

To,

Mr. S.K. Gupta-Pr. Advisor (B&CS)  
Telecom Regulatory Authority of India,  
Mahanagar Doorsanchar Bhawan,  
Jawahar Lal Nehru Marg,  
New Delhi-110002

Date: 22<sup>nd</sup> March, 2016

Dear Sir,

Subject: Comments on Consultation Paper on Tariff Issues related to TV Services dated 29th January 2016

We compliment the Telecom Regulatory Authority of India (TRAI) on finally issuing a detailed Consultation Paper (CP) which seeks to address various issues confronting the entire value chain of the Television broadcasting and TV distribution Industry. TRAI has rightly identified the core issue that forms the basis of all litigation amongst the stakeholders; primarily, current Broadcasters' Tariff for Delivery Platform Operators (DPOs) which is a derivation of the analogue regime and is continuing for several years based on Court Order. This attempt of TRAI to notify a comprehensive Tariff Order in the Digital regime is highly appreciable and augurs well for orderly growth of the TV industry. This will ensure that disputes and litigation are kept to the minimum and TV industry stakeholders can operate in an environment, which is transparent, in parity and non-discriminatory.

We would like to place on record our views with regard to the current state of affairs of the TV industry (before providing a point by point response to the questions posed in the CP).

1. In most industries (manufacturing or services), the end customer pricing is determined by the manufacturer/ service provider. Eg: FMCG, Telecom, Consumer Durables etc. operate on this model so as to protect the interests of all players in the value chain. TV industry is the only industry wherein the customer price is not determined by the content creator viz., Broadcaster.
2. The CP while it seeks to address numerous issues facing various stakeholders in the TV industry value chain, also needs to consider the interest of the Local Cable Operator (LCO) who constitute a critical part of the DPO chain in Cable TV. In fact, initially, the industry was built through the efforts of the LCO and hence it is critical to acknowledge their role and address all inter-connection related issues so that transparency and trust can be established across the industry.
3. A unique aspect of the TV industry is that there is no correlation between the Customer pricing and the manner in which deals are struck between Broadcasters and DPO/ DPO and the LCO. . All three are done independent of each other by each player depending on their scale of operations and their business

- requirements, leading to several imbalances within the ecosystem and ultimately impacting customer choice.
4. The current definition of DPO should include all delivery platforms that exist currently or will get created in future for both Linear and Non Linear distribution of Content, they be treated equal and in parity. Currently, the reference to DPO in the CP seems to refer only to DTH, Cable, IPTV and HITS platforms only. All emerging platforms, including Over the Top (OTT), or any such mode of distribution that will emerge with the evolution of technology should be governed by the Tariff Order. Currently, there is disparity in the pricing at which broadcasters offer content to various DPOs and therefore customers of DPOs are discriminated which affect the industry. In fact, the broadcasters offer content free on their own OTT platform to the subscribers as they are not currently under the ambit of regulation.
  5. Vertical integration in the value chain leads to unfair trade practices, impacting independent players and creates discrimination. Due to lack of regulated transparent uniform pricing, companies under the garb of negotiated fixed fee pass on undue advantages/ favours to their vertically integrated DPO companies creating unfair trade practice putting the independent competitors at a disadvantage. This issue also amplifies the concern raised in point # 4 wherein vertically integrated, illegal OTT platforms get undue advantage, whereas Broadcaster companies continue to be in blatant, deliberate violation of Clause 5.6 of the Article 5 of Downlinking guidelines issued by the Ministry stipulates that all the Broadcasters (Channels) shall provide Satellite TV channel signal reception decoders only to MSOs / Cable Operators registered under the Cable Television Networks (Regulation) Act, 1995 or to a DTH operator registered under the DTH guidelines issued by Government of Indian or to an Internet Protocol Television (IPTV) Service Provider duly permitted under their existing Telecom License or authorized by Department of Telecommunications or to a HITS operator duly permitted under the policy guidelines for HITS operators issued by the Ministry of Information and Broadcasting, Government of India to provide such service.
  6. Cloning of content by broadcasters on multiple genre, language channels and formats (HD/ SD) coupled with bundling of content deprives the customer of choice; In the absence of choice with the customer, the customer unfortunately pays several fold for the same content.

In the context of above, it is important that both wholesale and retail prices be governed in a unified manner and not in isolation. Absence of linkage between the two is at the heart of most issues, which adversely affect the TV industry.

