

THE KARNATAKA CABLE TV CHAMBER OF COMMERCE

No, 86/1, 2nd floor, 11th Cross, (Opp. Canara bank ATM) Malleshwaram, Bangalore-560003.

e-mail: karcabletvchambersofcommerce@gmail.com / kctvcc1994@gmail.com

Basic Service Tier for the 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?

Comment: As per notification- every FTA channel will be distributed as an encrypted channel. Since FTA channel by definition is a free to air channel, if encrypted it no more remains FTA. Hence, not possible to determine the number of FTA channels to be part of a basic package.

However, even after encryption if the broadcasters decide to provide the encrypted channels free of cost then any such number of channels can be transmitted to the subscribers in the provided bandwidth.

Also, there are more than 600 FTA channels at present. Number of channels in BST should be left to the MSO/cable operator depending upon the affordability of the package in an area.

All Doordarshan channels can be made part of a basic package of the MSOs and Cable TV Operators.

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?

Comment: Basic Service Tier has no definition. It depends on the service provider. TRAI need not specify this. Even in Telecom sector, only the service providers make their packages to attract different types of consumers.

Also, the I&B Ministry has only two types of licenses for downlinking and uplinking of TV channels: News and Current Affairs and Non-News. Hence, no genre need to be specified for the basic package.

In case TRAI decides on specific genre of channel to be part of the BST,

and at the same time if such a genre is not available on free to air basis, then the condition cannot be exercised in the BST

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?

Comment: BST price should include min charges to keep the business running in a respectable manner. Also the price should be affordable to a common man in India.

However, an upper limit may be laid down for different types of packages depending upon the number of channels in the package.

Packages can be made considering the average number of channels carried in different areas at present. Suggested packages are (i) upto 60 channels, (ii) upto 100 channels, (iii) up to 200 channels and (iv) more than 200 channels.

MRP for the above packages is (i) Rs 82, present CAS area rate. (ii) Rs 110, (iii) Rs 130 and (iv) Rs 150, laid down by TRAI for DTH.

MRP for the above packages as to commence from at least Rs. 150/- since the business over head bill suppose the current rates fixed, as the current rates does not commensurate with current cost of living index for the persons engages in the industry of livelihood (LCO)

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?

Comment: a- la- carte has no meaning in BST- Packages are meant to look after the needs of all types of subscribers and contain only Free to Air Channels. Putting a price to these channels is contradictory to the purpose of FTA.

Retail Tariff for the Digital Addressable Cable TV Systems

5. 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?

Comment: Retail price should be determined by TRAI. It should be based on experience of five years in CAS areas.

There can be three packages:

a) BST- Price as given above.

b) Middle Tier- MRP of Rs 5.35 which is already proven in the CAS areas and till date it has not been challenged in the court by any stake holder.

c) Premium Package/ HD channels. They can be priced at Rs 5.35+ 15% (Rs 6.25) to cover additional cost of production. At present there is **no extra cost in production** as all cameras and studio equipment are HD and only extra bandwidth is used in transmission.

(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?

Comment: Yes, a-la-carte price should only be 15% more than the wholesale price. This is a standard profit margin on a commodity.

(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?

Comment: There are only two genres as per licensing regulations- only a common ceiling will suffice.

However, the ceiling for channels can change if it is ad-free.

(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?

Comment: FTA channels are never priced and hence the issue is not relevant. More over all DD Channels are carried compulsorily without any price.

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

Comment:

(i) Sharing of a single event on two different channels in parts must be stopped. Channels must declare their broadcast dates of an event atleast 6 months before the event, This will enable consumers to decide which channel to buy, Like many Cricket matches are shown on more than one channel, some matches of the series on one channel and

the rest on the other channel. This happens often on Ten Sports and Ten action, on Star Sports, Star Cricket and ESPN etc.

(ii) Classification of channels should be done on the basis of News, Sports, Education , Entertainment, strictly the guidelines on the subject should be followed by the channels. Otherwise channels like Sony SetMax have the practice of airing sports though it is not a sports channel.

(iii) Sports Channel should have live event on a regular basis to qualify as a pay channel if not such channels should be free to air or should not qualify as a sports channel.

(iv) Digital Set Top Boxes should be made Universal Cable TV Box, to help the subscriber to use the same box purchased by him while shifting from one area to another. And also in case a particular MSO is not able to provide channels and good service, then the Cable TV Operator can opt for another MSO without having to go through the problem of changing the boxes and putting the subscribers in hardship.

(v) Once a box installed at a Subscribers end, then there shall be no claim by any establishment on the box,

(vi) Definite standards should be fixed by TRAI on the sourcing of Digital boxes keeping in mind future technology.

Interconnection in the Digital Addressable Cable TV Systems

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

Comments: Too many modifications are required.

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Comment: ?

7. 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?

Comment: Subscription revenue if shared with the MSO, then the carriage fee also requires to be shared.

8. 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?

Comment: Share of Revenue -MSO- 20% .. LCO-80% for BST
MSO -20% , Broadcaster - 20% and LCO -60% on other offerings

On the condition that the Carriage fee and Ad revenue be shared on the same basis. transparency no market forces. All MSOs have broadcasters as principals. No under declaration – so now they must get enough to survive.

9. Should the ‘must carry’ provision be mandated for the MSOs, operating in the DAS areas?

Comment: YES Only for Doordharshan Channels.

10. In case the ‘must carry’ is mandated, what qualifying conditions should be attached when a broadcaster seeks access to the MSO network under the provision of ‘must carry’?

