



To, Mr. Anilkumar Bhardwaj,

Sr. Advisor (B & CS),

The Telecom Regulatory Authority Of India,

Mahanagar Doorsanchar Bhavan, Jawaharlala Nehru Marg

New Delhi : 110 002

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**Sub: Consultation Paper On Review Of Regulatory Framework For
Broadcasting and Cable Services (Consultation Paper No. 13/2023)**

Respected Sir, Warm Greetings from Digital Service Provider Federation, (DSPF, INDIA)

At the outset, DSPF, on behalf of the 1 million+ LCOs/LMOs and our 2.5 million team of semi-skilled and unskilled employees who put their heart and soul to ensure the whole business works uninterrupted, come rain or extreme sunshine, wish to express our sincere gratitude and appreciation to TRAI for taking cognizance of some of the Key Issues and challenges that we have been encountering in our business since the inception of DAS.

We truly appreciate TRAI's initiative in raising some of the issues in this Consultation paper that our Federation had raised and discussed in our meeting in 27th April 2023. We thank TRAI for understanding and empathizing with our concerns and challenges and raising some of those issues in this Consultation.

Sir, most of the 1 million+ LCOs/LMOs who are still operating in this business today have less than 150 to 200 subscribers, earn very little revenue from the business and can be categorized as Micro or Small Enterprises.

Our members do not have qualified, highly paid executives who can articulate our demands and concerns in our replies to the consultation papers. We cannot afford highly paid lawyers who can fight for what we feel are our legitimate rights in the courts and our only hope is a sympathetic, amiable and considerate TRAI. Due to our financial limitations, it becomes difficult for our members to travel and stay at Delhi or the major cities where TRAI holds discussions, to meet, interact and convey our problems to you.

The size of our business is very small and our survival and continuance in this business depends on having a *TRANSPARENT* ecosystem. We are therefore totally dependent on a regulatory regime that understands our strengths, our challenges, empathizes with us and recommends a fair and equitable inter-stakeholder ecosystem for us to earn a decent return on the capital employed and survive in our business.



DSPF, on behalf of the 1 million+ LCO/LMOs have firmed up our point-wise replies to some of the Questions raised in this Consultation which have a direct bearing on our members and we hope to do justice to the cause of the LCOs/LMOs.

Through our replies we hope to highlight the plight of the LCO/LMO, who have been the founding members of this Billion Dollar+ industry, having invested our blood, sweat and investments to create this ubiquitous distribution edifice on which the entire Broadcasting, Cable and even the wired broadband industry is standing. What we are seeking is a level playing field and a fair and equitable revenue share from the different sources of revenue generated in this business.

At the same time we request TRAI to also consider and lend credence to the views of our members, who will also reply with their own set of comments, individually or as different smaller group of LCO/LMOs, some of which may be in variance with the views expressed here.

Issues for consultation:

Q1. Should the present ceiling of Rs.130/- on NCF be reviewed and revised?

- a. If yes, please provide justification for the review and revision.**
- b. If yes, please also suggest the methodology and provide details of calculation to arrive at such revised ceiling price.**
- c. If not, provide reasons with justification as to why NCF should not be revised.**

DSPF RESPONSE

Our view is that the current NCF of Rs. 130/- + GST should be retained and should not be revised, as this price was arrived after due deliberations and seems to be a fair rate.

NCF is an important component of subscription revenue that recognizes the cost of infrastructure and its maintenance and offers a fair compensation to the distribution entities (LCO/LMO and the DPOs). NCF, in different forms have been proposed in the previous avatar of Digitalization (CAS) as also in the previous regulations recommended under DAS. Just to place on record,



in the Digitalized CAS regime and in the initial DAS regime, the NCF was entirely assigned to the LCO/LMO account. We have posted our detailed views on the revenue share in our replies to point nos. 3 & 19.

However, our major concern regarding NCF is the non-conformance / non-compliance of Free Dish, which has been given an unfair free-run to telecast not just the free channels but also pay channels and ***not collect any revenues, including NCF and GST from customers***, giving it an unfair and disproportionate advantage. We have provided a more detailed note on our opinion on NCF later in this reply.

d. Should TRAI consider and remove the NCF capping?

Q2. Should TRAI follow any indices (like CPI/WPI/GDP Deflator) for revision of NCF on a periodic basis to arrive at the revised ceiling? If yes, what should be the periodicity and index? Please provide your comments with detailed justification.

DSPF RESPONSE

To be honest we have a very limited understanding of economics, but our view is that Price revision should be based on GDP Deflator, as we understand that it is a more comprehensive measure of inflation and takes into account a much wider range of products that also includes services and isn't based on a fixed basket of goods alone.

Q3. Whether DPOs should be allowed to have variable NCF for different bouquets/plans for and within a state/ City/ Town/ Village? If yes, should there be some defined parameters for such variable NCF? Please provide detailed reasons/ justification. Will there be any adverse impact on any stakeholder, if variable NCF is considered?



