

Cable Operators Federation of India

13/97, Subhash Nagar, New Delhi-110027

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28 January 2012

The Chairman
Telecom Regulatory Authority of India
New Delhi-110001

Sub: Consultation on Issues related to implementation of Digitalisation of Cable TV Networks

Dear Sir,

At the outset we appreciate the initiative taken by the government in introducing digitalization in the cable TV industry however, wish to submit that **the consultation paper for the purpose appears to have been framed by the lawyers of some big broadcast companies as rumored in the market to help them have a control of the 100 million cable TV market through their various media ventures including DTH, Broadcast Channels, online media, MSOs and content aggregators** which the government very happily has permitted them to help them create large monopolies.

Upon receipt of our replies, made after a detailed study, our experience, much thinking and brain storming with our members all over the country, we request wide spread pre-consultation before issue of the regulations for final response. This effects employment and livelihood of lakhs of persons working in and for the industry.

The regulations should be made to benefit the consumers and protect the interest of thousands of small entrepreneurs who have been building up the large Cable TV infrastructure for the last twenty years, so that lakhs of people working in small networks and in supporting organizations do not go out of employment to please a few powerful and rich business houses.

This concern was amply visible in the parliament during discussions on the Digitalization Bill recently, where every MP, particularly those coming from rural areas voiced their fear of small cable operators losing their business to the big companies and millions of poor subscribers deprived of cable TV entertainment as they would not afford to purchase the STBs. Please be known that the Minister of Information and Broadcasting had assured the Parliament that this would not happen and these concerns will be adequately addressed in the rules and regulations.

LCOs who control 80% of the market even today, are spread all across the nation and do not have the facility of broadband in their regions. They do not know the English language full of legal terms, hence are unable to understand the issues in the Consultation Paper and comment on them, even if they desire to do so. Please do remember that the state governments and courts permits all official work to be done in English as well as Hindi and other vernacular languages, which TRAI has not considered for such an important matter. Hence TRAI may not get a balanced view on the Issues raised as other stake holders have much educated people, bevy of legal advisors and industry associations to lobby for them.

We wish to submit that since the government is now serious in implementing addressability in cable TV industry after 20 years of its existence; adequate precautions should be taken to ensure that the alternate service providers are not given undue advantage and cable industry is given enough protection during the implementation of digitalization.

Some of the issues that concern the consumers and LCOs, not covered by the Consultation Paper are:-

ISSUES NOT COVERED AT ALL BY TRAI

- a) Consumer Issues- BLACK OUT of Millions of subscribers on sunset date.**
- b) Definition of Broadcasters (not to include Agents), MSOs (not to provide last mile networking) and LCOs (to provide last mile for all converging services of TV channels, broadband and voice) to be modified.**
- c) No QoS for broadcasters**
- d) Obligations of foreign broadcasters.**

- e) Declaration by all broadcasters of their present subscriber base, revenue from cable and other streams like IPTV, DTH, Video streaming and foreign distribution for effective monitoring of DAS progress.
- f) Technology Issues
- g) Standards of Equipment
- h) Registration of equipment vendors including headend and STB manufacturers for standardized equipment of quality adhering to BIS.
- i) Testing Facilities for equipment standards.
- j) BECIL Certification
- k) Infrastructure Issues
- l) Cross media Holdings to be implemented.
- m) Allowing CAM and CI based Headends and STBs for interoperability and cutting down the cost of digitalization.
- n) Spectrum allocation
- o) Redressal of consumer and LCOs grievances
- p) FDI
- q) Uniform Taxation
- r) Issue of Minimum Guarantee demanded by Broadcasters
- s) FTA Operators/ Arasu cable issue of Tamil Nadu state
- t) DAS Licensing
- u) Refusal for content by broadcasters on frivolous grounds.
- v) Piracy- As perceived by broadcasters.
- w) Advertisement duration regulations on pay channels
- x) DD Direct + Non Addressable
- y) MDU model of DTH Players
- z) Doordarshan Channel- They are non addressable
- aa) Interoperability of STBs
- bb) Power Consumption of millions of STBs(State govts not taken in confidence)

However, notwithstanding the above, we give our comments on the Issues taken up by TRAI in the above Consultation Paper along with some additional points left out in the Paper.

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: As per notification- every FTA channel will be distributed as an encrypted channel. Since FTA channel by definition is a free to air channel, if encrypted it no more remains FTA. Hence, not possible to determine the number of FTA channels to be part of a basic package.

However, there are more than 600 FTA channels registered and about 400 in operation at present. Number of channels in BST should be left to the MSO/cable operator depending upon the affordability of the package in an area.

The basic package should have a minimum of 30 channels and all Doordarshan channels as mandated.

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: Basic Service Tier includes only FTA channels. It depends on the service provider what genre and how much is the demand of the people. TRAI need not specify this. Even in Telecom sector, only the service providers make their own packages to attract different types of consumers.

Also, I&B Ministry issues only two types of licenses for down linking and up linking of TV channels: News and Current Affairs and Non-News. Hence, no genre need be specified for the basic package.

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: The entire last mile is being built, operated, maintained, upgraded and serviced by the Last Mile Operators using their own funds.

Basic Tariff should be worked out keeping this in mind. **BST price should be fixed by TRAI so as to make operator's business economically viable and not leave him UNEMPLOYED.**

The BST should also be affordable to all the existing cable TV subscribers and the common man.

However, an upper limit may be laid down for different types of packages depending upon the number of channels in the package and genres as demanded in different regions and localities. Consumer should be able to choose the package according to his affordability.

Packages can be made considering the average number of channels carried in different areas at present. Suggested packages are

- (i) upto 30 channels MRP Rs 82, present CAS area rate.
- (ii) upto 60 channels, MRP Rs 110
- (iii) up to 100 channels and MRP Rs 130
- (iv) more than 100 channels. - MRP Rs 150, laid down by TRAI for DTH

Lower packages will help the poor families who constitute 60% of the population to avail cable TV entertainment.

Note: I). This is akin to service providers like telecom companies and electric supply companies charging fixed rental as per the schemes for different types of consumers.

II). Rs 82 is the CAS area tariff tested since the last seven years and has never been disputed till date.

III). BST price should cover the network operation cost of the LCO and not shared with the MSO.

