;
- Fixation of tariffs should not be left to free market forces;
- Hotels should have the right to broadcast, without any additional charge, programs subscribed to by the hotels in their restaurant, bar and lobby spaces;
- As Broadcasters and Distributors have acted unreasonably and in a high handed manner in the past, complete protection be provided to Commercial Consumers including Heritage/5-Star Hotels and above, as law stipulates no arbitrary and unreasonable discrimination;
- While issuing a fresh Notification, TRAI should ensure that no injustice is done to any party.

We sincerely hope that the above views/suggestions of the Hotel Association of India will receive due consideration by TRAI.

Kind regards,

For Hotel Association of India



( Bharat Bhushan )  
Director Communications