

Response of Star Broadband Services (I) Pvt. Ltd to the consultation paper on Interconnection framework for Broadcasting TV services distributed through Addressable systems.

Jun 10, 2016

To
Sh. Sunil Kumar Singhal,
Advisor (B&CS),
Telecom Regulatory Authority of India, New Delhi.

Subject : Written Comments on the Consultation Paper on Interconnection framework for Broadcasting TV Services through DAS.

First of all I would like to take this opportunity to thank TRAI for another impeccable consultation paper. But on the hindsight I ponder whether there was requirement of 30 consultation papers, 14 Recommendation and 18 Directions after the commencement of DAS On November 2012. So there is something which is plaguing this industry and known to everyone but the people at the helm of affairs want to keep their eyes shut. I sincerely think the above stats would have been less than half and litigation in the courts have been less than 20% of current figures if we have been into the regime of MRP.

Sometimes I ponder why our regulator who comes up with such a comprehensive papers does not understand a simple issue that any term and condition in the agreements between the stakeholders namely Broadcaster, MSO / DTH operator / LCO, which impact the pricing of the End consumer for a particular channel or Service will lead to chaos, monopolisation etc. Now let us discuss the RIO pricing given out by different broadcasters after NSTPL judgement.

Name of Broadcaster	RIO price of highest package	Maximum Discount in %	Price of Highest Package after Discount	Total Channels in Highest package	Average price per channel after Discount	Max Price per channel by applying 1st condition of twin conditions	Individual Channel of the Bouque	Price of Individual channel as per the Original RIO
Star TV	146.16	82.00	26.31	31	0.85	2.55	Star Sports 2	15.12
Zee TV	157.00	85.70	22.45	33	0.68	2.04	Ten 3	15.12
Turner	20.00	85.40	2.92	6	0.49	1.46	HBO	7.01
Sony	60.50	95.00	3.03	12	0.25	0.76	Sony ESPN	15.12
Discovery	37.00	84.00	5.90	8	0.74	2.21	ID: Discovery	8.98
Indiacast	93.20	86.00	13.05	31	0.42	1.26	Colors	8.99
Disney	24.00	91.50	2.04	8	0.26	0.77	UTV Movies	6.30
Total	537.86		75.70					

The bare perusal of the above chart will give you the glimpse of malicious intent and rampant powers of pricing bestowed upon themselves by Broadcasters. So it is clearly evident that the discrimination does not get restricted to a DPO only but it extends to his customers as any disagreement between the Broadcaster & DPO will affect the pricing of consumer also by around 500%.

The terms imposed for offering discounts are unreasonable and discretionary, therefor equivalent to denial of service. It is now admitted fact on the record that “the average price of any channel is **less than one Rupee**” after implementing discretionary conditions of the Broadcasters. Imposing arbitrary conditions to increase the wholesale price is not only uncompetitive & malicious but a method to promote discrimination between different DPO’s. A careful examination of the above chart shows that the total discounted price of Bouque is either less than the price of individual channel in original RIO or just a shade above. Now no person with reasonable mind can either understand or can make it understand to

end customer. Hence I request the authority to take above **discounted figures** as benchmark, which are declared by Broadcasters in their respective RIO's and declare the MRP of Rs. 5/- per channel for the end consumer. Anyone should be free to keep the price less than Rs. 5.

Now as we have seen that Broadcaster has thwarted every opportunity given to him for bringing non discriminatory RIO and hence creating level playing field. So it is high time the Authority should take the decision and declare the MRP of Rs. 5/- with a revenue sharing of 40%, 30% & 30% for Broadcaster, MSO and LCO respectively. Otherwise we will continue to see broadcaster wielding unbridled power and controlling the whole ecosystem, creating unholy nexus with few Interested DPO's and disregarding the orders, suggestions, pleas of the Hon'ble courts, regulator and hapless DPO's respectively.

Issue 1:- 1.1 By declaring MRP and defining the revenue share between Broadcaster , DPO & LCO's a very prudent level playing field can be created.

1.2 Yes a common interconnect regulatory framework be mandated.

Issue 2:- 2.1 No. Any agreement based on mutual agreed terms will again lead to discrimination between favoured and other DPO's.

