

Comments received w.r.t. OHD

Forwarded message -----

From: **TRAI CABLE** <traicable@yahoo.co.in>

Date: Tue, Dec 4, 2012 at 2:06 PM

Subject: Fwd: Fwd:

To: amshtrai@gmail.com, gauriskesari@gmail.com, cpsharmatrai@yahoo.com

--- On **Tue, 4/12/12**, Advisor TRAI <advbcs@traigov.in> wrote:

From: Advisor TRAI <advbcs@traigov.in>

Subject: Fwd: Fwd:

To: traicable@yahoo.co.in

Date: Tuesday, 4 December, 2012, 11:48 AM

from adv(b&cs)

----- Forwarded message -----

From: "A. Robert J. Ravi, Advisor" <advqos@traigov.in>

To: advbcs@traigov.in

Cc:

Date: Tue, 04 Dec 2012 10:18:27 +0530

Subject: Fwd: Fwd:

----- Forwarded message -----

From: "Rajeev Agrawal, Secretary TRAI" <secretary@traigov.in>

To: "A. Robert J. Ravi, Advisor" <advqos@traigov.in>

Cc:

Date: Mon, 03 Dec 2012 11:40:56 +0530

Subject: Fwd:

Rajeev Agrawal
Secretary,
Telecom Regulatory Authority of India
NEWDELHI-110002, India

----- Forwarded message -----

From: "Anand, MK" <MK.Anand@disney.com>

To: "secretary@traigov.in" <secretary@traigov.in>

Cc:

Date: Sat, 01 Dec 2012 00:50:50 +0800

Subject:

WITHOUT PREJUDICE

DATED: November 30, 2012

To,

Secretary
The Telecom Regulatory Authority of India,

New Delhi

Sub: Response to Draft Regulations `Standard of Quality of Service (QOS) - Duration of Advertisements in TV Channels (amendment) Regulations, 2012` pursuant to the open house discussion held on November 23, 2012.

Dear Sir,

We on behalf of our broadcasting companies, are filing this response pursuant to the open house discussion that took place on November 23, 2012. Currently we are along with our affiliate broadcast companies, broadcasting a total of 9 channels of various genres viz. movies, youth entertainment and kids entertainment. This response is being filed by us without prejudice to the rights and contentions of the Broadcasters in Appeal No. 6(C) to 10(C) of 2012 pending before the Telecom Disputes Settlement and Appellate Tribunal, whereby the jurisdiction of the TRAI to regulate the duration of advertisements in television channels has been challenged and we reserve our right to make appropriate contentions in this regard.

At the outset we wish to point out that any attempt to drastically change the existing position will further damage the condition of broadcasters and therefore, we propose a progressive approach. It seems that TRAI has assumed that DAS mandate will be successful strictly in accordance with the timelines fixed and all challenges like under-declaration, carriage costs, etc. will be resolved immediately on application of DAS. It is our belief that Broadcasters will continue to be significantly dependent on advertising revenue till digitization is fully and totally implemented which may in spite of best intentions slide due to the multitudes of stake holders and conflicting interests.

While deciding on the duration of advertisements per hour it is pertinent to note that the operational costs of TV channels are very high. However, means to meet such operational costs are few and limited. The reason that channels are dependent on advertisement revenue is because the current economic model of the media sector does not permit any other avenue to meet the operation cost. Advertisements are the main source of income for broadcasters and it enables TV channels to meet part of their operating expenses. Thus, it is not difficult to assume that even today and in the foreseeable future, it would be advertisement revenue that would be the major revenue source for the channels, especially those new and innovative ones which have yet not been able to establish themselves in the market and are attempting to serve niche audiences. We can assure you that the number of advertisements played during a day are only to make revenues which are barely enough to meet the. We however agree that indiscriminate advertising time on channels is counter productive and destroys consumer value. We take cognizance of the grievances of the viewers and humbly state that a gradual decline of advertisement minutage be implemented.

Any strict regulation as on date will lead to a restriction on the ability of the broadcasters to earn revenues and make better quality content available to viewers. Hence, we have the following suggestions, without prejudice:

1. The duration of advertisement be changed in a phase wise manner. From April 1, 2013 a new cap can be permitted of 14 minutes for advertisement and 2 minutes for promos, which eventually by January 1, 2014 be capped to 12 minute of advertisement slot and 2 minutes of promos and finally on January 1, 2015 when digitization would have got fully implemented the cap could be of 10 minutes of advertisement and 2 minutes of promos.

2. Also, till December 2014 the minutage calculation should be permitted on an average basis with a maximum cap of 16 minutes at any given hour i.e. the duration of advertisements should not be regulated on a clock hour basis but on a 24 hour basis. This will help the broadcasters to actually create low advertisement bands which will be better for the viewers.
3. The duration of advertisement shall be different for different genre channels, depending upon for which genre is advertisement popular and which is not, for which TRAI may undertake a detailed study.
4. The duration of advertisement should be different for different timing of the day and night eg. for prime time, the content duration may be kept higher than other non-prime time and the regulations could be slacker during the watershed hours i.e. midnight time.

We sincerely hope that our suggestions are considered while policies are framed to ensure a healthy industry with more and varied players, which can better serve consumers.

Thanking You,

Yours Sincerely,

M. K. ANAND,
Managing Director,
Media Networks - India,
Disney - UTV