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To: arvind@traf.gov.in

Subject: QA QA QA on CP

Also attached
Q & A
Tariff related issues
for
Broadcasting and Cable services

16th August, 2019

Q1. Do you agree that flexibility available to broadcasters to give discount on sum of a-la-carte channels forming part of bouquets has been misused to push their channels to consumers? Please suggest remedial measures.

Ans. 1. Yes. Broadcaster bouquets may be forbidden/discontinued. Broadcaster may trade each channel individually with a DPO.

Q2. Do you feel that some broadcasters by indulging in heavy discounting of bouquets by taking advantage of nonimplementation of 15% cap on discount, have created a non-level field vis-a-vis other broadcasters?

Ans. 2. No. Level playing field cannot be achieved by mandates. Let market forces of costing/demand/supply/quality of service take care of that.

Q3. Is there a need to reintroduce a cap on discount on sum of a-la-carte channels forming part of bouquets while forming bouquets by broadcasters? If so, what should be appropriate methodology to work out the permissible discount? What should be value of such discount?

Ans. 3. Refer Ans.1 When there are no broadcaster bouquets there is no need for a 'cap on discount' methodology.

Q4. Is there a need to review the cap on discount permissible to DPOs while forming the bouquet? If so, what should be appropriate methodology to work out the permissible discount? What should be value of such discount?

Ans.4. DPO may modify a broadcaster bouquet slightly which may escape notice of a customer. DPO may provide broadcaster bouquet channels as a-la-carte channels. Accordingly, DPO bouquet may be forbidden/discontinued. DPO may offer each channel on a-la-carte basis to customer/subscriber/user. In such a case there will no need for any exercise for discount.

Q5. What other measures may be taken to ensure that unwanted channels are not pushed to the consumers?

Ans.5.DPO bouquet/Broadcaster bouquet may be forbidden/discontinued. This will eliminate pushing of unwanted channels. Any other measure is not likely to succeed. Moreover, disputes between DPO and broadcaster impacting an a-la-carte channel will become known immediately to a customer/subscriber/user.

Q6. Do you think the number of bouquets being offered by broadcasters and DPOs to subscribers is too large? If so, should the limit on number of bouquets be prescribed on the basis of state, region, target market?

Ans.6. Yes. The composition need on linguistic basis varies in various categories state by state. Channels may be manifested on linguistic basis as mostly state, region, target market are multilingual. DOP bouquet/Broadcaster bouquet may be forbidden/discontinued. Then need for limit on number of bouquets does not arise.

Q7. What should be the methodology to limit number of bouquets which can be offered by broadcasters and DPOs?

Ans.7. Refer Ans.6. If DPO bouquet/Broadcaster bouquet are forbidden /discontinued, then there is no need for a methodology to limit number of bouquets which can be offered by broadcasters and DPOs.

Q.8 Do you agree that price of individual channels in a bouquet get hedged while opting for a bouquet by subscribers? If so, what corrective measures do you suggest?

Ans.8. Yes. DPO bouquet/Broadcaster bouquet be discontinued.

Q.9 Does the ceiling of Rs. 19/- on MRP of a-la-carte channel to be part of a bouquet need to be reviewed? If so, what should be the ceiling for the same and why?

Ans.9. Refer Ans.6. If Broadcaster bouquets are forbidden /discontinued, then there is no need for consideration a ceiling of the type envisaged. However, the ceiling of Rs.19/- may be qualified only for a-la-carte HD channel. The ceiling for a-la-carte SD channel be Rs.9.5/-. In any scenario the SD channel should be half of HD channel as HD channel is taken as 2 SD channels.

Q.10 How well the consumer interests have been served by the provisions in the new regime which allows the Broadcasters/Distributors to offer bouquets to the subscribers?

