

Comments on TRAI's Consultation Paper on Review of Regulatory Framework for Broadcasting and Cable services

1. We introduce ourselves as Ideal Cable Operator Association a non-profit organization representing the interests of Local Cable Operators (LCOs). We thank TRAI for issuing this paper to address the persisting issues in the broadcasting sector.
2. We believe that this is an opportune moment to correct the issues faced under New Tariff Order (NTO). Under the NTO, broadcasters have been given the right to decide the retail prices for TV channels, as well as form bouquets of channels and decide their retail prices. This dual power of broadcasters has severely harmed the interests is subscriber and the DPOs as broadcasters have misused these privileges to maximize their revenues at the expense of the customers and the DPOs.
3. **We submit that at the very outset, broadcasters do not have any privileges under the license to either prescribe retail price or bundle their channels in bouquets.** Broadcasters are issued license to uplink TV channels, to be received by DPOs. The TV channel license does not grant any right to bundle the different channels. Further, there is no relationship between the different channels operated by the same broadcaster as each TV channel is licensed under a separate permission. Thus, is no foundation or basis, under the TV channel license that gives broadcasters any right to bundle their channels.
4. Further, under their TV channel license, broadcasters are not allowed to establish direct relationship with customers. They can only supply their channels to DPOs. **DPOs, under their license or registration can carry the channels of broadcasters by bundling them into bouquets and form various packs/plans as per the requirement of their customers.** This is a basic requirement of their service.
5. DPOs' service is not just retransmission of channels, but they also have to perform various functions, such as maintaining addressable platforms, provide set-top boxes, perform billing and customer enrolment etc. Thus, only DPOs can decide the retail price of the channels. Broadcaster are not even allowed to serve customers directly and thus, cannot be given the right to decide the retail price of the channels.
6. However, it appears that the above facts have not been considered during the formation of NTO. **The entire DPO Industry has paid the cost of this inconsistency in NTO, as it has been left at the mercy of broadcasters who have left no stone unturned to maximize their own profits.**
7. Broadcasters have employed the strategies to maximize both their subscription and advertising revenues. They have created multiple channels without investing in any new content. Understandably, customers are reluctant to subscribe to these channels. However, to overcome this broadcasters have priced bouquets at steep discounts to the ala-carte rates. This has led the customers to choose bouquets even if they don't

wish to subscribe to most of the constituent channels. But this helps broadcasters to boost their advertising revenues without making any investments. At the same time, it also helps them in increasing their subscription revenues by pricing ala-carte channels at premium and in case, customers opt for bouquets they anyways end up paying more than the ala-carte channels.

8. Not only this, broadcasters' greed has resulted into a steep decline of the Cable Industry. They do not receive any carriage fee for such channels as these are declared as paid channels. The rise in subscription charges leads to customer churn due to availability of alternative sources of entertainment. Thus, Cable industry is neither earning from the carriage of channels nor it is able to retain customers as the broadcasters' pricing is a major reason for customer churn, which is outside the control of DPOs.
9. It is an irony that Cable Industry that works on the ground and invests billions of rupees in infrastructure has been left at the mercy of broadcasters who do not invest in infrastructure but also are guided by their greedy motives to maximize their own profits.
10. The pain of the DPOs does not end here, they are also saddled under heavy regulatory obligations as most of the sources of revenues like NCF, installation charges, etc., are heavily regulated. This heavy handed regulation is despite the fact that market is heavily fragmented and there is no dearth of competition in the sector.
11. Apart from the above, DPOs are also at the receiving end from the competition unleashed by none other than Prasar Bharati's DD Free Dish. This platform is the biggest DPO in the country and enjoys full autonomy from the regulatory framework. The biggest irony is that while it is viewed as a Public Service, it is in fact run on a commercial model. The only difference is that it earns from broadcasters instead of customers. Thus, there is no reason why it should continue to be run outside regulatory framework. Other DPOs in the country are losing customers as they cannot compete with free services. The Pay Channels on other DPOs are free to air on DD free Dish.
12. In nutshell, the Cable Industry pleads for an urgent intervention by the Authority in arresting these inconsistencies. As a result of current regulatory framework, entire Cable Industry is on a decline, as it has been deprived of means to compete effectively in the market and has been left the mercy of broadcasters. Without comprehensive changes in the regulatory framework, these inconsistencies cannot be removed and hence, we request the Authority to undertake following reforms:
 - a) **Restore the DPOs' right to decide the retail prices of channels:** DPOs cannot be treated as distributors of broadcasters where broadcasters decide the retail price of the service. DPOs are service providers that provide the services to end customers

and thus, should have the right to decide the price of their services. Thus, broadcasters can be allowed to only set the wholesale price of channels for their procurement by DPOs. DPOs can then sell the channels as a part of retail services at any price independent of the price at which they procure these from broadcasters.

