

Response to the Consultation Paper No. 13/2023 on Review of Regulatory Framework for Broadcasting and Cable services.

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A. Tariff related issues

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.
- d. Should TRAI consider and remove the NCF capping?

Response : The distribution platforms are now digital , TRAI has brought out excellent regulations in terms of the must provide, RIO, tariffs , QOS and these have gone a long way to develop the market.

With must provide TRAI ensured that the DTH sector grows and then helped in the digitalization of the cable networks.

Now in my opinion the things have matured to a certain level and now it is time that market should find its own way., the viewers today have choices of alternate services like four oay DTH operators, OTT service provider DD Freedish , there is sufficient competition on the ground for a MSO. MSO will like to reach its consumer and give best service at the best price else MSO /LCO knows that customer can migrate to another service. The Distribution networks will work out their own models of providing the subscriber the right mix at the right price and the availability of the free to air channels for which this NCF concept was brought in will be handled.

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.

Response : As proposed in the question 1 , TRAI should bring in forbearance on the NCF , as consumers have multiple platforms to choose from, and they can move to another service or service provider as per their requirements.

The issue of following indices come with a rider that the prices are being controlled and in today's scenario when there are options , we feel there is no need to specify the NCF and thus there will be no need to mark it with an index, this will save ambiguity and also the need to issue the pricing on annual basis if it is pegged to any index. TRAI release all the controls on the cellular services and the market now determines its own pricing mechanism and similar will in the distribution business.

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?

Response : As proposed in the response to the Q1 and Q2 above, this is another ambiguity which will arise once we try to control the pricing, Each DPO knows the paying capacity of its consumers and thus will price the product accordingly. The NCF in times to come will loose its relevance as there is a powerful platform DD freedish which offers free to air channels at no monthly cost and thus that is the denominator for the services from DPO, As we have proposed that NCF should be left to the operator, thus there will not be a need to specify any variable NCF for different regions/markets/towns/villages etc. Regulator endeavor should be that it makes business process simpler rather than putting multiple variables, The impact of such variable pricing is on many factors, such as building different products in CAS and SMS, call center call handling , one customer moves from one place to another then a confusion will arise. Customer may have his or her own linguistic preferences and this may impact his or her NCF bundle. Thus in our opinion there is no need to specify the NCF for different bouquets or plans, let market decide the same.

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.

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?

Response; Regulator role should be that consumers are offered the product a right price as per market dynamics and QOS should be maintained. A house hold with a second TV will have decent socio economic status. The same customer will be a paying customer for the DPO, and DPO will provide him the necessary incentives to take more connections, if the payments are on time from the customer. Thus regulator should leave this to the DPO and consumer and let DPO devise his own schemes for the consumers to take multi TV connections , if the consumer wishes to continue with the same service provider.

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?

- a) 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?

Response : As suggested earlier that we should slowly move towards the forbearance on the pricing of the television services and thus the discussion of the channel pricing for multi TV homes should be left to DPO and the broadcaster. As this may involve the factors like how to authentic that the multi TV home is genuine or not.

In an situation where there multiple family living on the different floors , will those be classifying as multi TV homes, These raise issues of administration of such discounting practices, Let this be now decided by the DPO and Broadcasters between them.

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

Response : It is now the time that certain forbearance should start coming in, we have one NTO is hardly settled and then another NTO work starts, it is now time that forbearance should come in and regulator should only intervene in case of some market failure, the principles of the pricing of the channels have been set, the must provide is already there, the discounting is already defined. Let the market steer it self to the right course. In our view there is no need to review any MRP at this moment.

The content providers will continue to ask that cost of content is rising thus they ask for increasing the price of the channels,. With multiple avenues of the distribution available to the broadcaster and programmers, the same programming is reused on multiple platforms. On the digital platforms like OTT etc. and programs which is beamed on the channels is available at a much lower cost or no cost , how come then there is a demand to increase the price on the linear platforms. In our view there is no need to review the ceiling on the higher side.

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.

Response : With continuous development on the encoding the bandwidth requirements per channel are coming down both in SD and HD format, though more efficiency is being achieved in encoding and modulations , the requirement of the bandwidth per channel is getting efficient , though more work is being

done on HD side as the scope of reduction of the bandwidth consumption is more there. The average yard stick can be 1Mb for the SD channel and 3Mb for the HD channel. This is the average figure, few encoders may be able to give a good quality SD channel in 0.8MB also and HD in 2.5 to 2.8 Mb. With the encoders also getting more and more software based, the efficiencies are increasing however the rate as suggested of SD channel being 1 Mb and HD channel being 3 Mb will be a good yard stick.

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?

a. 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.

b. If no, please justify your response.

Response : The channel count should be each channel as one channel, irrespective of HD , SD or 4K. Networks can tweak with the bandwidth being used , thus it is tough to continue monitoring the extent of the bandwidth being used. This provision should not be used to load the Network with the channels consuming higher bandwidth to create an artificial scarcity. If the network wishes to carry more no HD channels then it should augment its network carrying capacity accordingly.

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.

