

Cable Operators Federation of India

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21 April 2013

Sh Rahul Khullar

The Chairman

Telecom Regulatory Authority of India

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Sub: Comments on Consultation Paper on Issues Relating to Media Ownership

Sir,

Please refer to your Consultation Paper on Media Ownership dated 15 February 2013.

It is highly appreciable of TRAI to make such an elaborate consultation paper on a subject which is extremely important for a country like India where gap between the rich and the poor is too large. To improve our economy we need to decrease this gap by giving more opportunities to small and medium enterprises and self employed people to grow. This can only happen when we curb vertical monopolies of large enterprises by restricting cross media holdings. This is more important for the Media industry that can change the mindset of people at large.

If implemented effectively, cross media restrictions on ownership will be the next big reform in the industry after digitalization. In 2009 also TRAI gave its recommendations on this subject after consulting all stake holders but I&B Ministry ignored them. Even Administrative College of India (ASCI) gave their findings in 2009 but they were also ignored till Parliamentary Committee on Communications and IT took note of it in 2012 and asked the Ministry to take action.

Most of the problems faced by the industry including hurdles in DAS implementation are due to cross media ownership, vertical and horizontal monopolies and cartelization. Lack of effective regulations in this area has made some media conglomerates create large monopolies circumventing existing rules and regulations. Even Competition Commission has failed to nail them down as everything appears fine on paper whereas other stake holders feel their adverse impact every day. These companies are taking undue advantage by indulging in unfair practices which are difficult to prove in court of law.

To curb these malpractices we need to empower small enterprises and create a level playing field to introduce fair competition. The Government should treat these practices especially in the media & broadcasting industry as anti national and a criminal offence because it destroys plurality of views so much essential for a democracy to survive. It also takes away the constitutional right of thousands of self-employed people to respectfully and peacefully earn their livelihood.

We regret to say that your Consultation Paper on the subject is too technical for a common man to even understand. These calculations are complex and need statistical expertise which the small, most effected stake holders will never understand. Even consumer organisations will not be able to provide the right feedback although implication of monopolies is most damaging for them.

We sincerely wish to express that the Regulator should understand the underlying meaning of these comments and make its own expert decision to frame regulations to benefit all. Some of the ills dogging this industry are mentioned below:-

1. Growing vertical monopolies /cross media holdings and cartelisation in content as well as distribution platforms.

(a) Broadcasters should not be allowed to invest in distribution platforms like DTH, MSO, IPTV, HITS, Mobile TV and Broadband and vice versa.

(b) DTH Operators, HITS, MSOs, Mobile TV, IPTV operators should not be investing in each other business.

(c) Restrict same VC and FIIs to invest in more than one media / broadcasting / distribution company. Also check background of the investors, particularly the foreign investors.

This will result in more investors / service providers coming in this trade and benefit Consumers. This will also bring more transparency to the business.

2. Cartelisation by Broadcasters in the name of Consolidation.

(a) Content aggregator companies were raised hiving off distribution departments of pay broadcasters to form distribution cartels having greater power of negotiation and even blackmailing.

(b) Definition of Broadcaster as given in the Cable TV Rules states '**any person including an individual, group of persons, public or body corporate, firm or any organization or body who or which is providing programming services and includes his or her authorized distribution agencies**'. Although purpose of this definition might be to include agents of foreign broadcasters who were handling their affairs in India before the downlinking guidelines were notified, aggregators who had no identity so far have been deemed to be Broadcasters now.

(c) Aggregators of these broadcasters are now making bigger cartels making JVs and becoming more powerful than before just at the time when the whole cable TV industry is struggling to implement government mandate. **(Please see Annexure –I attached as an example of such as large cartel).**

(d) Since all broadcasters downlinking in India must be registered and have their offices in India, there is no place for aggregators. All agreements with cable operators and MSOs must be signed by the broadcasters individually because they are liable to provide legal content to the distributors complying with Cable TV Act and Rules including programming code and advertisement code.

Thus, there is a need to redefine 'Broadcaster' and aggregators if identified as separate stakeholders, must be licensed and cross media restrictions be applicable to them as well as independent business entities and not offshoots of pay broadcasters. Otherwise aggregators should be treated as illegal.

