Mr. Wasi Ahmad,
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Dear Sir,

1. I refer to the consultation paper 18/2012 dated 20th Dec 2012 on issues related to Interconnection Regulations and Tariff order applicable to Addressable systems and as suggested given my comments with reasons there of for your consideration.

2.A. I have given my comments/suggestions only on the tariff (because it affects the common people more) after going through in detail/depth the resources like FAQ's, regulations, tariff orders etc available in TRAI' website/ others and based on my understanding of the matter. However if there are mistakes/ misunderstandings on my part, I crave your pardon and will be thankful to you if you could point them out so that it will be a learning curve for me.

2 B . Also, if you find my language/comments a bit aggressive/blunt, please bear with me because I follow/believe strictly what Gandhiji said – " It requires mental character and courage of conviction to call a spade a spade and Truth is seldom liked and it hurts".

3. I am surprised and also strongly feel that it is a mistake on the part of TRAI not to fix MRP for both pay and FTA channels which it rightly did when CAS was introduced . It has the mandate of the government and still chose not to do. Why so?. I found no explanation any where and I sincerely hope that it has nothing to do with MSO/LCO lobby/cartel. India is perhaps the only one country in the world (among the top 20 economies) which has mandatory MRP law for all and why it is not applied to DAS?. As said above, TRAI had rightly given MRP guideline for CAS and DAS is just an improvement of CAS. Why it has chosen not to is simply perplexing.

3 A. TRAI, in its new found wisdom has given the freedom to MSO's to fix the retail rates for pay and FTA channels albeit with "twin conditions" – which itself is flawed .

3 B. "Twin condition" mandates arriving at the price of a la carte channel working backwards from the price of the bouquet which is totally weird and illogical. A bouquet is made up of channels and not vice versa.

3 C. If a channel is part of more than one bouquet, which bouquet has to be taken for backward working?

3 D. There is no regulation that each and every channel offered should be part of at least one bouquet. In such a case, how will you arrive at the price of a channel which is not part of any bouquet?

3E. MSO- since no MRP guideline is there- can for example pack 3 sports channels into a bouquet and price it for Rs 90- . Then using the so called twin condition he can price the channels individually for 60, 40 and 35 – depending on the popularity of channels. What can the end user do except to shift to another MSO which in many places will not be possible as detailed below and will also force him to buy a new STB. Has the TRAI thought of this scenario?

3 F. It is mentioned that predatory pricing as above will be under check because of competition – from other MSO's, DTH, IPTV etc. This argument is also flawed.

MSO's and LCO's invariably prevent competition using strong arm methods / political clout . I am sure that everyone including TRAI knows how Hathway was driven out of Chennai and many LCO's were forcefully closed down in Madurai. So there is no question of competitor coming to the rescue of the end user.

As for DTH – it is on its final run not only in India but all over the world. It is like Plasma TV amongst flat panel TV's. DTH managed to survive all these years because its signal being digital was very clear and even though priced higher, people who can afford were opting for it. Now that cable TV signal has also become digital , the days of DTH are numbered. This is true even in USA . Also in UK where strangely the number of DTH connections were more than cable till 2009 (which was never the case in USA and Germany), after the introduction of digital cable transmission, the gap has narrowed down and by next year there will be more digital cable than DTH.

Further DTH and IPTV are premium products which most of the poor people in India can ill afford and hence futile to mention them while talking about the pricing of cable digital feed. It should be borne in mind that for many poor people TV is the only entertainment available and many own it thanks to many state governments giving it free and they should not be over burdened.

3G. Any policy/regulation has to be fair to all the stake holders if their numbers are equal. How ever, in a scenario where one of the stake holders is billion strong with majority of them poor and TV is mostly their only source of entertainment and the other three stake holders (broadcaster, MSO, LCO) do not add up to more than a few thousand, the regulation has to be more fair to the former as compared to the latter. This is the essence of democracy and also the stated policy of the government . Supreme court of India has also in innumerable judgments concurred with this view. So by not fixing MRP and allowing MSO's to fix the price , TRAI is not being more fair to the people which it was while fixing the price for CAS.

