

From

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Dear Sir,

Sub :- Comments for consultation paper No.5/2010.

Reference your consultation paper on tariff issues related to cable TV services in Non-CAS Areas dt.March.25, 2010

I wish to bring to your Notice that In the process of controlling cable price, Not only tariff Regime. But Interconnection Regulation also the Factors for controlling the cable price.

Refer:- The Tele communication (Broadcasting and cable services) Inter connection (Fifth Amendment) Regulation No.4 of 2009. Dated 17th March 2009.

Explanatory memorandum Page 26

Interconnection for Non addressable plat Forms

Sl.10 *The Eighth Amendment to the Non-CAS Tariff Order has been set aside by the Hon'ble TDSAT by its judgment dated 15th January, 2009 in Appeal No.9(C) of 2007. Accordingly, the Authority has not deemed it appropriate at present to examine the issues relating to interconnection for non-addressable platform because the objective of the proposed amendment relating to interconnection for non-addressable platforms was to harmonize the provisions of interconnection regulations with those of the tariff order.*

Further Refer consultation paper received from stake Holders on Interconnection issues relating to Broadcasting and cable services dated 3rd

Feb.2009. Comments by COFI (Cable Operators Federation of India) and R.L. Saravanan, M.B.A., B.L. Advocate who is having most contact with affected LCO's to be Referred in this Tariff Issue process.

My comments on the subject are forwarded here with.

Answer for the Question– **1, 2,3,4,5 and 6** **No**

a) Comparison should be done for pay channel and FTA Also the calculation chart should be provided separately for pay channel and FTA channels.

b) Figures are showing in deficiency Report. But all the Broad casters started with one (or) Two channels are now operating with more than 15 channels and every year they open the new channel in different genre and Regional . So with out profit how these Broad casters launching New channels.

c) Why the Regional Broad casters not provided the figures. Once they are not provided the report that means they don't want to disclose their revenue and saying under declaration is only to increase their revenue more and more by increasing of subscriber base from MSO/ILCO

In Tamil Nadu the Big Broad caster is Sun Net work. Their channels are collecting for more subscriber base in Tamil Nadu.

For KTV Bouquet they demand – 60% and more declaration from MSO / ILCO.

For Sun TV they demand - 80% and more declaration From MSO/ILCO

The above figure is the standard Figures of their companies.

For Raj TV Bouquet less than 5% to 10% Subscribers are demanding their channel. but they collect more than 15% to 20% subscriber base From

MSO/ILCO. The Big Bargaining Power MSO Sun net works Sumangali cable vision (SCV) don't pay a single money to Raj TV Net work.

The other single channel of Vijay TV operating program's only at the prime times. (i.e) From evening 1800 hrs to 2300 hrs only. Rest all the times they run the Repeated programs and the advertising programs of the teleshopping,/ Telemarketing and other programs like horoscope and religious prayers. But they also collect more than 20% declaration from MSO/ILCO.

And all above channels are FTA in Chennai CAS Area.

One more big problem is sun networks SCV. They are only the Big MSO operating in Major cities and its surrounding also they are the major Aggregator of MSM Discovery (18 channels)

So other cannot provide any imaginary Figure also. Sun net work being the broad caster, Aggregator and the MSO also the Additional support of Political Background, Sun direct DTH operator also.

For How much subscriber base they provide them self to one to another operation nobody can find.

But Sun Net works, Sun direct DTH Given the comments for the Tariff fixation for DTH services dated 28th April 2009 Sl.No.17 in page No.3 and the Answer for the Question No.5.2.3 Response line 3 "The Cable operator gets the channels from Broad casters (Maxi 15% - 20% of Price) or CAS Pricing" So to confirm the reports. Authority should arrange the local Survey also.

But in practical you may not believe it they are collecting >80% average from the LCO's for Sun TV and for K TV, Sun Music, and Sun News, Bouquet they collect >60% and where ever their sun net work's sister concern, MSO SCV is running, they collect more than 100% also and they appointed the

distribution agents are the big MSO's against the Honorable TDSAT judgment and further Honorable Supreme Court Judgment they also do the same, to getting more commission amount, (or) bring the LCO under his MSO Network.

Also once there is no transparency in cable TV distribution chain, then the Big Fish always eat the small Fish.

Sun network Being a Broadcaster, Distributor, MSO (SCV), and Sun direct DTH Operator he do the discrimination due to the Monopoly.

And Sun Network do the Discrimination as follows

- 1) Take signature in plain agreements.
- 2) Never display their Form of agreement model in their website.
- 3) Never hand over copy of agreement to the LCO.
- 4) Never give their invoice / Bill.
- 5) Never give prior notice to the operator for Disconnect Signal.