Response: A professional DPO who is competing with the other distribution mediums will never resort to the practice of offering a channel whose quality is not acceptable by the consumers. With good quality headend which are now service large no of consumer bases, they use multiplexers which use automatic VBR mechanism thus chances of a channel getting a short changed are less. However, a simple record of the multiplexers log for the last fortnight will be reveal a picture of the bandwidth being provided to the channel, which can easily establish if a channel is being discriminated or not. The channel also should be asked to provide precise info on happening of the event.

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?

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

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

Response : I think regulations should not be made to do business for others , if any channel has a guarantee that it will be carried on the DPO networks, then it has do nothing, produce a content which is not wanted by the consumers and still be assured of the carriage and based on that will get its revenue in advertisements as it's reach is assured. Then there are channels which are regional and via this they can ask to be carried on the networks where they may not be even required by the consumers. The channels are a business proposition by their owners, the DPO

provide a shelf space for the product which is channel here. Channel has to create a market of itself.. There is already a provision for the Network fee, this network fee is the marketing expense which a channel should look at. Once the content is wanted by the consumers then it can relook at its marketing and distribution strategy.

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

- a) DTH guidelines specifies that all channels should be encrypted whereas DD Freedish has a legacy of free to air set top boxes in the market already deployed with considerable number of viewers. What should be done to ensure that these consumers are not impacted.
- b) The DD Freedish is based on the model of carriage from the channels and provides a slot via auction on its platform , Does it meets the current guidelines on carriage fee of TRAI.

Response : All the rules of the DTH guidelines should be applicable to the DD Freedish, it has been established time and again that DD free dish is also a service provider under Telegraph Act , it has a WPC license and based on that it uplinks the channels, then the similar rules as applicable to the DTH operators be applied to the DD Freedish.

To protect the consumer interests who have purchased free to air boxes, DD Freedish can continue to carriage a certain number of channels including the DD Freedish as unencrypted and any additional channel it carries should be encrypted , this will also address the issues being faced by pay DTH and MSO who carry channels in encrypted mode and have been saying that they are losing customers to DD Freedish.

For the carriage fee since the DD is offering auction model and has no subscription revenue , thus the limitation on the carriage fee as per the tariff orders be done away with . However the channels which are pay for other platforms cannot be termed as free to air channel on the DD freedish.

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?

Response : If we are referring to the channels being carried on the DD Freedish platform, if they are unencrypted on the DD Freedish platform and term themselves as free to air channels then they should be free to air on other platforms also. It is a case of natural justice and equality, that a channel which is trying to garner advertisement revenue via DD freedish viewership which is nearly 33% of the total Cable and Satellite homes in India is free to air on DD Freedish and in fact pays heavy carriage for being on the DD Freedish platform and same channel wishes to be paid on other platforms is not fair and equitable as the encrypted platforms still provide the same channel nearly 67% of the households.

A channel should be either free to air or pay, there is nothing like that it can declare itself free in one market and pay in other, this is fostering unequal practices. The TRAI should bring in appropriate changes in its regulations to curb this practice of free to air in some markets and pay in other markets which allows channels to have discriminatory behaviour.

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.

Response : DD Freedish platform should be made addressable at the earliest, There have been discussions on this subject on numerous times, In the year 2016 DD Freedish had come out with a tender for supply of STB with i-CAS conditional access system which was developed under the grant given by MEITY and DD was to be the prime user for the same. Kindly refer to the DD Tender issued vide File no . 19(2) 2019-20E1(P) TV dated 15-07-2019 for Procurement of 120000 DTH Receive Sets for distribution in remote tribal and LWE areas , Spec no SATD/1/1201/Ku Band DTH Receive System Copy attached . In this tender at Para 3.1 under the Eligibility criteria, it was clearly mentioned.

Quote

3.1 The bidder shall be Set Top Box manufacturer (OEM) , who have been in principle authorized for manufacturing and selling iCAS and iCAS (middleware) integrated STB's for reception of DD Free Dish DTH Service. A documentary proof i.e LOI (letter of Intent) issued by Doordarshan to the STB manufacturer in this regard shall be submitted along with the bid documents

Unquote.

DD had also called for the STB OEM's to sell DD approved CAS and Firmware /Middleware enabled DD free dish Set Top Boxes by Doordarshan for i-CAS vide document Spec No SATD /expansion DTH/Implementation of CAS-STB authorization dated 03-09-2016

Subsequent to this DD had approved nine manufacturers to manufacture i-Cas boxes for DD free dish services (copy attached) and they were authorized to bid for the DD tender for supply of Set Top Boxes. A procedure for activation and call centre was also laid down. Deposits were taken for the Performance assurances and still are with DD.

It is surprising that after all this and Government spending more then 25 crores on development of i-CAS the plan to encrypt DD freedish was shelved without assigning any reason.

Addressability of DD Freedish could have raised two points as under

- 1 What will happen to the existing consumers who have taken the Free to Air STB's
- 2 DD free dish may loose viewership in neighboring nations.