For each of the observations above, we have done an in-depth analysis/ discussion and we have come to the consensus that the “Integrated Distribution Network” model (with minor modifications) appears to be the best suited, keeping in mind that it meets the following objectives:

1. Customer choice of content;
2. Payment by customer only for his/her chosen content;
3. Elimination of litigation amongst stakeholders;
4. Transparency and simplified tariff structure with Subscription rates remain uniform throughout the Country;
5. To prevent significant markets powers taking shape in order to sizably control the Media;
6. Attract investments and foster innovation.

The above objectives can be best met only if packaging is the sole prerogative of the consumer.

Further, for the successful universal implementation of the Tariff Order in letter and spirit, it is critical that as soon as the new Tariff Order becomes effective, all DPOs agreements must migrate in line with the new Tariff Order simultaneously so as to prevent discrimination amongst consumers of different DPOs. In different region.

Furthermore, the DPO industry, especially Cable, is operating in an extremely challenging environment due to the ever-increasing burden of unviable content costs coupled with limited control over LCO pricing. DPOs are saddled with huge accumulated losses in addition to depletion of capital employed, to the tune of several thousands of crores and are clutching onto the hope that regulatory intervention is the only way forward. The CP is a timely exercise and we are confident that the woes faced by the industry will be addressed.

Our Response on the issues for consultation:

- Q1. Which of the price models discussed in consultation paper would be suitable at wholesale level in broadcasting sector and why? You may also suggest a modified/ alternate model with detailed justifications.

**We are of the firm view that if we were to separately consider wholesale pricing without relating it to retail pricing, then the objective which the CP seeks to address in the Tariff order will be defeated.**

**Hence, the Tariff Order should consider only an integrated approach whereby the Customer interest will be protected.**

**We have furnished detailed reasoning under the respective questions below.**

- Q2. Which of the corresponding price models discussed in consultation paper would be suitable at retail level in broadcasting sector and why? You may also suggest a modified/ alternate model with detailed justifications.

**Both the retail models recommended do not address the fundamental intended outcome of the tariff of the consultation paper.**

- 1) **Price forbearance model:**

- a. **Current issues like lack of transparency, discrimination and favoritism will continue in this scenario.**
- 2) **Exclusive A-la-carte model:**
  - a. **MRP is a function of the cost incurred by the broadcaster to create a channel, and the popularity of the channel which will determine the demand-supply dynamics;**
  - b. **The ability of regulator to determine the MRP for every channel is practically impossible given the issue enumerated as in (a).**

**Given the above, we are of the opinion that if the interests of the entire value chain are to be safeguarded, then the regulation should govern the tariff on an end-to-end basis. Segregation of wholesale and retail pricing does not serve the purpose. We recommend that the model should be the integrated model, which would be all encompassing taking into account the interest of all stakeholders i.e. from Broadcaster to DPO to LCO (Cable) to Subscribers.**

Q3. How will the transparency and non-discrimination requirements be fulfilled in the suggested pair of models? Explain the methodology of functioning with adequate justification.

**In no combination of wholesale plus retail model suggested is the transparency and non-discrimination addressed.**

**At a wholesale level, while regulated RIO model appears to be a viable one, the issues that exist in the present framework will continue (viz.)**

1. **Ability of dominant broadcaster to offer weak channel along with popular channel as a bouquet;**
2. **Ability of DPOs to push unwanted channel to customers in view of Point # 1 above will deprive customers to exercise choice and satisfy his/her viewing preferences within a reasonable price.**

**Hence an integrated model wherein pay channels are offered on an A-La-Carte basis only, by the broadcaster to customer through DPO, is the solution that addresses all the ills plaguing the TV industry. Since broadcaster is the creator of content, they should have the right to determine the MRP, subject to a regulatory cap so that dominant channels are not overpriced and interest of all stakeholders are protected.**

Q4. How will the consumers interests like choice of channels and budgeting their expenses would be protected in the suggested pair of models? Give your comments with detailed justifications.

**As explained above, in order to provide consumers with choice of channels and to limit viewing within their budgets, the only feasible model is one which is integrated and the pay channels are offered on an A-La-Carte basis only. However, a regulatory intervention will be required to cap the genre wise pricing so that the pricing power of any Broadcaster is not abused.**

Q5. Which of the integrated distribution models discussed in consultation paper would be suitable and why? You may also suggest a modified/ alternate model with detailed justifications.

