

## Issues for Consultation for implementing DAS

Sir,

Reference your consultation paper, my comments are given below. I am one of the oldest last mile operator in the country and feel very upset on the state of the last mile operators and wish the government does something to enable us to earn our livelihood with respect and honour.

Chapter-I

### 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?**

#### **Comment-1**

It should be left to LCO to decide according to the locality. FTA Channels will be encrypted so it will not be an FTA channel any more. There are more than 600 FTA channels at present. Number of channels in BST should be left to the MSO/LCO provider depending upon the affordability of the package in an area. Whereas all Doordarshan channels can be made part of a basic service package BST of the MSOs .service offerings

**2. In the composition of BST, what should be the genre-wise (entertainment, information, education 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?**

#### **Comment 2:**

For consumer benefit, let LCO choose channels as he knows best about consumer choice. Competition and consumer demand will force LCO to keep popular channels or increase channels in his network.

**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?**

#### **Comment-3**

BST price should be the same all over India and fixed by TRAI. Digitalization will bring extra COST on MSO/LCO; Rates will go up for consumer, If not worked out by TRAI. MRP should be fixed by TRAI and MSO/LCO may/can charge below MRP for consumer interest.

Since there is no retail level competition. It is vertical monopoly of four Broadcasters, who are MSOs and DTH player also.

Criteria should be economic condition of consumer.

**DTH providers rates should be much higher than cable rates.**

**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?**

#### **Comment-4**

BST is primary, basic service to run a business. It should be affordable to common men (consumer) in India. Keeping in mind economic conditions of the country. There should be no linkage between BST A-la-carte channel

#### **Chapter-II**

#### **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?**

**Comment- 5** Retail price should be determined by TRAI there can be package system

- i) BST for Rs 82 + Tax (+Inflation)**
  - ii) Pay Channel tier – CAS area proven pricing of Rs 5.35 should be there It is not challenged in any court of Law.**
  - iii) HD Channels-Tier It can be priced Rs 5.35+10% (= Rs 6.00) to cover additional production cost.**
  - iv) Premium channels- Ad free channels, Price of HD Channel/Ad free can be Market driven**
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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?**

#### **Comments 5a**

Yes, A- la- carte price should be 10% more than whole sale price, this is standard profit margin.

**NOTE:** Wholesale price should be fixed by TRAI

- 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?**

**Comment- 5b**

Only two genres (News and Non news) as per licensing conditions, common ceiling.(same rate)

- 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?**

**Comment-5c**

FTA channels are never priced moreover all DD channels are carried compulsorily without any Price. There should be a level playing field.

- d) **Any other method you may like to suggest?**

**Comment- 5d:** (i) Sharing of a single event on two different channels in parts must be stopped. Channels must declare their broadcast dates of an event along with the information whether it will be a exclusive or a shared event at least 6 months before the event, this will enable consumers to decide which channel to subscribe, like many Cricket matches are shown on more than one channel, some matches of the same series on one channel and the rest on the other channel. This is a common practice here adopted by the Pay TV broadcasters that we see often on Ten Sports and Ten action, or on Star Sports, Star Cricket and ESPN etc.

*Chapter-III*

*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?**

**Comments-6**

Too many modifications required Interconnection. Broadcaster,MSO,LCO consumer should made precisely.

Broadcaster---MSO

MSO-----LCO

LCO-----Subscriber

Agreement between MSO and LCO should have a stamp of approval by TRAI for it being fair for both parties.

**Note-** TRAI should put draft agreements on the website, give wide publicity and then invite comments.

All signed Agreements copies should be deposited in TRAI.

**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?**

**Comment-7**

TRAI should determine Revenue share

Reason- MSO have monopoly.

They have direct points

They are partners of Broadcasters

The partners of DTH

They will not be fair to LCO

**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?**

**Comment-8**

Revenue share Broadcaster 25%, MSO 30%, LCO 45%

**Reason---** Subscriber base of Broadcaster and MSO will increase drastically due to digitalization. But LCO area will remain same and his numbers of subscriber are also limited. As he works in limited area.

**NOTE-**

- a. No Revenue share in BST, It should remain with LCO as MSO earns by carriage fee placement free, Advertisement on video channels.(20 in numbers)
- b. Broadcaster gets no share as BST consists of FTA channels and Broadcaster earns through advertisements, dubbing, selling same content internationally, SMS.

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

**Comment-9**

No, As investment of MSO, MSOI and LCO will increase. Hence it should not be mandatory.

**Note-** "Must carry" clause doesn't apply in DTH/ HITS so level playing field should be there for all Digital platform.

If yes (Must Carry Clause) then it should be applied to DTH/HITS providers also.