IMPORTANT-

- **There is vertical monopoly of broadcasters and they are discriminatory in providing content on frivolous grounds.**
- **Broadcasters are MSOs, DTH players, channel aggregators and also doing the last mile.**
- **Because of the above mentioned reasons, they arm-twist the LCOs/ MSO(I) and force them to come under their umbrella.**

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: BST in cable should include all genres of channels demanded by the people of a region/ locality and decided by the MSO/LCO. Distribution cost of BST depends on number of channels in the packages. Package cost should also be adequate so as to take care of the business of the LCO. Hence, there is no need to provide FTA channels as a-la-carte.

Providing a-la-carte means the channels will have to be encrypted using additional equipment, increasing the cost of delivery.

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: Yes

Retail price for DAS areas should be determined by TRAI based on their experience of CAS areas. Chennai, where CAS is implemented since 2003, is the best example. Broadcasters must also provide their data for calculating the price of their channels based on cost of production and distribution. The price must take into consideration that the content is not only sold in India; it is also sold in rest of the world and on different platforms. All pay channels are full of advertisements. All the costs cannot be passed on to the Indian consumers. However, the start point can be the CAS area rates as suggested below.

There can be four packages, one BST and three for Pay channels:-

- a) **BST**- Price as given above.
- b) **Middle Tier**- MRP of Rs 5.35 which is already proven in the CAS areas and till date it has not been challenged in the court by any stake holder.
- c) **HD channels**. They can be priced at Rs 5.35+ 10% (Rs 6.00) to cover additional cost of production. At present there is no extra cost of production as all cameras and studio equipment are HD and only extra bandwidth is used in transmission.
- d) **Premium/ Ad free package and VAS** - No tariff regulation. Left to market forces.

(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?

Comment: Yes, a-la-carte price should only be 10% more than the wholesale price to provide a standard profit margin.

Bouquet rate should not be less than 50% of the retail rate of all channels in the bouquet.

Wholesale price should also be fixed by TRAI so that small operators/LCOs and consumers benefit. At present Pay broadcasters claim that they get only 15% of revenue due to under declaration. Once addressability is in place, their revenue will go up by 85 % by December 2014. A low pay channel tariff will increase the number of subscribers by manifolds bringing down the cost of the STBs and a-la-carte price lower. TRAI has the experience of fixing the tariff for mobile users.

(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: There are only two genres as per licensing guidelines of the I&B Ministry. A common ceiling will suffice for all genres. However, if broadcasters want their channels be high priced, they may make them ad free and place them in Premium Package.

Fixing a ceiling by TRAI is very important as otherwise there will be discrimination of independent MSOs and LCOs viz a viz MSOs, DTH and HITS owned by the Pay Broadcasters.

(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: FTA channels are never priced and hence the issue is not relevant. More over all DD Channels are carried compulsorily without any price. Pricing of FTA Channels depends only on the transmission cost, which is same for all types of channels.

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

Comment:

Sharing of a single event on two different channels in parts must be stopped. Channels must declare their broadcast dates of an event atleast 6 months before the event, This will enable consumers to decide which channel to buy, Like many Cricket matches are shown on more than one channel, some matches of the series on one channel and the rest on the other channel. This happens often on Ten Sports and Ten action, on Star Sports, Star Cricket and ESPN etc. Since a consumer is forced to subscribe both the channels to watch a single event, it must be stopped in public interest.

(e) Additional Issues

Problem of FTA Cable Operators These networks serve only FTA channels to very poor people and are so small in size that the broadcasters refuse to give them their pay channels and MSO's distributors refuse to give them the feed. **How can these operators adopt digitalization? They should be kept out of the Digitalisation process till we have a solution for them and also a separate tariff order may be drafted for them considering that they have a competition from DD Direct + which is not addressable.**

Chapter-III - Interconnection in the Digital Addressable Cable TV Systems

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

Comments:

- **Broadcaster Interconnect Agreement is technically one sided and unrealistic.**
- DAS implementation should reduce **reliance** on carriage fee,
- **Placement fee** for special channel numbers in the network programme list may be retained. For example getting a special synchronizing channel number like getting a car number.
- **Inspite of Supreme Court Ruling, Broadcasters are reluctant to provide content to MSOI/ LCOs.**

Too many modifications are required in the existing interconnection regulations as they are not balanced and are heavy on the side of the broadcasters. The interconnect regulations as laid down by TRAI have come out to be ineffective and the Pay TV broadcasters have always been successful in circumventing these thus, defeating the entire purpose of these regulations. This is very evident today from the fact that a few hundred cases are pending in the tribunal, TDSAT on the grounds of interconnect regulations and their correct interpretation. Interconnect Agreement between Pay Broadcaster and MSO, and MSO and LCO should have clearly defined clauses to avoid any exploitation of the weaker party.

The existing regulations are not suitable for the Indian ground conditions and the present state of the industry, technology wise.

- They should encourage consolidation of LCO networks and not take-over by third parties, by enforcing unrealistic regulations.
- Enable them to upgrade to broadband networks integrating with all backhaul service providers like MSOs, Telcos, ISPs, BWA operators etc.
- Interconnect regulations should not be a copy from some highly developed international markets which cannot be followed in the current Indian scenario.
- Pay broadcasters expect Indian networks to follow features which are not mentioned in **Indian Standards** but followed by some highly advanced two way multiservice networks in US or Europe. We have not even drafted all our Indian standards for many things and cannot be expected to follow the International ones. The whole system is evolving and has not even taken off. It is not advisable to pressurize the MSOs/LCOs with regulations that will require heavy expenditure, making it easy for some foreign players to take over the Indian Industry.
- Present regulations protect the revenue of the broadcasters and not the MSO/LCOs.

Amendments required in the Existing Regulations in Annexure V, Schedule III of the Telecommunications (Broadcasting and Cable Services) Interconnection (fifth Amendment) Regulation, 2009 dated 17th March 2009.

License Fee: All broadcasters have not declared their a-la-carte and bouquet rates to TRAI. None of the broadcasters have displayed their rates on their websites for the public. Only their aggregators display the rates. Public is not aware of the aggregators and broadcasters also keep changing the aggregators.

Payment terms: LCOs do the collection from subscribers manually and the system will not change overnight. They should get at least one month to collect subscriptions and deposit with the MSO/ Broadcaster. MSOs may be given another 15 days to reconcile and pay to the broadcasters.