DSPF RESPONSE

DSPF holds the view that differential, but a set of standard NCF rates should be prescribed for different classification of locations such as Metro cities, Urban Cities, Towns and Villages or Rural areas.

Suggesting differential rates of NCF is very tricky as the cost of delivery of services is higher in villages and smaller cities and is relatively lower in the bigger cities and towns. NCF therefore ideally should be higher in villages and smaller towns but considering the lower paying capacities of consumers in the villages and smaller towns, we propose lower NCF for them, so that the burden on those consumers is less.

DSPF advocates a significantly higher share of NCF (75%), to be assigned to the LCO/LMO as the quantum of outdoor infrastructure is significantly higher for the LCO/LMO compared to the MSOs.

However, our biggest concern, especially in the villages and smaller towns is Free Dish which is being allowed to offer FTA channels, services of Private Broadcasters and shockingly even Pay channels without collecting any NCF in blatant violation of DAS regulations, which we strongly recommend, should cease immediately.

To place on record, the truth is that the single biggest contributor to the erosion of Cable TV subscribers is because of Free Dish offering Pay and FTA channels of private broadcasters, without charging any subscription whatsoever (including non-collection of GST). Without doubt this illegal act by the Pubcaster is the key reason for wiping out the business and livelihood of at least 20 to 25% LCO/LMOs and putting the business of another 50% LCO/LMOs into peril. Most of the LCO/LMOs, especially from Rural India and Mofussil towns who have been operating their business in extremely adverse conditions have lost their business and finances which they invested in creating the wired distribution infrastructure because of the wilful law breaker, Free Dish.



Q4. Should TRAI revise the current provision that NCF for 2nd TV connection and onwards in multi-TV homes should not be more than 40% of declared NCF per additional TV?

- a. If yes, provide suggestions on quantitative rationale to be followed to arrive at an optimal discount rate.**

DSPF RESPONSE

We are OK with the 40% discount on declared NCF for 2nd and more TV sets in a household.

- b. If no, why? Please provide justification for not reconsidering the discount.**
- c. Should TRAI consider removing the NCF capping for multi TV homes? Please provide justification.**

Q5. In the case of multi-TV homes, should the pay television channels for each additional TV connection be also made available at a discounted price?

DSPF RESPONSE

DSPF is of the view that Pay channels should not be allowed to collect any subscription for additional TV - rationale for our view is enumerated below.

In the Linear distribution mode there is no return path nor the provision for seeking or providing channels on demand. Further the rate/price prescribed for Pay Channels are for a channel/bouquet of channels, per household, per month.



To be fair, we suggest that Pay Channels should be allowed to charge full Tariff /Rate if subscribers ask for different Pay channel/s (either ala-carte or bouquet) on the other TV sets/STBs within the same household.

If yes, please suggest the quantum of discount on MRP of television channel/ Bouquet for 2nd and subsequent television connection in a multi-TV home. Does multi-TV home or single TV home make a difference to the broadcaster? What mechanism should be available to pay-channel broadcasters to verify the number of subscribers reported for multi-TV homes?

b) If not, the reasons thereof?

DSPF RESPONSE

No additional charge should be levied on Customers watching pay channels on multiple TV sets in a household.

TRAI should compare delivery of content on non-linear mode (OTT), wherein they allow consumers to watch the content on multiple devices at different places within the same subscription (be it the consumer's home, office or even at a third party locations).

Our view therefore is that in the linear distribution mode, there should *not be any additional subscription* whatsoever charged for multiple Television sets within a customer's house/home.

Q6. Is there a need to review the ceiling on discount on sum of MRP of a-la-carte channels in a bouquet (as prescribed through the second proviso to clause 4 (4) of the Tariff Order 2017) while fixing the MRP of that bouquet by DPOs?

a. If yes, what should be the ceiling on such discount? Justify with reasons.



DSPF RESPONSE

Our views is that the percentage of Discounts offered should not be used by the Broadcasters to push unwanted channels and confuse the Consumers and the other stakeholders like the LCOs and DPOs.

Whatever formulae TRAI proposes, it should ensure that the customers, should be able to make informed choices in a very TRANSPARENT manner and not be coerced into subscribing unwanted channels.

b. If not, why? Please provide justification for not reviewing the ceiling.

Q7. Whether the total channel carrying capacity of a DPO be defined in terms of bandwidth (in MBPS) assigned to specific channel(s). If yes, what should be the quantum of bandwidth assigned to SD and HD channels. Please provide your comments with proper justification and examples.

DSPF RESPONSE

DSPF is of the view that TRAI should, in consultation with BECIL propose a standard encoding / bit rate for each of the QAM (64 or 256) in which the channels of a particular genre are being distributed, to ensure uniform quality parameters for all the channels falling under a particular genre. Alternately the DPO themselves can allocate a standard bandwidth and encoding rate for all the channels that fall under the particular genre, depending on the network and the frequencies which are being used.

Q8. Whether the extant prescribed HD/SD ratio which treats 1HD channel equivalent to 2SD channels for the purpose of counting number of channels in NCF should also be reviewed?