Some suggestions to curb the monopolistic practices of Broadcasters are given below:-

- (a) Restrict the number of channels by each broadcaster; it should not be more than ten.
- (b) Further restrict the number of channels genre wise for each broadcaster, it should not be more than two.
- (c) Every broadcaster either distributes their contents themselves or shall appoint compulsory minimum of two or more agencies / distributors as was the Intent of law from whom the service providers (MSO/DTH Operators) can take contents. In this scenario no channel aggregator is permitted. Agreements should only be between Licensed Broadcaster and Licensed Service Provider (MSO/DTH Operator).
- (d) Broadcasters must declare MRP of individual channel as well as bouquets of channels to the subscribers so that transparency be maintained. Subscribers must know the MRP of the channels they choose so that they may not feel cheated. Presently on different platforms different service providers are charging different rate for the same channel. LCOs also have no idea about the rate on which they will get the margin. If broadcaster declare the MRP then it becomes easy to achieve the transparency at each and every level.
- (e) Presently restriction of 12 minutes per clock hour on advertisements is same for FTA and pay channels. **This is unjustified. This restriction is right for FTA channels but for pay channels it should not be more than 6 minutes** as TRAI has left them free to charge whatever they wish and they get a huge subscription from consumers. Apart from making a difference in the two types of channels, conversion from one to the other will also benefit the subscribers. If subscriber opts for FTA channel he pays less and if he subscribes a pay channel, he can freely watch the channel with less of advertisements.
- (f) One of the reason Broadcasters were pushing for speedy implementation of DAS was that they were getting only 15-20% of subscription revenue due to under declaration. **Now DAS has been successfully implemented in all the TAM cities and their revenues should be shooting up with introduction of transparency in subscriber numbers, TRAI must make them strictly adhere to the advertisement caps and also control their channel prices to benefit the consumers. At present 'Pay' channel prices have skyrocketed post DAS and subscribers will be forced to pay 2 to 3 times their present subscription every month. (See Annexure – III attached for a comparison of Pay TV rates in CAS & DAS)**

3. To curb monopolies in MSO operation following is suggested:-

- (a) Restrict the total number of subscribers per control room like one control room should not have more than 1 million subscribers. For example if MSOs spoils the signal of any broadcaster like disturbing audio of the channel in a large network, may make an excuse of a technical problem but if the MSO has more than one control room and in all the control rooms a similar problem remains, the same then is clear that it is due to malafide intention of the MSO and the act is done deliberately.

(b) If an MSO has 4 million subscribers then as per TRAI guidelines unless 5% (200000) subscribers demand any particular channel MSO need not telecast that channel on its network. Whereas if he has to establish a headend for only 1 million subscribers, demand from only 50000 subscribers will make him telecast the channel.

(c) Restrict MSOs that there shall not be more than 20% share of total subscribers base of the respective city. Apart from this restriction, state level restriction can also be imposed depending upon the size of the MSO. An MSO can be restricted to a particular state according to licensed conditions.

(d) After implementation of DAS MSOs have been given an upper hand in controlling LCO's subscribers as well as their revenue. **This is likely to make them force the LCOs to give them stakes in their networks as JV partners. This may also force some LCOs to handover their entire business to them.** This must be checked and controlled in the beginning by TRAI otherwise it may lead to furthering the cause of large monopolistic MSOs supported by their broadcast companies. This situation will be very harmful for the subscribers too.

Bring Interoperability

Government should also permit technical interoperability to benefit the subscribers. MSOs/DTH operators hesitate to implement this feature in their STBs. TRAI should give strict instructions to the distribution platforms like MSO/DTH etc. that if a subscriber purchases a set top box from open market which is interoperable (with CI slot), then MSO/DTH player must provide CAM Module + CAS card to the subscriber so that subscriber can easily switch over their service provider. Already TV manufacturer are ready to launch their TVs with built in CAM Module. This will enable the subscriber to end the need of STB and it will also save him huge investment in STB.

4. DTH Must be stopped from interfering in Cable TV Digitisation.

- (a) DTH should not be allowed MDU.
- (b) Enforce technical Interoperability as provided in the Guidelines.
- (c) If any subscriber of a DTH service wishes to switch to DD Direct+ of Prasar Bharati on the same STB, he should be able to do so by just tuning on DD DTH service.