These both were misgiving and perhaps not well thought of , DD could have easily embarked on a plan that MPEG2 channels remain un encrypted and any additional channel on MPEG4 or beyond 100 channels will be encrypted . This way DD would have been able encrypt and generate sufficient revenue and also keep of the actual boxes activated instead of just estimated numbers today.

Re the visibility of the channels in the neighboring nations, the Ku band footprints of INSAT/GSAT satellites have limited access over the neighboring nations and thus the viewership is hardly impacted . Even still if the content is strong the boxes migration takes place.

Satellite Tuner in TV Sets

DD forced its way in the BIS that all the TV sets being manufactured in India should have digital satellite tuner to receive the free to air DTH service.

This plan of DD cherry picking from the recommendations of the TRAI on the Interoperability of the Set Top Boxes dated 10th April 2020 and mandating a digital tuner in all the digital tuners to be manufactured in the country from April 2025, is another error in judgement. This means DD never plans to encrypt DD Freedish , which in long run will be detrimental to the DD Freedish and the industry.

It was suggested by me to MIB/ MEITY/ BIS/DD during the formulation of the specs by BIS of the digital television , that we should also add the USB CI+2.0 in the TV's with the digital tuner as it would have given a road map to the DD Freedish to go encrypted and also will provide a route to the other DTH/Cable players to ride on the hardware in the TV and they will also adopt USB CI+2.0 . For the TV manufacturers there would have not been a change in the hardware as it is mere implementation of the USB CI+2.0 software. Companies like LG, Philips etc are already selling similar devices in the European market where the industry moved to CI long back in TV and now is moving towards the CI+2.0.

Implementation of the USB CI+2.0 would have eliminated the wastage of having churned boxes by DTH operators alone which is today to the tune of around 10 million boxes a year , costing the nation in term of foreign exchange of nearly USD 150 million a year , as the components for them are being imported though assembly may be done in India to show that they are made in India STB's. Incidentally 80% of the STB being assembled in India have components coming in from China alone and even the software development and IPR is held by Chinese companies. Then how can it be said to an Indian product is a big question.

The TRAI recommendations on Interoperability of the Set Top Boxes dated 10th April 2020 are still relevant and should be implemented by MIB/MEITY and to start with the BIS Standard **IS 18112:2022 Digital Television Receiver with Built in Satellite Tuners** should be amended to include USB CI+2.0 implementation.

DD free dish could have road map of encryption, to protect the existing consumers, DD can keep basic 100 channel unencrypted which can include the DD channels, Free to air channel of private broadcasters. Any channels above the number of 100 channels be encrypted . There can be

alternative option that all channels in MPEG2 can be unencrypted again this should be DD channels and free to air channels of private broadcasters and MPEG4 channels be encrypted and any new channel should be added only on MPEG4 in encrypted manner. This will give a smooth transition to encrypt the DD freedish platform and also add capacity to the DD freedish. There should be road map that by 2025 all the channels on DD freedish will be MPEG4.

The original plan when encryption was envisaged in DD , this was the plan, however for reasons unknown the plan to encrypt DD Freedish was shelved.

The cost implication to consumer will not be significant, if CAS provider is able to integrate the CAS with multiple SOC solutions,. If it has limitation with single chip vendor then it will be akin to granting a monopoly to a player, the cost implication will be insignificant which can be a less than a dollar. One of the reason for iCAS not getting popularity was not multiple choice of the chips were available.

To implement the same the time of one year is sufficient and can dovetailed with the implmentatint of the standard IS 18112:2022 of the digital tuners in the TV sets as mandated by MEITY that all the TV to be manufactured from April 2025 need to have digital tuners,

D2M (Direct to Mobile)

DD is actively pursuing Direct to Mobile (D2M) broadcast and has been experimenting with ATSC 3.0 technology, which itself is a matter of debate both on technology and business case , however in the context of this consultation paper we need now to keep in mind that this will be another foray of DD in live channels distribution, how many channels, which channels and which geography, we will see with time to come, however this will be another distribution platform to deal with and it will be good that we formulate some principles now for the platform as currently no guidelines exist and services are initiated and then regulations are built around it , where as the regulations for the distribution platforms should be uniform as not to give any undue advantage to any platform, the tecnhnology moves faster then regulations and cannot be held back , so a generic guidelines should should be developed .

In the case of D2M if the platform is offered to the private broadcasters then it will be into a situation akin to the DD free dish. In my view D2M platform which ever technology is chosen by DD, it should have the capability to encrypt the content and should be receivable on all devices, consumer should not be asked change the device or buy a new device for receiving the services.

General.

I am not addressing the issues for consultations on RIO as NTO 2.0 has been recently implemented and I am of the view we should not bring in changes so fast unless there is significant market failure . QOS requirements are currently sufficient and we should ensure they are followed as changing the requirements has impact on the SMS, CRM and then trial and error happens. One of the issue of the industry on the numbers due to issues in the CAS and SMS has been addressed by

TEC releasing the TSTP on the same and also appointing two agencies to test the CAS and SMS based on the TSTP issued.

The spirit should be we slowly move to the forbearance on all the fronts in the industry and allow the industry to develop while providing the minimal guidelines and monitor adherence to the same.