Ans.10. Provision of Broadcaster/DPO's bouquets have not served the interest of consumers at all. The consumer ends with a lot of unwanted channels. These unwanted channels cannot be offloaded individually. These can be dropped along with other bouquet channels. The wanted channels have to be requested as a-la-carte channels.

Q.11 How this provision has affected the ability and freedom of the subscribers to choose TV channels of their choice?

Ans.11. This is in addition to Ans.10. Provision of Broadcaster/DPO's bouquets have not served the interest of consumers at all as it does not help the consumer in choosing the DPO of his choice. The choice channels of a consumer may be available on many DPO's. With the existing provisions the consumer ends with a lot of unwanted channels. These unwanted channels cannot be offloaded individually. These can be dropped along with other bouquet channels. The wanted channels have to be requested as a-la-carte channels. The reality of choice will come to a consumer only if he is able to choose channels of his choice before he commits a DPO. In this way he will also be insulated from the conflicts between DPO & Broadcaster. In the interest of consumer Draft (Second Amendment) to The Telecommunication (Broadcasting and Cable) Services Standards of Quality of Service and Consumer Protection (Addressable Systems) Regulations 2017 9th August, may be dropped instead a third party, if need be, API may be evolved to choose channels before choosing a DPO. The channels being provided to DPO by a broadcaster may remain opaque to a consumer. Let that be in the domain of Broadcaster-DPO relationship. Consumer is concerned with DPO and not any broadcaster. Also DPO should enhance their capability for better fulfilling consumer aspirations and at the same time safeguarding their own interests. Accordingly, Consultation Paper on KYC of DTH Set Top Boxes New Delhi: 19th July, 2019 may also be dropped. DPOs may develop their own methodology for tackling various issues within the legislative frame work of the land.

Q.12 Do you feel the provision permitting the broadcasters/Distributors to offer bouquets to subscribers be reviewed and how will that impact subscriber choice?

Ans.12. Yes. The availability of choice of all channels only on a-la-carte basis to a customer/subscriber/user will help in many ways like:

a) He can avoid receiving and thus paying for unwanted channels.

b) He is insulated from a broadcaster as he will be dealing with DPO only

c) *He will be in a better position to safeguard his interests in the form of refunds in case of a DPO- Broadcaster dispute.*

d) *The correlation between money paid and service received will be available to him with clarity. This information will be handy and useful for redressal of grievance resulting from any deviation in consumer/service provider relationship from appropriate authority in a speedy and hopefully meaningful manner.*

e) *He can choose the channels before choosing a DPO without bothering about DPO-Broadcaster relationship.*

Q.13 How whole process of selection of channels by consumers can be simplified to facilitate easy, informed choice?

Ans.13. Informed choice is more important than aiming at an easy and simple way.

The best informed choice is one which empowers a consumer to choose channels before committing to a DPO/Cable operator. This can only be achieved if information is available on a-la-carte basis of all DPOs /Cable operators. After making the choice of channels consumer can make the choice of DPO best suiting to the choice.

Q14. Should regulatory provisions enable discount in NCF and DRP for multiple TV in a home

Ans.14. Conclusion drawn in CP that "it may be noted that in case of a household with multiple TV connection, a single connection is coming to subscriber which is then divided in different rooms of the home in case of cable. Similarly, for DTH, one dish is installed to provide multiple connection within home. Moreover, generally one bill is generated for the consumer. Since activities are common, there is a clear case of some cost saving to the DPOs in such connection which needs to be passed on to subscribers." The conclusion drawn are very pertinent. However, it may be left to service provider to pass on benefits to consumer. The following may also be considered. For a single TV

Monthly Charges = NCF (say x) +Channel charges (say y)

For two TV logically

Monthly charges should be= x+ y+ y based on conclusion quoted above and similar channels available on both the TVs. In case channels are different then the

Monthly charges=x+ y+ y1 where y1=channel charges for second TV and so on.