Anti-piracy : There are more than 200 pay channels. Every broadcaster cannot dictate his way of anti-piracy and security measures. There is no CAS in the world, which has not been compromised and all distribution channels have different types of security measures. There are no Indian standards for anti-piracy measures. TRAI should lay down these standards and only they should be followed.

If the results of any technical audit are not found to be satisfactory by either parties (Pay Broadcaster and MSO) then audited through an independent agency as may be specified by the authority and submit the report in respect of such audit to the authority is required to be added before any deactivation/suspension of the pay channel signals.

Reports:

- a) **All pay channel broadcasters to declare their current number of subscribers** and revenue generated, state/ network wise for each and every channel separately from each platform including MSOs/LCOs, DTH, IPTV, Mobile TV, Video streaming or any other distribution means in India as well as in the International market. The breakup of revenue to include from Ads, subscriptions, sponsors or any other way.
- b) **What share of revenue earned by broadcasters from India generated content sold/distributed in international markets** is being paid back to the Indian government in the form of taxes etc?
- c) **The above reports should be given channel wise and not bouquet wise**, starting from the time the channel was registered

- in India and submitted every month to TRAI to assess the effects of DAS on stake holders and to monitor the progress.
- d) **Broadcasters to declare and report the carriage fee** given to MSOs/LCOs, state/ network wise since the time they got registered in India.
 - e) **Broadcasters to declare and report the placement fee** paid if any to MSOs/ LCOs, state/ network wise since the time they got registered in India.
 - f) **All FTA channels also to provide the reports in (d) and (e) above**
 - g) **FTA channels to also report their earnings from ads and other means** in India as well as in International markets, every month.

Term : The interconnection agreement term between the parties shall be not less than 5 years. If any changes in terms regarding pricing are to be made, a separate short agreement of amendment needs to be signed.

Standard Interconnect Agreement be in place as an approved document between all stake holders. No other interconnect agreement without prior approval of Regulator be treated as valid.

Refusal/ denial of Content by Broadcasters to MSO/Independent MSO should not be permitted. Broadcaster often on one pretext or the other has a tendency to refuse or deny their content to a start up MSO/Independent MSO (where subscriber base are not large). The arm twisting has been in vogue. We want Regulator to play an effective role and ensure that:

- (a) Content is not denied irrespective of the size of operations of MSO/Independent MSO.
- (b) **Guide lines on finger printing, Copy Protection, Subscriber Management System, Billing etc** must be laid down by TRAI which are implement-able in Indian Context and not what suits a developed market where Pay channels were never given without an addressable system from the very beginning. Pay channels in India were always given free to the subscribers; only the cable operators were forced to pay for them. For a common man in India, there is no difference between a 'pay' channel and an FTA channel. We should not

impose very complicated technologies on the industry which it cannot even afford. Such issues may deter the Nation wide deployment of digitalization policy of Govt and the policy is shelved before it takes off. Some broadcasters will use this as a pretext to refuse giving the content and may exploit the situation in favour of their own partner/ sister concerns.

- (c) **Cross holdings, Common Ownership between Pay Broadcasters**, DTH Operators, Pay Channel so called Agents/Distributors/Aggregation Companies and Cable Operators (MSOs & LCOs) be prohibited. Benami operations in this sector should be declared a criminal offence.
- (d) **The minimum period of pay channel subscription** should be 30 days to subscribe the channel because subscriber / customer does not understand the lock in period.
- (e) **Minimum guarantee** agreement by the Pay Broadcaster or an MSO in writing or verbal should not be permitted under any circumstance.
- (f) **Signing of the Agreement.** The interconnection agreement should be between the broadcaster and the MSO/ Cable operator and not with the channel aggregator or the distributor. It is the broadcaster who is responsible for quality of content and service and hence, operator is directly affected by this. This is possible now since every broadcaster is registered with I&B Ministry and having its office in India as per the downlinking Guidelines.
- (g) **The distribution agency or the aggregator is not the Broadcaster** since he is not registered with the Ministry as one. Definition of a 'Broadcaster' in the Cable TV Act need to be changed, because it was framed when channels were not registered in the country, and many foreign channels were working in India only through their agents. Direct Agreements

between the broadcasters and MSOs, and MSO and LCOs will also keep the costs under control.

(h) **Also, a broadcaster may shift from one aggregator to another** for distribution any time like it has been happening in the past. Examples are Zee Turner and StarDen merging to become MediaPro and Neo Sports going out of One alliance. Interconnect agreements must not be changed every now and then when such shiftings take place. In a-la-carte regime, there is no place for the aggregators.

(i) **Disconnection:** Disconnection notice by broadcasters should be 30 days in consumer interest.

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: It should be worked out by TRAI.

LCO is more important in the cable TV value chain than an **MSO who is only a middleman** like the content aggregator. It should not be forgotten that the original stake holders in the industry are only LCOs and broadcasters. Others came in the chain to facilitate. LCO is the retailer of services of the Broadcasters. He builds, operates, maintains and upgrades the last mile infrastructure to service the consumers in the best manner. **It is the duty of the government to protect his interest.** Hence TRAI must ensure that he gets adequate revenue for his services so that consumers are served better.

LCOs do not trust the MSOs because most of the big MSOs are part of the broadcast companies who are always eyeing to take control of the last mile and the subscribers. **Many small operators have lost their livelihood because of arm twisting tactics of MSOs and Broadcasters. Even in joint ventures of 51:49, cable operators have been thrown out of the JV company whenever opportunity arose.**

Note: Ms Ambika Soni, I&B Minister had assured the parliament along with more than 40 other MPs of different parties to save the livelihood of small cable operators.

**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?**

(a) **Comment:** LCO should get 100% of the **BST** as he has to maintain the most important part of the last mile network. Expense of an LCO per subscriber varies between Rs 120- Rs 180 per month. They must be able to generate a revenue of Rs 150 (average) per subscriber every month. Also, because MSOs do not share with him-

- (i) the carriage and placement fee of video channels,
- (ii) ad revenue of the video channels of the MSO which he carries on his network. (Som.etimes there are more than 15 video channels in a network)
- (iii) Sponsorship revenue for local programming on video channels like political campaigns, religious programmes etc.

It may be noted that since 1990, Cable Operators have been generating only an average of Rs 100/- per connection which has not increased in the last twenty years. In reality it has decreased, because they have to pay for signal feed of the MSO. Good BST collections will enable LCO to improve the last mile which has become very important in the convergence regime.

