

BBC Global News India Private Limited('BBC')

Subject: Comments on the Consultation Paper on Review of Regulatory Framework for Broadcasting and Cable Services

At the outset, we would like to express our gratitude towards Telecom Regulatory Authority of India (henceforth "TRAI") for bringing out a comprehensive consultation paper on the subject .

We would like to offer our comments vis-à-vis the issues for consultation to the proposed Review of Regulatory Framework for Broadcasting and Cable services as under.

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?

BBC Response: No comments.

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.

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?

BBC Response: No comments.

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?

BBC response: No comments.

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?

BBC Response: Yes, to avoid the churn we should pass on the discount. We are agreeable to the present position as not passing on the discount will affect consumer interest.

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

BBC Response: There should be a review of the current ceiling on discount. Let market forces determine the ceiling of discount.

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.

BBC Response: No Comments.

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.

BBC Response: 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 not be reviewed as the infrastructure costs for a HD channel are significantly higher.

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.

BBC Response: The Regulator should implement adequate safeguards as also to have a penal mechanism in place so as to ensure that any DPO unfairly discriminating against a television channel, should face consequences inter alia affecting their MSO license to carry the channels on their platform. The Regulator should consider implementation of a

body so as to ensure that the DPO's provide similar reception quality to subscribers for similar genre of channels in the consumers interest.

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. All the FTA channels to be made available for all subscribers as it is available on the platform since it is free to air and the channels should be a part of the corresponding platform.

BBC Response: Yes. The mandatory provisioning to all subscribers should not be limited to FTA news channels available on the platform of a DPO. Non-news and newly launched FTA channels available on the platform of a DPO may also be considered for mandatory provisioning to all subscribers by DPOs. It may also be argued that mandatory provisioning of all FTA channels available on the platform of a DPO to all its subscribers may affect the choice of subscribers to choose and view channels of their choice which is the cornerstone of regulatory framework of 2017.

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

BBC Response: Yes. DD Free Dish service is provided by the Public Service Broadcaster – Prasar Bharati in India. DD Free Dish reaches to millions of people especially in rural, remote, inaccessible and border areas having low income and is used as a tool not only for entertainment but also for promoting education, health, and agriculture. It will be in the consumers interest if the Tariff Order 2017, Interconnection Regulations 2017 and Quality of Service Regulations 2017 be made applicable to non addressable distribution platforms such as DD Free Dish.

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?

BBC Response :Yes.

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.

BBC Response: Yes. there is a need to consider upgradation of DD Free Dish as an addressable platform for the reasons mentioned in the aforesaid comment 11.

Interconnection related issues

Q14. In case of amendment to the RIO by the broadcaster, the extant provision provides an option to DPO to continue with the unamended RIO agreement. Should this option continue to be available for the DPO?

a. If yes, how the issue of differential pricing of television channel by different DPOs be addressed?

b. If no, then how should the business continuity interest of DPO be protected? -

BBC Response: As per the existing provisions of Interconnection Regulation 2017, in the event of any amendment to RIO by a broadcaster/DPO, the broadcaster/DPO shall give an option to all distributors/broadcasters, with whom it has written interconnection agreements in place, within thirty days from the date of such amendment and it shall be permissible to such distributors/broadcasters to enter into fresh interconnection agreement in accordance with the amended RIO, within thirty days from the date of receipt of such option, or continue with the existing interconnection agreement. However, in the interest of the end consumer and to ensure business continuity it is imperative that the DPO should sign the amended RIO within a period of 3(three) months from the date the change comes into effect.

Q15. Sometimes, the amendment in RIO becomes expedient due to amendment in extant Regulation/ Tariff order. Should such amendment of RIO be treated in a different manner? Please elaborate and provide full justification for your comment. –

BBC Response: To ensure that there is no overlapping with the current and previous regulations, the new Regulations should be linked to the Principal Regulations.

Q16. Should it be mandated that the validity of any RIO issued by a broadcaster or DPO may be for say 1 year and all the Interconnection agreement may end on a common date say 31st December every year. Please justify your response.

BBC Response: No comments. It should left between the Broadcaster and the respective DPO.