**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'?**

**Comment-10 –**

Must 'carry provision is only for DD channels

**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?**

**Comment -11**

Carriage / Placement free MUST to be shared WITH LCO's

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

**Comment-12**

For level playing field, carriage should be same for cable DTH/HIT and should with shared with LCOs.

**Note-** TRAI does not talk of carriage of video channels (which channel more than 15) in MSO Network. LCO should get carriage of carrying video channels and share in Advertisements.

**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?**

**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?**

**Comment-**

Standard Agreement should be prescribed by TRAI. After final, there should be no correction of any type otherwise, enough safeguards should be there for weaker party

(LCO) channel aggregator will increase price for MSO and result in consumer price increase.

**Note** There should also be “Service level Agreement (SLA)”

Broadcaster---- MSO

MSO-----LCO

LCO-----Subscriber

This can be part of Interconnect Agreement or separate Agreement.

## *Chapter-IV*

### 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 alongwith detailed justifications.**

#### **Comment-16**

**Note- In this issue TRAI has forgotten Broadcaster Quality of service**

LCO is the last point of contact for subscriber but he should not be held responsible for everything. Broadcasters and MSO/MSOI should also be held responsible in value chain though the duties can be divided

**LCO-** for collection, disconnection, shifting, seeding of STB, collection, giving Receipt.

**MSO** Transfer or shifting by subscriber should be taken care by MSO, It requires STB Shifting

- a. Authentication issue/SMS related issues
- b. Repair Replacement of Faculty STB BY MSO

#### **NO SIGNAL**

**Broadcaster-** No signal can be from broadcasters also.

#### **Reasons-**

- a. Switching off signal without informing public (for any reason)
- b. Bad quality, Poor strength, Noise in Audio, Video
- c. No Professional quality IRD's
- d. Cutting of cable
- e. Natural cause like flood lighting, thunderstorm etc.
- f. Mishappening in Control Room
- g. Equipment fault /break down in control room or on the way.

**LCO** - No signal at LCO level will be taken care by MSO. It can be faulty equipment/ cutting cable or natural calamity.

**Billing:** Billing details should be provided by MSO (through e-mail or by printed billing details) & billing should be done by LCO as he gives service, collects, give Tax given customer care.

He is last and only contact of Consumer.

### **Redressal issues –**

Subscriber----- LCO, TRAI, I&B

LCO----- MSO, TRAI, I&B

MSO----- Broadcaster- TRAI, I&B

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

#### **Comment-17**

- a. Broadcaster signal should have sufficient strength and quality so, cable operator can maintain quality
- b. Broadcaster should provide professional IRD to MSO/MSOI/LCO etc IRD's should have SDI and IP output.

**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?**

#### **Comment-**

80% of cable Industry is run by LCO's and MSOI. They have 25 years of experience. They can very well do above mentioned issues very efficiently.

**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.**

#### **Comment-**

Billing and collection should be done by LCO, As he has been doing the for past 25 years. If any dispute, regarding payment, service, choice, discounts can be resolved immediately by LCO only.

- LCO owns the subscriber base and is last service provider so, only LCO has to the right to **bill subscriber.**

**Note** As per tax Deptt, only final provider of service or product and recipient of the payment can bill to the consumer LCO can make bills hard copy or generate Electronically.

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

#### **Comment-20**

Prepaid billing not permitted for transparency to avoid the complication of Declaration for time being. It can be taken later. Let the Telecom prepaid be sorted out.

### **Chapter-V**

## Miscellaneous Issues

### Broadcasting of Advertisement free (ad-free) channels

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

**Comment-21** Yes

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

**Comment-22**

**Yes** Ad free channel should be market driven as it comes under premium category channel. TRAI should regulate price if Ad free and with Ads channels broadcast both simultaneously

**Note-** It is the same content in both types of channels only the uplinking cost is there which is very negligible. TRAI should Regulate prices for **consumer interest**.

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

**Comment-23** Same as other.

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

**Comment-24**

Revenue shared be same in 'Ad free channels' as in 'with ad channels'. Shared among Broadcast, MSO, LCOs.

## Chapter-VI

### 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.

**Comment-25**

- a. For Level playing field, non-addressable and Non encrypted STB should be available as in DD Direct +.
- b. If MSO shuts down digital system due to any uncontrollable circumstances, MSO can take feed from other MSO to give at least FTA channels
- c. LCO can install his own free to air Digital Head end



- d. Consumer will have Transmission from un-encrypted FTA (Non addressable no encrypted Digital signal) like Analog scenario.
- e. For Consumer interest LCO can add channel within his area as per consumer demand and interest but not telecasted by MSO.
- f. India is a large country, To provide 100% addressable encrypted service to consumer will take time.

Hilly state like Uttarakhand, HP, J&K, N& East States will have these problems.