- (iv) A good digital last mile will enable broadband services which benefit the country tremendously.
- (v) If MSOs wants a share in the BST then they should share the carriage fee, placement charges and ad revenue and other revenues generated from video channels.

(b) Share of Revenue for **Pay channel** services should be - MSO- 20%, Broadcaster 20%. LCO-60%- because -

- (i) There will be total transparency.
- (ii) According to the broadcasters, they get only 15% of the revenue due to under-declaration by the LCOs.
- (iii) After total digitalization, they will get 85 % more revenue. A higher share of revenue will enable LCOs to invest for up-gradation and digitalization, so that they

- can carry all channels of the broadcasters to the subscribers.
- (iv) They will also gain because they will be paying less carriage fee.
 - (v) All MSOs have broadcasters as principals and so their interest will be looked after by them.
- (c) **Share of revenue from MSO video channels.** Since video channels range from one to many (Sometimes 20), A huge revenue is generated by the MSOs from these video channels which are carried to the subscribers on the network of the LCOs. Hence the LCO must get his share of the ad revenue as well as the carriage fee as given below:-
- (i) **Ad revenue-** 50% of ad revenue to be shared with the LCO because most of the ads carried are from the local area of the LCOs.
 - (ii) **Program Sponsorship revenues** – 15% of sponsorship revenue should be shared with the LCOs.
 - (iii) **Carriage and placement Fee:** Carriage fee to be paid to the LCO according to size of the network as per norms fixed by TRAI.

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

Comment: No. Must Carry provision should not be mandated as-

- (a) Majority of subscribers may not be interested in the channel. Let the LCO/ MSO decide according to demographics.
- (b) MSO will be forced to invest on equipment for just a few subscribers.
- (c) The channel may not take proper care of the quality of the content as the MSO will be forced to carry the channel no matter what the quality or content of the channel or its actual demand is.
- (d) this may unnecessarily increase the burden of the payout on the consumers.
- (e) Considering that ‘must carry’ is not there for DTH or HITS, it can be done away with cable too.

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’?

Comments: There should be no “must carry”. Only DD channels or public interest channels may be mandated to be carried.

MSO/ LCO cannot carry all the channels as there may not be enough place for all the channels on the digital networks, knowing that already we have more than 800 channels registered. **An MSO/ LCO have to look after the public interest first and not a broadcasters’ interest.**

MSOs/LCOs spend their own money to add new channels in the network. If must carry is mandatory, every channel will like to be carried in all the networks, big or small, even if there is no demand from the viewers. This will put burden of extra expenditure on the MSO/LCOs and may lead to many litigations.

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: Answered in the last comment. There should be no ‘must carry’.

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

Comment:

Since TRAI is not Regulating Advertisement Revenue of the Broadcasters, Carriage fee need not be regulated but its share with the LCOs must be regulated by TRAI. The broadcasters pay carriage fee to get more advertisement revenue. Hence the carriage fee should be market driven as the demand for the channel will vary in different areas and states and the Carriage is directly linked to the TAM TRP ratings as per the weightage of TAM data provided, limited only to a few TAM cities. Also, the broadcaster does not give carriage fee to all MSOs. They select an MSO according to the market they wish to enter.

DTH, HITS or IPTV have no carriage fee regulations.

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?

Comment: Gross collection reflects the quality of the network area of operation status of subscribers. It is the best parameter to decide on quantum of carriage fee. Broadcasters don't give the carriage fee to each and every MSO. They pay the carriage fee to only those MSOs where the advertisers and ad agencies have interest. So it should be left to the market forces.

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

Comment: When the carriage fee is market driven, and is limited to a few TAM cities then let the channels negotiate and arrive at the figure depending on their budgets and how much TRP weightage they wish to take. Carriage fee is linked to the TRP rating which is further linked to the Advertisement revenue they generate. Since all this is very dynamic in nature the ratings are not permanent, they keep on fluctuating due to various reasons.

Also, in a digital scenario, subscribers have option to shift to other platforms like DTH, HITS, IPTV etc.

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: Yes, TRAI should prescribe the standard interconnect agreement between the service providers on similar lines as for notified CAS areas. TRAI has the experience of making such agreements in the telecom industry. It may be noted that there has been no single litigation reported between the stake holders as by default all the regulations notified for CAS have proved quite effective and they are being followed till date, with no one challenging them. Even the Tariff notifications have been welcomed by all the stake holders and the public at large. Some of the points need consideration, are:-

- (a) Standard Interconnect Agreement should only be between Broadcasters and MSO/LCO; MSO and LCO and LCO and Consumer. No agents should be a party to the agreements as they are not the original stakeholders.
- (b) There is no need of an Interconnect Agreement between FTA Broadcaster and MSO/LCO
- (c) Since convergence of technologies is on the anvil and cable operators are permitted to transmit in IPTV mode and to accommodate triple play services various interconnections with the MSO/LCOs need to be specified as given below:-
 - (i) Interconnect Agreement between Telecom Operators and MSO/LCO,
 - (ii) between ISPs and MSO/LCO
 - (iii) between Unified Licence holders and MSO/LCO and
 - (iv) between BWA operators and MSO/LCO should also be framed.
 - (v) We also need to consider distribution of TV channels and other broadband services to subscribers on OTT or connected TV mode.
- (d) This will require to change the very definition of a ‘Broadcaster’ not to include the distribution agents or aggregators who may only function as facilitators but to include multiplatform broadcast operators.**
- (e) Safeguard the LCO Interest**
Big MSOs control only 20% of C&S homes and particularly those having Broadcast Companies as their share holders or owners, are on the prowl to take over the last mile from the LCOs. TRAI must safeguard the interest of thousands of small cable operators who are the original stake-holders.

It should be ensured that **no MSO takes complete confidential data of franchisee LCO’s subscribers under any pretext and use the same to get investments/ FDI, claiming them to be his own or sell off his network to another party without his knowledge just because he gives him the signal feed.**

- (f) Large broadcasting Houses have created their own aggregators** to deal with the distribution of content to MSO/Cable operators. These aggregators/ agents use arm twisting and blackmailing

tactics to force MSO/LCOs to sign on increased connectivity or otherwise, force them to sell their networks to their supported MSOs after blocking their channels. Interconnect agreements must have safeguards that no such advantage is taken of the LCOs by arm twisting or blackmailing. Many LCOs have lost their business to the distributors of MSOs or the distribution staff of broadcasters who blocked channels, arbitrarily and unreasonably increased his connectivity, spoiled his signal or blocked his channels to make him succumb to their wishes and hand over part or whole of their network.