Q17. Should flexibility be given to DPOs for listing of channels in EPG?

a. If yes, how should the interest of broadcasters (especially small ones) be safeguarded?

b. If no, what criteria should be followed so that it promotes level playing field and safeguard interest of each stakeholder? If the product is there it needs to be displayed and it should be left to the customer and the customer should not be deprived from making a choice.

BBC Response: No comments.

Q18. Since MIB generally gives permission to a channel in multiple languages, how the placement of such channels may be regulated so that interests of all stakeholders are protected?

BBC Response: It should be left to the understanding of Broadcaster and DPO. Further, There should be no discrimination between the channels of multiple languages.

Q19. Should the revenue share between an MSO (including HITS Operator) and LCO as prescribed in Standard Interconnect Agreement be considered for a review?

a. If yes:

i. Should the current revenue share on NCF be considered for a revision?

ii. Should the regulations prescribe revenue share on other revenue components like Distribution Fee for Pay Channels, Discount on pay channels etc.? Please list all the revenue components along-with the suggested revenue share that should accrue to LCO.

Please provide quantitative calculations made for arriving at suggested revenue share along-with detailed comments / justification.

b. If no, please justify your comments.

BBC Response: No comments.

Q20. Should there be review of capping on carriage fee?

a. If yes, how much it should be so that the interests of all stakeholders be safeguarded. Please provide rationale along with supporting data for the same.

b. If no, please justify how the interest of all stakeholders especially the small broadcasters can be safeguarded? –

BBC Response: BBC is okay with the current position

Q21. To increase penetration of HD channels, should the rate of carriage fee on HD channels and the cap on carriage fee on HD channels may be reduced. If yes, please specify the modified rate of carriage fee and the cap on carriage fee on HD channels. Please support your response with proper justification.

BBC Response: Several distributors declare either ‘the whole country’ or ‘combination of some states together’ as their target market. As a result, they are required to pay exorbitant carriage fee since the active subscriber base of the DPO in entire India is taken into account for the purpose of determining carriage fee. In such cases, the Reference Interconnect Offer based carriage fee agreements become unviable for regional channels. Accordingly, the regional channels are constrained to enter into negotiations for signing alternate agreements, terming these as placement or marketing arrangements. Such alternative agreements render the carriage fee regulations expendable. Therefore the existing carriage fee is sufficient.

Q22. Should TRAI consider removing capping on carriage fee for introducing forbearance? Please justify your response.

BBC Response: No. The present capping on carriage fee should be sustained.

Q23. In respect of DPO’s RIO based agreement, if the broadcaster and DPO fail to enter into new interconnection agreement before the expiry of the existing agreement, the extant Interconnection Regulation provide that if the parties fail to enter into new agreement, DPO shall not discontinue carrying a television channel, if the signals of such television channel remain available for distribution and the monthly subscription percentage for that television channel is more than

twenty percent of the monthly average active subscriber base in the target market. Does this specified percentage of 20 percent need a review? If yes, what should be the revised prescribed percentage of the monthly average active subscriber base of DPO. Please provide justification for your response.

BBC Response: To ensure continuity of signals in the interest of the consumer, it is not feasible to review the specified percentage of 20 percent.

C. Quality of Service related issues

Q24. Whether the extant charges prescribed under the 'QoS Regulations' need any modification required for the same? If yes, justify with detailed explanation for the review of:

- a. Installation and Activation Charges for a new connection
- b. Temporary suspension of broadcasting services
- c. Visiting Charge in respect of registered complaint in the case of DTH services
- d. Relocation of connection
- e. Any other charges that need to be reviewed or prescribed.

BBC Response: No comments.

Q25. Should TRAI consider removing capping on the above-mentioned charges for introducing forbearance? Please justify your response. No. there will be no regulation on the manner in which the consumer interest can be upheld.

BBC Response: No comments.

Q26. Whether the Electronic Programme Guide (EPG) for consumer convenience should display

- a. MRP only
- b. MRP with DRP alongside
- c. DRP only?

Justify your response by giving appropriate explanations.