5. Broadcast Bill

6.

DTH guidelines that have been issued by the Ministry dilute some of the restrictions on cross-media and intra-media holdings that were conceived in the Broadcast Bill presented to Parliament in 1997. That Bill was referred to a Select Committee and only lapsed when the Lok Sabha was prematurely dissolved in December 1997. But clearly, in diluting the anti-monopoly spirit of the 1997 Bill the government today seems to have accorded higher priority to the pragmatic consideration of attracting investment into the DTH sector.

Under the 1997 proposals, a satellite television broadcaster would not be entitled to bid for a DTH licence. Neither would a cable networking company be allowed entry into DTH or satellite television broadcasting. The present policy removes these broad restrictions, but holds down to 20 per cent the equity stake that a broadcast or networking company can have in a DTH entity.

The 1997 Bill had also laid down clear restrictions on cross media holdings. A print media enterprise could not hold a stake in excess of 20 per cent in a company with a broadcasting licence. Nor could a broadcaster hold more than 20 per cent stake in a newspaper publishing company. The DTH guidelines now remove this category of restraints in their entirety.

It is suggested that Broadcast Bill must be brought into light again to organize the industry in a better fashion. We also suggest the following:-

- (a) Need broadcasting Authority to regulate Broadcasting sector.
- (b) TRAI's recommendations for promoting digitalisation including waiver of import duty, tax holiday and fiscal incentives must be accepted by the government. **(Summary of TRAI recommendations dated 05 August 2010 attached as Annexure-II)**
- (c) Transparency required on each level.
 - i. Between Broadcasters and MSO
 - ii. (b) Between MSOs and LCOs
 - iii. Between LCOs and consumers

Competition Act Already Exists

A very important aspect we wish to highlight is that there is a Competition Act 2002 existing in the country that superseded the MRTP Act and it takes care of monopolies and anti competitive practices in any market including television media. Its implementation is being looked after by Competition Commission of India (CCI). There are many definitions like 'Acquisition', 'Agreement', 'Cartel', 'Consumer', 'Relevant Market', 'Service' etc. which already exist in the Competition Act and are to be determined by Competition Commission of India with reference to the relevant product market or the geographic market.

TRAI is also trying to define the relevant markets, geographic markets and mergers and acquisitions etc. which may clash with the existing regulations in Competition Act and Rules. It needs to be clarified if the definitions arrived at and recommended by TRAI will be followed by the Competition Commission of India introducing amendments in the Competition Act or they will once again lie in the cupboards of I&B Ministry forever just like many other TRAI recommendations on Cable TV industry given since 2004?

It also needs to be clarified as to **who will settle disputes regarding monopolies, vertical integration and market dominance; TDSAT or Competition Commission?**

Interests of Small stakeholders not looked after

Another relevant issue is **how the government will restrict cross media holdings that have grown unabated under the nose of the Ministry**, particularly after TRAI took over the task of regulating the industry.

It has also been observed that due to lack of understanding of functioning of the industry as well as technologies used in broadcasting and their implications, many decisions taken by Competition Commission or TDSAT in different cases may not stand the test of time and cause irrevocable harm to the aggrieved stake holders, particularly if it is a small stake holder not having the means to defend its case due to lack of resources. Already many such cases exist in the industry.

In one such case a large media Group having vertically integrated companies in the field of TV content broadcasting, content aggregator, DTH, MSO networks, FM radio stations in the whole state and enjoying a strong political clout had literally wiped out all competition from a regional

market but the Commission gave it a clean chit saying that since DTH is a nationwide service, it cannot be treated as a competitor to a small MSO who has his reach limited to the city or state and hence is not a threat to the MSO business.

In another case TDSAT has already declared some of the TRAI DAS regulations as ‘Bad in Law’. **It is the Government who has to ensure a mechanism whereby small stake holders are taken care of so that they do not become the victims of bad policies that are tailor made to help only a few large companies.**

We have also noted that even TRAI’s recommendations and regulations help only the vested interests of some large players because ground realities are overlooked or not known.