- (g) Every Pay Broadcaster must mention/display the MRP of their channels on their website.
- (h) Every Pay Broadcaster must mention/display the customer care number on their **own** website so that any consumer can register their grievances regarding their channel(s) content etc.
- (i) Interconnection Agreement between Pay Broadcaster and MSO/LCO should clearly mention the quality of signal to be provided using a professional IRD.

Control conversion of Pay to FTA and Vice Versa

Unlike in CAS regulations, Pay Channels must remain 'Pay' all over India and FTA should remain FTA all over India. They should intimate their status now to the TRAI so that packaging of BST can be done accordingly.

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 along with detailed justifications.

Comment: The QoS standards are a must requirement for any service industry. The Quality of Service starts from the production/ procurement of the content, editing , encryption at broadcaster level, uplinking (as

per DVB norms) and finally the decoding equipment provided by the broadcasters should be professional grade and compliant of DVB standards. The QoS standards were also made in consultation for the implementation of CAS. The Standards may need some modifications from time to time as the technologies develop and to cater to DAS requirements.

- (a) **Broadcasters** must provide affidavit/ certify in the agreement for professional quality broadcast signal and adherence to content regulations of programme and advertisement in their **Service Level Agreements**.
- (b) Taking into consideration the state of power supplies in different states and shortage of fuel for the generators etc, QoS standards for disruption of signals should not be very harsh. There could be different standards for different regions/states.
- (c) **Annexure-VI of the Consultation Paper No. 8/2011 dated 22nd Dec, 2011- Proposed norms for the Quality of Service and Redressal of Consumer Grievance Regulations for Digital Addressable Cable TV Systems.**
 - (j) **Clause 1.2 (i)** For ‘only one language is enough because all consultation papers or communications by TRAI is only in English’, please amend to **including Hindi or one local language**.
 - (ii) In the details it isn’t easy to mention everything in a single application. Moreover mentioning all the details in the form seems to be only formality as it is not readable due to very small font size. Other mechanisms are needed.

Provisions relating to complaints handling and redressal

- (iii) **Clause 5.1:** This clause needs a change because round the clock call centre is not easy to operate for the cable operators as it involves heavy investment. From the last 20 years cable operators are providing 10 am to 8 pm service for 7 days which is good enough. On special occasions including national holidays and major festivals like Diwali,

Holi etc. these conditions can be relaxed. However, it could be made mandatory for the National and state level MSOs.

- (iv) **Clause 5.3:** Same as above.

Set Top Box (STB) related issues

- (v) **Clause 12: Option to provide STB on outright purchase or hire purchase or rent.-** Amendment required in this clause to include that the three options shall be applicable only for Basic set top box; for Higher End Set Top Boxes (like HD STB,OTT STB etc.) scheme/offer shall be left to the market forces.
- (vi) **Clause regarding refund of security deposit or advance payments, if any, after appropriate and reasonable adjustments in case of return of STB by a subscriber to the cable TV service provider:** This need to be amended because there are no BIS standards set for MPEG4 set top boxes at present for Cable TV. So all the MPEG4 boxes already imported by MSOs shall not be replaced, future imports shall be put under this clause otherwise MSOs will suffer because of the fault of the Govt.
- (vii) **Clause 12.7: Regarding disabling of the Set Top Box of a subscriber who does not intend to continue to opt or avail services offered by such operator and uses or intends to use the STB for viewing the service of any other cable TV service provider.** Amendment is required because there is no common Conditional Access System and no interoperability of STBs. So it is not possible that the subscriber uses the same box to avail the services of other service providers.
- (viii) **Clause 15: Inspection and Auditing:** - Sub Clause 15.4 Amendment required as the cable operator cannot bear the burden of this kind of expense. This However, may be retained for the National and State level MSOs.
- (ix) **Clause regarding CAS & SMS should be able to handle at least one million concurrent subscribers on the system:** Amendment needed here as it is not relevant for independent MSOs and cable operators. **It could be made as 1Lakh subscribers scalable to one million.**
- (x) **Clause regarding CA & SMS systems should be of reputed organization and should have been currently in use by**

other pay television services that have an aggregate of at least one million subscribers in the global pay TV market: This clause is detrimental to indigenous Industry. AMENDMENT NEEDED because India is considered as a huge software market and software developments are regular in India. Market for digitalization is now opening, so the cap of at least one million subscribers should be removed as mentioned above. Also imposing very tough standards for CAS, SMS etc will create hurdles in the process of Digitalisation. **There should be relaxed standards for next five years till India has its own industry developing and manufacturing these products.**

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

Comment:

(a) The customers/consumers should never be at the mercy of broadcaster / MCO. The LCO should be in a position to hear the grievances of consumers and resolve them through MSOs. **This will strengthen consumer LCO relations on which rests the success of digitalization and revenue recovery for all stake holders.** The disputes between MSO and Broadcaster should not jeopardize the rights and obligations as between LCO and his customers. For instance if MSO / Broadcaster close down their business because of some reason, other existing MSO / Broadcaster must take over the obligations of serving the LCO without discrimination, so that such situation should not be detrimental to the interests of LCO and subscribers.

Points Related to Technologies

(b) Interoperability. Today all STBs are DVB C compliant. But the technology has been upgraded to DVB C2 recently. Will our subscribers be forced to discard their old STBs and buy the new ones within a year or two? Also, MPEG 4 is replacing MPEG 2 compression technology. This is what is causing the interoperability problems in DTH. This problem will be multiplied many times once total digitisation is implemented. All STBs should be of the latest standards.