Comment: Pay Carriage Fee.

11. 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 nondiscriminatory terms to the broadcasters?

Comment: ?

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

Comment: Yes

13. 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?

Comment: Carriage fee should be fixed by keeping in mind both FTA and the pay channels on different ceilings. Pay channels can be on higher ceiling.

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

Comment: Uniformity will be suggestible.

15. 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?

Comment: Should not be done immediately.

Quality of Service Standards for the Digital Addressable Cable TV System

16. 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.

The customers/consumers should never be at the mercy of broadcaster / MCO. The LCO must be always in a position to indicate the grievance of consumers. This saved relation between LCO and consumer should never be disturbed or derogated. It is in this context and puspective the regulation has to be enacted so as to regulate the MSO/Broadcaster. The deliberations of MSO / Broadcaster intense must not jeopardize the Rights and obligations as between LCO and his customers. For instance MSO / Broadcaster retires from business, then, by virtue of regulations, other substituting MSO / Broadcaster must take over the obligations of retiring MSO / Broadcaster, so that such situations will not be detrimental to the interests of LCO and to his customers, in allternative, by regulation, the LCO's attached to such crst while MSO / Broadcast must be given liberty to integrate and function MSO broadcast by making their own arrangement

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

Comment:

18. 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?

LCO because he is quiet effective in reinforcing these services to the customers even in absence of the MSO during holidays or during the time when the customer would wish. Also customer has already established long lasting relation with LCO

19. 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.

Comment: Billing of Subscribers should be done by LCO,

20. Should pre-paid billing option be introduced in Digital Addressable Cable TV systems?

Comment: YES only through the LCO

Miscellaneous Issues

Broadcasting of Advertisement free (ad-free) channels

21. Whether an ad-free channel is viable in the context of Indian television market?

Comment: YES

22. Should there be a separate prescription in respect of tariff for ad-free channels at both the wholesale and retail level?

Comment: YES

23. What should be the provisions in the interconnection regulations in respect of adfree channels?

Comment: Only on CAS Model.

24. What should be the revenue sharing arrangement between the broadcasters and distributors in respect of ad-free channels?

Comment: Broadcaster - 40% , MSO - 30% , LCO - 30%

Non addressable digital Set top boxes

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

Reference point for wholesale price post DAS implementation

26. 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?

Comment: Addressable with CAS will have an impact of some Pay Channels converting to FTA otherwise no impact.

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

Subscriber Management System should be under LCO Control, because the subscribers are the customers of the LCO's. Any service related or other issues related to our industry, the customer can be reached and their issues addressed immediately without any delay only by the LCO.

No FDI- beyond 49% Foreign investors will not be able to perceive the Indian conditions in the industry, expect for having invested with profit motive. No broadcaster or MSO should transfer or assign the contacted. Rights of LCO, without written constant of LCO, which aspect needs to be regulated by law, or else the interest of LCO will be jeopardized

Between only Broadcasters & MSO/OPR

1. BST- no revenue share- if revenue share- then carriage placement & ad revenue also must be shared.

2. As per law. No Must carry for MSOs- only DD channels only if there is a demand from consumer demand. 2/3 subscriber.

3. Yes, std interconnect Agreement-Carriage per connection-TRAI is competent-experience in Telecom Industry.

Big MSOs control only 20% of C&S home.

4. Yes- if reasonable quality of language- picture, broadcast signal quality-B'caster to give affidavit/ agreement for proper signal content etc.

No money for disruption period.

5. Billing to be done by LCO.

6. Prepaid- No prepaid- only itemized govt will get exact taxes.

7. Ad free channel .

8. Wholesale channel rate after sunset today it is on assumed connectivity after that it will be actual- so it will be much lower.

9. Whether a distribution agency is a broadcaster- who will sign agreement with MSO/Operator?

If agent- will he indemnify for all channels about content etc?

Aggregator not a stake holder

Should the agreement be signed by each broadcaster or aggregator.

10. Can a government force a technology on existing business houses?

11. Is the distribution agreement to be made between the licensed broadcaster or the aggregator?

12. What is the relationship between B' Caster and Media aggregator?

13. If any legal case has to be filed against content, who should be a party B' Caster.

14. No channel rates on websites of channels only on distributor's (aggregators) ' website.

15. Why channel rates are not on TRAI consultation paper.

16. What about a-la-carte distr agreements who will do it.

17. Any sale or purchase deal done by MSO or others which includes LCO's Subscriber base should be deemed illegal if it is done without the consent of the LCO.

18. Aggregators are not required in this business.

19. You have invited objections and comments only by mode of online, which mode would not be completely effective in reaching rural and mufasil areas in the country and therefore in the intense of this LCO situated in these areas it is imperative that publication be made in local or regional news, so that the division taken by the authority would comprehend great circumspection and enable reinforcement of proper regulation appropriate for the areas as the case may be. At may kindly be noted that the publication herein requested to be made shall be in the regional language of respective states and pleased to keep open the mode of courier or postal service for submitting the objection and comments

20. TRAI should recommend under ground cable laying permission to the LCOs and should be implement immediately before DAS.

21. Now a days the corporation, municipality & electricity works cutting our cables with out informing us eventhough we paid the amount to lay the cables. They are justifying that the cable making disturbing for their work. If it continues we are unable to restore the services immediately to the consumers.

Preastent
P. MOHAN
+91 9845017207

Vice Preastent
A. JAGADISH
+91 9448452246

General Secretary
M.R. Amruth Kumar
+91 9845394454