This decision in the matter may left to DPOs/Cable operators. Let competing market forces and not mandatory regulations enable DPOs/cable operators to take a considered action in the matter. The consumer behavior will also help in the matter. The consumer may drop multi TV connection in case it is perceived expensive.

Q15. Is there a need to fix the cap on NCF for 2nd and subsequent TV connections in a home in multi-TV scenario? If yes, what should be the cap? Please provide your suggestions with justification.

Ans.15.Please refer Ans.14.NCF should be charged only once. However, there may not be any mandatory CAP as envisaged. Let competing market forces and not mandatory regulations enable DPOs/cable operators to take a considered action in the matter. The consumer behavior will also help in the matter. The consumer may drop multi TV connection in case it is perceived expensive. Any mandatory regulations are open to litigation.

Q16. Whether broadcasters may also be allowed to offer different MRP for a multi-home TV connection? If yes, is it technically feasible for broadcaster to identify multi TV connection home?

Ans.16. No. Broadcaster may be kept out of the loop of DPO/cable operator and consumer issues. Broadcaster-DPO issues are bilateral nature and may be settled accordingly. Consumer must be insulated from Broadcaster-DPO disputes.

Q17. Whether Distributors should be mandated to provide choice of channels for each TV separately in Multi TV connection home?

Ans. 17.No. Distributors may make their own decision in the matter coupled with competing market forces and not mandatory regulations. DPOs/cable operators to take a considered action in the matter. The consumer behavior will also help in the matter. The consumer may drop multi TV connection in case it is perceived expensive. Any mandatory regulations are open to litigation.

Q.18 How should a long term subscription be defined?

Ans.18. There is no need to define a universal long term subscription. Let the same be left to individual/respective DPO/cable operator based on individual business model/market forces.

Q.19 Is there a need to allow DPO to offer discounts on Long term subscriptions? If yes, should it be limited to NCF only or it could be on DRP also? Should any cap be prescribed while giving discount on long term subscriptions?

Ans.19. The choice of discount should be left to DPO. This may not be mandated. However, the same should neither be on NCF nor on DRP. The same should be on total monthly charges.

Q.20 Whether Broadcasters also be allowed to offer discount on MRP for long term subscriptions?

Ans.20. No. Refer Ans.19 also.

Q 21 Is the freedom of placement of channels on EPG available to DPOs being misused to ask for placement fees? If so, how this problem can be addressed particularly by regulating placement of channels on EPG?

Ans. 21. The issue of placement fees appears to be between broadcaster and DPO.

Let that be settled bilaterally by the two. Need for regulation will not arise if broadcaster and DPO bouquets are disallowed in favour of a-la-carte regime.

Q 22 How the channels should be listed in the Electronic Program Guide (EPG)?

Ans.22. Listing of channels be left to wisdom of DPO and consumer response if any. There is no need for any regulations in this regard. More so on linguistic basis as people speaking different languages are available not only in almost all regions but also in individual households. Only degree may differ.

Q 23 Whether distributors should also be permitted to offer promotional schemes on NCF, DRP of the channels and bouquet of the channels?

Ans. 23. No. Let promotional schemes be outside choice of channels of a subscriber and corresponding charges like NCF and DRP.

Q 24 In case distributors are to be permitted, what should be the maximum time period of such schemes? How much frequency should be allowed in a calendar year?

Q. 24. Refer Ans. 23 in this regard. Need of defining time period and frequency does not arise.

Q 25. What safeguards should be provided so that consumers are not trapped under such schemes and their interests are protected?

Q 25. Refer Ans.23. and Ans.24. in this regard. Consumer interest are well protected if promotional channels are kept outside choice of channels of a subscriber and corresponding charges like MRP, NCF and DRP. An additional feature in number domain of channels would really enhance customer satisfaction if customer is able to place all channels in a serial order of own choice as favourite channels. This number domain must equal the number of choice channel so that all could be accommodated. At least 100 channels name domain is required corresponding to minimum NCF payable up to 100 channels.