2.2 Any mutual agreements will lead to discrimination, hence should be totally abolished.

2.3 Non-discrimination can be achieved by declaring MRP of Rs. 5/- for the end consumer. Broadcaster and DPO should be free to negotiate between their revenue share. But a suggested revenue share of 40%, 30% & 30% in case of disagreement should be announced by the Authority.

2.4 Yes.

2.5 Yes all the principles are necessary. MRP of Rs. 5/- per pay channel should be declared by the authority which will lead to effective choice at competitive price for the consumer.

2.6 As explained previously authority must decide MRP of Rs. 5/- per pay channel. This will effectively remove the discrimination.

2.7 By declaring MRP for the end customer.

2.8 SIA with MRP regime should be published.

2.9 A plain request on letter head or email should be sufficient.

2.10 Yes. Must carry be applicable to all the platform.

2.11 The existing percentage of 5% is very effective but in case of DTH & HITS platform it should be 1% as they are catering to very wide geographies with a single control room.

2.12 Yes.

2.13 Yes an integrated interconnection agreement should be in place.

Issue 3:- 3.1 A penalty should be levied in case of non compliance.

3.2 No time frame can be defined. During the subsistence of RIO anytime the objections can be raised as new stakeholders will keep joining in.

3.3 No time period.

Issue 4:- 4.1 No.

4.2 Financial penalties can be worked out in case of non-signing of agreements.

4.3 SIA with MRP of Rs. 5/- per pay channel should be mandated.

4.4 It is mandated that Broadcaster completes its technical audit within 15 days and in case he is not able to do so then it should be mandatory for him to issue boxes to the applicant.

4.5 Yes.

Issue 5:- Will give counter comments.

Issue 6:- Will give counter comments.

Issue 7:- 7.1 Yes.

7.2 Yes

7.3 No advance notification required.

Issue 8:- 8. 1 A minimum of term of agreement should be 3 years instead of 1 year. In fact lot of agreement signed by the Broadcasters with favourable DPO's are of 3 years tenure.

Issue 9:- 9.1 Yes. In fact this practise is followed currently.

9.2 Period for prior notice be 3 months.

Issue 10:- 10.1 Yes.

10.2 No other parameters should be allowed.

10.3 MRP of Rs. 5/- per channel should be implemented immediately.

Issue 11:- 11.1 Yes.

11.2 Will give counter comments.

11.3 Only CAS and SMS from Indian companies should be allowed as the foreign companies do not offer proper support and charge exorbitant amounts.

11.4 In case of any complaint against a CAS or SMS vendor, becil should be authorised to carry out the inspection of the CAS or SMS and an opportunity be given to the vendor for correction of any flaws in the system. Any law of blacklisting will create a further chaos in the industry and such law will again be misused for settlement of scores.

Issue 12:- 12.1 Yes

12.2 Should not be audited again at the time of giving signals.

12.3 No comments.

12.4 No.

12.5 An independent auditors approved as per the Government specification should be allowed to do audit. The auditors should be independent from the influence of Broadcasters.

12.6 Any such coercive laws will be adversely used by the Broadcasters to settle scores with unfavourable DPO's.

Issue 13:- Will give counter comments.

Issue 14:-Will give counter comments.

Issue 15:-Will give counter comments.

Issue 16:-Will give counter comments.

Issue 17:-Will give counter comments.

Issue 18:-Will give counter comments.

Issue 19:-Will give counter comments.

Issue 20:-Will give counter comments.

Issue 21:-Will give counter comments.

Issue 23:- The final issue to be decided is a method in the form of regulation wherein the choice of choosing channels, service provider and technology should be in the hands of the consumer and the choice should not be thrust upon him by the corrupt forces within the ecosystem. So we strongly feel that most of the issues discussed above can be resolved by declaration of Rs. 5/- as MRP per channel & dividing revenue share by 40%, 30% & 30% between Broadcaster, MSO & LCO.

Thanking You.

Gaurav Gupta

For Star Broadband Services (I) Pvt. Ltd.