

TRAI CONSULTATION PAPER

No. 6/2014

ON

**“TARIFF ISSUES RELATED TO
BROADCASTING AND CABLE TV SERVICES
FOR COMMERCIAL SUBSCRIBERS”**

Dated 11th JUNE 2014

RESPONSE OF

**NEO SPORTS BROADCAST PRIVATE
LIMITED**

Reply to Consultation Issues:

1. **Do you agree with the definitions of “commercial establishment”, “shop” and “commercial subscriber” as mentioned above?**
2. **If the answer is in the negative, alternate definitions with proper justification may be suggested.**

***NEO’S Views:** The Authority has given conscientious definitions of all the three terms viz “Commercial Establishment”, “Shop” and “Commercial Subscriber”. Broadly, various businesses and establishments have been brought under the ambit of the term “Commercial Establishment” however, certain establishments such as Fitness Centers, Open Areas in the Mall where a large screen is put for public viewing, PVAs, Spas and Salons should also be included to avoid ambiguity at a later stage. Though the said term’s definition is exhaustive however, it should not be limited to certain establishments and/or leave grey areas for open interpretations.*

3. **Do you agree that further sub-categorizing the commercial subscribers into similarly placed groups may not be the way to proceed? In case the answer is in the negative, please give details as to how the commercial subscribers can be further sub-categorised into similarly placed groups along with full justifications.**

***NEO’S Views:** According to us, the issue of sub-categorization of commercial subscribers is inter-linked with the classification of tariff rates of commercial subscribers. It would only be appropriate to comment on it once the tariff rates have been specified. In our view, if the tariff rates for commercial subscribers are kept into total forbearance then in that event, sub- categorization of commercial subscribers is not required at the very onset.*

4. **Which of the models, discussed in para 1.27 above, should be prescribed for distribution of TV signals to the commercial subscribers? Please elaborate your response with justifications. Stakeholders may also suggest any other model with justifications.**

***NEO’S Views:** In our opinion, Model No. 1, wherein the broadcasters publishes the rate of commercial tariff via RIO and appoints a DPO (Distribution Platform Operator) to supply signals to the commercial subscriber, is propitious option. Since, the broadcaster is the main distributor of channel whereas DPO acts like an agent therefore, it would be more preferable to let the broadcaster cement its relationship with the commercial subscriber on a one-to-one basis.*

5. ***In your view which of the 4 alternatives mentioned in para 1.28 above, should be followed? Please elaborate your response with justifications.***

NEO'S Views: *It is quite apparent from the past record, that the categorization of commercial subscribers has always been the bone of contention among the stakeholders. The institution of rates of commercial tariff on the basis of categorization of commercial subscribers would create a state of confusion among the stakeholders and would lead the entire exercise initiated by the Authority futile.*

Through past records, it has been seen that the commercial establishments deliberately avoid their inclusion within the categories specified earlier by the Authority in the amendment (8 of 2006) dated 21.11.2006 to the Principal Tariff Order dated 01.10.2004.

Therefore, we suggest that the alternative no. 4 is best viable option i.e. tariff for commercial subscribers is kept under total forbearance and let the market forces decide the future course of action. This in turn won't prejudice small commercial establishments from big/large scale commercial establishments.

6. ***In case your answer is "alternative (ii)" as mentioned in para 1.28 above, please give full details with justifications of as to what should be the tariff ceiling/dispensation for each category/group of commercial subscribers.***

In the light of our comments on the above points it is irrelevant to give our views on this point.

7. ***If in your view, none of the 4 alternatives mentioned above are to be followed, stakeholders may also suggest any other alternative with justifications.***

In the light of our comments on the above points it is irrelevant to give our views on this point.

Conclusion

It is submitted that the Authority should take congruous and decisive steps at the time of instituting the tariff rates of commercial subscribers keeping in mind the welfare of end-users i.e. viewers and broadcasters.