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22nd August 2013

Mr. Wasi Ahmed – Advisor (B & CS)
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
Jawaharlal Nehru Marg
New Delhi – 110002

**Re: Consultation Paper on Distribution of TV Channels from Broadcasters to Platform
Operators**

Dear Sir,

We are a Direct to Home Service Provider carrying our services under the brand name Videocon d2h across the country.

At the outset we would like to appreciate the endeavor of the Hon Authority to come out with the captioned Consultation Paper which is the need of the hour. We concur with the proposed Regulation and support the same whole heartedly. It is certainly a step forward towards bringing in and creating a level playing field among all stakeholders in the open market without disarming anyone. We are of the view that the implementation of such just, fair and reasonable rules will also usher in a new era where right equilibrium will prevail.

It is a fact that many Aggregators act and operate for multiple broadcasters, create a bouquet by bundling different bouquets or channels of such multiple broadcasters, publish Reference Connect Agreements, directly negotiate rates with Cable/DTH, decide fixed fee deals, also fix packaging obligations, even if it is not suitable in the opinion of the platforms like Cable, MSOs

and DTH and thus wield absolute power in the market. This monopoly adversely and unjustly tilts the equity in favor of such aggregator vis-à-vis Cable, MSOs and DTH service providers in the market and put them in commercially disadvantageous and prejudicial position.

As rightly observed by the Authority these Aggregators wield substantial negotiating power which can be, and is often misused and lead to several market distortions. This adversely harms the interests of Cable, MSOs and DTH Service Providers vis-à-vis their end subscribers and results in in-equilibrium of interests of stakeholders in the open market. We are of the view that the proposed regulation in this regard would certainly set things right for all and would ensure end of monopoly or cartelization by few in the market. It is also experienced that the broadcasters keep changing the Aggregators on regular basis throwing the original understandings to many sensitive areas to the wind and force platforms like Cable, MSOs and DTH to renegotiate the entire deal afresh. This lop sided environment can be reined in by regulations like the proposed one.

As rightly observed by the Hon. Authority, as on date, the distribution business of around 73% of the total pay TV market is controlled by a handful Aggregators. This allows these few Aggregators to monopolize the market which ultimately results in several market distortions to the disadvantage and prejudice of the platforms of Cable, MSO and DTH. They are forced to subscribe to certain packages of these Aggregators for obvious pressures which are unjust and unreasonable and it is from this perspective the proposed regulation will certainly create a level playing field for all stakeholders in the market.

Going by the past experience the aggregators have clubbed non-popular channels / genre with popular channels and genre, thus forcing platforms like Cable, MSO and DTH to subscribe and carry even the non-popular channels and also pay the subscription for said non-popular

channels even though customers were not willing & viewing said channels. Hence, under shelter of popular channels additional subscription fee is made through formation of bouquet comprising of non-popular channels (by increasing count of channels in such bouquets) and priced accordingly so that platforms like Cable, MSO and DTH will subscribe a bouquet instead of popular channel (s) of said bouquet. The DTH service provider had to incur the subscription fee unwillingly towards such unpopular content due to such uneven blend of channels by the aggregators and thus incur losses in their business as content acquisition cost kept on increasing. In our view this prejudicial practice will be put to rest by implementation of the proposed regulation.

In order to eradicate any kind of monopolistic approach in the market it is therefore ideal to implement the proposed regulation. The direct interaction between the content supplier, being the broadcaster and the platforms like Cable, MSO and DTH to the end subscriber will also benefit the consumers at large inasmuch as there will always be clarity as to the nature of channels and their RIO rates without reference to any third party involved in the process.

The proposed regulation basically takes care of the fact that the broadcaster offerings by the aggregators do not change the composition of the bouquet formed by the broadcasters while providing the same to platforms like DTH to end subscriber, which is absolutely in sync with the similar obligation cast on Cable, MSO and DTH service providers towards their subscribers and we support the same. Similarly the proposed regulation that the aggregators do not bundle the bouquet or channels of the broadcaster with the bouquet or channels of the other broadcaster is equally welcome as this will ensure the clarity as to packages in the minds of the end subscriber and there will be no confusion even as to the rates being offered.

In view of the above the roles and responsibilities of the broadcasters and their aggregators are correctly being demarcated through the captioned and proposed regulation.

We therefore request the Hon. Authority to implement the captioned regulations as to the Aggregators and rid the market of monopolistic tendencies.

We would like to take this opportunity to state that certain areas like High Definition and Advertisement Free Channels are still left out of the purview of the regulation in the nature of the proposed one inasmuch as the Aggregators of such feed extract unreasonably exorbitant subscription fee from the platforms like Cable, MSOs and DTH. It is in this light we would like to urge the Hon Authority to explore this situation wherein we can have regulation in place in respect of such High Definition feed as well to control unfair trade practices being deployed. It will not be out of place to mention here that regulating the wholesale tariff and leaving retail tariff to the market forces is the key panacea for many issues prevailing in the market. Moreover, we would like to state that the a la carte rate of any high definition channel/s are required to be reasonable and in our view should not be more than twice the rate of any standard definition channel as in the past and even currently these rates are unconscionable.

We would request the Hon Authority to kindly grant us audience on any suitable date and time in order enable us to further elucidate the advantages of the captioned and proposed regulation.

Thanking you

Yours faithfully,

for Bharat Business Channel Limited



S.K.Singh

Head-Regulatory & Compliance