At present by the name of renewing Existing the inter connection agreement sun network increasing Further 10% subscriber base of their pay channels and forcing to take their Newly converted pay channel of chutti TV and Audithya TV by 20% of subscriber base. and if any operator refuse to take those channels then they has to pay 20% increase of subscriber base for their other channels of Sun TV and KTV Bouquet.

Now also sun network taking signature from the operators Blank agreement, not handing over the copy of agreement to MSO /operator and Forcing the operator to take their new pay channel along with the previous channel.

Due to monopoly operation of sun network operators of Tamilnadu afraid of sending comment to TRAI.

The figures of B.9. for LCO's with <500, Average No. of connection 189 and the figure of connectivity and link charges, No. of connection 480 is does not match Because the Monopoly MSO's collecting more subscriber declaration than the actual connection. I Hope this mismatching percentage is more than the real. But the monopoly MSO like SCV is collecting subscription for 100% and more than that subscriber Base from LCO and they never give the revenue share of carriage Fees / Placement charges with LCO.

7) Average monthly cable bill in Tamil Nadu different Part's as follows.

A/B type cities	=	Rs.200 For 35 No.of Paychannels
B.Type cities	=	Rs.150/- For 30 No.of Paychannels
C.Type cites	=	Rs.125/- For 25 No.of Paychannels
Semi Rural/Rural	=	Rs.100/- For 20 (or) More No.of Paychannels
Rural	=	Rs.80/- For Less than 20 Pay channels.

So the monthly cable bill various by Area and the No.of pay channels provided by operator.

8) (i) Wrong report by Broad caster

Once the Authority not reducing the price of Pay channel Rate then a-la- carte provision also will not give any profit to the subscriber

Ref – Consultation paper No – 7/2010

2.9 – Percentage For max viewers are for a-la-carte channels.

2.10 – Pay channel subscribed maximum up to 20 channel only

It shows 83.5% of people are only watching up to 20 pay channels (Calculation From % age of subscribers in Delhi, Mumbai, Kolkata and Chennai Vs No.of pay channels Chart)

And among the 129 pay channel the percentage for 20 pay channel is 25.8% ($129 \times 20 / 100$)

It means the pay channel viewers per channel among the 129 pay channel is 25.8% (or) less

Once the 83.5% viewers for 20 Pay channel among 129 pay channel's and It shows 25.8 percent of per channel viewers in metro city

Then the report of consultation for NON CAS areas . The declaration of 20% Subscriber is not wrong, because the per channel viewers is only 25.8 Percent.

Average pay channel Rate of All 129 Pay channels comes Near Rs.10 per channel for a-la-carte and if calculated by Bouquet per channel rate is approximately Rs.5 (or) less but paying this amount for most unwanted channel also without any revenue share.

So if we study and calculate all above Reports.

- a) 20% of Subscriber declaration is correct, it's not under declaration
- b) Saying under declaration by Broad caster is wrong and insulting the LCO.
- c) More subscription paid to them with out Revenue share.

This 25.8 percent of per channel viewer is in the metro cities where the peoples paying capacity is more and more Educated and high class/society people living.

But if we compare it with the B class cities, semi Rural and Rural the percentage of pay channel viewers per channel will be reduces.

But as per the LCO Annexure B.8 –LCO's with >500 Subscribers Average no of pay channel is 30, and the same LCO's with <500 subscribers shows 26

If we compare and calculate all above Reports

1) Among the 129 pay channels 83.5% of the people are watching less than 20 pay channels only

2) Most people like to adopt a-la-carte channels means among the Bouquet Except 1(or) 2 channel all other channels are un wanted channels.

ii) By the lack of transparency only. All the Broadcasters giving wrong information, and it increases the Block money rotation and spoil the Indian Economy.

iii) Yes

According to the cities – VS – No.of pay channel provided and the pay channel Rate also differentiated in different places. Brief Reports given in comments answer 38.

iv) No comments.

v) Brief report in Answer-I and comments Answer-38/

vi) By this disputes and lack of collaboration, pay channel Broad casters and, MSO get more benefited so most MSO/broadcasters create disputes among the operators/MSO's and they become monopoly in Future.

