

TAMIL NADU PROGRESSIVE CONSUMER CENTRE

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To

The Chairman,

Telecom Regulatory Authority of India,
New Delhi – 110 002.

Sir,

Sub : Comments to consultation paper No. 8/2011 on cable Digitalisation.

We are a voluntary Consumer Organisation functioning from the state of Tamil Nadu.

Please find the enclosed comments for the consultation paper titled “Issues related to Implementation of Digital Addressable Cable TV Systems”.

Thanking you.

Yours truly,

for Tamil Nadu Progressive Consumer Centre

J.Jaya Kumar,
Treasurer.

Comments of Tamil Nadu Progressive Consumer Centre – Chennai -72

Basic Service Tier for the Digital Addressable Cable TV Systems

1. What should be the minimum number of free-to-air (FTA) channels that a cable operator should offer in the basic-service-tier (BST)? Should this number be different for different states, cities, towns or areas of the country? If so, what should be the number and criteria for determination of the same?

The present situation in the State of Tamil Nadu is that after the entry of M/S Tamil Nadu Arasu Cable TV Corporation (Arasu cable) a wholly owned State Government company, in September 2011 all other MSOs operating in the Non-CAS areas have wound up their businesses leaving Arasu Cable as Monopoly. Even though the consumers are benefitted by a reduced price of Rs.70/- per subscriber per month as cable charges uniformly throughout the State, the damages caused are otherwise more costlier. The quality of signals are not appreciable. The most viewed channels like SUN Tv group and RAJ TV group are not retransmitted in Arasu Cable. However they allow the operators to run the said group channels un-officially through a DTH connection linked locally.

Far more damage is caused to the plurality of views. Being monopoly, Arasu Cable is dominant enough to control the content of all the broadcasters. Viz., The broadcasters are left with a fear factor so as not to raise any big voice against the state Government, apprehending removal of their channels from Arasu's network. We are experiencing the fate of such channels getting punished by replacing them in to the fag end of the analog network so that the quality is badly affected in the TV screens. This phenomenon has really hit the cable consumers in lack of plurality in views.

Considering the above factors, we feel that mandating at least FTA TV channels in Basic Tier (BST) would secure a place for all the FTA channels to have their piece of cake in Arasu Cable's Network.

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We hope that at least 75 channels should be allocated in the BST and it is obvious that the number should vary from state to state depending upon the number of channels already available in the regional language of the state. Care should be taken that the new entrants should also be reserved with adequate space in future. Hence the BST cannot be a fixed one and should be a variable quotient. TRAI may think of fixing/reviewing the BST every 6 months based on the availability of Channels in Air.

When discussing about the criteria of determining a channel in BST, TRAI should keep in mind that no Regional Channel should be out of BST. This has a special meaning for southern states, where the Hindi speaking population is negligible. After accommodating the all available regional channels of the respective state, other generics like English news, Science based channels, Educational based channels, Religious channels, Music Channels may be placed in BST on a pre fixed ratio.

2. In the composition of BST, what should be the genre-wise (entertainment, information, ducation etc.) mix of channels? Should the mix of channels and/or the composition of BST be different for different states, cities, towns? If so, how should it be?

As discussed earlier, after giving space to all the regional language channels, the remaining space shall be filled up with the genre-wise channel mix.

The states are divided in this country based on the language, hence the BST can not be universal for the whole of the country. There should be different BSTs for different states. However, the micro level differences for city to city in the same state need not be implemented. We suggest one BST to one state.

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3. What should be the price of BST? Should this price be different for different states, cities, towns or areas of the country? If so, what should be the price and criteria for determination of the same?

If the authority is for fixing a price for BST then it may follow the present CAS area module. However the consumers should be allowed to take the pay channels of their choice on a-la-carte mode only. The MSOs should not be allowed to form any packages of channels. Similarly, if a consumer is satisfied with the BST channels, he should not be compelled to take any pay channel as a package.

If the number of channels in BST is going to be same for all the states, then a uniform price would be followed all over the country. In the event different states are having different number of channels then the price may vary accordingly.

