



**Maharashtra Cable Operators' Foundation**

महाराष्ट्र केबल ऑपरेटर्स फाउंडेशन

Reg. NO. F - 57846

Prabhoo Ghar 26, Hanuman Cross Road, No. 2, Vile Parle (East), Mumbai - 400 057.  
E-mail - mcof247@gmail.com

## **Consultation Paper on Tariff related issues for Broadcasting and Cable Services**

### **COUNTER COMMENTS**

**SUBMITTED BY:** MCOF

**CREDENTIALS:** Federation of Last Mile Network Owners from Maharashtra

**COMMENTS :**

It is indeed heartening to see Comments pouring in large numbers from all Stakeholders including Subscribers and LMOs.

We have carefully perused all Comments and have following generic Counter comments to offer. We humbly request that they may please be viewed in the context of Preamble below

Distribution Services, be it by Cable Operators or DTH has registered decline in place of internal churn from one mechanism to other

The absolute loss and yet to be connected 10 Cr plus homes are lost sight of by all without exception

It is high time that the responsible Value Chain Members get together, introspect and find ways and means to reverse the trend

No doubt, OTT and other factors are at cross-purposes with us, yet none of us can shirk from the fallout of uncalled for liberties taken with NTO Provisions by everyone

The Broadcasters have other territories, alternate Digital Platforms to monetize their Libraries

The large Corporate DPOs have recourse to Equity dilution/sale to tide over

The Self-owned, self-run LMOs are the single biggest sufferers and we are therefore the highest concerned Players



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We sincerely hope that each Value Chain Member realises that while we need one another, all of us need Subscriber patronage. Every action we take has to ensure that the Subscriber does not turn his back on the Industry

### **A) Broadcasters**

While we are not qualified to evaluate or comment on their Business Case, we have following counter views to put fourth-

LMOs came into existence even before the arrival of Broadcasters and thus Last Mile had and continues to have Broadcaster independent Revenue earning potential

No doubt over the past 25 odd years, we both have grown on synergetic activities even without having any specific bilateral arrangements in place

Sadly, the Broadcasters' Vision is limited to include only the DPOs and completely overlooks the LMOs

Our concern arises from the oft seen instances of failures of Distribution businesses that ignored the Delivery Infra costs.

In our humble opinion, Broadcaster business is respectively comparable to the Film Industry and Newspapers as far as the Entertainment and NCA genres are considered

The high-risk Film business operates on 50:50 Revenue sharing basis in spite of declining revenues from re-run and limited period. The Broadcasters, on the other hand have the opportunity of repeat telecasts, multiple Channels exhibiting same Content and 365 days a year to monetise the Production.

Film business does not have opportunity to earn Advertising /Subscription revenues

As regards Newspapers, the shortest shelf-life Print Media counterpart, the minimum Retailer commission is 35%

It is also relevant to note that-



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None of the Broadcasters assures any volume of Original Content quota per day

Most Foreign language Broadcasters exploit Residual Rights on their Content produced for Home Markets

In light of the above, the Broadcaster contentions appear exaggerated and distanced from ground realities

**We therefore request TRAI to take pro-Subscriber views as far as bundling, subsidizing and domineering practices are concerned**

### **B) MSO**

The MSOs are the bridge between the Broadcasters and the LMOs who in turn tap Subscribers, the Revenue Lifeline for the entire Sector

We do endorse some of their suggestions as far as Bouquet size and capping the discounts are concerned

Regrettably their responses do not bring out any propositions to tone up own Systems and Operations

Their comments appear to reflect self- centred views and they continuously disregard the LMO interests.

The latest proposition by AIDCF to expand the Basic bouquet to 150 Channels is an unilateral initiative without consulting the NCF revenue sharing Partners They have compromised the marginal additional revenues that would otherwise flow to the LMOs

It is pertinent to note that by expanding the commonly available kitty of Channels in the basic, the DPOs will have incremental earnings from Carriage and Placement Fees. As stated in our original comments, these two revenue streams are not shared with the LMOs. Candidly speaking the AIDCF proposition is disguised self-interest initiative at the cost of the LCO



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It is hoped that the Guidelines that would be revised after the Consultation Process would forbid such one-sided commercial calls that prejudice the interests of others. This can only be achieved by mandating MIA and discontinuing SIA

### **C) PRASAR BHARTI**

We write with specific reference to the proposition to mandate transmission even on STBs deactivated for one or other reason

We strongly object to this suggestion since-

This proposition turns LMOs into Volunteers who have to incur costs on the Network from their setup till the STB.

NCF has been proposed as a measure to cover Infrastructure and Setup costs to a certain extent .It follows that without collecting NCF the LCO will incur losses per every such STB forcibly kept alive

Incidentally,Prasar Bharti is operating a DTH Platform for which it incurs Transmission costs. As such,Prasar Bharti would know the concept of cost element for reaching end User. We would urge Prasar Bharti through this Platform to withdraw the impractical proposition

We also request reference to our views that most micro-networks are homogeneous and as such, the each of the DD Regional Service would not be needed. Apart from blocking the Spectrum, it would increase the Surfing effort for the Subscriber shuffling through larger line up. We therefore believe that each MSO be mandated to provide DD National, DD News, DDRS and LS , State's regional feed and DD Sports. The MSO and LCO could be made obliged to add other DD Channel/s on demand from Subscribers



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In closing, we would like to request early steps to ensure-

Enhanced Customer experience yet economically advantageous for the  
Subscribers

Improved relationship across the Value chain based on fair, equitable sharing

Revamping of processes to increase ease of interaction at C2B as well as B2B  
levels

For Maharashtra Cable Operators Foundation

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