This is in coherence with the licensing framework and the nature of the services rendered by DPOs and is urgently required to be undertaken to arrest the downfall of the sector.

- b) **Broadcasters cannot be allowed to form Bouquets:** Composing bouquets is beyond the licensing privileges of broadcasters. Thus, the right given to them to compose bouquets needs to be curtailed and they should be allowed to only provide their channels in ala-carte form.
- c) **Forbearance for retail pricing by DPOs:** Due to high degree of competition amongst DPOs, the entire retail pricing should be put under forbearance. In a market where there is high degree of competition there is no relevance of putting regulatory ceilings as these prove to be counterproductive as these may inhibit the service providers in providing better services to consumers. Hence, all retail tariffs relating to business of DPOs should be put under forbearance.
- d) **Bring Level Playing Field between DD free Dish and other DPOs:** It is a high time that DD free Dish is brought under regulatory framework. It is inexplicable as to how a DPO operating on a commercial model is being allowed to have arbitrage over other DPOs by providing Pay Channels as FTA. This can be arrested only by enforcement of TRAI's Regulations on DD Free Dish.

Response to the questions framed by TRAI

A. Tariff related issues

- Q.1 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?**

The Authority would acknowledge that the Network Capacity Fee (NCF) is a crucial source of revenue for the DPOs including LCOs. It has already been more than 3 years since the introduction of capping on NCF under the new regulatory regime which came into effect on February 2019, and it is only prudent that existing cap on NCF levels to be reviewed and a suitable inflation linked raise should be permitted.

We also seek to highlight in this regard, the regulatory framework and the premise which has led to the formulation of the NCF in its present form and manner.

Clause 4(1) of the Principal Tariff Order, 2017 which deals with the Network Capacity is reproduced hereinbelow:

“Cable Operator Provided that the network capacity fee, per month, for network capacity up to initial one hundred SD channels, shall, in no case, exceed rupees one hundred and thirty, excluding taxes.

Provided further that the network capacity fee, per month, for network capacity in the slabs of twenty-five SD channels each, beyond initial one hundred channels capacity referred to in first proviso to sub-clause (1), shall, in no case, exceed rupees twenty excluding taxes.”

The Authority had itself in paragraph 80 of the explanatory memorandum dated 3rd March 2017, observed that:

“..... that the cost of carrying 100 SD channels by a distributor of television channels comes to approximately Rs 80/- per month and cost of other activities like subscriber management, billing, complaint redressal, call center etc. comes out to be approximately Rs. 50/- per month”

Subsequently, the Authority notified the amended clause 4(1) in the Tariff Amendment Order 2020 which reads as:

“Provided that the network capacity fee, per month, for network capacity up to initial two hundred SD channels, shall, in no case, exceed rupees one hundred and thirty, excluding taxes.

Provided further that the network capacity fee, per month, for network capacity for receiving more than two hundred SD channels, shall, in no case, exceed rupees one hundred and sixty, excluding taxes”.

In this context, we also seek to bring the kind attention of the Authority to clause 82 of Explanatory memorandum of the Tariff Amendment Order 2020, which states as:

*“Now the question arises what the ceiling on NCF should be for offering more than 200 channels by a DPO. **The Authority has noted that on any platform generally on average 300 relevant channels are available for viewing by a consumer. Therefore, it will be sufficient to prescribe a ceiling of Rs 160 as a ceiling on NCF for more than 200 channels. As it is a ceiling, DPOs will be free to declare NCF lower than Rs. 160 for more than 200 channels.** These two ceilings, one for less than 200 channels and another for more than 200 channels will not only protect the interests of DPOs but also simplify the process for consumers. **Accordingly, it has been decided that a DPO cannot charge NCF more than Rs. 160/- for more than 200 channels. Consequently, the existing provision for additional NCF of Rs.20 for every slab of 25 channels is being dispensed with.**”*