9) Yes

- 10)** Present level has to continue and the channels price Not to exceed the CAS price with revenue share like CAS. Till the digitization complete.
- 11)** Cable operator has to get more share due to, the LCO's property of cable, amplifiers and accessories carrying signal for long distance, laid on the Roads/in open public place spoiling of accessories by Rain, Sunlight, and wind in normal conditions, because all equipments are in open weather more damages by natural disasters. Theft of equipments by thieves and cable cuts by the areas running through tree, crossing of roads. Handling of more subscribers Face to Face is more difficult. Most subscribers houses any of the bad event take place like any family member admitted in hospital, met with accident, death or any other events operator couldn't Force the subscribers for pay the subscription also if any subscribers TV equipment get repair for Few day also they don't pay for full month. Subscriber not paying their old dues and shift to various DTH Services available in the market Demand of more subscriber declaration by monopoly Broadcaster. Price cap affect only LCO because instead of increasing price Broadcasters increase the subscriber declaration and equal the price what ever they needed (Ref. Ans for Question No.1)

If some subscriber don't pay the subscription at the due date, and asking for week or some days time operator cannot refuse and for disconnection of cable due to nonpayment is not an easy Job, Because the cable equipment may on top of their house, cables pass through their house. If operator disconnected cable signal to an subscriber then he may damage the cable / Cable Accessories.

In Rural most of the Government Local authority, Police department, revenue department, local politicians, and the local Rowdy's never pay the subscription. Due to the above problems most operator's loose, more than

15% of the subscription Revenue. So Authority to look towards rural cable operators.

12) No comments

13) (i) Popular channel broad casters never worry about price cap they increase the subscriber declaration Ref-Answer for question-1

14) Answer in comments Question-38

15) Answer in comments Question-38

16) No comments

17) Different ceilings at state level. And well study of market. Comment in Local language, more law protection to low level operator's Ref. Answer for Question-1 and comments-38.

18) Present system like Basic Tier Rs.77 (or) 82 + Add on price by No. of pay channels, by a-la-carte price channel price; not exceed the CAS price.

19) Yes.

In this existing system if we demand the a-la-carte channel, broad caster demand more subscriber declaration, so the rate of the al-a-carte channel become more than the rate of channel given in CAS area. ie. The channel Rate Become more than Rs.5.35 per subscriber without any Revenue share to MSO/LCO.

Once all the broad casters are having the Aggregator and the Inter connection (Third amendment) Regulation 2006 dt 4th September 2006 9.1, 9.2, 10.1, 10.2, 11.1, 11.2 and 12.1. Says local survey and most of the popular channel broad casters /Aggregator carrying out local survey and they know the subscriber base, also they demand more subscription from MSO/LCO the channel rate become more than CAS Rate. So the present system will not give any profit to the subscriber. So whatever report says by Broad caster under declaration is wrong information.

So once the Authority says to maintain all record of subscriber, SLR (Subscriber Line Report) and carryout Local Survey then it become 100% declaration.

Most MSO's already knows the LCO's Subscriber Base by carryout the local survey and they collect subscription from LCO accordingly.

Once all above regulations made mandatory and transparent the name of under declaration will washed out.

So Authority make a new regulation to broad caster to provide al-a-carte channel and the channel rate should not exceed the Rate of CAS ie. Rs. 5.35 per subscriber.

And the revenues share of 45 : 30 : 25

ie.,	To Broadcaster	Rs. 2. 40	}	approximately rounded of
	To MSO	Rs. 1. 60		
	To LCO	<u>Rs. 1. 35</u>		
	Total	<u>Rs. 5.35</u>		

Then only the system is profitable to the subscriber

20) Once the above system's made mandated and transparent it becomes profitable to the subscriber and one LCO has to collect the subscription per subscriber per month has to be. The Basic tier of minimum 30 FTA channel rate Rs.77 (or) 82 + Rs. 5.35 multiplied by the no of Pay channels.

21) No

22, 23 & 24) No carriage fees paid to Rural MSO/LCO so it doesn't make any different to the Rural MSO/LCO/Subscriber

25,26,27 & 28) No, commercial subscriber in Rural Area.

29) Yes I agree

30) All state capitals/ A Type cities – one years – 2011 end
All district heads /B Type cities - Two years – 2012 end
All Taluk heads / Semi Rural – Three Years – 2013 end
All Rural - Four years – 2014 end

31) MSO's – 100% for set up Digital control Rooms
Financial support can be given by broad casters like carriage / placement fees. Pay channel broad caster also can give some

support . But they don't support digitization because by the name of under declaration and non addressable they collect more subscription

For Example

- 1) Most of the Broad caster went to Honorable TD SAT Against CAS Price
- 2) Most Pay channel Become FTA in CAS area (In Chennai CAS Area All Tamil Pay channel FTA Because of TRP/TAM calculated in metro cities)

32, 33, & 34) No comments

35) All Broad casters, Aggregators/ MSO to keep their Aggregator / MSO's Name and address and subscriber Base has to published in their website .

36) All National level DD channels (DD national, DD sports, DD News , DD lokshaba & DD India, etc.) plus DD Regional channel Eg. DD Podhigai in Tamil Nadu and All the Regional language FTA channels are to be carried as a basic service.