**There are 3 models recommended in the consultation paper:**

**1) Conventional “MRP” Model:**

- a. **Current situation of lack of transparency and differentiation between Broadcasters and DPOs will continue to exist in the current model;**
- b. **Consumer may have to subscribe for unwanted channels due to the push from the broadcasters and also pay higher price for driver channels.**

**2) Flexible “MRP” Model:**

- a. **Price discrimination from Broadcaster to DPO will continue to exist;**
- b. **Consumer may have to subscribe for unwanted channels due to the push from the broadcasters and also pay higher price for driver channels.**

**Hence, we recommend the 3rd model (Distribution Network Model) with minor modification (viz.)**

1. **Pay Channels should be offered only on a A-La-Carte basis by broadcaster to Customer through DPO; all future DPOs**
2. **Free To Air (FTA) , Free To View (FTV) channels should be allowed to be bundled and packaged in order for the DPO to earn his basic return on the CAPEX invested so far.**
- 3) **Modified Distribution Network Model**
  - a. **This model is suited in the best interests of the entire value chain;**
  - b. **This model will ensure transparency, non-discrimination and level playing field between and within stakeholders;**
  - c. **Consumer has the full freedom to choose the channels and pay accordingly;**
  - d. **This model ensures fair pricing such that pricing power lies with Broadcasters with the price caps being decided by the authority;**
  - e. **DPOs’ interests are also protected as they will be able to charge rentals, which will provide fair and reasonable returns on their investments (both upfront capital investments + Recurring operating costs) to deliver the signals to the customers. In this regard we propose the following revenue model :**
    - i. **Rs. 150+ tax per subscriber TV Set to be charged by DPO as minimum delivery charges for upto 150 FTA and FTV channels**
    - ii. **For every block of 10 additional channels (FTA/ FTV), subscribers has to pay additional charges of Rs. 10 + tax per block of 10 additional FTA/ FTV channels.**
    - iii. **Basic Service Rental charges mentioned in i. and ii. above to be shared between DPO and LCO in the ratio as 50 : 50**
    - f. **Pricing of Pay channels:**
      - i. **Broadcaster to announce the “SUBSCRIBER PRICE EXCLUDING TAX” subject to RIO Genre-wise Cap specified by the authority. The content being produced by the Broadcasters are monopolistic in**

nature and hence creates significant market power. Hence, there is a need for regulatory intervention to cap genre-wise pricing of channels;

- ii. **The commission payable by the Broadcasters to all DPOs should be non-discriminatory and uniform and should be published on the website of the authority**
- iii. **Broadcaster should not be allowed to create their own bouquets as they tend to push the non-driver, non-popular channels by keeping A-La-Carte rate of driver channels at a higher price and heavily discounting the bouquet price:**
  1. **It is possible that pay broadcasters may create various bouquets in a way that each bouquet has only one driver channel and multiple less relevant channels which may impel consumer to take multiple bouquets at the respective bouquet rate vis-a-vis taking only the driver channel at a-la-carte rate;**
  2. **Integrated Distribution Model without packaging / bouquets for pay broadcasters may lead to a situation wherein the broadcasters may offer the non-driver content as a FTA and only driver content will remain pay thereby benefiting the consumer immensely;**
  3. **Twin condition is not enough protection to the consumer as it encourages bouquet vis-a-vis a-la-carte choice because of 3 times pricing advantage**  
**Packaging should be the sole prerogative of the consumer.**  
**Packaging / Bouquet of Pay Broadcaster is anti-consumer and only in favour of DPO or Broadcaster.**
  - iv. **No DPO should be permitted to make any form of packaging for any vested or self-interest with regard to pay channels. If packaging is allowed for pay channels, the consumer is being compelled to pay for channels which he/she does not wish to watch.**
  - v. **If no bouquet and packaging is allowed by PAY broadcasters then the fear of circumventing the regulation, in the garb of marketing fees or packaging fees will not exist thereby ensuring Parity and non-discrimination, leading to no unfair competitive practice and reducing litigation**
  - vi. **Broadcaster should not offer any hidden discount or enter into any mutual contract to avoid litigation**

Q6. How will the transparency and non-discrimination requirements be fulfilled in the suggested models? Explain the methodology of functioning with adequate justification.

**Answered in Question No. 5**



- Q7. How will the consumers interests like choice of channels and budgeting their expenses would be protected in the suggested integrated distribution models? Give your comments with detailed justifications.