BBC Response: It should be MRP only. The end consumer should be concerned with the MRP of the channel.

Q27. What periodicity should be adopted in the case of pre-paid billing system. Please comment with detailed justification.

BBC Response: Depends on the incentive. It should be monthly in nature. Beyond that it should be left to market forces.

Q28. Should the current periodicity for submitting subscriber channel viewership information to broadcasters be reviewed to ensure that the viewership data of every subscriber, even those who opt for

the channel even for a day, is included in the reports? Please provide your comments in detail.

BBC Response: Yes. The viewership data of every subscriber who subscribes the channel even for a day should be included in the reports.

Q29. MIB in its guidelines in respect of Platform Services has inter-alia stated the following:

- a. The Platform Services Channels shall be categorised under the genre 'Platform Services' in the EPG.
- b. Respective MRP of the platform service shall be displayed in the EPG against each platform service.
- c. The DPO shall provide an option of activation /deactivation of platform services.

In view of above, you are requested to provide your comments for suitable incorporation of the above mentioned or any other provisions w.r.t. Platform Services channels of DPOs in the 'QoS Regulations'.

BBC Response: Yes. The aforesaid can be incorporated in the QoS Regulations.

Q30. Is there a need to re-evaluate the provisions outlined in the 'QoS Regulations' in respect of:

- a. Toll-free customer care number
- b. Establishment of website
- c. Consumer Corner
- d. Subscriber Corner
- e. Manual of Practice
- f. Any other provision that needs to be re-assessed

Please justify your comments with detailed explanations.

BBC Response: The abovementioned provisions are already part of the 'QoS' Regulations and should continue to be in practice.

D. Financial Disincentive

Q31. Should a financial disincentive be levied in case a service provider is found in violation of any provisions of Tariff Order, Interconnection Regulations and Quality of Service Regulations?

a. If yes, please provide answers to the following questions:

i. What should be the amount of financial disincentive for respective service provider? Should there be a category of major/ minor violations for prescription of differential

financial disincentive? Please provide list of such violation and category thereof. Please provide justification for your response.

ii. How much time should be provided to the service provider to comply with regulation and payment of financial disincentive. and taking with extant regulations/tariff

order?

iii. In case the service provider does not comply within the stipulated time how much additional financial

disincentive should be levied? Should there be a provision to levy interest on delayed payment of Financial

Disincentive?

1. If yes, what should be the interest rate?

2. In no, what other measures should be taken to ensure recovery of financial disincentive and regulatory compliance?

iv. In case of loss to the consumer due to violation, how the consumer may be compensated for such default?

b. If no, then how should it be ensured that the service provider complies with the provisions of Tariff Order, Interconnection Regulations and Quality of Service Regulations

E. Any other issue – To be discussed.

BBC Response: No comments.

Q32. Stakeholders may provide their comments with full details and justification on any other matter related to the issues raised in present consultation.

The need for classification and treatment of channels in a certain category as niche channels

The TRAI in the year 2010 vide The Telecommunication(Broadcasting and Cable) Services(Fourth) (Addressable Systems) Tariff Order, 2010 had promulgated a notification identifying the need for niche channels requiring specialized set top boxes. Since BBC News is a niche news channel, the channel should be classified separately in terms of standard pricing structure in order to maintain the quality of the services and so as to be able to maintain the quality of the product. The channel caters to a niche audience and a one size fits all approach should to the extent possible cannot be adopted as the business dynamics of a niche channel are vastly different compared to the channels catering to a mass audience.

In view of the above it is our humble submission that the niche channels should be accorded exception in price structure and provided the much needed flexibility on formation of bouquets Moreover, liberty should be given to such provider of niche channels so as to maximize the discount incentives thereby ensuring that such niche channels sustain in the plethora of mass entertainment channels. As has been the approach of TRAI on certain aspects while deciding discount incentives and pricing of channels, an approach of forbearance for such niche news channels can be adopted.

Closing remarks:

We once again thank TRAI for bringing out this present consultation paper which has provided an opportunity to the stakeholders to voice their views and opinion so as to enable the regulator to safeguard the consumer interest.