37) Yes

38) Authority taken a survey of foreign market and made comparison But the Authority has fail to compare the Economy and Environment in India.

- 1) Average Family Income in India
- 2) ability to pay
- 3) Indian Economy
- 4) Living standard
- 5) metro – urban – semi Rural - rural – Area differences

- 6) migration from village to cities
- 7) Population – less area more people in cities
- 8) more area – less people in Rural

2) Authority mention that well Growth of competition make more advantage but its not true. Eg. In sports more channels introduced but the channel rates are not reduced because of the more sports channel available in the market competition among them to get a sport event. So the seller of the sports content have more choice to sell so his bargaining power is more. So the channels give more price for purchase a sport event. and once they got that telecasting rights the telecaster become the monopoly / bargaining power.

So the MSO/LCO has to pay more at the time of the event (in crease the subscriber points) After the certain event completes there will not be any sports event on that channel but they never reduce the price/ subscriber base even no one watch that channel without any sports event. If you don't want to Cary the channel and mutually surrender the channel you will be punished at the time of next sports event comes on that channel after 6 months or more than a year time. On that time the Broad caster demand more mony (or) back lock. so the subscriber /LCO/MSO has to pay the money for give one event for once in a year. So operator has to pay for the whole year. so the amount is altimetly passed to the subscriber.

Sports channels are already getting more income through the subscription and Advertisement revenue that's why they are ready to pay any coast for sports event. The Government Also now made regulation of mandatory of sharing one day cricket matches with D.D. National, And Paying it 75% of Advertisement revenue to the Sports channel, further the channels getting multiple income by giving telecast / other rights through.

- 1) Cell phone services (SMS)
- 2) IPV
- 3) DTH
- 4) News
- 5) Internet
- 6) SMS through completions with viewers such more and more way they get the income.

For the above reasons only sports channels are competing to get the sports event at high cost.

The lack of Collaboration among Sports channel Broadcasters and more income From the channels are they key issue for more problems.

Due to the above reasons sports channel prices should not be permitted Free to increase them self. It lead to the problem like Present situation in IPL Scan.

Also Refer Annexure –C summary of key Representation made by stake holder Groups Broadcaster SL-11 Notice period for switch OFF.

Should be brought down from 21 days to 7 days to make it relevant for certain genres like sports.

This above demand is kept by the broad caster only to increase the subscriber declaration from MSO/ILCO. at the time of Cricket Matches.

Same way once there is a competition in the operator level subscriber get's the less benefit and MSO/Broad caster only gets the more benefits

Once the T.N. Gov. started the cable newly but the government couldn't get the pay channels even they approached the TDSAT still the Pay channel

asked different data's /particulars at each and every case date . Newly and pulled the time delay

Once all the popular channels in India is the Pay channel and it is well understood that with out any of the few popular channels no one can run the cable successfully so once the government couldn't get the channel after investing crores of rupees .How can one Normal man enter the field easily. so the Regulator should regulate the pay channel accordingly

I Request the authority to make some Basic Questions in different language in objective type.

Example objective type questions Yes (or) No

1) Fixing of subscriber base done mutually agreed	<input type="checkbox"/> NO
2) Broad caster/Distributor Agent/MSO Taken Signature in plain agreement	<input type="checkbox"/> NO
3) Agreement copy handed over by Broad caster/Distributor Agent/MSO to MSO / LCO	<input type="checkbox"/> NO
4) Are your MSO issuing Bill/Invoice?	<input type="checkbox"/> NO
5) At Any Time Disconnected signal?	<input type="checkbox"/> YES
6) If yes; public notice issued or not?	<input type="checkbox"/> NO
7) Are Your MSO is a distributor? (or) Near by MSO is a distributor	<input type="checkbox"/> YES
8) Are Your Broad caster is a distributor :	<input type="checkbox"/> YES
9) Are Your Broad caster is a MSO :	<input type="checkbox"/> YES
10) Laying of cable and Maintenance by MSO :	<input type="checkbox"/> NO

Need of Open House Discussion

Internet usage and awareness of TRAI ACT is very less to the small LCO'S. So authority should make arrangement of open house discussion Not only in their office, it should at least Extend to all Four Zones. ie-East, West, North and South. On that operators should Allowed to speak in their Regional language, For that Authority should arrange the translators.

Need of Local survey

How can authority make sure the Data given by the Broad caster / Distributor / MSO / LCO is correct. Because still Now what ever comments given by Broad casters are totally wrong, for an Example Pay channel Broad casters says their channels are given to operators for 20% Rate / or CAS Pricing”

But in practical you may not bleave it they are collecting 60% to 80% average from the LCO’s and they appointed the distribution agents are the big MSO’s against the Honorable **TDSAT judgment** and further **Honorable Supreme Court Judgment** they also do the same, to getting more commission amount, (or) bring the LCO under his MSO Net work. So to confirm the reports. Authority should arrange the local Survey also.