DSPF RESPONSE

The same can continue

- e. If yes, should there be a ratio/quantum? Or alternatively should each channel be considered as one channel irrespective of its type (HD or SD or any other type like 4K channel)? Justify with reasons.
- f. If no, please justify your response.

Q9. What measures should be taken to ensure similar reception quality to subscribers for similar genre of channels? Please suggest the parameter(s) that should be monitored/ checked to ensure that no television channel is discriminated against by a DPO. Please provide detailed response with technical details and justification.

DSPF RESPONSE

DSPF is of the view that a Genre-wise, standardized Bit-rate allocation be pre-defined (the min-max range be defined), so that all DPOs conform to the set standards.

Q10. Should there be a provision to mandatorily provide the Free to Air News / Non-News / Newly Launched channels available on the platform of a DPO to all the subscribers?

- g. If yes, please provide your justification for the same with detailed terms and conditions.



h. If not, please substantiate your response with detailed reasoning.

DSPF RESPONSE

Our view on this is a clear NO.

We don't see any merit in all channels being offered to all the subscribers, as we do not wish to confuse them with a surfeit of channels, many of which have almost the same content as the other with no clear differentiation.

To be honest, we suspect this to be subtly pushed by Broadcasters with a vested interest to push small Broadcasters out of business.

The reason for our suspicion is being that the moment this rule will come into effect, we will suddenly witness a plethora of channels being launched by the Big Broadcasters using content from their old library as they will automatically get carried on network. This will further result in bandwidth choking (bandwidth means channel carrying frequencies) and channels of small and independent Broadcasters will either not get carried or get displaced in the channel line-up.

Q11. Should Tariff Order 2017, Interconnection Regulations 2017 and Quality of Service Regulations 2017 be made applicable to non- addressable distribution platforms such as DD Free Dish also?

DSPF RESPONSE

DSPF stand on this is very clear - No Platform/Entity, irrespective of Ownership, Intent, Market or Target Audience should be allowed to Offer Channels / Services in a non-addressable mode in Bharat.



DAS was introduced as an Act by passing the bill in the august house of the Parliament after detailed deliberations and the underlying principle was that all the channels/services necessarily need to be Digital and Encrypted and all the Distribution platforms should strictly comply with all the Rules & Regulations and QoS prescribed under DAS. ***The reason /argument put forth in the discussions for migrating to a fully Encrypted, Digital service was to bring in Transparency for all stakeholders and to get to know the Actual Subscriber numbers subscribing to the services. However, Free Dish, a wilful violator, has been illegally offering un-encrypted Service by violating this basic fundamental purpose.***

Our suggestion for Free Dish are that they should:

- a. Free Dish should operate only as a fully Addressable System
- b. All services/channels on Free Dish should be offered as an encrypted service.
- c. Free Dish should charge the NCF from the subscribers, as prescribed under the regulations
- d. Comply with all the prescribed QoS norms in DAS

If the time to migrate to a fully addressable system complying to all QoS parameters prescribed under DAS is time consuming, Free Dish should immediately offer only DD Channels in their service offering.

Free Dish, for too long has been violating the provisions of DAS regulations by:

- i. Non Collection of NCF
- ii. Non collection of GST (Serious non-compliance issue). TRAI should also keep in mind the Revenue loss to both the Central and State governments exchequer on account of Free Dish not collecting GST.



iii. Unencrypted Telecast of FTA and Pay channels of Private Broadcasters in DAS

iv. Non collection of pay channel subscription

v. Violation of DAS rules by not declaring subscriber number to Pay Broadcasters

While on this, we urge TRAI to also find out how come Broadcasters who conduct multiple audits and undertakes microscopic examinations of all system and processes in DAS and denies content at the slightest slip in processes including for small independent MSOs operating in small towns, has willingly provided their IRDs for receiving and transmitting their channels to Free Dish, which is offering services without any Encryption or Audit, in blatant violation of the provisions of DAS.

Rules and regulations have to be common for all business entities operating in the same business ecosystem. If we look at PSUs operating in other domains, we find all of them are competing with Private sector business on similar terms. We don't see any reason why Free Dish should "Not Comply" with all the provision of the DAS regulations.

Q12. Should the channels available on DD Free Dish platform be mandatorily made available as Free to Air Channels for all the platforms including all the DPOs?

DSPF RESPONSE

Pardon us, but in our opinion this is a fallacious and flawed question to be discussed and it will be inappropriate to offer a direct answer to this question.

We don't mind DD Channels being transmitted on Free Dish without Encryption to enable it to reach audiences that the other platforms such as Cable and DTH are unable to reach or service.



All the channels from Private Broadcasters which are available on Free Dish should be immediately stopped and pulled out of Free Dish, as these channels are being telecast in Violation and disregard to DAS Regulations. Free Dish should have offered their services only to those consumers / households, which fall under the BPL Category, as it is a Free Service and that too only DD Channels.