**Since the entire pay channel offerings would be on A-la-carte basis with a genre-wise price cap regulated by the authority, the customer would be able to select channels as per his preference and accordingly budget his expenses towards the same.**

**It is important here to mention that the whole premise of this model is based on the fact that the broadcasters disclose the A-la-carte rates transparently on their website. The commission offered to all DPOs need to be transparently disclosed to the Authority**

- Q8. Is there a need to identify significant market powers?

**As suggested above in answer to Q5 (Point f), if this model is followed in its letter and spirit, we believe that there won't be any need to identify significant market powers**

- Q9. What should be the criteria for classifying an entity as a significant marketpower? Support your comments with justification.

**Not required in view of answer to Q5 (Point f)**

- Q10. Should there be differential regulatory for the significant market power? If yes, what should be such framework and why? How would it regulate the sector?

**Not required in view of answer to Q5 (Point f)**

- Q11. Is there a need to continue with the price freeze prescribed in 2004 and derive the price for digital platforms from analog prices? If not, what should be the basic pricing framework for pricing the channels at wholesale level in digital addressable platforms?

**We strongly recommend that there is no need to continue with the 2004 price freeze. As it was blatantly circumvented by some Pay TV broadcasters' i.e. Star India. In fact the genesis of the problems faced by the TV industry stems for the unrealistic prices which were notified by Broadcasters during the analog regime. The wholesale pricing of a channel in the Integrated Distribution Network Model is not required at all since the entire value chain will work on the Distribution commission model whereby every stakeholder in the value chain will be paid commission on a predetermined uniform rate.**

**The a-la-carte rate payable by the customer would be decided by Broadcasters which will be in compliance with the regulated genre wise price caps on non-discriminatory terms as decided by TRAI.**

Q12. Do you feel that list of the Genres proposed in the consultation paper (CP) are adequate and will serve the purpose to decide genre caps for pricing the channels? You may suggest addition/ deletion of genres with justification.

We are fine with the proposed genre proposed in the consultation paper. However, we have the following important observations to make:

- 1) **Currently, it is observed that broadcasters are pushing contents belonging to a particular genre to another genre. Eg: Sports content are being broadcasted on GEC/Movies genre channels which is not in the best interest of the consumer. Also, GEC content is aired on News channels;**
- 2) **There has to be complete clarity regarding the definition of a genre and interchangeability of a channel between genres.**

Q13. Is there a need to create a common GEC genre for multiple GEC genre using different regional languages such as GEC (Hindi), GEC (English) and GEC (Regional language) etc.? Give your suggestions with justification.

**There should be 3 categories of GEC for price cap purposes**

1. **English GEC**
2. **Hindi GEC**
3. **Regional GEC**

There is a need to differentiate multiple GEC genres since the consumption of the genres differ from region to region. E.g: The consumption of GEC Kannada channels is more in Karnataka as compared to Hindi GEC

Q14. What should be the measures to ensure that price of the broadcast channels at wholesale level is not distorted by significant market power?

**Our recommendation is the Integrated Distribution network model. Hence there is no need for Broadcasters to notify wholesale prices at all. Broadcasters will notify MRP for each channel and distribution commission will also be settled in a transparent, non-discriminatory manner and will be same for all DPOs. Considering that the DPOs have to make further payout to the LCOs and assume the credit risk, Broadcaster has to pay at least 50% of the “MRP” (Customer price excluding tax) to the DPOs.**

Q15. What should be the basis to derive the price cap for each genre?

**The fundament basic to derive has to be on the Duration of Advertisement (Commercial and Self Promotion) as has been deliberately, violated in continuity for the past 9 years now, since the very inception of the “Cable Television Networks Rule 1994. Rule (7) 11 Advertising Code. “(11) No**



*programme shall carry advertisements exceeding twelve minutes per hours, which may include up to ten minutes per hour of commercial advertisements, and up to two minutes per hour of the channel's self-promotional programmes."*

## **Duration of Advertisements Shown on the Channel FTA /FTV/ PAY TV**

There must be an inverse correlation between the popularity of a channel/ genre and it's pricing.