Also once there is no transparency in cable TV distribution chain, then the Big Fish always eat the small Fish.

Comments on Tariff order amendment dated 4th Oct. 2007

The Price cap kept only to the end operator the price cap not controlled the MSO / Broad caster.

As per TRAI’s Tariff order amendment dated 4th Oct.2007 & 26th Dec.2008

30 FTA Channel +Up to 20 Pay Channel = Rs. 130

Basic Service with 30 FTA channels = Rs. -77

Upto 20 pay Channel = Rs. 53

Rate per channel Rs.53 / 20 No of Pay channels = Rs.2.65

Then the Revenue share = 45:30:25

	Rs	Ps
45% To pay channel	1.	19
30% to MSO	0.	80
25% to LCO	<u>0.</u>	<u>66</u>
Total	Rs.	<u>2.</u> 65

So As per TRAI regulation if the pay channel rate has to be Rs.2.65 and After Revenue share MSO/LCO has to pay Rs.1.19 to the broad caster per pay channel then only the operator can declare 100% subscriber base.

Once Authority if self making the regulation like this. Then how the cable operator can pay for 100% subscriber base.

And why the operator has been the bad name of under declaration.

1. One operator has to give 30 FTA channel at the Basic TIER of Rs.77/- then the Pay Channel Rate is $\text{Rs.130} - \text{Rs.77} = \text{Rs.53/-}$. Can one operator get 20 pay channel at the rate of Rs.53/-? If one operator can get 20 pay channels for Rs-53/- then, each pay channel rate is Rs-53/- divided by No.of channels $20 = \text{Rs-2.65/-}$. Is there any pay channel available for Rs-2.65/- per subscriber. Also one operator gives five pay channel and he can collect Rs.130/- per subscriber and one operator gives 20 pay channel and he also can collect only Rs.130/- then the operator never willing to give maximum No of pay channel so the price cap will not give any profit to the subscriber.

So only to protect the interest of subscriber the monthly subscribers subscription should be $\text{Rs.77} + (\text{No.of Pay channels} \times \text{Rs.2.65})$ and also TRAI has to make the rules to provide the channel to the operator at the rate of Rs.2.65 per subscriber, and also the revenue share to Broad caster, MSO and LCO as per CAS Like 45 : 30 : 25 percent i.e. $\text{Rs.1.19} + 0.80 + 0.66 = \text{Rs.2.65}$

Cost of Living more in A&B Type cities:-

2. We don't understand that how cable TV rate and house rent is comparable. In the consultation process many stake holders given several ideas. but How TRAI Totally Refused such options. House rent is calculated as per the population, where more population is there and due to the less availability of land and more people live temporary only for their job concern the cost of living is more and rotation of money also more. According to that only house rent to the people made more.

3. But the expenditure accrue for installing cable T.V Control room and maintenance cost is entirely different than the house rent. Also house is the immovable and valuable property. But the cable T.V equipments are short running equipments less resale value and time to time new equipments introduced in the market. So the old invested equipments become invaluable. So it cannot be comparable with house rent.

In Rural area very less population, and the people are mostly farm workers, Beedi Rollers and Daily Wage workers. Mostly they don't get job everyday and their income is very less and most of them are below the poverty line. The LCO's in Rural Area also not aware of the TRAI ACT so the broad casters, Distribution agent, MSO and head end's cheat them and collect more money from them. So the rural operator's are facing more problems. Less subscription amount from the subscriber and more out flow to the MSO head end pay channel agent and the broad casters.

So According to the above problem's Authority should fix the price of pay channel Rates also by the historical ground, same like the new tariff order controls the LCO's Head ends and MSO.

And also once the tariff order says to maintain the all record's and the Authority them self saying not addressability is meaning less. So the Authority should fix the channel price as like CAS notified area and Revenue share arrangement to be made same as CAS.

Need for Implement of Revenue Share:

In maximum places more disputes arises in between MSO / Head end's To LCO's because most MSO's and Head end's wants to become mono poly and wants to capture the more subscribers in ground level. Due to that they demand more subscription money From the LCO's and not providing quality of signal, and misusing inter connection agreement. (not issuing invoice disconnecting signal with out Notice and without reason) So maximum small operators are defeated by big Head ends, MSO's and they become monopoly so the Revenue Share arrangement has to be implemented by TRAI to protect the small LCO's and to avoid the monopoly by Big operators and to protect the Business of competitive small operators. then only Good competition in Ground level will Grow well.