Today, in Bharat, we have in place one of the world's best mechanism which has identified households falling under the category of BPL (Below Poverty Line) and they have been provided the "Saffron Ration Card". Free Dish should be offered only to those households. *Instead today we have a scenario where many families residing in the upscale and rich neighbourhoods of the top cities have Free Dish for the primary and, 2nd @ 3rd TV sets.*

We also would like to state that the content being offered on Doordarshan is compelling, engaging and of very good quality, both in substance and content quality. We are of the opinion that the Public Broadcaster should feel happy to offer such content and not dilute its worth by offering channels of Private Broadcasters alongside DD Channels on Free Dish and by doing so they are actually forcing consumers to watch such channels instead of DD Channels

Another point which we want TRAI to intervene is to Stop the advertisement of Free Dish on DD Channels and Channels of Private Broadcasters, since these channels are marketing Free Dish services to customers of Cable TV & DTH, which is basically resorting to unfair trade practices.

Free Dish is free to use any other Media to market their services, except media which is carried by their competition such as Cable TV and DTH.

Q13. Whether there is a need to consider upgradation of DD Free Dish as an addressable platform? If yes, what technology/ mechanism is suggested for making all the STBs addressable? What would be the cost implications



for existing and new consumers? Elaborate the suggested migration methodology with suggested time-period for proposed plan. Please provide your response, with justification.

DSPF RESPONSE

Absolutely Yes. We cannot have any platform operating in Gross Violation of DAS Rules.

DD Free Dish should be an Addressable Platform. (Our view is that TRAI should ensure Non-discrimination and the level playing field amongst all service providers and further the interest of consumers should be of paramount importance while framing rules and regulations).

If the migration from a Non addressable to an Addressable Platform is going to be complex, costly and time consuming exercise, we suggest the following steps listed below to be implemented immediately, as Free Dish has been functioning in Gross Violation of DAS Regulations and is also against the rights of Equality and Right of justice and live hood to cable operators, as enshrined in the Constitution of Bharat.

Our Suggestions therefore are:

- i.* Pay Broadcasters should forthwith discontinue their signals to Free Dish and seek return of their IRDs from Prasar Bharti**
- ii.* Free Dish should stop telecasting all the FTA channels of Private Broadcasters.**
- iii.* Only DD Channels should be made available on Free Dish**

Q14. In case of amendment to the RIO by the broadcaster, the extant provision provides an option to DPO to continue with the unamended RIO agreement. Should this option continue to be available for the DPO?



- a. If yes, how the issue of differential pricing of television channel by different DPOs be addressed?
- b. If no, then how should the business continuity interest of DPO be protected?

Q15. Sometimes, the amendment in RIO becomes expedient due to amendment in extant Regulation/ Tariff order. Should such amendment of RIO be treated in a different manner? Please elaborate and provide full justification for your comment.

Q16. Should it be mandated that the validity of any RIO issued by a broadcaster or DPO may be for say 1 year and all the Interconnection agreement may end on a common date say 31st December every year. Please justify your response.

DSPF RESPONSE

Our view is that all RIOs should be standard for all players and it will be a better idea for a 1 year Validity with a common start and expiry date, else we fear that it may become open to manipulation, as is being witnessed now with the weaker players being discriminated against.

Q17. Should flexibility be given to DPOs for listing of channels in EPG?

- a. If yes, how should the interest of broadcasters (especially small ones) be safeguarded?
- b. If no, what criteria should be followed so that it promotes level playing field and safeguard interest of each stakeholder?



Q18. Since MIB generally gives permission to a channel in multiple languages, how the placement of such channels may be regulated so that interests of all stakeholders are protected?

DSPF RESPONSE

There are 2 ways Channels can be placed in a line up - Either Language-wise and within this Genre-wise or alternately Genre-wise and within this Language-wise.

- a. Our considered view is that Channels should be grouped in the LCN line up, Language-wise and within this, Genre-wise (preferred) or alternately Genre-wise and within Genres, Language-wise (less preferred).

If we go by the 1st option, then say for the HSM Markets, all the channels in any given language should be clubbed together and within the Language it should be grouped Genre-wise. So for eg. If say LCN 100 to 500 is allotted to Hindi Language channels, then from 100 to 150 can be for Hindi GEC, 151 to 200 can be for Hindi Movies (another sub-division can be say 151 to 160 can be General Hindi Movies, 161 to 170 can be Action Hindi Movies, 171 to 175 Romantic Hindi Movies, 176 to 180 Hindi Comedy Movies) and so on.

- b. Genre-wise and within that Language-wise (less preferred). In this option say 100 to 300 is for all GEC channels, 301 to 375 is for Cinema/Movie channel. But within this in GEC genre, say 100 to 150 is for Hindi GEC, 151 to 175 Bhojpuri GEC, 176 to 190 Punjabi GEC.

In this we would like to share a feedback from customers which suggested that all the News Channels should be clubbed together and placed at the cusp of the Language LCNs. Say in HSM Markets, where Hindi language channels are to be placed between LCN Nos. 100 to 500 and say English



language Channels from say 501 onwards, then the Hindi News channels can be placed ideally after say LCN 450 to 500 and the English Genre can start with English News channels, placed between say, LCN 501 to LCN 525. The reason is that many subscribers are wont to switching between their Hindi or Regional language News channels and English News channels.

