# CHENNAI METRO CABLE TV OPERATORS ASSOCIATION

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Celebrating 30th Year of Cable TV Industry

3 Decades of Service to Viewer's, MSO's & Broadcasters

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To

Mr. Anil Baradwaj
Advisor
TRAI
New Delhi.

We CMCOA Chennai based association for cable operators welfare.

We had given various representations earlier to MIB/ TRAI, CMCOA thank the TRAI on opening a consultation paper on NTO 2.0 which is the long pending issue after – DAS implementation.
Since 2008 TRAI is Trying to regulate the Broadcast and cable industry and took Lot of man hour's of the entire industry to arrive at the new regulatory Framework(NTO 1.0) on pay channel tariff, which was implemented in February 2019 after Lot of struggle in various courts across India.

We CMCOA like to present following Comments as follows:

1.27 To deliberate on the issues related to pending implementation of New Regulatory Framework 2020 and suggest a way forward, a committee consisting of members from Indian Broadcasting & Digital Foundation (IBDF), All India Digital Cable Federation (AIDCF) & DTH Association was constituted under the aegis of TRAI (Annexure IV). The broad terms of reference of the Committee were as below:

1.29 The committee held discussions on 23rd December 2022
Stakeholders suggested that more than two more years have passed since NTO 2.0 amendments and more than three years have passed with NTO 1.0 implementations, since then, there is no change in prices of bouquet or a-la- carte channels. This has kept industry under stress in terms of providing quality product to the end consumers.

**CMCOA Comment :** As mention 3 years past the after NTO 1.0 implementation as promised the prices of the pay channel as not come down after the 100% clarity on declaration through digital mode that is CPE equipments at consumer places Hence

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rollback the NTO 1 and start the CAS like process as total declaration has happened that TRAI has to fix the MRP as a regulator trusted by MIB and fix the MRP of paychannel's and allow the broadcasters of continue collect the advertisement tariff as per their wish on all Copy channels ( dubbing , music,Comedy etc...) Channels also.

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1.4 Main provisions of New Regulatory Framework 2020, which
differentiate it from New Regulatory Framework 2017, inter-alia, are
given in table. And
1.9 Additionally, the amended NCF for multi-TV homes have enabled
further savings to the tune of 60% on second (and more) television sets. And
i. Revision in the ceiling of Network Capacity Fee (NCF) of Rs 130/-

**CMCOA Comment :**

NCF amount is mainly defined to take care of fixed and variable cost incurred by LCO's.

NCF has to remain fixed as cost of materials,labour & maintenance are on steep increase.
NCF amount has to be increased to 6% 9% once 2 years to make ROI of LCO's viable.
NCF has to remain same irrespective of any number of FTA Channels and number of TV per home.

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1.8 With the implementation of certain provisions of New Regulatory Framework 2020 as mentioned above, many benefits of the 2020 amendments have already accrued to the consumers. Every consumer now can get 228 TV channels instead of 100 channels earlier, in

**CMCOA Comment:**

After DAS implemented the above is already offered to Viewer's.

1.16 Immediately after new tariffs were announced, TRAI received representations from Distribution Platform Operators (DPOs), Associations of Local Cable Operators (LCOs) and Consumer Organizations. DPOs also highlighted difficulties likely to be faced by them in implementing new rates in their IT systems and migrating the consumers in bulk to the new tariff regime through the informed exercise of options, impacting almost all bouquets, due to upward

**CMCOA Comment :**

The main issue is fixation of MRP in the whole Consultation process.
To come out this issue the 10 years proven CAS regime pay channel price fixation by TRAI can be brought back as the pay channels have dual revenue 1) Advertisement revenue of several cores
2) monthly revenue from MSO's remmitance of several crores.
Revenue sharing aslo will become easy amoung stake holders.
As Digital Set topBox was investment by MSO's and last mile infrastructure investment by LCO's the pay channels Commission can be shared as w followed in the CAS regime
ie BB 45 : MSO 30 LCO : 25 which will help across the industry players to achieve their ROI as this 3 decade old industry is facing stiff competition from all form of electronic media.

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IQ2. What steps should be taken to ensure that popular television channels remain accessible to the large segment of viewers. Should there be a ceiling on the MRP of pay channels? Please provide your answer with full justifications/reasons.

**CMCOA Comment :**

To ensure the popular pay channels remain accessible to huge segment of viewers The ceiling on Repeated programme should be restricted to 70:30 content fresh : repeat if not maintained reduce 25% of the allowed MRP.( during covid 19 all have re released from 20 years old library and no discount passed as no cost involved)

Ceiling on MRP can be followed as in CAS all pay channels same MRP as in CAS. Popular television Channels can raise revenue from advertisement as per the TRP/ BARC etc ... ratings.
Thus Honorable Courts would not have to intervene after many hearings on Fixation of prices

1.23 . 1.23 Easy availability of the TV content on the Over The Top (OTT) platforms/ Apps is also posing a serious challenge to the traditional cable/dish TV services. In 2013, there were only a couple of OTT platforms in India with very few viewers. However, during last two to three years the number and type of such platforms have increased manifolds.

CMCOA Comment

OTT platform has to be regulated as it comes under MIB,but the ISP Providers misuses the OTT platform and create a separate LCN also to deliver the channels without coming under RIO agreement .
Hence ISP provider's who is under IT & Telecom department does not adher MIB MIB Rules & Regulations to deliver pay channels and sell in NTO 1.0 MRP. The purpose of NTO is to maintain uniform rate to all digital platforms only.
This breach of RIO agreement by ISP players to be brought under control to sustain the healthy growth of pay channels