4. Once the communication system is improved faster and in Electronic mode, Providing of channel duration time is 60 days is more it should reduced to 10 days period.

Non of the Broad caster's and MSO's are making Inter connection agreement as per Rules, and not issuing Invoice / Receipt so if one LCO want come out of one MSO. The MSO never give the clearance certificate and with out that LCO can not get any Pay channel. So if the MSO is not providing proper Cable TV signal and collecting more mony from the LCO and not issuing invoice / Receipt still the LCO can not come out from the MSO. And the LCO also cannot proof he has paid all the dues. So all the payment has to be made by cheque (or) Demand draft

Discrimination Done by Broad Caster/ Distributor/ MSO to LCO

- 1) Take signature in plain agreements.
- 2) Never display their Form of agreement model in their website.
- 3) Never hand over copy of agreement to the LCO.
- 4) Never give their invoice / Bill.
- 5) Never give prior notice to the operator for Disconnect Signal.

Reason for operator asking any pay channel decoders due to.

- 1) MSO asking more subscription.
- 2) LOW Quality of signal.
- 3) If Distributor is the same MSO and he want To Extend his own local cable Net work (or) Supporting another cable operator who may be his partner, Relative, (or) any other Reason.

The MSO Never gives clearance certificate; Due to that LCO will not have any Evidence.

- 1) No agreement copy with LCO
- 2) No invoice / Bill with LCO

Even the LCO signed the agreement, also cleared all the due's. But MSO Never hand over copy of agreement to the LCO, and Never give the Bill / Invoice. Due to that the LCO will not have any evidence.

If the LCO Directly approach the pay channel Distributor, (or) The Broad caster they also never support to the LCO Due to the Following Reasons.

- 1) MSO's connectivity level more than the LCO, so the income level from MSO is more.
- 2) Long term contact with the MSO.
- 3) Some Big MSO threatening the channel distributor, Broad Caster for canceling Terminating of their agreement and STOP carrying of their channel.
- 4) Demand more connectivity level than the present connectivity level with MSO.

While Demanding clearance certificate from any MSO. If the MSO gives clearance certificate also. He passes more connectivity to LCO. For Eg. If the MSO is paying 30% to 50% of the total connectivity, to the Broad Caster. He give the clearance to LCO. For Double (or) more than double connectivity level. ie. 60% to more than 100% which is injustice to the operator. So transparency should be there.

Demand of pay channel is life Problem to the operator :

When the decoder for any pay channel demanded by a LCO. it is a Life (or) Die problem For the cable operator; without supplying of some channels he may loose the customer, He may not able to collect subscription from subscribers, also he cannot satisfy his customer / subscriber so his good conduct with the subscriber may get spoiled, At the end he may loose his cable TV business to the opponent cable operator. So the opponent cable operator / MSO will become monopoly.

But to the Broad caster it is only a Extra income for him. He may adjust the income with the opponent MSO/LCO. So he never bother about small operators.

If Authority go through all cases filled in TDSAT / High court's and Judgments of supreme court all big Fishes are the defaulters / discriminator / offenders and the smaller one was the affecters by them. So the case history prove How Broad caster's trouble MSO / ILCO (or) Big MSO trouble LCO.

Need Equality for all Operators

Once All Indians are to treated Equally As per law but in cable TV Net work its not like that, some people get some pay channels also Free of cast and some people has to pay for it. For Eg. in Chennai all the Tamil pay channel's are FTA. Where the most of the people are Rich and able to pay.

but the same Tamil channels are pay channels in Rest of Tamil Nadu including All rural villages where more people living Below poverty line.

So the channels FTA For Rich People and pay channel for the poor people is injustice and against Indian Law.

(Reason behind this is TRP/TAM Rating calculated in the cities.)

Refer:- Tariff regulation dated 4th October 2007, (Page 7 Serial F)

4.F. Whether the pay channels are pay channels in whole of the country (or) only in Part of the country (States must be specified if a channel is a pay channel in part of the country).

So how this type of activity allowed by the Authority, I don't understand.

I request authority to look towards rural,

In CAS cities operators are charging Rs.100/- per month for FTA channels, Once the authority fix the rate of Rs.77 tax and in non CAS the average charge is Rs.165/- and the max charge in Rs.250/- but in Rural areas operators are able to collect Rs.75 to Rs.100/- for FTA +20 or more pay channels because most of the people living in Rural area are below poverty line.

Also as per figure 3.12, 3.13 most of the semi Rural urban cities it self collecting Rs.100, 125 & 150 only So authority to think about the Rural. In Rural the cable Rate is Rs. 75 to 100 only.