However, what is important in our view is that whatever option the DPO chooses, they should clearly communicate and convey the placement of channels to their customers through regular scrolling message / communications on their PS and on their Barker channel.

So as per the example shared above, the DPO can run scroll messages informing the customers that in their network Hindi GEC channels are being shown between LCN 100 to LCN 150, Hindi Movie channels between LCN 151 to LCN 200. Within these LCN numbers they have allocated sub-genre, wherein they have placed General Hindi Movies between LCN 161 to LCN 170, Action Hindi Movies between LCN 171 to LCN 180, Romantic Hindi Movies between LCN 181 to LCN 200 etc.

Q19. Should the revenue share between an MSO (including HITS Operator) and LCO as prescribed in Standard Interconnect Agreement be considered for a review?

a. If yes:

DSPF RESPONSE

YES. On behalf of the LCO, we would like to state that the revenue share accorded to the LCO/LMO in DAS, till date, has been grossly unfair. At the same time, we thank and appreciate TRAI for raising this point of sharing all revenue with the LCOs, for discussion.

The MSO's own less than 5% of the consumers (direct points) and most cable TV subscribers are owned by the LCOs/LMOs. More than 90 to 95% of all outdoor infrastructure laid to deliver the services to consumers can be



ascribed to the LCOs/LMOs. Yet, till date, only the subscription revenue (and that too a minority share) was sought to be shared with the LCO/LMO.

Another factor that needs to be considered is that the ground infrastructure required to deliver the channels / services of Broadcasters and received from the MSO to the consumer, is almost entirely overhead and therefore open to vandalism and exposed to the vagaries of nature. To ensure uninterrupted delivery of services, there is a constant need to keep replacing the infrastructure and being overhead, Insurance is not available on these investments.

Despite these challenges and pitfalls, the LCO/LMO as true entrepreneurs, without considering the ramifications or profitability of their business have always replaced the infrastructure to ensure continuous supply of service to the customers.

Considering all the above, we suggest that the LCO/LMO deserves to be ascribed a significantly higher share of NCF revenue and for revenue generated from supplementary /additional sources accruing from the entire business, an equal, if not higher share of revenue, compared to the MSOs.

- i. Should the current revenue share on NCF be considered for a revision?**

DSPF RESPONSE

YES. Considering the infrastructure laid to deliver services to consumer, it is fair to seek a 75% share of NCF to the LCO/LMO. Just wanted to share that in the previous CAS regime and even in the initial DAS regulations, the LCO was given a much higher share of NCF, which for no explicable reason was suddenly reduced to a minority.

- ii. Should the regulations prescribe revenue share on other revenue components like Distribution Fee for Pay Channels, Discount on pay channels etc.? Please list all the revenue**



components along-with the suggested revenue share that should accrue to LCO.

Please provide quantitative calculations made for arriving at suggested revenue share along-with detailed comments / justification.

DSPF RESPONSE

Absolutely Yes.

For the past 10 years since the inception of DAS, the LCO/LMO has been completely side lined and our legitimate demands and pleas have been thrust aside and only a token share has been given from only Subscription revenue

If one tries to discern the revenue sources accruing in the distribution business in a fair and dispassionate manner, it is clearly evident that all the supplementary revenue sources (Other than pure subscription) including Carriage, Placements, LCN, Bundling, Advertising on PS etc is dependent on the weightage of **People Meters** placed in households belonging to the LCOs customer and is also dependent on the subscriber base. Just to reiterate once again that 90 to 95% subscribers are owned by the LCO/LMO and just 3 to 5% subscribers are owned by the MSO.

Again, the delivery of services including content is predominantly through the LCO infrastructure in the Cable TV business and the customers belong to the LCOs/LMOs.

Therefore, all the revenues earned by the DPOs, some of which is mentioned below, should be shared with the LCO/LMO:

- i. Carriage Revenue
- ii. Revenues earned from Placements of channels and LCNs
- iii. Selling commercial time on Platform Services as well as Barker Channel aired by MSO
- iv. Discounts given by Broadcasters for bundling their channels
- v. Marketing Fees offered by Broadcasters to MSO

We urge TRAI to propose and recommend regulations such that the MSOs share all the revenues earned by the MSO with a majority if not equal revenue share to be accorded to the LCO/LMO.

While recommending revenues from sources other than Subscription to be shared with the LCO/LMOs, TRAI should ensure that all inter-stakeholder commercial deals and Agreements detailing the terms of such transactions/deals between the Broadcasters and DPOs should be “Tripartite Agreements” between Broadcasters,



DPOs and LCOs, so that there is transparency in all commercial deals and the LCO is also fully informed and be made aware of all contents of such agreements.