From what we have seen since 2004 in the process of consultation by TRAI, only the large media groups influence the minds of the regulator because they are represented by legal experts and supported by national level industry associations who have a direct approach to the Ministry and TRAI and lobby for the interests of their employers/ sponsors.

Consumer Organisations do not provide adequate feedback because most of the time they do not understand technologies and their implications.

Small stakeholders do not have a voice in the process because they fail to understand the consultations written in English placed only on TRAI website. Considering the broadband reach of just 4% in the country majority of small stake holders don’t even come to know what is happening. Also, there is no publicity made by TRAI in regional press, satellite channels or radio channels to get the feedback from smaller markets.

Mode of submission of these feedbacks is either through e-mails or courier/ post. E-Mails from large organizations reach TRAI in time but due to low literacy levels small entrepreneurs are unable to express their views in English and post them in time. More over the post system is too slow to make any views reach within the given response time.

One or two organizations of small stake holders who send their feedback are generally ignored by the Ministry as well as TRAI in favour of views from large groups who are able to send their feedback through multiple channels like trade association including IBF, NBA, MSO Alliance; international associations like CASBAA and MPA; national associations like CII, ASSOCHAM and FICCI and international research and consultancy organisations like PwC, Earnst & Young, etc. Not only this, if Associations of smaller organizations wish to make a point in conferences, stake holder meetings or Task Force meetings, they are shunned outright as anti system.

Under these circumstances, it is very difficult to frame the right regulations. It becomes important for the regulator and the Ministry to study all available information with an unbiased mind, find the ground realities themselves and then frame the regulations considering the existing conditions on the ground. For example what is good in the US market today cannot be adopted by us in our market because US cable market consolidated 25 years ago whereas we are still struggling to do that. We cannot bring the change in a day.

Both service providers and consumers must be given adequate time to adopt the new technologies and adjust with the new regulations.

Q1: In your opinion, are there other entities, apart from entities such as political parties, religious bodies, Government or government aided bodies which have already been recommended by TRAI to be disqualified from entry into the broadcasting and distribution

sectors, which should also be disqualified from entry into the media sector? Please elaborate your response with justifications.

Comments

In our opinion, there are no other such entities that should be disqualified from entry into the broadcasting and distribution sectors.

Q2: Should the licensor, either *suo motu* or based on the recommendations of the regulator, be empowered to disqualify any entity from entering the media sector in public interest? For instance, should the licensor or the regulator be empowered to disqualify (or recommend for disqualification) a person who is subject to undue influence by a disqualified person.

Comments

Disqualification should be done by an autonomous body or a group of Ministers / Inter-ministerial body after receiving recommendations from the regulator. No *suo motu* action is suggested.

Media Ownership/ Control

Q3: Should ownership/ control of an entity over a media outlet be measured in terms of equity holding? If so, would a restriction on equity holding of 20% (as recommended by TRAI in its recommendations on Media Ownership dated 25th Feb 2009) be an appropriate threshold? Else, please suggest any other threshold value, with justification?

Comments

Ownership Control of an entity over a media outlet may be measured in terms of equity holding and restriction of not more than 20% as recommended earlier is acceptable.

Q4: In case your response to Q3 is in the negative, what other measure(s) of ownership/ control should be used? Please support your view with a detailed methodology to measure ownership/ control over a media outlet.

Media Ownership rules

Q5: Should only news and current affairs genre or all genres be considered while devising ways and means to ensure viewpoint plurality? Please elaborate your response with justifications.

Comments

There can not be a limit to the number of genres. As the number of channels keeps increasing, genres will also increase. But we can start with the major genres existing today namely- GEC, News & Current Affairs including Business, Sports, Kids, Music, Travel, Health & Fitness while considering plurality of viewpoint.

The measure of plurality of viewpoint should be the collective viewership of a genre in all languages. A genre can be recognised for the purpose by number of viewers it has all over India.

Q6: Which media amongst the following would be relevant for devising ways and means of ensuring viewpoint plurality?

- (i) **Print media viz. Newspaper & magazine**
- (ii) **Television**
- (iii) **Radio**
- (iv) **Online media**
- (v) **All or some of the above**

Comments

All the above have a strong influence on the viewpoint of the population. However today Television and Print Media are dominating.