The rural operators never get, carriage Fees (or) placement charge, no great income from private local channels, less connectivity than semi rural and A & B type cities. Most of the rural villages have less than 1000 subscribers and the investment require for that is same as others. So the income is less and out flow to pay channel is more, then the LCO cannot create the fund for digitization

In A& B cities MSO's get multiple income such as.

- 1) carriage Fees
- 2) Placement charges.
- 3) Local channel Advertisement Revenue
- 4) By one cable control room infrastructure supply for more subscribers.
- 5) More subscription amount.
- 6) All tamil pay channel are FTA in Chennai CAS Area.

(But this all profits are Enjoyed by the MSO, and collecting more subscription from operator, So once the MSO is Not controlled, The problems will continue.)

Problems for the Rural Cable operators

1. No carriage Fees
2. No placement charges
3. Less subscribers; so no Local channel advertisement
4. By one cable control room infrastructure, less subscribers (or) if under any MSO from semi rural. Long laying of OFC cable by more investment for less subscribers.
5. Less subscription Amount.
6. All Tamil pay channels are collecting more subscription ie average of more than 50% rate of channel price.

(Broad casters equal the income for which they are not collected from Chennai CAS area).

But the pay channels give wrong information to the authority saying that cable operators are getting the pay channel for 15% to 20% of the channel rate.

So I kindly request the authority once again to look towards rural. And fix the channel price and the rules and regulation accordingly.

All pay channels should scroll their channel price on their channel at least Thrice a day and one time it should shown in the prime time ie 8 PM to 10.00 PM (Scroll should run for at least minimum time of 2 minute) Because Politicians. Being a Broad caster's (Running on their Brothers, wife (or) their son's name) converting their channels in to pay channels. But in scrolling they shows "The channel is available to the Cable operators from Day-Month-year through the decoders all cable operators contact Cell Phone Numbers"

So the common public don't know whether it is a pay channel are not also they tell the cable operators not to advertise to the public the channel is a pay channel, being a politicians to keep their name good to the public they don't give the public notice regarding pay channel and demand more connectivity declaration ie more than 80% from the cable operator and telling to the authority they are collecting 20% or less than 20%.

If the channel Broad caster give the public notice also they give it in a news paper which is very less in circulation and in a small font size which cannot readable with out lens.

One of the popular channel in tamil converted in to pay channel Before three years given the public notice in a news paper which is circulating only in chennai, where the channel is FTA.

While issuing public notice they give it in very small letters and with out channel price, and it will be at any of the corner of the news paper

which is not visible easily. but the same channels give Advertise for their TV Serials ¼ page (or) above which is at least 10 times more than the public notice about pay channel conversion.

(Few more channels Run by the Politicians in Power is plan to converting their channels into pay So authority should make some cautious Regulation such as)

- 1) Size of advertisement / Font size
- 2) Price of the channel.
- 3) Add should be given in Popular / more circulated news paper. which is supplied whole of the Region.
- 4) Minimum of 2 (or) more Regional language news paper.
- 5) Price of the channel and all relevant details should be clear while scrolling in the Channel.

I can definitely say that, after this tariff issue exercise what ever cable rate will be fixed for the operators by the authority will be more than the amount of which the rural operators are collecting from the subscribers Now.

So again and again I request the authority that rural cable TV operators are collecting less subscription and more out flow to the MSO/Broadcasters; so if authority not look this point of view, in future rural operator cannot survive and the Big MSO/Broadcasters only in the field and subscribers has to pay more for poor quality signal.

Providing of decoder:-

Once Broadcaster is issuing decoder to the operator and collecting money for it. Then they should issue the Remote control also so that after completion of contract (or) if the Broad caster changes the Technology (For Eg

from MPEG-2 to MPEG-4) then the Old Decoder becomes unusable with out remote. Other wise Broadcaster should Exchange the decoder on his own cost.

Laying of cable From MSO to LCO:-

Some of the MSO's Lay the cable from his control Room to LCO's control Room on his own cost, some MSO's don't. So once laying / Maintaining of cable, and the prior permission from Local Authority and Licensing and all other relevant Problems should mode as a rule who is the responsible one and the same all so written in the Inter connection agreement.

From MSO to LCO if cable signal is provided to the LCO by the cost of MSO's own Expense (cable laying and offer maintenance Expenses) the Minimum Basic Rate for providing signal by MSO Should be Fixed by authority otherwise if the cable TV

Signal is taken by the LCO's own Expense by laying of cable and maintenance From MSO then also the Rate of providing signal by MSO should be fixed by the authority.