The rationale is as follows:

- 1. The cost of content and cost of delivery does not vary based on how many consumers subscribe to the content regardless of the number of means to deliver the same. (Platforms such as Theatre, TV, OTT, DTH, IPTV, HITS etc.); i.e. International DPOs, Commercial Subscribers.**
- 2. Content can be monetized via Ad sales and subscription – higher the reach, greater the Advertisement revenue; benefit of large reach of Content should accrue to the consumer;**
- 3. If consumption is higher, lower should be the genre cap. E.g: Hindi GEC channels reach out to a large number of consumers and hence the genre cap should be lower;**
- 4. Special interest niche channels like Fashion, Sports should have a higher price cap as it will be consistently viewed only by a lesser number of subscribers when compared to Hindi GEC channels.**

Q16. What percentage of discount should be considered on the average genre RIO prices in the given genre to determine the price cap?

**Any abnormality on higher side must be ignored to arrive at the cap for a particular genre.**

**E.g. In the Hindi GEC Genre, the a-la-carte price of the No. 4 rated channel is higher than the No. 1 rated channel (based on last months ratings\*) \* if the ratings are not manipulated.**

Q17. What should be the frequency to revisit genre ceilings prescribed by the Authority and why?

**Not less than once in a year because frequent changes in consumer pricing is not advisable.**

Q18. What should be the criteria for providing the discounts to DPOs on the notified wholesale prices of the channels and why?

**Wholesale price discounting is not applicable in the suggested Integrated Distribution Network Model and will further distort the regulations on parity and equitable term.**

Q19. What would be the maximum percentage of the cumulative discount that can be allowed on aggregated subscription revenue due to the broadcasters from a DPO based on the transparent criteria notified by the broadcasters?

**Wholesale price discounting is not applicable in the suggested Integrated Distribution Network Model.**

- Q20. What should be the parameters for categorization of channels under the “Niche Channel Genre”?

**We are in sync with the parameters defined in the CP.**

- Q21. Do you agree that niche channels need to be given complete forbearance in fixation of the price of the channel? Give your comments with justification.

**Yes, the price forbearance should continue to an extent that the same programming, or part of the programming that is also being shown on another channel after refurbishing the channel with dubbing, in various Indian languages. Or by converting the same SD Channel in HD Channel or 3D Channel or 4K Channel . Since it has got a limited and defined viewership with a specific targeted segment but a price Cap is very much required at all times.**

- Q22. What should the maximum gestation period permitted for a niche channel and why?

**Maximum gestation period for a niche channel should be the time period to scale up to 10% of the Universe of a particular State Or 1 (One) years whichever is earlier.**

- Q23. How misuse in the name of “Niche Channel Genre” can be controlled?

**It should have a limited audience (upto 10% of the Universe) and should not have same and/or similar content in any existing genre. With commercial advertisement duration shown on the Niche Channel be almost NIL.**

- Q24. Can a channel under “Niche Channel Genre” continue in perpetuity? If not, what should be the criteria for a niche channel to cease to continue under the “Niche Channel Genre”?

**As soon as it loses any of its eligibility criteria mentioned in answer to Q 22, it should cease to continue under the Niche Channel Genre.**

- Q25. How should the price of the HD channel be regulated to protect the interest of subscribers?

**There should be a Genre wise cap on similar lines as in the case of SD channels. If the same SD Channel is also provided in HD then the price can't be more than double of the price of the SD Channel with the duration of commercial advertisement shown / inserted on the HD Channel must be half then shown on the SD Channel**

- Q26. Should there be a linkage of HD channel price with its SD format? If so, what should be the formula to link HD format price with SD format price and why?

**Since technology is evolving and content is being increasingly produced in HD format only, there should be no difference between HD and SD channel. We strongly urge that HD channel cannot be treated as Niche channel if it is providing same content as SD channel with advertisements or even half the advertisements.**

- Q27. Should similar content in different formats (HD and SD) in a given bouquet be pushed to the subscribers? How this issue can be addressed?

**In the Integrated Distribution Network Model, since the pay channels are offered on a-la-carte basis to the customer, customer can take an informed decision on whether to choose SD or HD channels. Based on the Commercial advertisement durations cap. Hence, there is no regulatory intervention needed.**

- Q28. Do you agree that separation of FTA and pay channel bouquets will provide more flexibility in selection of channels to subscribers and will be more user friendly? Justify your comments.