A thorough reading of the aforesaid evidently establishes that while fixing a cap on the NCF, the Authority has taken an assumption that on an average, DPOs are making 300 channels available to the subscribers on their network, which seems to be an untrue premise devoid of any substantive backing. As on date, almost every DPO is providing more than 450 +channels, and in most cases, such count significantly goes as high as 550 channels on account of increasing consumer demands and to cater to the varied interests of the consumers. It is further brought to the kind attention of the Authority that such assumptions on part of the Authority of capping the price at Rs. 130/- for the first 200 channels and at Rs.160/- for over 200 channels is in defiance of its own observations which have been recorded in the Explanatory Memorandum published as part of Tariff Order, 2017. It is also pertinent to note that this was observed by the Authority after thorough research on data collected from 2004 till the implementation of the regulatory framework of 2017.

The Authority will also acknowledge and agree that operational expenditures that are undertaken towards running and maintaining the cable television network and associated infrastructure has significantly increased from 2017 onward. At least 40% cost has been increased of all the major cost components, therefore, capping the NCF at Rs.130/- and Rs. 160/- for first 200 channels and over 200 channels respectively, stands completely unjustified for the Cable TV industry, which is already suffering with huge churn in subscriber base on account of lack of uniformity of regulatory principles across all platforms.

The Authority should also take into consideration the fact that decrease in subscriber base to 65 million from 110 million in 2017 has also led to a substantial increase in the cost per subscriber (increase by 70% compounded with the increase in operational cost by 40%).

In light of above, we request Honourable Authority to remove the capping on NCF and suggest that the same shall be linked to the number of channels in lines with the 2017 Regulation for the purpose of determining the incremental NCF.

&

Q.2 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.

We submit that it has already been more than 4 years since the time NCF has been capped by the Authority. The NCF rate needs to be revised periodically inter alia bearing in mind the inflation rates. Considering that the inflation rates in India have been 5.13% and 6.70% in the past two years respectively and considering that the operational costs in maintaining the cable television infrastructure have also significantly increased by 40%, it is suggested that the NCF be increased by 40% immediately and thereafter be revised on a periodic basis inflation Consumer Price Index (CPI).

&

Q.3 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?

1. The costing of NCF is not much dependent on bouquets/plans regarding any particular State/city/town/village. Network Capacity fee is a culmination of all the operational expenditure, which are majorly standardized for all the MSOs basis the capacity and infrastructure it has deployed.
2. Therefore, we propose that there shall be no variable NCF structure on account of the following:
 - a. Variable NCF will create discrimination within the same set of subscribers, which will lead to further litigation by subscriber with DPOs.
 - b. The same is likely to be misused by one set of industry players against others, considering their deeper pockets and high spending capacity.
 - c. It will create an uneven economic balance; wherein smaller players of the industry will face severe competition.
 - d. It may also create law and order situation on ground. Such a situation may lead to piracy as well as to disputes between the broadcasters and DPO(s). This may also create difficulty for the auditors to verify location details during audit.

&

Q.4 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:

Multi TV discount was introduced by TRAI in 2020 tariff amendment regulation as fourth proviso to Clause 4(1), which states as:

*“Provided also that the network capacity fee, per month, for each additional TV connection, **beyond the first TV connection in a multi-TV home shall, in no case, exceed forty percent of the declared network capacity fee**”.*

AIDCF is of the opinion that NCF cap of Multi TV is not justified since subscribers with multi-TV are affluent subscribers and subsidizing NCF at the cost of the DPOs is only an unjust enrichment of such subscribers. Even otherwise, there is no discount/cap on MRP of channels offered by the broadcasters, on such multi-TV subscribers. Hence, we suggest that either the said cap on NCF on multi-TV to be removed or at least correspondingly seek cap of 40% on MRP of channels for multi-TV subscribers. Such discounting mechanism of Multi TV will be considerate and hold good, only if the Pay TV channel prices are also discounted with the same percentage.

- Q.5 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:

Reiterating our response to the above question, we state that while under the present regulatory regime, the DPO is subjected to a capping in terms of the NCF on 2nd TV connection onwards, the same should be made applicable for the Broadcaster channels price also. This will remove the disparity, as the same subscriber shall be appropriately benefited . It is also reiterated that, if there is no similar discounting framework on the MRP of channels as

prescribed on NCF for Multi TV homes, then, the same should also be applicable for NCF and there should not be any discount on multi tv.