**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?**

**Comment-26**

On sunset date, Broadcaster will have huge increase in their subscriber Base Projected around 6 M (like from 8 M to 14M) so, TRAI, should control and reduce prices for **CONSUMER INTEREST.**

**27. Any other relevant issue that you may like to raise or comment upon.**

**Comment-27.1**

Sunset date of Analogue should be extended upto 31 Dec 12 for first phase for smooth implementation of DAS, but should allow 40-50 channels in analog to run till 31<sup>st</sup> Dec 2014 till the last phase is implemented fully.

Reasons:-

- a. Because of availability of STB and finance
- b. License of DAS system not clear
- c. Deployment in summer is very difficult.
- d. Trained man power availability
- e. Consumer awareness and training programme.

**27.2**

**MDU** (of DTH should be stopped as it will take away cable business in Transition period causing Unemployment and killing 25 year old industry.

**Note:-**It is a silent Back door entry. There is a hidden Agenda to enter cable business with Digital addressable encrypted system.

**27.3**

- a. Registration of DAS operator should be made easy for all, with less restriction, so, the digitalization is smooth and faster.
- b. New operators /MSO and Independent MSO's have not placed order/ installed Digital addressable system, and are waiting for clarity.

- c. Registration of DAS MSO/LCO should be faster, easier, Transparent with less conditions. Clarity needed
- d. MSOI/ already given CAS licenses, should be allowed to move out of CAS Zone, to do business if they have put up Digital Addressable encrypted system.

#### 27.4

- a. FDI for cable operator should be 49%.
- b. If National MSO get FDI, 74%, then they should put 35% of this amount in rural area to promote Digitization not concentrate only in TAM Cities. (**Like in Telecom (USO) universal service obligation**).
- c. Putting Digital Head ends should be made mandatory for all foreign investor in cable TV system in rural area.

#### 27.5

- a. **HITS** is not there at all but in Parliament I &B Minister said HITS will help small LCO and they will not be out of job.
- b. **HITS** should be allowed only on C-BAND, not on KUBAND.

#### 27.6

- The draft Model Agreement for pay Broadcaster, MSO and LCO should put in TRAI website/take suggestion. Once Agreement is approved no addition deletion should be allowed by any party. Eg- These have been complaints that pay Broadcaster and Large MSO Pressure and amend conditions which result in dispute in TDSAT.

#### 27.7.

- a. There should be regular monitoring by TRAI during implementation of DAS.
- b. TRAI should keep a record of how many request have come to broadcaster's for content and in how many days, he has taken to give content. There should be a time frame with penalty. Broadcaster should give reason for not providing content within time frame same.
- c. Broadcaster refuses content on trivial issues. This will hamper process of Digitization.
- d. Broadcaster should lay down its condition in advance to TRAI, so MSO/LCO can act accordingly
- e. Since there is a vertical Monopoly. Broadcasters are MSOs, DTH player also. They do not promote/ allow a MSOI or a new player.

#### 27.8

Cable TV service should be put under category of essential services. As consumer is watching DD channels, education news entertainment prog with family in house.

#### 27.9

There should be 'Grievance cell' in TRAI, where redressal of stake holder can be taken care of.

**27.10**

- a. Consumers get irritated by Long Advertisements. Time of advt per hour should be fixed.
- b. TRAI should fix price for consumer depending on the Advertisement of channels.

**27.11**

Licenced/ Postal Registration MSO/LCO should allowed to give internet-

**27.12**

ISP Licence condition should be made easier for MSO/LCO. As most of the operator work are individual or partnership companies. Allow individual or partnership companies also.

**27.13**

What will happen to large Hotels, institutions, companies? More clarity is required as no representation from them.

**27.14**

Spectrum Policy?

**27.15**

- a. **Becil Certification**----Even after spending around Rs 10 L- Operator / MSO does not get content from Broadcaster. They have to go to TDSAT to get content. Then why the wastage of money ON Becil Certification.

Becil also do not have proper testing equipment.

**27.16**

What is the planning of TRAI for FTA operator, who are not connected to any MSO, or do not have any pay channel. For so many years none of the MSO gave him feed due to internal competition.

**27.17**

- a. Will all state Govt of Metros have been taken into confidence.
- b. What happen if Arasu in Tamil Nadu do not turn Digital.
- c. Or CM/WB Mamata Banerjee Keeps consumer interest in mind

**27.18**

- a. Will MSO demarcate or limit the area of LCO in Metros. This generates **consumer MONOPOLY.**
- b. LCO should get feeder line of two or more MSO so he can give choice/ variety to CONSUMERS.
- c. **Note:** CONSUMER CAN get package of HATHWAY, DEN or IN or any other package.
- d. This will also create healthy content competition amongst MSOs.

**27.19**

1. **MSO should not do the last mile**
2. **They should not get the license for Last Mile Service.**
3. **MSO should not raise Dummy operator to Armtwist an old operator.**

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