A thorough reading of the extant consultation paper would reveal that the BST is a mix of FTA channels. The same shall be transcribed that the contents of BST are free to the MSOs. Hence, the cost involved is the carriage alone. In our opinion, a consumer can be charged Rs.1/- (Rupees one only) per channel per month towards the said carriage cost for the FTA channels in BST.

4. What should be a-la-carte rate of channels that form part of BST? Should there be a linkage between a-la-carte rate of channels in the BST to the BST price or average price of a channel in the BST? If so, what should be the linkage and why?

We are in the understanding that BST is a package of FTA channels. Be it so, let it come as a package. Further division of the package would lead to complexity in billing and rendering the cable service.

There cannot be any rate for FTA channels in BST, instead the consumer may be asked to pay the cost for carriage of Rs.1/- per channel.

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Retail Tariff for the Digital Addressable Cable TV Systems

5. Should the retail tariff be determined by TRAI or left to the market forces? If it is to be determined by TRAI, how should it be determined?

In no case the retail prices should be left to market forces. Content is not like any other product. It may not be compared to telecom business of selling talk time. In telecom, the operators provide a simple carriage channel between two or more individuals. In case of TV contents, they are unique and available only with the respective copyright holders. As Indians we are crazy towards cricket. There are many chances that the content owners of such cricket events may turn greedy to exploit the consumers to maximum.

There may be an argument, that the content cost in DTH has gone down. We are also aware of the predatory pricing followed by the DTH operators in order to penetrate the market. The hazard of increasing the prices on achieving their 'target' is perennial.

Further, leaving the retail tariff to market forces would give the LCOs and MSOs a free hand to tax the consumers on their whims and fancies, after all the last mile operators are still enjoying monopoly.

Hence, TRAI should fix the retail tariff. There is a fear among Cable consumers that the prices would go multifold after digitalization. In order to overcome the said fear, TRAI may fix the retail tariff in tune with the present tariff paid by the consumers. It would be the consumer's delight if the same module of CAS areas are followed for pay channels in digitalization era too.

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(a) Should the a-la-carte channel price at the retail be linked to its wholesale price? If yes, what should be the relation between the two prices and the rationale for the same?

As suggested earlier the pay structure of the present CAS area may be followed for future also, it is suggested so since the same addressability is continued in digitalization too.

If TRAI decides to slip away from the existing CAS module pricing for pay channels, Then, the channels must be offered only in a-la-carte mode and there should be a definite linkage between retail price and wholesale price.

The BST price would be shared only between the MSO and LCO. Hence the additional pay channel revenue is going to be the bonus for them. Hence a wholesale price with 20% margin shall be a reasonable retail price. However there should be a proper check in wholesale price too, since it directly affects the consumers.

(b) Should there be a common ceiling across all genres for the pay channels or different ceilings for different genres? What should be the ceilings in each case and the reasons thereof?

The content cost may vary from genre to genre. It would be fair to suggest different ceilings for different genres.

Some may argue that ceilings should not be fixed for pay channels. Yes we also suggest no ceilings for those channels which come without any advertisement. By transmitting the advertisement for larger time the broadcasters enrich themselves at the cost of the productivity of the consumer. For Example a new block buster movie telecasted in Television, that to for the first time, runs for 4 to 5 hours instead of its original 2.30 hrs. There is no end for greed of the said broadcasters which is squarely a

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violation of advertisement code. Hence the advertising broadcasters should not be allowed to gain in both the worlds and a strict cap of prices of channel in both whole sale and retail level is the need of the hour.

May we suggest the following price cap for advertising channels per month in whole sale level.

i). General entertainment (with serials and other mix)	Rs. 5.00
ii) 24 X 7 NEWS channels	Rs. 6.00
iii) 24 X 7 Music channels	Rs. 3.00
iv) Sports channels	Rs. 8.00
v) Education/information (if content produced in India)	Rs. 8.00
vi) “ (for imported content)	Rs. 3.00
vii) All other genres	Rs. 2.50

(c) Should there be a common ceiling across all genres for the FTA channels or different ceilings for different genres? What should be the ceilings in each case and the reasons thereof?