- Q.6 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:

1. As stated in preamble, broadcasters do not have any right under their TV channel license to form bundle the channels together as each TV channel is licensed individually. While this aspect has been overlooked, the continuation of formation of bouquets is leading to harm to DPOs and consumers. The DPOs have been denied carriage fee on redundant channels that are clubbed with popular channels in bouquets. On the other hand, consumers are being made to subscribe to such channels by unnecessarily paying for these in the bouquets. Thus, this issue needs to be arrested by disallowing broadcasters from forming bouquets.
2. As mentioned previously, DPOs should be given flexibility to decide the retail price of services including curating bouquets as per market forces that will help serve customer needs rather than serving any ulterior motives.

- Q.7 Whether the total channel carrying capacity of a DPO be defined in terms of bandwidth (in MBPS) assigned to a 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:

There is no need to define channel carrying capacity in terms of Mbps and instead the DPOs/LCOs should be required to transparently declare their channel carrying capacity.

TRAI is aware that there are multiple technologies for transmission and similarly multiple compression technologies also exist, therefore, a defined capacity in Mbps may not be same for all players. TRAI should have a technology neutral approach and use only transparency measures to monitor this parameter.

- Q.8 Whether the extant prescribed HD/SD ratio which treats 1 HD channel equivalent to 2 SD 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 only reason, this ratio is defined is to help determine the NCF and carriage fees. However, we all retail pricing, including NCF,, channel pricing etc. shuld be under forbearance,

Q.9 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:

1. This is a brazen allegation against the DPOs. We request the TRAI to seek the proof for this allegation before seeking any inputs on the issue. It is important to note that the DPOs are the oppressed party here, and how can such local level players destroy their own revenue by indulging in such practices that can lead to consumer dissatisfaction.
2. Additionally, this system seems to be very complex technology and we do not think that the same is generally available in the market. We do not think DPOs could deploy such practices and there is no reason to introduce measures to monitor reception quality as this will increase the additional regulatory burdens without any benefit to any stakeholder.

Q.10 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:

1. This is a measure to unnecessarily increase the load on DPOs systems. The customer will watch a channel only if it wants to do the same and would generate the demand in case it is required.

2. We submit that this a commercial operation and unnecessary costs should not be loaded on a stakeholder's system. Further, there should be no free pass for on networks for any channel. DPOs should be fully compensated for all and any capacity reserved on their network. Further, unnecessary mandated discrimination between channels should be avoided.

Q.11 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?

&

Q.12 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:

1. DD Free Dish was designed to meet the coverage objectives and to deliver services to have-nots, however, this has been made available and has become a commercial force to the detriment of small players like LCOs and DPOs.
2. Further, the inclusion of many channels that are paid for DPOs on this unregulated free service is detrimental to the sector and LCOs/DPOs do not have the wherewithal to compete with a completely free service.
3. Unregulated Free dish is a lose-lose proposition for DPOs and for the sector health. We request the TRAI to bring this service under the regulatory regime and level playing field should be established vis-à-vis DPOs.
4. Alternatively, it should be mandatory for Free dish to host only free to air channels.

Q.13 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:

1. We reiterate our submission that in order to maintain level playing field, DD Free Dish should be brought under regulatory framework. This would logically imply that DD Free Dish should be upgraded to an addressable platform.

2. We submit that this change will benefit all stakeholders including customers as the increase in competition always pays positive dividends for customers.
3. Increase in competition combined with the addressing the anomalies associated with the NTO, would anyways bring down costs and ensure cost-effective services for consumers.

B. Interconnection related issues

Q.14 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?

&

Q.15 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.

Response:

DPOs, should be permitted to choose the most suitable arrangement for themselves in case of any changes initiated by the Broadcasters, this is an important protection with the DPOs and should not be taken away. This facility brings in desired predictability and stability and should be persisted with.

Q.16 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.

Response:

No, as mentioned above, all regulations should not cater to only broadcaster's interests. The DPOs should retain certain level of stability for their operations, with a right to move to new arrangement, in case it suits them.

Q.17 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?

&

Q.18 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?