Q 26 Whether DPOs should be allowed to have variable NCF for different regions? How the regions should be categorised for the purpose of NCF?

Ans.26.NCF should be uniform irrespective of regions. In that case there is no need for categorisation of regions. Such exceptions invite possible litigation.

Q 27 In view of the fact that DPOs are offering more FTA channels without any additional NCF, should the limit of one hundred channels in the prescribed NCF

of Rs. 130/- to be increased? If so, how many channels should be permitted in the NCF cap of Rs 130/-?

Ans. 27. The limit of 100 should be used for 25 mandatory DD channels and other channels chosen by the customer/user/subscriber. The NCF CAP of Rs130 is for up to 100 channels and not for hundred channels. If the channels chosen by customer fall short of 100 then the gap should not be used by DPO to push channels of his choice even if those are offered on FTA basis. Otherwise the whole purpose of consumer getting channels of choice gets defeated. Thus the limit of 100 channels for prescribed cap on NCF should not be increased without any exception.

Q 28 Whether 25 DD mandatory channels be over and above the One hundred channels permitted in the NCF of Rs. 130/-?

Ans.28. No. Refer Ans. 27.

Q 29 In case of Recommendations to be made to the MIB in this regard, what recommendations should be made for mandatory 25 channels so that purpose of the Government to ensure reachability of these channels to masses is also served without any additional burden on the consumers?

Ans. 29. Mandatory 25 DD Channels should be part of 100 channels and should be available to customer/subscriber/user without exception.

Any Other Issues

Q 30 Stakeholders may also provide their comments on any other issue relevant to the present consultation.

Ans.30. The following comments are based on:

- a) Customer gets channels of choice and not unwanted channels*
- b) Customer is insulated from broadcaster*
- c) Customer should be able to choose channels before choosing a service provider*
- d) Customer has to prepay for the service.*
- e) Redressal of grievance system is cumbersome resulting in virtually no relief.*

1. The following diagram depicts value chain in provisioning of channels resulting out of the comments:

*API for channel selection by
Customer/Cosumer/Subscriber*

2. DPO can communicate in the following ways with customer

- i) Via set top box- a one-way communication*
- ii) SMS to RMN-normally source is some alpha numeric code. It is difficult for customer to judge whether sender is genuine or not.*
- iii) Via a phone call to RMN. This is one-way communication as customer cannot call back if call is missed. This is not a customer friendly situation.*

3. It is high time that service provider and infrastructure may be segregated. DPO/cable operators may not provide any part of CPE. The reception of the Cable TV services and DTH services requires a Customer Premises Equipment (CPE) which is connected with the TV set. In DTH, the CPE comprises of a Set Top Box (STB), a small Dish antenna along with Low-Noise Block Converter (LNBC) and Radio Frequency (RF) cable as depicted in the Figure below.

All this may be arranged by customer suitable for a specific DPO from a third party. Only then customer should approach DPO with channels of choice for provision.

4. At present STB are not interoperable. So

- a) Let CPE for DTH be taken out of the purview of DPO.*
- b) Let that be the responsibility of the customer/subscriber/user.*

- c)The set top box as part of CPE may be DPO neutral*
- d)Let new set up box be developed having two ports one for DTH and second one for DTH by Cable*
- e) The subscriber should have the choice to use either or both modes at the same time'*
- f) DPO should provide only the card similar to SIM card of a Mobile phone which should fit into one of the ports of set top box available as part of CPE.*
- g) The card may be named a DPO CARD having the name of service provider on it.*

Abbreviations

Telecom Regulatory Authority of India (TRAI), Distributor Retail Price (DRP), Maximum retail price (MRP), Distribution Platform Operators (DPOs), Multi System Operator (MSO), Conditional Access System (CAS), Digital Addressable Systems (DAS), Broadcast Audience Research Council(BARC), Network Capacity Fee (NCF), Electronic programme guide (EPG)

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