By leaving the LCO out of the negotiations and agreements, TRAI, till date was violating the 6 fundamental rights of the LCO/LMO:

1. Right to Equality
2. Right to Livelihood
3. Right to Information, as enshrined in our Constitution.
4. Right of Justice
5. Right of Level Playing Field
6. MRTP

We therefore suggest and recommend that all sources of revenue such as Carriage, LCN Placement, Advertisement revenue, Marketing fees and Discounts offered by Broadcasters and any other revenue that accrues to the MSO, be shared with the LCO, in an equal manner, if not a higher share.

DAS was introduced to usher in transparency in the business, but almost all regulations recommended by TRAI till date seems to be focussed at controlling only the subscription revenue earned from consumers and completely ignores advertisement revenues earned by the Broadcasters, which again is dependent on the subscriber / consumer that the last mile player connects using their infrastructure and investments (LCO, MSO and DTH players).

We request TRAI to reconsider the **revenue shared on Pay Channel Subscription** and re-work the revenue share to 30% to Broadcaster: 70 % to DPO (in case of Cable TV business 50% LCO/LMO and 20% MSO (provided If not considering the other revenues generated by MSO) and for DTH it should be 50%, each for the Broadcasters and DTH Player.(Considering the advertisement revenue earn by Broadcasters from DTH platform)

The rationale for our view posted above on sharing of Subscription of Pay Channel is that Broadcaster's gets to retain all the revenues earned by them on advertisements and by selling commercial time on their channels, so their share on subscription should not be more than 30%.

TRAI has allowed Broadcasters complete freedom to price their pay channels - there is Forbearance. This allows the Broadcasters to generate as much revenue as they are worth from the consumers willing to pay them. What it also implies is that all Pay channels should therefore be **Advertisement-free**. Forget being advertisement-free, Broadcaster's in complete disregard to rules and regulations runs commercials/advertisements much more than the rules prescribed under QoS.

i. If no, please justify your comments.



Q20. Should there be review of capping on carriage fee?

- a. If yes, how much it should be so that the interests of all stakeholders be safeguarded. Please provide rationale alongwith supporting data for the same.
- b. If no, please justify how the interest of all stakeholders especially the small broadcasters can be safeguarded?

DSPF RESPONSE

DSPF recommends Forbearance and no capping on Carriage fees.

TRAI has recommended forbearance on Prices /Rates of Pay channels to the Consumer despite the fact that Prices / Rates of Pay channels ***DIRECTLY*** affects close to 800 million consumers.

At the same time TRAI has been recommending capping on carriage fee, which is clearly a business to business transaction and this is something which the Consumer is not affected or inconvenienced in any manner- -so why try and regulate or propose capping.

The irony, is that as far as Broadcasters and revenues earned by them are concerned, there is either no regulation or disclosure sought or there are light-touch regulations, but when it comes to revenues earned by the Distribution partners, there are tough and water-tight regulations.

As far as the smaller Broadcasters are concerned, in a purely Digital ecosystem, there is enough bandwidth to accommodate a good number of channels (although not unlimited) and we anyways support the recommendation to place all channels of similar genre within a certain LCN bracket, so the broadcasters fears are addressed and they are not unduly harassed.

At the same time one needs to appreciate that we are migrating to the non-linear delivery mode and all prospective channel/content owner has the option of launch OTT platforms at much lower cost to reach out to their target audience.

Q21. To increase penetration of HD channels, should the rate of carriage fee on HD channels and the cap on carriage



fee on HD channels may be reduced. If yes, please specify the modified rate of carriage fee and the cap on carriage fee on HD channels. Please support your response with proper justification.

DSPF RESPONSE

We see no justification in increasing penetration of HD channels or reducing the Carriage fees for such channels. The Broadcasters initially asked for higher subscription for HD channels and now we are surprised to see this request.

Today, most boxes offered to customers are HD and if there is customer demand, the service providers will offer more HD channels. At the same time one has to keep in mind that 5G, 6G and the next generation of Telco spectrums will keep gnawing away into the spectrum in which Cable TV is operating (within a wired infrastructure) and adding more HD channels will clearly impinge on adding new channels or it would mean removing some channels of smaller Broadcasters.

It therefore means that it makes little sense to keep offering more HD channels.

Q22. Should TRAI consider removing capping on carriage fee for introducing forbearance? Please justify your response.

DSPF RESPONSE

Yes. Forbearance has been prescribed on Pay channel subscription rates and we have always supported this view. Similarly there is absolutely no constraint on the rates for the commercial time offered to advertisers and sponsors of programs. Pray why is TRAI seeking to cap carriage fee rates. The Cable networks needs massive amounts of investments to upgrade the network to make it a full two-way delivery network and it is fair to expect a part of this investment come from Carriage revenue.

Q23. In respect of DPO's RIO based agreement, if the broadcaster and DPO fail to enter into new



interconnection agreement before the expiry of the existing agreement, the extant Interconnection Regulation provide that if the parties fail to enter into new agreement, DPO shall not discontinue carrying a television channel, if the signals of such television channel remain available for distribution and the monthly subscription percentage for that television channel is more than twenty percent of the monthly average active subscriber base in the target market. Does this specified percentage of 20 percent need a review? If yes, what should be the revised prescribed percentage of the monthly average active subscriber base of DPO. Please provide justification for your response.