- (c) System of CAS certification to be improved** and done by an organization like the BIS rather than a profit making organization like BECIL which charges Rs 5 Lakh and more to do the job. Their procedure is also faulty as they expect every cable operator to first install a CAS system and then approach them for certification incurring heavy expenses. Thus the operator will have to first invest in installing a CAS and then keep running after BECIL to satisfy them. **This will also lead to discrimination when such a procedure for auditing is not laid down for the DTH companies or the IPTV and Mobile TV distribution.** In any case, we don't think CAS certification is required at all as no operator will like to suffer losses due to piracy. **CAS Certification should be the responsibility of vendor (NDS, Conax, Irdeto, Viaccess, Latens etc.) and not the Operators/ MSOs.**
- (d) Use of CAM based headends and professional IRDs** must be permitted so that good quality digital signal is received by the headend and the same is processed without reconversion. These headends are ten times cheaper than the conventional headends.
- (e) STBs with CAM and CI** must be permitted so that STBs are available in the open market at competitive prices to subscribers, broadcasters must provide CAMs.
- (f) Quality of Smart cards for STBs.** These must be made from good durable plastic to withstand prolonged use. Broadcasters have been seen to provide low quality plastic cards that break after some time giving a chance to the broadcasters to make more money from replacements. This is adding additional burden on subscribers.
- (g)** All equipment for digital cable transmissions imported or manufactured locally must be of standard quality. **BIS standards** will require to be revised/ made anew for digital equipment and digital services.
- (h) Registration of Equipment, Software and CAS vendors.** Head-end (Uplink, & Downlink) & STB vendors should be able to prove that they **buy their components legally and not from the grey market**

and that they are paying proper royalties to DVB, MPEG, Dolby etc. They need to register themselves with the government for doing business in India certifying that all their products comply with the Indian Standards or in their absence, international standards. **This will, to some extent check spurious and poor quality equipment and STBs to be pushed into India by fly-by-night vendors.**

- (i) STB vendors and CAS vendors to also declare** in their registration applications as to how many times and when their equipment/ systems were hacked in any market of the world. **Such certificates should not be asked from the MSO/Cable operators as it is not possible for them to furnish such details about their vendors.**
- (j) Some government/ private labs having test facilities** and specially trained manpower for the purpose may be specified for testing the samples of the equipment and vendors to certify adherence of international/ BIS standards for each equipment. **Also government should register private auditing labs to audit digital systems and software of the DAS networks if need be.**
- (k) Standards for triple play technologies** (QAM, GPON, IPTV, EoC etc.) should be defined.
- (l) STB power consumption ratings** to be defined as all over the world, they consume maximum power draining the country of precious energy resource. **Energy Conservation** has become a very important issue all over the world, particularly for a developing country like India. **Bureau of Energy Efficiency** under Ministry of Power has also constituted a technical committee to implement energy ratings of STBs of all types.
- (m) The professional IRDs** provided by encrypted channel broadcasters to MSOs/cable operators should not give purely analog output but must have **both SDI and IP outputs** too.
- (n) All broadcasters** should ensure that the satellite signals provided to the MSO/LCO are of sufficient strength and quality so that they are able to offer and maintain quality.

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:

Surprisingly, TRAI has not asked broadcasters to maintain any standards as their name is missing from the issue of QoS.

Each stake holder should ensure the quality at each end as below. Quality of broadcast signals starts from the broadcast studio of the channels and ends at the customer terminal. The following needs to be defined:-

Broadcasters

- (a) It is pointed out that many broadcasters do not follow the ITU(International Telecom Union) guide lines and international norms for broadcast signals accommodating more channels in the same bandwidth to save money, giving poor quality signals to cable operators. Generally 3 mbps (CBR mode) is the minimum required for an MPEG 4 signal and 6 mbps for MPEG 2 to keep up the quality.
- (b) Using lower bandwidth and compressing more channels in a single transponder to save on costs results in poor video/ audio quality with bleeding red colour, freezing or pixelating of picture and noise spill-over.
- (c) Broadcasters also keep changing satellites because of which operators have to incur more expenses for distribution with additional dish antenna, IRD etc.
- (d) **Broadcasters provide cheap IRDs** to the cable headends resulting in poor quality signal unfit for distribution on a large network. Ordinary IRDs output an analog signal which requires to be digitized again, resulting in generation loss.

It is required to define-

- Specifications of the uplinked signal.
- Quality control of the uplinking station, inhouse or outsourced.
- Transponder specifications of the satellite used.
- Specifications of the downlinked signal received at the Cable Headend in terms of bandwidth and EIRP at receiving antenna to be defined.

- That all broadcasters provide professional IRDs to cable operators/ MSOs.

(e) It is suggested that the S/N ratio of the Professional IRDs provided by the broadcasters should be atleast 60dB, to ensure a proper signal distribution on the networks. Also that the **Professional IRDs must conform to the BIS Specifications.**

MSOs/ Independent Operators

- (a) Specification of the broadcast signal at the output of the Cable headend.
- (b) Specifications of signal quality at the LCO terminal.
- (c) QoS and Best Practices be defined for complaint redressal so that the LCO does not bear the brunt.
- (d) MSO must provide redundancy of their good quality signals to the LCO, so that LCO receive uninterrupted good quality signals.

LCOs

Specifications of the quality of signal at the **Customer terminal** should be defined including connections/disconnections, transfer, shifting, handling of complaints relating to no signals, set-top-box, billing etc.

Municipalities and other agencies

Fiber- optic leasing companies like Railtel, Gail, Telcos etc who lease their lines to the MSOs/ Operators, also are responsible for quality of service and should be brought in the ambit of QoS. In case fiber gets cut by municipality digging work or any other reason, **consumers will face a blackout in the absence of a analog backup system, which exists at present.**

Consumers/ Interoperable STBs

Digital Set Top Boxes should be made Universal Cable TV Box (interoperable), to help the subscriber to use the same box purchased by him while shifting from one area to another. And also in case a particular MSO is not able to provide channels and good service, then the Cable TV Operator can opt for another MSO without having to go through the problem of changing the boxes and putting the subscribers in hardship.

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 should be done by the LCOs.

- **Details of itemized billing produced by the SMS of the MSO should be forwarded to the LCO for billing.**
- **Collections can be reconciled every month.**
- **LCO to be given at least 30 days to collect subscriptions from consumers. He will give the collection by 10th of the next month.**
- **No detailed data of LCO subscribers should be taken by the MSO under any pretext. The subscriber should be identified with the STB number.**

At present national MSOs cover less than 20% of the market, rest of the 80% market is covered by Independent MSOs/ LCOs. Most of Independent MSOs started their business as a Cable Operator who provided direct services to their subscribers. In another way they are LCOs too. LCOs have 20 years of experience in the field and they bill to the subscribers and collect the payment from them. If any dispute regarding payment or service or discounts etc. is raised by subscriber, the issues are immediately resolved by the LCO and subscriber feels satisfied. **This is the reason why the LCOs are still holding the market in spite of other competitors like DTH, large MSOs, IPTV etc.**

In CAS zone the model is working very well; MSO bills to the LCOs after deducting 25% of the LCO margin. MSO bills on rest of 75% plus service tax to LCO. LCO directly deposits the entertainment tax and service tax if applicable to the respective Govt. departments.