Q7: Should the relevant markets be distinguished on the basis of languages spoken in them for evaluating concentration in media ownership? If your response is in the affirmative, which languages should be included in the present exercise?

Comments

Relevant markets are different for different media. Hence no one definition will suffice. Language only can not distinguish a market.

Q8: If your response to Q7 is in the negative, what should be the alternative basis for distinguishing between various relevant markets?

Comments

Geographic limits can be specified for a market like Municipal area, City, District, State or a nation. This will also take care of market based on language.

For example for DTH the relevant market is the whole country. For an LCO a city locality may be the relevant market. A Tamil channel relevant market is all Tamil speaking people in the country.

Another way of distinguishing a market can be licensed area.

Q9: Which of the following metrics should be used to measure the level of consumption of media outlets in a relevant market?

- (i) **Volume of consumption**
- (ii) **Reach**
- (iii) **Revenue**
- (iv) **Any other**

Please elaborate your response with justifications.

Comments

Volume of consumption should be used to measure the level of consumption.

Q10: In case your response to Q9 is „Any other“ metric, you may support your view with a fully developed methodology to measure the level of consumption of various media outlets using this metric.

Comments

Q11: Which of the following methods should be used for measuring concentration in any media segment of a relevant market?

- (i) C3**
- (ii) HHI**
- (iii) Any other**

Comments

HHI appears to be the most accurate method and should be adopted. However, it is sad to say that these tests are not being done while handling complaints of monopolies in the media market by Competition Commission too as revealed by some recent cases where media dominating companies were given clean chit. There is a need to seriously examine this issue otherwise all our calculations will fail and we will have one or two media conglomerates dominating the market.

Another important point to maintain plurality and diversity of opinions is that the regulations must not be such that companies can take advantage and easily circumvent them. Unfortunately in a democracy like ours every media has all types of players; big and small. Big players are very few and have the means to engage in prolonged legal battles but the suffering parties or the complainants are mostly small players and do not have the resources to every time go to the courts which the government or the regulator expects them to do in case of disputes. Result is that smaller players have no protection from the regulations and continue to suffer till their business closes.

Regulations must be clear and easily implementable so that there should be minimum need for judicial intervention.

Q12: If your response to Q11 is „Any other“ method, you may support your view with a fully developed methodology for measuring concentration in any media segment of a relevant market using this method.

Comments

Q13: Would Diversity Index be an appropriate measure for overall concentration (including within media and cross media) in a relevant market?

Comments

Yes, Diversity Index is an appropriate measure.

Q14: In case your response to Q13 is in the affirmative, how should the weights be assigned to the different media segments in a relevant market in order to calculate the Diversity Index Score of the relevant market?

Comments

Q15: Would it be appropriate to have a “1 out of 3 rule” i.e. to restrict any entity having ownership/control in an outlet of a media segment of a relevant market from acquiring or retaining ownership/control over outlets belonging to any other media segment? Please elaborate your response with justifications.

Comments

In a market like India there is no shortage of market players. The more the players more will be the diversity and better will be the competition. Hence 1 out of three rule is good for India.

Q16: Alternatively, would it be appropriate to have a “2 out of 3 rule” or a “1 out of 2 rule”? In case you support the “1 out of 2 rule”, which media segments should be considered for imposition of restriction? Please elaborate your response with justifications.

Comments

Q17: Would it be appropriate to restrict any entity having ownership/ control in a media segment of a relevant market with a market share of more than a threshold level (say 20%) in that media segment from acquiring or retaining ownership/ control in the other media segments of the relevant market? Please elaborate your response with justifications.

Comments

The threshold should be 15% for having / acquiring control over another media. It will ensure room for many players in the market.

Q18: In case your response to Q17 is in the affirmative, what should be such threshold level of market share? Please elaborate your response with justifications.

Comments

Q19: Would it be appropriate to lay down restrictions on cross media ownership only in those relevant markets where at least two media segments are highly concentrated using HHI as a tool to measure concentration? Please elaborate your response with justifications.