If our understanding is right, FTA channels are available at no cost, hence the question of ceiling may not arise.

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(d) Any other method you may like to suggest?

NO COMMENTS

Interconnection in the Digital Addressable Cable TV Systems

6. Does any of the existing clauses of the Interconnection Regulations require modifications? If so, please mention the same with appropriate reasoning?

NO COMMENTS

7. Should the subscription revenue share between the MSO and LCO be determined by TRAI or should it be left to the negotiations between the two?

Yes, TRAI should determine the revenue share. If an LCO has badly negotiated with the MSO, the same may reflect on consumers, he may find out the ways to recover the loss from the consumers.

8. If it is to be prescribed by TRAI what should be the revenue share? Should it be same for BST and rest of the offerings?

NO COMMENTS

9. Should the 'must carry' provision be mandated for the MSOs, operating in the DAS areas?

Even if 'must carry' is mandated for MSOs, the consumers should be given the protection from 'must see' by mandating a-la-carte mode as the only mode of distribution of channels.

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10. In case the ‘must carry’ is mandated, what qualifying conditions should be attached when a broadcaster seeks access to the MSO network under the provision of ‘must carry’?

NO COMMENTS

11. In case the ‘must carry’ is mandated, what should be the manner in which an MSO should offer access of its network, for the carriage of TV channel, on nondiscriminatory terms to the broadcasters?

NO COMMENTS

12. Should the carriage fee be regulated for the digital addressable cable TV systems in India? If yes, how should it be regulated?

13. Should the quantum of carriage fee be linked to some parameters? If so what are these parameters and how can they be linked to the carriage fee?

14. Can a cap be placed on the quantum of carriage fee? If so, how should the cap be fixed?

NO COMMENTS

15. Should TRAI prescribe a standard interconnection agreement between service providers on similar lines as that for notified CAS areas with conditions as applicable for DAS areas? If yes, why?

NO COMMENTS

Quality of Service Standards for the Digital Addressable Cable TV System

16. Do you agree with the norms proposed for the Quality of Service and redressal of consumer grievances for the digital addressable cable TV systems? In case of disagreement, please give your proposed norms along with detailed justifications.

17. Please specify any other norms/parameters you may like to add with the requisite justifications and proposed benchmarks.

18. Who should (MSO/LCO) be responsible for ensuring the standards of quality of service provided to the consumers with respect to connection, disconnection, transfer, shifting, handling of complaints relating to no signal, set top box, billing etc. and redressal of consumer grievances?

19. Whether Billing to the subscribers should be done by LCO or should it be done by MSO? In either case, please elaborate how system would work.

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20. Should pre-paid billing option be introduced in Digital Addressable Cable TV systems?

NO COMMENTS for the time being, However we reserve our rights to additionally comment of the above issue later after discussing with experts.

Miscellaneous Issues

Broadcasting of Advertisement free (ad-free) channels

21. Whether an ad-free channel is viable in the context of Indian television market?

YES, it is viable in the present Indian viewer's mental frame in getting rid of advertisements.

22. Should there be a separate prescription in respect of tariff for ad-free channels at both the wholesale and retail level?

Since, their only revenue is going to be through subscription, a separate tariff need to be prescribed for Ad-free channels in all levels.

23. What should be the provisions in the interconnection regulations in respect of adfree channels?

NO COMMENTS

24. What should be the revenue sharing arrangement between the broadcasters and distributors in respect of ad-free channels?

NO COMMENTS

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Non addressable digital Set top boxes

25. In case you have any view or comment on the non-addressable STBs, you may please provide the same with details.

Non-addressable STBs would defeat the very purpose of digitalization. It is an anti consumer move taking back to the era of NON-CAS with additional channels. The consumer's choice is ignored in total and hence non-addressable STBs should not be allowed.

Reference point for wholesale price post DAS implementation

26. Would there be an impact on the wholesale channel rates after the sunset date i.e. 31st Dec 2014, when the non-addressable systems would cease to exist? If so, what would be the impact?

NO COMMENTS

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