DSPF RESPONSE

It should be maintained at 20%

Q24. Whether the extant charges prescribed under the ‘QoS Regulations’ need any modification required for the same? If yes, justify with detailed explanation for the review of:

a. Installation and Activation Charges for a new connection.

DSPF RESPONSE

Inflation, cost of distribution hardware, salaries and other expenses are increasing by the day. Besides, there has been no upward revision in the activation charges over the last 2 to 3 years.

We suggest forbearance, as the cost for connecting a new customer differs from customer to customer even with the same locality. Our



view is charging of Activation fees should be left to the LCOs/LMOs, who understands their customers and are capable of working out the rates accordingly.

Other factor to be kept in mind is that Cable TV subscriber numbers are on the decline but the fixed cost and Opex is increasing due to the reasons mentioned above.

- b. Temporary suspension of broadcasting services**
- c. Visiting Charge in respect of registered complaint in the case of DTH services**
- d. Relocation of connection**
- e. Any other charges that need to be reviewed or prescribed.**

Q25. Should TRAI consider removing capping on the above-mentioned charges for introducing forbearance? Please justify your response.

Q26. Whether the Electronic Programme Guide (EPG) for consumer convenience should display

- f. MRP only**
- g. MRP with DRP alongside -**

DSPF RESPONSE

To enable Transparency to the customer and the LCO/LMO, both the prices needs to be displayed

- h. DRP only?**

Justify your response by giving appropriate explanations.

- A. Billing cycle for pre-paid payment option shall be thirty**



days from the date of activation of services

Q27. What periodicity should be adopted in the case of pre-paid billing system. Please comment with detailed justification.

Q28. Should the current periodicity for submitting subscriber channel viewership information to broadcasters be reviewed to ensure that the viewership data of every subscriber, even those who opt for the channel even for a day, is included in the reports? Please provide your comments in detail.

Q29. MIB in its guidelines in respect of Platform Services has *inter-alia*

stated the following:

- a. The Platform Services Channels shall be categorised under
the genre 'Platform Services' in the EPG.
- b. Respective MRP of the platform service shall be displayed in the EPG against each platform service.
- c. The DPO shall provide an option of activation /deactivation of platform services.

In view of above, you are requested to provide your comments for suitable incorporation of the above mentioned or any other provisions w.r.t. Platform Services channels of DPOs in the 'QoS Regulations'.

Q30. Is there a need to re-evaluate the provisions outlined in the 'QoS Regulations' in respect of:

- a. Toll-free customer care number



- b. Establishment of website
- c. Consumer Corner
- d. Subscriber Corner
- e. Manual of Practice
- f. Any other provision that needs to be

re-assessed Please justify your comments with detailed explanations.

Q31. Should a financial disincentive be levied in case a service provider is found in violation of any provisions of Tariff Order, Interconnection Regulations and Quality of Service Regulations?

a. If yes, please provide answers to the following questions:

i. What should be the amount of financial disincentive for respective service provider? Should there be a category of major/ minor violations for prescription of differential financial disincentive? Please provide list of such violation and category thereof. Please provide justification for your response.

ii. How much time should be provided to the service provider to comply with regulation and payment of financial disincentive. and taking with extant regulations/tariff order?

iii. In case the service provider does not comply within the stipulated time how much additional financial disincentive should be levied? Should there be a provision to levy interest on delayed payment of Financial Disincentive?

1. If yes, what should be the interest rate?



2. In no, what other measures should be taken to ensure recovery of financial disincentive and regulatory compliance?
- iv. In case of loss to the consumer due to violation, how the consumer may be compensated for such default?

DSPF RESPONSE

It should be no more than the cost of the service

- b. If no, then how should it be ensured that the service provider complies with the provisions of Tariff Order, Interconnection Regulations and Quality of Service Regulations?

Any other matter related to the issues raised in present consulta

DSPF RESPONSE

We have tried to offer our views and comments to as many points as possible and would also like to highlight a few other key concerns without wanting to denounce any stakeholder or entity, but only to protect our interest so that we get our legitimate recognition and dues.

The reason why we have raised these points are to highlight the plight of the LCO/LMO, who have been the founding members of this Billion Dollar+ industry, having put their blood, sweat and investments to create this ubiquitous distribution edifice on which the entire Broadcasting, Cable and even the wired broadband industry is standing. What we are seeking is a level playing field and an equitable revenue share from various sources of revenue.



DSPF would like to use this consultation to highlight one of our biggest grievance, which is the number of cases filed against our members in TDSAT and other courts, most of it on false grounds and motivated with ulterior objective of pressurizing and harassing the small and vulnerable LCO/LMO.

As stated earlier, our members can be categorized as micro to at best small enterprises and it is almost impossible for our members to hire lawyers or even attend court hearings for multiple cases that are filed against them. Today, we have a scenario where there are very limited number of MSOs and many of them claim direct or indirect ownership to just a couple of companies. Most of the big corporate MSOs are working like cartels and the LCO/LMO is always under constant pressure. It is clearly evident that these are pressure tactics being filed just to harass the LCO/LMO and this is happening because of the opaque inter connect stakeholder agreements.