Comments

Q20: In case your response to Q19 is in the affirmative, please comment on the suitability of the following rules for cross media ownership:

(i) No restriction on cross media ownership is applied on any entity having ownership/ control in the media segments of such a relevant market in case its contribution to the HHI of not more than one concentrated media segment is above 1000. (For methodology of calculation please refer para 5.42)

(ii) In case an entity having ownership/ control in the media segments of such a relevant market contributes 1000 or more in the HHI of two or more concentrated media segments separately, the entity shall have to dilute its equity in its media outlet(s) in such a manner

that its contribution in the HHI of not more than one concentrated media segment of that relevant market remains above 1000 within three years.

Comments

Q21: Would it be appropriate to lay down the restrictions on cross media ownership only in highly concentrated relevant markets using Diversity Index Score as a tool to measure concentration? Please elaborate your response with justifications.

Comments

Restrictions should be in all the markets

Q22: In case your response to Q21 is in the affirmative, please comment on the suitability of the following rules for cross media ownership in such relevant markets:

(i) No restriction on cross media ownership is applied on the entities contributing less than 1000 in the Diversity Index Score in such a relevant market.

(ii) In case any entity contributes 1000 or more in the Diversity Index Score of such a relevant market, the entity shall have to dilute its equity in the media outlets in such a manner that the contribution of the entity in the Diversity Index Score of the relevant market reduces below 1000 within three years.

Comments

Q23: You may also suggest any other method for devising cross media ownership rules along with a detailed methodology.

Comments

- a) In every local area, there must be three separate media companies supplying radio, TV, and newspaper services.
- b) No one person controlling more than 20% of national newspaper circulation may own more than 15% of an Independent TV license.
- c) No one person owning a regional TV license may control more than 15% of the newspaper market in that region.
- d) No one person owning a regional TV license may own a local radio station with more than 45% coverage of the same area.
- e) No one person owning a local newspaper may own a local radio station where the newspaper accounts for more than 45% of the circulation within the station's coverage area.
- f) No person may acquire a commercial TV Channel licence if he or she runs one or more national newspapers with an aggregate market share of 15% or more;
- g) The holder of a commercial TV Channel licence may not acquire an interest of 15% or more in a body corporate running one or more national newspapers with an aggregate market share of 20% or more.

Q24: In case cross media ownership rules are laid down in the country, what should be the periodicity of review of such rules?

Comments

Every five years

Q25: In case media ownership rules are laid down in the country, how much time should be given for complying with the prescribed rules to existing entities in the media sector, which are in breach of the rules? Please elaborate your response with justifications.

Comments

Not more than one financial year

Mergers and Acquisitions

Q26: In your opinion, should additional restrictions be applied for M&A in media sector? Please elaborate your response with justifications.

Comments

Yes. Restrictions must be applied for M&A in media sector. It will depend from case to case. What is important for the regulator is to check Cartelisation in the name of merger. Also circumstances of such acquisitions and mergers must be gone through by the regulator. However, we feel this is the subject of Competition Commission of India.

Q27: In case your response to Q26 is in the affirmative, should such restrictions be in terms of minimum number of independent entities in the relevant market or maximum Diversity Index Score or any other method. Please elaborate your response with justifications.

Comments

Vertical Integration

Q28: Should any entity be allowed to have interest in both broadcasting and distribution companies/entities?

If „Yes“, how would the issues that arise out of vertical integration be addressed?

If „No“, whether a restriction on equity holding of 20% would be an adequate measure to determine „control“ of an entity i.e. any entity which has been permitted/ licensed for television broadcasting or has more than 20% equity in a broadcasting company shall not have more than 20% equity in any Distributor (MSO/Cable operator, DTH operator, HITS operator, Mobile TV service provider) and vice-versa?

You are welcome to suggest any other measures to determine „control“ and the limits thereof between the broadcasting and distribution entities.

Comments

(a) Broadcasters should not be allowed to invest in distribution platforms like DTH, MSO, IPTV, HITS, Mobile TV and Broadband and vice versa.

(b) DTH Operators, HITS, MSOs, Mobile TV, IPTV operators should not be investing in each other business.

Measures proposed in the draft Broadcast Bill 1997 may be adopted.

Mandatory Disclosures

Q29: What additional parameters, other than those listed in para 7.10 (i), could be relevant with respect to mandatory disclosures for effective monitoring and compliance of media ownership rules?

Details of foreign investor must be available publically including list of directors and equity partnerships.

