



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಡಿಜಿಟಲ್ ಕೇಬಲ್ ಆಪರೇಟರ್ಸ್ ವೆಲ್‌ಫೇರ್ ಸಂಘ (ಲಿ)
Karnataka State Digital Cable Operators Welfare Association (R)

Ref: KAR/BNG/2016

Date :

October 24, 2016

Sh. Sudhir Gupta,
Secretary, TRAI,
New Delhi

Re: Comments on the draft Telecommunication (Broadcasting and Cable Services) (Eighth) (Addressable Systems) Tariff Order, 2016

Sir,

1. For and on behalf of the Karnataka State Digital Cable Operators Welfare Association (KDCOWA), the undersigned, being the Secretary is providing the comments to the draft Telecommunication (Broadcasting and Cable Services) (Eighth) (Addressable Systems) Tariff Order, 2016.
2. It is submitted that the draft Tariff Order which aims at regulating the price of channels provided by the broadcasters and grouping the channels in different genres is a useful step taken by the Regulator in this regard.
3. However, what needs to borne in mind is that the digitisation was implemented with a view to provide the subscribers with a choice to view the channels they want to without being forced to pay unnecessarily even for the channels that the subscribers do not want to view.
4. The Multi System Operators (MSOs) charge a hefty carriage fee apart from placement charges from the Broadcasters to carry the unpopular or less popular channels of any broadcaster, which is never shared with the Local Cable Operators (LCOs).

KDCOWA

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5. Furthermore, by way of the draft Tariff Order a minimum amount of Rs. 130/- excluding applicable taxes is being forced on the subscribers for up to 100 SD channels.
6. It is submitted that the said clause will impose an additional burden on the subscriber and will only result in making the cable television services more expensive for the subscribers. At present the MSOs are charging an amount of Rs. 100/- approximately for their basic package, which is not costing the MSO any amount apart from earning carriage fee on the said channels. (This is no doubt not applicable for the mandatory Doordarshan channels).
7. Therefore, the MSOs, who were at present earning a exorbitant revenue of Rs. 100/- plus applicable taxes for providing the FTA channels and earning carriage separately for the said channels.
8. Sir, with the digitisation being applicable to the entire country, including the Phase III and phase IV areas from 1.01.2017, the draft Tariff Order will have a crippling impact on the viewership in the smaller towns and village areas, where the paying capacity for the subscribers is not at par with their counterparts in the bigger cities and Metropolitan cities. Even in the larger cities and Metros, a majority of population is from a lower middle to middle class group and an additional burden in the form of increase in the prices of basic packages will deprive the subscribers of their valuable right of entertainment.
9. In fact, it has been held by the Hon'ble Supreme Court in a catena of judgments that the right of entertainment and information is a part and parcel of fundamental rights guaranteed under Article 19 (1) (g) of the Constitution of India.



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10. We at KDCOWA suggest and request your good office being the Regulator in the present arena to fix a lower rate of around Rs. 40/- to Rs.50/- to be charged by the distributor of TV channels from the subscribers for providing the capacity of 100 SD channels.
11. Also, it is suggested that a window of 15% of pay channels, as per the demand from the subscribers, be included in the said 100 channels, which should include channels from all genres evenly distributed in the basic package. This will provide the subscribers the choice of viewing the channels of their choice at a very nominal price, which was the real intent behind digitisation of television industry in the country.
12. It is also worth mentioning that all the major MSOs in the country are running their local channels on their networks and are thrusting these channels on the subscribers without ascertaining their choice. This is being done with a sole purpose of generate another source of revenue that is advertisement revenue by the MSOs. The basic package should not contain any local channels run by the MSOs unless specifically demanded by the subscribers.
13. With an intent to bring out the true consumer choice, it is requested that the channels of broadcasters should only being offered on a-la-carte rates, while making the prices for said channels very nominal. This is essential in view of the fact that the Broadcasters offer even their unpopular channels as a part of a bouquet alongwith a popular channel(s).



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14. Also, the prices for all the a-la-carte channels and package rates should be prominently displayed on the screen of the subscriber to bring out transparency and avoid any conflicts. Often, the MSOs have been seen accusing the LCOs as charging higher amounts from the subscribers but paying lesser rates to the MSOs. If the prices of channels are displayed on the screens of the subscribers, this issue will also be obviated.
15. We from KDCOWA will feel highly privileged in case we can all contribute any further in effectively implementing the digitisation of cable television industry and hope that as a Regulator of the industry you will take all possible steps to bring out transparency and clarity in the television broadcasting sector and bridge the gap between the artificial demand for channels created due to connivance between the broadcasters and MSOs and true consumer choice.

Thanking you.

For KARNATAKA STATE DIGITAL CABLE OPERATORS WELFARE ASSOCIATION (R)

Yours sincerely,

Authorised Signatory

(Yatish M.)
General Secretary,
(KDCOWA)