**Yes, we agree that separation of FTA and pay channel bouquets will provide more flexibility in selection of channels to subscribers and will be more users friendly because in the Integrated Distribution Network Model, the customer will be able to choose for all the channels which he wishes to watch and pay for..**

**The segregation between FTA and Pay channels is relevant because Pay channels will be offered on a-la-carte basis and FTA will be offered as a lot of 100 channels from a content point of view. FTA ensures a minimum robust fare of content to the consumer.**

**This will also assist DPOs to develop a viable business model which is independent of the Pay channel subscriptions and commissions.**

**Due to the immense diversity in languages and cultures in India, categorization of FTA / FTV channels separately will enable consumers to view FTA / FTV channels as a basic service and choose pay channels which are suited to their individual regional languages and cultural preferences.**

**Further categorization of FTA channels will facilitate distribution of the channels of Doordarshan as mandated by the I&B Ministry**

- Q29. How channel subscription process can be simplified and made user friendly so that subscribers can choose channels and bouquets of their choice easily? Give your suggestions with justification.

**Though pay channels will be only offered to customers on a-la-carte basis, with a view to simplify and make the selection process user friendly, the**

**consumer should give a list of his/her requirements well in advance to ensure the same, or log in to the web portal, or connect through a mobile App, or through an IVR system in place.**

- Q30. How can the activation time be minimized for subscribing to additional channels/bouquets?

**DPOs should be made responsible to develop systems and processes to establish Subscriber Management Systems, which provide prompt services to Consumers. For example, Consumers should be provided with access to a web portal and/or mobile application, which will empower a Consumer to activate/deactivate a channel within a reasonable period of 5 minutes of requisition based on his or her preference.**

- Q31. Should the carriage fee be regulated? If yes, what should be the basis to regulate carriage fee?

**The carriage fee should be regulated, completely abolished, as carriage was a consequence of imbalance in Demand & Supply, now with Digitization Phase –III already implemented there is no more an imbalance in Supply & Demand in comparison to the Analogue Cable TV.**

- Q32. Under what circumstances, carriage fee be permitted and why?

**Any kind of Carriage fee or placement fee or promotional fee payout should be banned and declared illegal transaction as Carriage fee has only encouraged large scale corporate corruption in the Broadcaster as well DPO organizations, that itself is difficult to check or further investigate when its willful corruption of kickbacks mutually negotiated and thereafter transacted.**

- Q33. Is there a need to prescribe cap on maximum carriage fee to be charged by distribution platform operators per channel per subscriber? If so, what should be the “price Cap” and how is it to be calculated?

**It is difficult to arrive at what cost/cap should be considered for regulating carriage as several factors go into determining the carriage fee namely:**

- a) **Genre of the channel;**
- b) **Market in which the Broadcaster wants to promote the channel;**
- c) **Viewership rating of the channel vis-à-vis competition;**
- d) **Broadcasters assessment of the viewer profiles of the DPOs (E.g. A teleshopping network may choose a particular DPO if they perceive better potential to reach their target customer);**
- e) **Cost incurred by the DPO to deliver the signal to the consumer which may vary from network to network.**

**Under such circumstances it is practically difficult to regulate the carriage. Hence BAN the Carriage / Placement arrangements between Broadcasters FTA / FTV / Pay TV and DPOs Cable, DTH, IPTV, OTT IPTV and HITS**

- Q34. Should the carriage fee be reduced with increase in the number of subscribers for the TV channel? If so, what should be the criteria and why?

**Please refer to our response to Q. 31 – Q. 33**

- Q35. Should the practice of payment of placement and marketing fees amongst stakeholders be brought under the ambit of regulation? If yes, suggest the framework and its workability?

**YES Carriage, Placement and Marketing payout should be regulated with a regulation declaring this kind of transaction illegal and bad in law.**

- Q36. Is there a need to regulate variant or cloned channels i.e. creation of multiple channels from similar content, to protect consumers' interest? If yes, how should variant channels be defined and regulated?

**In the Integrated Distribution Network Model, since the pay channels are offered on a-la-carte basis to the customer, customer can take an informed decision on whether to choose variant/cloned channels. But through regulation it needs to be assured that this is not exploited where the pay channels only target the peak prime time viewership and otherwise only repeat broadcast of refurbished and dubbed programme / content.**

- Q37. Can EPG include details of the program of the channels not subscribed by the customer so that customer can take a decision to subscribe such channels?

**Yes, this will improve the ARPUs of the value chain and also give choice to the customer to make an informed decision of exercising choice**

- Q38. Can Electronic Program Guide (EPG) include the preview of channels, say picture in picture (PIP) for channels available on the platform of DPOs but not subscribed by the customers at no additional cost to subscribers? Justify your comments.

