

Subject: **CP on Tariff related issues for Broadcasting and Cable services. 16082019**

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To: "vk.agarwal@traf.gov.in" <vk.agarwal@traf.gov.in>

From: shaji mathews <shajimathews@yahoo.com>

Cc: "arvind@traf.gov.in" <arvind@traf.gov.in>

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Dear Sirs,

please find my response as below.

### Summary of issues for consultation

1. Flexibility to discount means no relation between bouquet price and ala carte price. This scenario completely undermines the objectives of the tariff order which was in the background of irrational RIO rates etc mentioned in previous CP and various TDSAT orders. Imaginary ala carte rates continued to exist and consumers as well as DPOs found it unviable to subscribe at the exorbitant ala carte rates. Further consumers find themselves in an ocean of broadcaster and DPO bouquets and ala carte rates. It is practically impossible for any customer to arrive at a logical option.

### Remedies.

Consumers are dealt with at DPO/LCO level. Taking broadcaster bouquet makes it impossible for a consumer to have the selections from various genres as no broadcaster provides a complete bouquet that can satisfy a home's requirements. Imperative consumer has to select channels from many broadcasters. Logically bouquets should be formed at the level that caters to consumer, which is DPO/LCO. Bundling of products in a manner that confuses consumers does not serve any purpose.

Hence broadcaster shall only be allowed to declare MRP to consumer at ala carte rates. Alternatively broadcaster if allowed, should declare a single bouquet of all their channels or chosen channels which will be the declared bouquet of that broadcaster.

If broadcaster is allowed to declare bouquet, the rate shall be subject to twin conditions as before or 10% cap. The discount at a level higher than DPO should be less than that at DPO level. Since the cap at DPO level is 15%, it should be 10% at broadcaster level to bring in logical MOP(Market Operating Price).

2. Yes. This is already explained in the CP itself.

3. Yes. Explained in 1 above.
4. No. 15% should be implemented.
5. There is nothing like unwanted channel. In fact channels should be pushed to consumers so that they become wanted channels. Only that will ensure growth of industry. However it should not be that consumer finds it unviable to subscribe to favourite channels without channels that are not his primary choice. Ensuring that ala carte rates are realistic, will result consumer choosing his preferred channels. In addition there should be opportunity to sample other channels. This becomes possible if such channels are included in bouquets without financial burden to consumers. The only way to do this is push them through retail channel, viz DPO. There is no harm in allowing FTA channels to be part of bouquet at all levels.
6. Yes. This is an understatement. Total number of bouquets is so huge that no consumer can get any understanding of what is on offer. Rectification of this situation is crucial and must. Remedy is mentioned in answers above.
7. Mentioned above.
8. Yes. Agree. Measures as above.
9. Must be revised downwards. Pre digitization, broadcasters used to cry underdeclaration. However the reality was that there was no compulsion to offer channels to DPOs at underdeclared subscriber numbers. Instead broadcasters worked out their rates as an imaginary/unrealistic price, which when multiplied by the underdeclared but mutually greed subscriber number arrived at the revenue that market was willing to shell out for the channels. The pre DAS revenue of each broadcaster divided by 100 million cable homes will give the MOP of each broadcaster bouquet. TRAI has access to those revenues which need to be worked out separately for cabletv and DTH. From historical data the rates for most popular channel bouquets works out to be less than Rs.15/-. Applying the proportionate rate on Pre DAS RIO rates will give the real market value of each channel. Applying escalation for inflation etc and mark up of margin will give the cap, which would be in the range of Rs.10/-.
10. Broadcaster bouquets have defeated the purpose of the Regulation.
11. Consumer is in utter confusion diving into the sea of broadcaster bouquets. Hence most settle for DPO bouquet. Also, consumer has limited time to invest on deciphering the puzzle of hundreds of bouquets and postpones subscribing itself. This results in shrinking of consumer base.
12. Removing bouquet at broadcaster level and limiting bouquets at DPO level is necessary.

13. If DPOs are mandated to offer limited bouquets, the consumer problem will be automatically solved.
14. NCF should be limited to 150/- in metros and 130/- in rest of India. For multiple tv discount should be offered as 50% when stb is under same consumer id. There is no additional cost to carry or collect from same home.
15. Yes. Mentioned above.
16. Yes. It is feasible under same customer id. This should be encouraged as it results in growth.
17. Yes. It is must.
18. Half yearly and annual are required as consumer priority is not watching due dates of subscription.
19. Yes. Discount should be on whole package but may be capped to 2 months for a year.
20. Not required. It should be a DPO game.
21. No. this is just a cry by some broadcasters to create ground to get reductions in carriage or other fee. The regulations at present do not allow DPOs to pressurize broadcasters. In fact many DPOs have lost revenues.
22. The language of the Region should go as L1G1, L1G2, L1G3 etc. other languages should be a sub option in main EPG.
23. Yes. As mentioned above
24. No period. Scheme should be limited to 2 months fee waiver in a year for a consumer.
25. Not likely to get trapped in schemes as above.
26. Yes. Higher in metros as mentioned above.
27. Yes. NCF should be capped.
28. Yes.
29. NCF to be capped. That will take care of DD channels.

Thanking you

Shaji Mathews

Industry observer

Previously

CEO KCCL

COO GTPL Hathway Ltd

EVP Indusind Media& Communications Ltd

Senior VP Star India P Ltd, Mediapro, StarDen.