For Example :

Basic Rate of providing signal form MSO = 'X'

Carrying charge From MSO to LCO = 'Y'

Then the LCO's Basic Rate to MSO if cable Expense by MSO = 'X+Y'

if the LCO's Basic Rate to MSO if cable Expense by LCO = only - 'X'

Add the pay channel Rate = (1.19 + MSO - 0.80 = 1.99) Per subscriber
Per Pay channel broad caster Rate Rs. 1.19+ MSO Revenue Share Rs.0.80 = Rs.1.99

So Authority should keep the Following Points in mind while making Tarift Regulation:

- 1) Due to the above problems Authority should differentiate the cable charge and pay channel Rate. According to historical Region. ie metro cities – A Type cities – B Type cities – semi Rural (Taluk head) – Rural (for Ex. 5:4:3:2:1)

Type of cities	Pay channel Rate
Metro cities	Rs.5
A-Type cities	Rs.4
B-Type cities/District Head	Rs.3
Taluk Head / Semi Rural	Rs.2
Rural	Rs.1

(or)

Type of cities	Pay channel Rate
Metro 'A' Type cities	Rs.5
B-Type cities/Semi Rural (Taluk head / Equal by population)	Rs.4
Rural	Rs.3

Revenue share same as CAS

- 2) Please contact open house discussion in all the 4 zones.
- 3) Request carryout Local Survey.
- 4) **If one LCO is Ready to declare the 100% connectivity then the pay channel should available For him at the Rate of CAS, (or) Less than CAS but it should not Exceed the Rate of CAS.**

Same as CAS Revenue share arrangement also to be followed for Non CAS.

- 5) **If one channel is FTA in one Region (For Eg. Tamil Nadu – Chennai) it should not be pay channel in the same state / Region.**
- 6) **Transparency in Connectivity level with MSO/LCO.**
- 7) Transparency in carriage Fees.
- 8) All transaction should be by Bankers cheque (or) Demand Draft.
- 9) Once the Authority says to maintain the Records, and hand over the SLR to MSO every month And saying (Subscriber line Report) non Addressable is

meaningless. If any MSO thinks to check the subscriber of an LCO is not an impossible one, but it is possible one, But Broad casters and MSO's Refuse this because If Fixing of price (or) Subscriber's level, Left to the local market, then only they can collect more subscription from MSO/LCO.

- 10) Once the communication system is improved faster in Electronic mode. Providing of channel decoder period should reduce from 60 days to 10 days. [All doubts should asked in one letter, broad caster Not to pull the Time]
- 11) Once the advertisement income is more For any pay channel it should not be pay channel (or) Which channel is Breaking the law of M1B (ie. ADV-Time 10 minute +2 minute per (Hour) should not be Pay channel most pay channel's Break the Rule.
- 12) No of sports channels or increased and each sports events shown in different channels. So these channels are watched at any of one time when the events are coming, but subscribers pay to the sports channels when they are not watched, when there is no sports events in it.
- 13) If any Broad costar / Distribution Agent / MSO not following the TRAI Act. Strong Action to be taken against them. Such as canceling of the License (If Repeated) Most Broad costars are repeating the Discrimination.
- 14) Providing of decoder remote.
- 15) Responsible Laying of cable and maintenance from MSO to LCO
- 16) Most of the Broadcaster / MSO's know the connectivity of the MSO/LSO, by Local server conducted by him / if not conducted the local survey by Rest Broadcaster/MSO's also know the Average connectivity of MSO/LCO. Because they also the MSO's/Cable operators (or) they purposely don't conduct the Local Survey Reason behind that by the name of Non Addressable only all the Broadcaster / MSO's collecting more subscription from MSO/LCO.

I can definitely say that, after this tariff issue exercise what ever cable rate will be fixed for the operators by the authority will be more than the amount of which the rural operators are collecting from the subscribers now.

So again and again I request the authority that rural cable TV operators are collecting less subscription and more out flow to the MSO/Broad casters. So if authority not looks this point of view, in future rural operator cannot survive and the Big MSO /Broadcasters only in the field and subscribers has to pay more for poor quality signal

17)No Proof with MSO/ILCO/LCO if the signal disconnected by Broad caster /MSO

Due to the All above problems, pay channel Broad casters and MSO's are only having Boo gaining power, and mono poly Act in the Cable industry.

So I request the Authority Not only the Price Cap.

- i) a-la-carte channel.
- ii) Channel rate Not to increase more than CAS Price/or Less as per Price Calculation.
- iii) Demand of more subscriber declaration in place of increasing channel price to be also Freezed.
- iv) Save MSO/ILCO/LCO From the monopoly Broad Caster/ MSO like Sun Net work and other Big Broadcaster/ MSO National vide.
- v) Legal support to operators in Rural and having <500 subscribers.

The above may please be considered for further action.

Yours Truly,

(P.Maharajothi)