LCO is a final service provider for the subscriber. So billing must only be done by LCO to the subscriber.

LCO owns his subscriber base, so only he has a right to do the billing of their subscribers.

As per Tax Departments, only the final provider of service or product and recipient of the payment can bill to the customer.

The following reforms are required in Billing Procedures:-

- (a) **Broadcasters must publish the database of their subscribers on a quarterly basis. The records for these should be available for scrutiny to all concerned agencies.**

- (b) As the payments are collected by the LCOs and SMS and Billing System is operated/ maintained by the MSO, **QoS on billing process** to be adopted by the MSO. MSOs need to ensure proper entries in the SMS.
- (c) **MSOs to correctly specify the tax paid** by them on each invoice raised.
- (d) **Payment to the LCOs** should be made by the MSOs within 7 calendar days of the LCO raising the Invoice for his services. It needs to be pointed out here that the LCO pays the Service Tax to the Government within 7 days of raising the invoice & waits endlessly to receive his payment from the MSOs - thereby incurring an interest cost on the Service Tax already paid.
- (e) MSOs to ensure that **LCOs must have access to their subscriber database**, to be able to cross-verify the genuineness of entries made by MSO.
- (f) LCOs to collect the subscriptions from the customers and deposit with the MSO by 10th of the next month as most subscribers prefer to pay on 1st, 7th or 10th of a month after receiving their salaries.

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

Comment: No Prepaid billing as itemized billing is needed for the subscribers. Prepaid billing although convenient, may create problems like in the mobile sector.

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?

Comments: In view of the multiple gains to the broadcasters after digitalization, premium channels could be created without any advertisements.

Advertisements in other pay channels including their duration, should also be controlled/ regulated as per TRAI recommendations given earlier.

The tariff for the Ad free channel should be market driven as it will be under premium services but the same channel should not be broadcast simultaneously with and without the advertisements because if the broadcaster broadcast the same content with as well as without advertisements in two different channels, then only the uplinking cost is increasing for the broadcaster which is very negligible, where as he will sell the ad free channel at a much higher cost, not good for the consumers.

Broadcasters must declare if their channel is ad free or with ads in their application for registration.

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

Comment: For ad free channels there may not be any tariff regulations and may depend solely on market forces.

23. What should be the provisions in the interconnection regulations in respect of ad- free channels?

Comment: Same as in the CAS regime for Pay Channels as there is no additional expense required at the MSO/LCO end to transmit ad free channels.

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

Comment: Revenue could be shared in the ratio of broadcasters 40%, MSO-30%, LCOs-30%.

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.

Comments: Non –addressable STBs should be allowed to at least avail the BST services by the masses of this poor, under developed country. This will also solve the basic issue of STB inter-operability. This will not deny common man, the right to access information and news / views. Even DD –Direct service owned and operated by the public broadcaster with only Free to Air channels is without encryption and can be received by any Non- Addressable DVB-S STB without any subscription. We cannot discriminate a cable subscriber in this regards.

It can be more economical and fruitful in the entire digitization process of the country if the LCOs or MSOs can be allowed to turn around the DD-Direct service and provide to the customers through their distribution plant as a basic service tier at a nominal cost. This way, they will avoid installation of the Dish Antenna and its periodic maintenance.

Hence in public interest, FTA basic tier must continue to be without addressability for the next five years or till the DD Direct is made addressable and all terrestrial TV transmissions are made digital addressable. This will also cut down the cost of digitalization and make it happen faster because only a required number of pay channels will have to be encrypted.

Reference point for wholesale price post DAS implementation

Comment: Same as in CAS notified areas.

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:

NO BLACKOUT for any existing Consumer should happen after 31st December 2014.

- **No predatory pricing by the Broadcasters**

- **Since Broadcasters are also DTH operators, MSOs and channel Aggregators.**
- **Maximum Price Cap (MRP) should be put on all channel**
- **TRAI should freeze the MRP rate of channels for five years when digital infrastructure is being built.**
- **MSO/MSOI/LCO should be able to negotiate with broadcasters depending upon demographics, much below the MRP, in consumer interest.**

Doordarshan Channels are still in analog and FTA. It will take a long time for them to be digitalized. Similarly, all FTA cable networks and the FTA feeds of the Digital cable networks should be kept out of the mandatory addressability so that immediately there is no adverse impact on millions of FTA subscribers. This will not even affect the revenue of the pay channels which are addressable. **This is the best solution for India.**

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

27.1 : Date for completion of the first phase should be extended upto 31 December 2012, because of non-availability of the set-top-box, DAS License, Content availability, Trained Manpower and Consumer Awareness.

Analog systems should continue to run simultaneously till 31 December 2014 to avoid any blackouts and smooth implementation of DAS.

27.2 : Problem of FTA Cable Operators. These networks serve only FTA channels to very poor people and are so small in size that the broadcasters refuse to give them their pay channels and MSO distributors refuse to give them the feed. **How can these operators adopt digitalization? They should be kept out of the Digitalisation process till we have a solution for them and also a separate tariff order may be drafted for them.**

27.3 : STBs for poor section of the society should be subsidized from a common fund like the Universal Obligation Fund (USOF), raised from the

broadcasters and the MSOs and augmented by the government, who would be the greatest beneficiary of Digitalisation as-

- their liability of carriage fee/ placement fee will reduce to minimum,
- they will get enhanced revenues from total declarations and
- their viewership will remain intact.
- Government will also get estimated 30000 crores annually as taxes.

27.4 : HITS will not Help the LCOs

Although, the I&B Minister assured that HITS would solve the problems of small operators and they will not be rendered jobless, the only HITS operator who started operations had shut it down about 2 years ago as Digitalisation was not on the horizon and the reason cited was that HITS was unviable for the operators.