Response:

1. It is to reiterate that the level playing field is already skewed against the DPOs and proposals like regulating the EPG would further skew it as this measure is against the business autonomy of DPOs. Essentially, this will take away the right to optimize and monetize the platform from DPOs.
2. Making such restrictions would be akin to TRAI mandating a sequence of programs and advertisements in a TV channels program and should be viewed with same prism.
3. We request you to ignore such suggestions and not irreparably harm a vital stakeholder by impinging on its autonomy by unnecessary micro-management.

Q.19 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.

Response:

The relationship between a Multi System Operators (MSOs) and LCOs should be market driven and there is no need for a binding regulatory requirement for a mandatory partnership. Therefore, we request the TRAI to keep the same unaltered.

Q.20 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?

&

Q.21 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.

&

Q.22 Should TRAI consider removing capping on carriage fee for introducing forbearance? Please justify your response.

Response:

1. We submit that there is a need to deregulate the over regulated operations of DPOs. In the entire value chain, all the restrictions and mandates are focussed on facilitating the Broadcasters to get their channel carried on all networks, irrespective of the commercial aspects of DPOs. The over-regulation of DPOs is manifested in the broadcasters dictating the retail pricing of channels, taking even the pricing autonomy from DPOs.
2. We submit that a logical corollary of 'Must Carry' provision on DPOs would have been forbearance in carriage fee, so that the DPOs can carry the content as per their own business case, however, the same was not implemented.
3. We submit that now is the opportune time to address this anomaly and as the TRAI has facilitated the Broadcasters with Must Carry provision, the carriage charge should also be brought under Forbearance to facilitate the DPOs.
4. Another major concern area is that the broadcasters are permitted to dictate the retail price of channels, while the DPOs are saddled with 'Must Provide' and 'Must Carry' requirements. This leads to broadcasters compelling the DPOs to carry all their channels as paid channels and evading carriage fees. This anomaly should also be corrected and DPOs should be permitted to set the retail prices for channels.

Q.23 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.

Response:

1. We believe that this is an unnecessary restriction imposed on the DPOs with no corresponding stipulations of Broadcasters, making this another point of regulatory imbalance. There is no need for any such mandate on DPO to carry the channels in case of failure in entering the new agreement.

C. Quality of Service related issues

Q.24 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.**

&

Q.25 Should TRAI consider removing capping on the above-mentioned charges for introducing forbearance? Please justify your response.

Response:

1. The TRAI is aware that price ceilings are a feature of monopolistic or duopolistic markets and are a tool to prevent cartelization detrimental to consumer interest. Therefore, these work only in limited competition markets and have no relevance in highly competitive field where DPOs operate. This is characterized not only by hyper competition, but also by technology substitutability available to consumers.
2. Therefore, the price ceilings should be removed for DPO services and DPO should be free to recover its operational costs as per its own business plan and policy of Forbearance should be applicable.

Q.26 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.

Response:

1. Notwithstanding our principal objection at being treated as a distributor and not a service provider, we submit that only the DRP should be published on the EPG.
2. The DPOs should have a freedom to market and price their product to their consumers like all service providers and wholesale channel price by Broadcasters has no relevance to the EPG.

Q.27 What periodicity should be adopted in the case of pre-paid billing system. Please comment with detailed justification.

Response:

No Comments

Q.28 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.

Response: No change is suggested

Q.29 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'.

Response:

We have no objection to incorporating the MIB guidelines for Platform services, in the QoS Regulations.

Q.30 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

Any other provision that needs to be re-assessed

Please justify your comments with detailed explanations.

Response: There is no change required, as on date.

D. Financial Disincentive

- Q.31 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?**

Response:

- 1. We are strictly against the concept of financial disincentives (FDs) and submit that instead the policy of positive encouragement should be deployed to ensure compliance. These are also anti-consumer, as this cost will be eventually passed onto consumers only. Therefore, no FDs should be imposed on service providers.**

E. Any other issue

- Q.32 Stakeholders may provide their comments with full details and justification on**

any other matter related to the issues raised in present consultation.

Response: All the relevant issues have been highlighted in the preamble of our response.

Thanking You

Tapash Kumar Das M: 9830416858
Aloke Kumar Sharma M: 8420069751
(Joint convener)
Ideal Cable TV Association
Regd No. SO184752 of 2011-2012