



Ortel Communications Limited

Date: August 24, 2013

Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan (Next to Zakir Hussain College),
Jawaharlal Nehru Marg (Old Minto Road),
New Delhi # 110 002

Kind Attn : Mr. Wasi Ahmad, Advisor (B&CS).

Subject : Comments on Consultation Paper on Distribution of TV Channels from Broadcasters to Platform Operators.

Dear Sir,

This is in response to the Consultation Paper No. 8 / 2013 Dated August 6, 2013 on Distribution of TV Channels from Broadcasters to Platform Operators.

After going through the draft amendments along with a detailed draft explanatory memorandum to the tariff orders; interconnection and interconnect regulations, applicable for both the addressable and non-addressable broadcasting and cable TV services, we have the following observations as well as suggestions for your consideration.

1. We agree and welcome all the steps proposed by TRAI in the Consultation paper on Distribution of TV Channels from Broadcasters to Platform Operators.
2. Even after splitting the Aggregators', the individual Broadcasters' can also piggy back channels, especially those having lesser standalone market values. The strategy of Broadcaster would be to push lower value channels along with the popular channels. This will be a matter of concern to the MSOs and Operators.

Hence we suggest as follows:

The price difference between tariff for A-la-Carte and the bouquet rate needs to be taken care. There is a vast gap between the sum of A-la-Carte rate and the bouquet rate of the channels and it will continue to happen even if there is a single Broadcaster and no Aggregator. Currently if the bouquet rate of one Broadcaster is Rs.100, the sum of A-la-Carte prices of all channels of the bouquet is generally Rs.150. Here the difference is 50%. We suggest that the difference between the sum of A-la-Carte rates and the bouquet rate to be maximum in the range of 5 to 10% so that the platform operator is not forced to opt for bouquet of channels only. In turn, the platform operators will not force upon the subscriber, all the channels so subscribed by them. For example if the bouquet price is Rs.100, the sum of A-la-Carte prices of all channels should be maximum Rs. 110 not Rs.150.



Ortel Communications Limited

<2>

3. Till the DAS is implemented across India, in non DAS areas the platform operators should be allowed to opt for channel(s) which are required by their subscribers. The general practice in analog environment, an agreement is drawn with the broadcaster/aggregator on the basis of the subscriber base settled for determination of subscription either in revenue deal or on negotiated subscriber base for the bouquet of channels. With this backdrop, it is suggested that if any platform operator opts for one popular channel from the bouquet of channels, it should be allowed to do so. A suggested formula for determining the payout for that popular channel would be as given below:

Divide the total payout to Broadcaster by the bouquet rate and multiply with the A-la-Carte rate of the channel $\{(Total\ payout / Bouquet\ rate) * A-la-Carte\ rate\}$. In other words if any Platform operator intends to change subscription from bouquet to on a-la-carte basis, then the subscription dues should be payable on same subscription base as fixed.

The above responses are made in the context of consultation only, without prejudice to such contention and legal rights.

Thanking you,

Yours faithfully,
For **Ortel Communications Limited**,

Authorised Signatory