- We feel that a single HITS operator is not a viable proposition as it will encourage monopolization of the market not in the interest of consumers.
- In case of multiple HITS operators, the country will block a huge number of transponders which are a rare commodity now and the operational costs will go very high.
- Small networks in rural areas and small towns, where HITS may become popular, are not competitive markets for multiple operators and may lead to consumers getting stuck to a single operator, whether they like it or not.
- Also the STBs are not interoperable, giving no opportunity to consumers to shift to a different service provider for better service.
- Regulations permit HITS operation on Ku Band which is used by DTH operators. This will enable DTH operators who are broadcasters as well as MSOs, to operate HITS and create huge monopolies in the television distribution sector and will not work for small operators.

Due to monopolies, there will be no competition and level playing field and Pay TV rates will be increased arbitrarily as is being done now, introducing new channels and supplying Bouquets of channels.

27.5 :

Cable Operators do not trust the MNCs and large Broadcasting companies who have only harmed them and arm-twisted them through their vertically integrated businesses rather than helped them to grow their business.

After taking HITS service, operator loses all control on his network as STB are directly controlled by the HITS Operator but he still faces the wrath of the subscribers for poor service and bad content. **After the HITS operator abandoned operation last, many operators who took their signals were in trouble as no MSO would give them their signal and their costly equipment and other investments were wasted.**

Similarly, many MSOs have closed shop in many areas, putting cable operators at the mercy of local distributors of other MSOs who were earlier their competitors.

27.6 : Any cable network going **digital addressable in any non-CAS area** irrespective of the phases of digitization, must be made to follow the CAS area tariff till TRAI comes up with the new tariff for DAS

27.7: MDU System Disturbing the Level Playing Field in Digital Scenario

By using an MDU the DTH operator in effect receives a programming service from a broadcaster and re-transmits the same for simultaneous reception by **multiple subscribers** directly, which in effect is the definition for an MSO. This must be stopped hence forth.

MDU was permitted in DTH, much against our protests. It should be stopped hence forth till the license conditions are not finalised for DAS areas. The DTH operator should give-

- (i) A list of the buildings where they have provided MDU service.
- (ii) Is the permission from the subscribers exclusive?
- (iii) have they the permissions from all buildings and
- (iv) they should submit the copy of the same to the Ministry till a final decision is taken.

27.8: BECIL Certification

It is a matter of fact that BECIL does not have the requisite expertise to conduct any tests on the networks. We have our doubt if they **have any test lab fitted with all sophisticated tests and measuring equipment to check digital equipment.**

Since TRAI has **listed only BECIL for testing and auditing of digital cable networks, CAS and SMS, BECIL is treating this as a money making process** which is exemplified by the fact that it charges an amount of Rs 5 Lacs to certify a cable network. An operator, big or small has to shell out another 5 lac or so as expenses of the BECIL team.

It is an irony that this certificate is just a piece of paper not accepted by any oft the broadcaster as it lacks the integrity in itself. Nor it has stood the test in the Courts in litigations against pay broadcasters where it has been rejected for providing addressable system rates of pay channels to subscribers.

TRAI has not entrusted BECIL with certifying/ auditing of any other broadcast services like TV channel broadcasting, uplinking/ downlinking, studio setups, IPTV services, Mobile TV services, DTH services, Value added services etc where quality is of prime importance.

27.9 FDI

FDI for cable operator should be 49%.

- 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).**
- Putting Digital Head ends should be made mandatory for all foreign investor in cable TV system in rural area.

27.10 Registration of DAS Operators

- Registration of DAS operator should be made easy for all, with fewer restrictions, so that the digitalization roll out is smooth and faster.

- New operators /MSO and Independent MSO's have not placed order/ installed Digital addressable system, and are waiting for clarity.
- Registration of DAS MSO/LCO should be faster, easier, Transparent with less conditions. Clarity needed
- 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.

27.11 Draft Model Agreement

- 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.

27.12 Monitoring of the DAS Process

- There should be regular monitoring by TRAI during implementation of DAS.
- TRAI should keep a record of how many requests have come to broadcasters for content and in how many days, they have been completed. There should be a time frame with penalty. Broadcaster should give reason for not providing content within time frame.
- Broadcasters refuse content on trivial issues. This will hamper process of Digitization.
- Broadcaster should lay down its condition in advance to TRAI, so MSO/LCO can act accordingly.
- Since there is a vertical Monopoly, Broadcasters are MSOs, DTH player also, they are reluctant to promote/ allow an MSOI or a new player to operate.

27.13 Cable TV – An essential service

Cable TV service should be put under category of essential services as consumer is watching DD channels, education news entertainment programmes with family which empowers the common man.

27.14 Central Grievance Cell

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

27.15 Irritating Advertisements

- Consumers get irritated by Long Advertisements and many types of advertisements running simultaneously on the screen. Type and Time of advt per hour should be regulated by TRAI.
- TRAI should fix price for consumer depending on the duration of advertisement in a channel.

27.16 ISP License for Operators

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.

27.17 MSO Licensing Conditions

- **MSO should not do the last mile/ Direct Points**
- **They should not get the license for Last Mile Service.**
- **MSO should not raise Dummy operator to arm-twist an existing operator.**

27. 18 Cross Media Restrictions. These must be seriously implemented by the government in the industry if any progress has to be made in the infrastructure.

27.19 No Demand from Subscribers for Total Digital Cable Services?

It is a well known fact that India is a developing country and more than 70 % people are poor. The **Socio Economic Survey report released by the Planning Commission states that 60% population in the cities is also in the category of poor with a monthly income of just Rs 3500/-.**

This population pays around Rs 50 - 100/- as monthly subscription and cannot afford to buy an STB and pay channels

Such a regulation will not empower the consumers with choice but deprive them of the infotainment which cable operators provided them for the last 20 years.

27.20 Forcing a Technology on Consumers and Private Cable Operators

Government is forcing a technology in the country on privately owned cable TV business, making them incur heavy expense on digital equipment and up gradation without ensuring if they earn enough to survive. The process needed a well planned Communication Policy and not an overnight shift from one technology to another.

Government should have provided adequate incentives to operators to migrate to digital and taking all digital networks in its fold to be developed as a part of the National Broadband Plan that would uplift the National Economy. Also, the government could have assessed the public perception before making a law so that it does not fall flat like CAS in 2003.

We submit the above points for your kind consideration with the assurance of a total co-operation to the government in its efforts to uplift the last mile networks for country's development.

Yours Truly,
Roop Sharma