CAS, where MRP was insisted by TRAI was more fair to the common man but was not unfair to the other stake holders. It was less fair them. This is proven by the fact that the three stake holders were making money , none complained and there is no documentary evidence to show that any of them closed down after CAS with its MRP was introduced. May be some would have closed down not because of MRP but because of poor management /financial skills and strong arm tactics of their competitors.

The following live example from Chennai where CAS is still in place will further strengthen the argument for MRP for DAS :

Channels	Amount to be paid exc. tax	
	Under CAS	Under DAS
1. Minimum 30 FTA	82.40	100
2. 8 Sports Channel (ESPN, Star Sports/. Cricket, Neo Prime /Sports, Ten Cricket/ Action/Sports)	42.80 (5.35 x 8)	160.50 (ESPN, Star Sp/Cr Rs 25 each Neo prime 22.50. Neo Sp 17 Ten C 25. Ten A 10, Ten S 11 Price from SCV site)

So a customer who is paying Rs 125.20 (82.40 + 42.80) now will have to shell out Rs 260.50 (100+160.50) under DAS. Since there is no MRP, this can further increase if the MSO decides to alter the bouquet composition where as this not possible under CAS unless TRAI decides to give an inflation linked increase. MSO calls the shot in DAS as there is no MRP where as TRAI calls the shot in DAS.

I hope that the above detailed arguments (para 3 to 3G) will make a case for TRAI to re-look at a DAS with MRP.

Also, instead of MRP as in the case of CAS, TRAI knowingly or unwittingly by introducing "twin conditions" "ascribed value" etc, is trying to confuse and complicate an otherwise simple and straightforward issue of fixing rates under DAS. Please do not try to make a mountain out of a molehill. Just fix MRP and the issues will get sorted out.

4. I am detailing below as to how TRAI can introduce MRP for DAS and at the same time protect the interest of the common man more and to a lesser extent the interest of the other three stake holders and make it a win win for all as against loss for common man and win for the other three stake holders.

4 A. Introduce MRP - for FTA Rs 3 and for pay channels Rs 7 (all rates exc taxes) – with minimum billing of Rs 100 for FTA and Rs 150 for Pay channels – pricing primarily based on CAS pricing inflation adjusted.

4 B. The following will be the various combinations :

Channels Chosen	**Amount to be paid**
a. 100 FTA under BST	100
b. 100 FTA from la carte	100
c. 103 FTA (100 from BST or 103 from la carte)	109 (100+ 3x3)
d. 3 Pay channels	150 (Min billing)
e. 22 Pay Channels	157 (Min Billing + 1channel)
f. 100 FTA + 3 Pay Channels	150
g. 100 FTA + 22 pay Channels	254 (100 + 22x7)

4C . The price that has to be paid by a customer under CAS now (para 3 of 3G above) based on the pricing given in 4A and 4B will be – Rs 100 for FTA + 7x8 for 8 pay channels = Rs 156 as against Rs 125.20 he pays now - an increased but bearable burden of additional of Rs 21.20 for the customer for getting all the channels in digital format and a handy gain but not a jackpot for the other 3 stake holders.

4D. On the contrary, if there is no MRP as it stands now, the customer presently under CAS in Chennai will pay Rs 260.50 under DAS – a huge burden for him and at the same time a jackpot / windfall gains for the other 3 stake holders.

4E . Any right thinking person will favour 4C as against 4D. It is as mentioned earlier a win win for all.

4F. I sincerely hope that TRAI will take heed of the arguments put forward – not with standing the strong and blunt language used - and revise its stand. After all the customer is the king (though it is rarely understood and acknowledged in India) and they should not be unnecessarily burdened for the undue benefit of a miniscule minority. Every one should benefit in proportion to their numbers.

Looking forward to your reply/comments,

With regards,

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