

QUESTIONNAIRE FOR CONSULTATION PAPER ON “ISSUES RELATED TO IMPLEMENTATION OF DIGITAL ADDRESSABLE CABLE TV SYSTEMS”

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CHAPTER 1: BASIC SERVICE TIER FOR DIGITAL ADDRESSABLE CABLE TV SYSTEMS

- 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?

This aspect, after prolonged consultations, has already been addressed in the current CAS regime and the same may be continued in DAS regime as well.

- 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?

Genre wise mix of channels should be available for the subscribers and the same could be different for different geographical locations based on the regional languages. In the interest of the subscribers the composition should be allowed for the MSO to decide since the MSO is aware of the local subscriber’s tastes and choices.

- 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?

The rates for BST should be uniform across the entire nation.

The rates fixed by TRAI for CAS areas may be retained since they are already accepted by all stakeholders.

- 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?

There should not be a provision of a-la-carte in the BST

CHAPTER II: Retail Tariff for the Digital Addressable Cable TV Systems

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?

NO the retail tariff must not be left for the market forces on the contrary it will necessarily have to be decided by the TRAI. TRAI may adopt the methodology under the CAS regime to determine the retail tariff.

- (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?

No. Contemplating a wholesale deal defeats the very purpose of digitalization process. Further the a-la-carte rates are prescribed as under the CAS regime there is always a revenue share formula which can be derived.

- (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?

Since TRAI has been efficiently regulating the Broadcast and Cable TV sector and has primarily strived to safeguard the subscriber's interest, the channels should be available in a-la-carte form. TRAI may prescribe different rates for different genres of 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?

Do you mean FTA channels in the BST? In BST the number of channels in a particular genre may be mandated under the DAS.

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

It is important to note that the broadcasters offer their channels in bundles/bouquets containing Pay channels as well as Free To Air channels. It is in the interest of the subscribers and operators that the broadcasters should not be allowed to compel the MSO to include the Pay channels in the BST.

Chapter III: Interconnection in the Digital Addressable Cable TV Systems

Does any of the existing clauses of the Interconnection Regulations require modifications? If so, please mention the same with appropriate reasoning?

We entrust our trust in the TRAI for formulating the Regulations in the best interest of the subscribers and all the stake holders concerned.

Revenue sharing between the MSO and LCO:

- a) 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?

The subscription revenue share between MSO & LCO may be left for negotiations between both of them. Alternately the revenue share as prescribed for CAS notified areas may be adopted.

- b) 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?

As above and the revenue share of BST also should be in the proportion of 60% MSO and 40% LCO since it is the entire responsibility of the MSO to make capital investment and up gradation of the infrastructure as well as procurement of STBs for the LCO's subscribers as well.

Provision for 'Must Carry':

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

The 'must carry' provision may be mandated for the important national network channels and one regional channel of the national broadcaster only.

- ii. 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'?

Under the 'must carry' provision the qualifying condition should be limited to the content which is in the nature of a necessity only for the citizens of the country.

- iii. 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?

As may be regulated by the authority TRAI

Carriage fee:

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

No. The carriage fees should not be regulated. It should be left for the market forces to determine.

- ii. 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?

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

Standard Interconnection Agreements:

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?

Yes the Interconnection Regulation formulated for "Digital Addressable Systems" other than DTH and Hits dated 21/07/2010 may be adopted since the same was in the interest of the subscribers and also beneficial to all concerned stakeholders.

While formulating the regulations the TRAI should ensure that a level playing field is maintained in all respects for both the DTH and DAS operators.

Chapter IV:Quality of Service Standards for the Digital Addressable Cable TV Systems

- i. 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.

Yes. It has been experienced that the audit conducted by BECIL (Broadcast Engineering Consultants India Limited) ensures strict compliance to all parameters laid down by the regulator.

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

New Issues raised by Stake holders

Obligations of MSO and LCO towards ensuring the QoS and redressal of consumer grievances:

- i. 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.

The respective MSO and LCO shall be responsible for ensuring the standards of quality of service since it is primarily their respective businesses and in order to consolidate their subscribers they have to put in efforts to offer best of services.

- ii. 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.

The Billing to the subscribers should be done by the MSO since the MSO has the access to entire database while making an allotment of STB and

also the Subscriber Management System is installed and established at the MSO's end.

Pre-paid billing:

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

Yes. The pre-paid billing option will necessarily have to be introduced under the DAS regime as the post paid option may be misused by subscribers. The subscriber may opt to deny payment to the operator after viewing for the minimum prescribed period. This concept has successfully implemented in the telephone services and DTH services.

Chapter V:Miscellaneous Issues

Broadcasting of Advertisement free (ad-free) channels

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

Yes the concept of an ad-free channel is viable in the Indian Television market. This could be introduced in various genres and are prospective revenue generators by way of charging a premium rate.

B- 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.

No it should be left for the market forces to determine.

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

The provisions in the Interconnection Regulations in respect of ad-free channels may be formulated on the basis of the regulations laid down for the Pay Channels.

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

The proportion of revenue share between the broadcasters and distributors in respect of ad-free channels should be similar to the proportion laid down for the rest of the Pay Channels.

E- Any other relevant issue that you may like to raise or comment upon.

- 1. The most important issue that has to be immediately addressed is that the Regulator should ensure that all the operators, who have installed the Digital Addressable Systems and have duly been audited by BECIL for compliance to the prescribed parameters laid down by TRAI, are, provided the channels under DAS system, by the respective broadcasters, without having to wait until the sunset date.**
- 2. The tariff for HD channels should be regulated since the HDTV sets are now getting popular with the subscribers. In the absence of a just regulation the broadcasters are currently demanding high charges. We have launched our HD services since almost one year now; however we have been facing stiff resistance from the broadcasters in terms of tariff for the same and thereby are unable to offer HD content to the subscribers at reasonable cost. Also presently broadcasters are offering HD services of channels which are available in SD as well and are demanding rates for HD but not giving any relief in the SD rates. Therefore a subscriber is forced to subscribe to both HD and SD services of the same channel. Also the HD content should be made available on a-la-carte basis only since the HD content being a premium offering the subscriber should be able to subscribe to HD channels as per his choice. The broadcasters should not impose on the operator to subscribe HD channels on bouquet basis.**

Non-addressable digital set top boxes

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

The non-addressable STBs have no accountability in terms of subscriber base as well as in terms of the channels being watched or subscribed to by the subscriber. This situation is similar to the system adopted by DD Direct which offers its services through non-addressable STBs and hence has no record of its subscriber base. The non-addressable STBs do not address the inherent problem of continuous allegations by the broadcasters of under declaration by operators and further would also lead to evasion of taxes thereby incurring huge losses to the government exchequer .

Further there are no known standards for non-addressable STBs in BIS and hence it would be violation of the Cable TV Act and TRAI Regulations till date.

Reference point for wholesale price post DAS implementation

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.