To ensure Transparency, we humbly solicit a just and fair regulatory regime that recognizes the challenges and problems faced by the 1 million+ weak stakeholder and recommends rules and regulations that is fair to them and comforts the LCO/LMO.

We would like TRAI to make a few fundamental corrections in the interconnect agreements, which we believe should be without any open clauses, which are open to interpretation or having words referring/ implying phrases such as “Open to negotiation between stakeholders”. The reality is that MSOs are big and powerful Media entities with a lot of resources of all kinds available at their disposal and the LCO/LMO are fragmented and very small entities, easily open to manipulations. Negotiations can happen between two or more entities of equal or almost equal stature but not between stakeholders of disproportionate strength and resources. That is where a compassionate and an understanding regulatory regime is required.

DSPF seeks the indulgence of the Regulator to consider the following points mentioned below and propose changes to the regulations:



1. ***We have been demanding both Monthly or Term Invoice and subscription receipts to be issued by the MSOs to the LCOs for every transaction made or to provide a line-wise, itemised billing for Top-ups made by the LCO on the Portal, with a copy submitted to TRAI with details of outstanding, is any.***

This is to ensure that the MSOs don't keep filing false or inflated outstanding on any LCO who looks to migrate to a competing MSO or create their own independent MSO business. Slavery and Bonded labour, we thought, was supposed to be a relic of the past, but looking at the number of false and motivated cases filed against the LCO/LMO, one is compelled to think that we are going back to the dark ages. We sincerely hope TRAI takes cognizance of the problem and helps our members get free from such stifling practice.

2. ***MSOs to be told to issue Invoices and Receipts to the Subscribers and LCOs clearly mentioning the status of the STB*** (The Invoice should clearly mention whether the STB issued by the MSO has been offered on Outright Sale or Lease or Rental basis). If Sold to customer, MSOs to issue GST receipts, if provided on Lease then details of monthly EMI and the remaining term for transfer of asset to customer or if given on Rent, the Security Deposit and the monthly rent to be detailed clearly. We suppose, This was always

The LCO/LMO has to be completely freed from the onus of handling the issues of the STB, as the STB is the property of the MSO who have decided the terms of purchase as well as sale /offer of the STB to the customers and they cannot put any responsibility of the STB on the LCO/LMO in any manner whatsoever. We also call for regulations to ensure that a copy of all of these bills to be sent to TRAI (or Designated Nodal Officers) for records.

3. ***STB Interoperability and portability***, like in the Telecom industry we urge TRAI to free customers from the pain of sticking with a poorly performing Service provider/MSO.

We would also like to draw your attention to the fact that we feel aggrieved due to the exclusion of the LCO/LMO in some of the key stakeholder discussions called by TRAI, which excluded the LCO/LMO.

As we are all aware, Cricket is considered a Religion in Bharat and the best part of Cricket is that all the Citizens of Bharat following whatever Religions they practice, consider Cricket as their Religion. So that makes World Cup Cricket a not-to-be-missed event of very high importance.

But let us now look at the way Rules and Regulations are twisted and made mockery of it, by some Broadcasters /Content owners, even with respect to an



Event Like World Cup Cricket and some of the National Sports of high importance..

In Cable TV and DTH, our subscribers will be paying Rs. 19/- for watching this event on Start Sports, but shockingly the same is allowed to be telecast on JIO TV, JIO Cinema, HOTSTAR and Free Dish - for FREE

This is being done with total disregard and contempt of the Fundamental Rights accorded to all Citizens of Bharat Where our Constitution allows for Right Of Equality, Right of Level Playing Field and Right To Livelihood as guaranteed by the Constitution and done in Violation of MRTP.

We would like to be enlightened as to how come the Broadcaster who owns the right to these Event decide who can telecast the same content for Free and Who needs to pay through their nose in a manner that their nose bleeds – we do hope TRAI will take corrective action.

In Annexure I of the Consultation and Notes titled “Salient features of the Regulatory Framework 2017” it details the features listed out -- For Consumers, For Broadcasters, For DPOs and in & Annexure II under the “Salient features of the amended Framework 2020” there is detailed description on Benefits for Consumers, Benefits for Broadcasters and Benefits for DPO. However, there is no mention of any features nor any benefits for the LCOs.

While our members may not be very eloquent and articulate in our demeanour, but we understand the most vulnerable stakeholder - the CONSUMER, better than any other stakeholder or entity. We request TRAI to consider inviting our members to such discussions as we may be able to better convey the challenges of implementation of many of the key aspects of this business.

Before we sign off, we humbly request TRAI to appreciate our problems and help us become a deserving stakeholder who can also contribute to our great country, Bharat in its quest for achieving glory in the Digital world.

Thank You and Regards,

Vinay (Raju) Patil

(President)

Cc ; Hon'ble, Chairman TRAI

Hon'ble M.I.B. Minister Of India

Office of the Hon'ble Prime Minister Of India