Comments

Q30: What should be the periodicity of such disclosures?

Comments

Yearly or whenever the change takes place

Q31: Should the disclosures made by the media entities be made available in the public domain?

Comments

Yes

Other Issues

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

Our comments are already given in the prelude.

Yours Faithfully,

Roop Sharma

9810069272

Annexure-III

(COFI Response to TRAI Consultation
on Cross Media Ownership 15 Feb 2013)

Impact of Cartelisation and weak Regulations

COMPARATIVE CHART OF PAY TV RATES FIXED FOR CAS AND UNREGULATED FOR DAS

S.No.	Name of the Channel	CAS Rate to Operator	DAS Rate to Operator	% Change
01	Star Sports	2.40	14.89	+620.4%
02	ESPN	2.40	14.89	+620.4%
03	Star Cricket	2.40	12.58	+524.2%
04	Life OK	2.40	9.21	+383.8%
05	Colors	2.40	8.99	+374.6%
06	SET	2.40	8.99	+374.6%
07	Ten Cricket	2.40	14.89	+620.4%
08	Star Plus	2.40	7.87	+327.9%
09	Set Max	2.40	7.64	+318.3%
10	Star Gold	2.40	7.42	+309.2%
11	Star Movies	2.40	7.42	+309.2%
12	Movies Ok	2.40	7.14	+297.5%
13	HBO	2.40	7.01	+292.1%
14	Pogo	2.40	5.62	+234.1%
15	Discovery	2.40	6.74	+280.8%
16	SAB TV	2.40	6.17	+257.1%
17	Zee Cinema	2.40	5.83	+242.9%
18	Cartoon	2.40	5.62	+234.2%
19	Zee TV	2.40	5.83	+242.9%
20	AXN	2.40	6.52	+271.7%
	Total	48	171.27	+357%

Chapter IV: Summary of Recommendations
Dated 05 Aug 2010

4.1 The Authority recommends that digitization with addressability be implemented on priority for Cable TV services in Non-CAS areas.

4.2 The Authority recommends that the equipments, devices and accessories used by the cable TV service providers be compliant to relevant BIS standards.

4.3 The Authority recommends that for implementing the sunset date for Analogue Cable TV services, the Cable Television Networks (Regulation) Amendment Act 2002, be suitably amended.

4.4 The Authority recommends that the licensing provisions made in the - “Recommendations on Restructuring of Cable TV Services” dated 25th July 2008, be implemented for LCOs and MSOs.

4.5 The Authority recommends that all service providers who have set up a digital addressable distribution network before the sunset date(s) indicated in paragraph 3.11, be treated similar to telecom service providers and be eligible for income tax holiday for the period from the date of setting up of the network, or 1.04.2011 whichever is later, till 31.03.2019. For this purpose, the date of certification by M/s BECIL or any other agency authorised by TRAI will be reckoned as the date of setting up of the network.

4.6 The Authority recommends that the basic custom duty on digital head-end equipments and STBs be reduced to zero for the next 3 years to give a boost to conversion of the broadcast distribution network to digital addressable.

4.7 The Authority recommends that the taxes/levies on the broadcasting distribution sector be rationalized.

4.8 The Authority recommends that the MSOs/LCOs be eligible for seeking Right of Way (RoW) on non-exclusive basis for laying optical fibre/cable network. (Paragraph 2.81)

4.9 The Authority recommends that a massive education programme be taken up to educate the stakeholders about the benefits of a digital addressable cable TV network.

4.10 The Authority recommends that the migration to a digital addressable cable TV system be implemented with sunset date for Analogue Cable TV Services as 31st Dec 2013, in four phases as follows (Ref. Annexure IV):

Phase I: In four Metros – Delhi, Mumbai, Kolkata and Chennai, by 31st March 2011.

Phase II: In all cities having a population of over one million, by 31st December 2011.