**Yes, the Electronic Program Guide (EPG) can include the preview of channels, on preview channels say picture in picture (PIP) for channels available on the platform of DPOs but not subscribed by the customers at no additional cost to subscribers, (These slots on preview channel through EPG can be booked / bought by the Broadcasters for Placement, Promotion and Marketing) as the DPO will have to incur certain captive cost on EPG, frequency towards such channel not chosen by the customer**

Q39. Is the option of Pay-per-program viewing by subscribers feasible to implement? If so, should the tariff of such viewing be regulated? Give your comments with justification.

**Yes, it is feasible to implement. Since currently there is no choice with the consumer to pay and watch only for a particular event (Sports/Entertainment), he/she is compelled to subscribe to a single/multiple channel on which the event is telecast.**

**In the interest of consumer, we strongly recommend that pay per view should be made compulsory/mandatory especially for the niche event based broadcasters. I.e. I Concert, Football, Cricket, Formula 1 and other Sporting events.**

**In addition, the pay per view cost should be significantly less than the monthly a-la-carte cost of the channel broadcasting the event.**

**Currently, broadcasters resort to splitting an event and airing the same series on multiple channels thereby compelling the consumers to subscribe to multiple channels.**

**E.g. various matches of EPL/Cricket World Cup are shown on multiple. Pay Channels i.e. Star Sports 1, 2, 3, 4, 5 (Two of them are the Split Audio language channel showing the same event**

**Pay per view will be limited to a few popular events hence pricing of the pay per view cost should be significantly less than the monthly a-la-carte cost of the channel broadcasting the event. Can be left to market forces.**

**Even if Pay per View does not become a reality, the problem highlighted above requires regulatory intervention in the best interests of the consumers**

Q40. Will there be any additional implementation cost to subscriber for pay-per-view service?

**There will be some additional implementation cost at the back-end (related to customer service and technical infra-structure) and the Broadcaster accordingly should share the cost of implementing the same.**

Q41. Do you agree with the approach suggested in Para 5.8.6 for setting up of a central facility? If yes, please suggest detailed guidelines for setting up and operation of such entity. If no, please suggest alternative approach(s) to streamline the process of periodic reporting to broadcasters and audit of DPOs with justification.

**In the current scenario where the Broadcasters define the scope and appoint its own auditors, numerous disputes and litigations arise between the DPOs and the Broadcasters. I recommend appointing more than one Govt. certified Audit body (E.g. BECIL with technically qualified chartered engineers and chartered auditors) whose findings will be acceptable to all stakeholders on the lines of Audit Bureau of Circulation for Print publications. Audit to happen only once a year.**



Q42. Stakeholders may also provide their comments on any other issue relevant to the present consultation.

- 1) **For any model to succeed, a regulatory intervention is required to prevent migration of LCO from one Multi System Operator (MSO) to another, whereas LCO should be allowed so can also easily carry signals of (2) Cable and HITS DPOs thus giving some kind of interoperability. In case of migration to another DPO the following ground rules should be incorporated in the regulations:**
  - a) **Customer approval: Given the fact that a pack chosen by the customer cannot be changed for a minimum period of 6 months and the fact that the packaging of various MSOs is different, customer consent is essential.**
  - b) **Clearance of dues;**
  - c) **Return of assets;**
- 2) **The regulation should define a fixed revenue share (say 50:50 between the MSO and the LCO) rather than defining a cap on the ratio;**
- 3) **Need to include OTT players within the ambit of DPO definition;**
- 4) **Consideration of LCO as a part of the DPO value chain;**
- 5) **Regulation to curb vertical integration; with implementation of Cross Media Holding Restrictions**
- 6) **As per the current TRAI regulations, a DPO cannot change its package offering for a period of 6 months from the date of subscription of the package by the subscriber which is not applicable from Broadcaster to DPO. Hence, currently it is a challenging situation for DPOs who are prohibited from revising subscriber prices whenever Broadcasters increase their costs. This point has to be viewed regardless of the pricing model that will be finalized in the Tariff Order. As its ultimately the subscriber who exercise choice and subscribe to a DPO and thereafter subscribe to the DPO service offerings and product.**

Thanking you in anticipation of finally rectification of flawed regulations of the past, that have been exploited to the brim by all, at the cost and expense of the Consumers

Yours Truly  
For Home Cable Network [P] Limited

Managing Director  
Vikki Choudhry

[vikki@homedigital.tv](mailto:vikki@homedigital.tv)