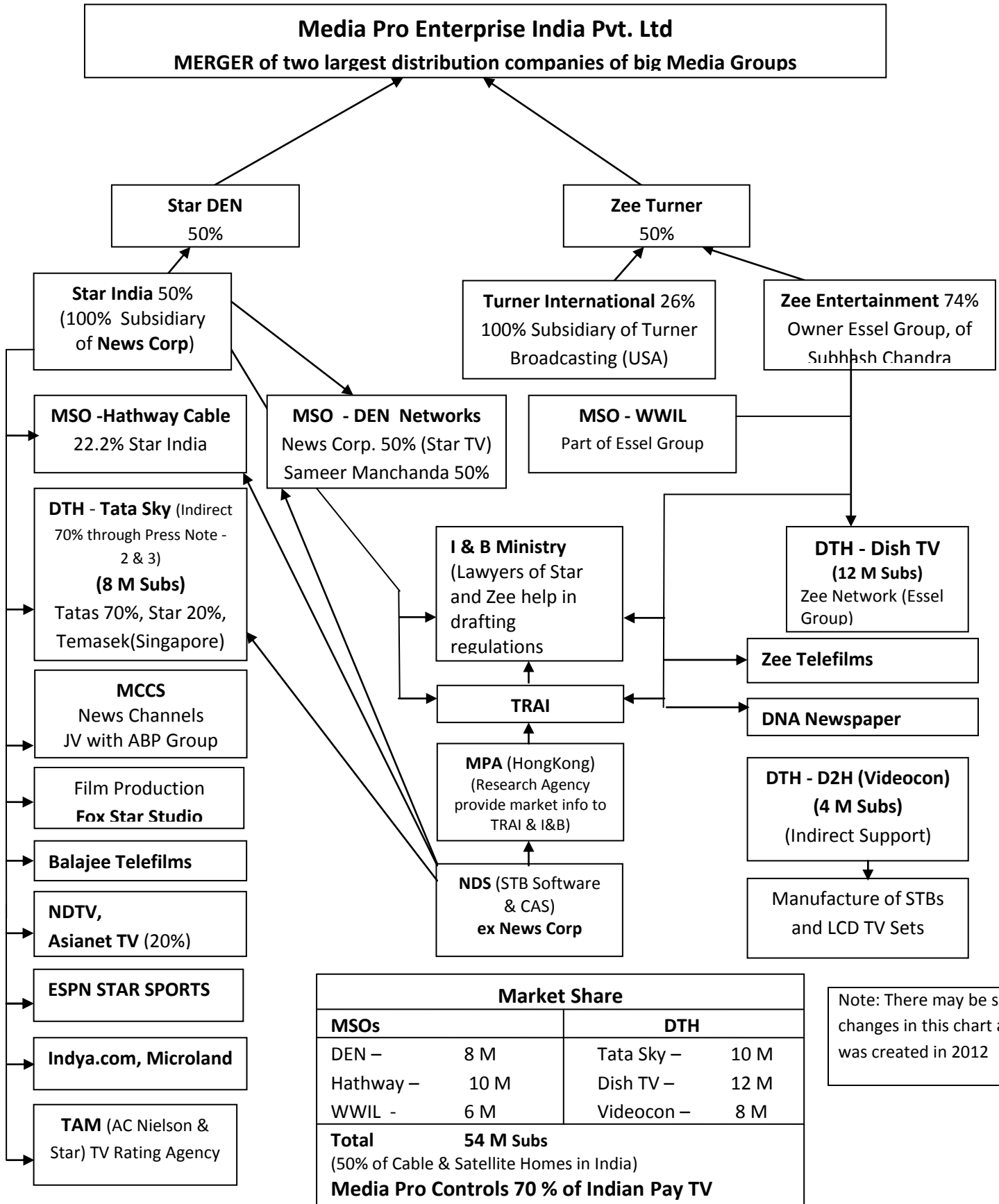
Phase III: In all other urban areas (municipal corporations/municipalities), by 31st December 2012.

Phase IV: In the rest of India, by 31st December 2013.

Annexure-I

(COFI response to TRAI Consultation
on Cross Media ownership Dt 15 Feb 2013)

VERTICAL MONOPOLY EXAMPLE



Market Share			
MSOs		DTH	
DEN –	8 M	Tata Sky –	10 M
Hathway –	10 M	Dish TV –	12 M
WWIL -	6 M	Videocon –	8 M
Total	54 M Subs		
(50% of Cable & Satellite Homes in India)			
Media Pro Controls 70 % of Indian Pay TV			

Note: There may be some changes in this chart as it was created in 2012