

Cable Operators Federation of India



13/97, Subhash Nagar, New Delhi-110027, Ph. 011-25139967, 9810269272

Ref/COFI/TRAI/12/2013

Dated: 10 Aug 2013

The Chairman
Telecom Regulatory Authority of India
New Delhi-110002

Kind Attention: Sh Rahul Khullar

Sub: TRAI Consultation on Foreign Direct Investment in Broadcasting Sector in India dated 30 July 2013

Sir,

Reference TRAI Consultation on Foreign Direct Investments in Broadcasting.

We wish to provide the following comments:-

We are the last mile cable operators, who play the most important role in the industry owning, operating and maintaining the last mile infrastructure of 100 million cable TV households since last 25 years. **We were recognised as Small Scale Service and Business Enterprise (SSS&BE) in 1994 (Letter of Industry Ministry attached as Annexure-I).**

This is to submit that unchecked increase in FDI and misuse of these investments by some large media houses in acquiring last mile cable operators and smaller TV channels (mostly regional channels) has jeopardised the livelihood of lakhs of people. In order to create large monopolies in the media market these media groups are demanding more and more FDI to help them achieve their dubious aims.

Hence at the outset, we don't suggest any further increase in FDI in Broadcasting Sector at this point of time when Industry is transitioning to a new structure and small players who need finances for investments, both cable

operators and broadcasters do not feel secured in the present regulatory environment.

Government wishes to invite more FDI to tide over the present economic conditions. We do not think increase in FDI cap in broadcasting will help achieve that. We need FDI for the following purpose and NOT for Broadcast Channels :-

- a) **Developing Networking Infrastructure**. In Broadcasting sector increase in number of channels of a single company does not help the economy. What is important is that we **improve the last mile infrastructure of cable TV networks that service 600 million people** so that, like in many developed and developing countries we can convert our cable networks into two way broadband networks that not only have the **capability of providing hundreds of channels but also internet, hundreds of value added services, VOIP and all futuristic services which subscribers in other countries are enjoying**.

These last mile operators who own and operate these networks need to -

- **Consolidate**
- **Upgrade networks** with modern technology like IP
- **Buy backhaul services** to provide broadband services to consumers.
- **Facilitate the consumers to understand the new technologies**, adopt them in shortest possible time.
- **Provide community based services** to the masses like e-governance for upliftment of the society.

Last mile operators have done lot of investments of their own till now, upgrading networks to distribute from just one video channel to hundreds of channels, migrating from co-ax networks to Hybrid Fiber Co-Ax (HFC) Networks and provide limited broadband services.

- b) **Indigenous Manufacture** Indigenous manufacture of STB and other digital equipment is a very important need of the Industry that requires large

investments. No investments are coming because government policies do not provide a growth oriented environment. Importing equipment from abroad is still more competitive than manufacturing equipment in India **(we are attaching an article on the Indian economy published in NITI Central news portal for details as Annexure-II).**

- c) **Phase III and IV of mandatory digitisation** where 75 million households are concerned, may not be completed by the deadline of December 2014 as weakening of rupee and lack of indigenous manufacture of STBs may make it hard for the companies to import such a large number of equipment in such a short time.

What the industry needs most at this time is a secured and growth oriented environment for the business. This is what the Foreign Investors also look for but is sadly absent. So, all investors are following a policy of wait and watch.

Present lot of industry bigwigs who are advocating increased FDI caps, lobbying through various industry associations like CII, FICCI, ASSOCHAM, CASBAA etc. have done nothing for the inclusive growth of this industry which is the objective of the government.

Since 1994 when the first national MSO emerged on the scene, all investments have gone into increasing vertical monopolies and using unethical ways to capture the business of small operators by 'Pay' TV broadcasters. As a proof, **TRAI can see the present statistics that in Digitisation; only those companies have grown or benefitted who are vertically integrated with 'Pay' Broadcasters, be it MSOs, DTH or distribution agents.**

If TRAI carries out a survey of renewal of registration of small operators in states like Punjab, Himachal, Gujarat, Maharashtra, Orissa etc. it will find out that **many of those registered since 1990 have lost their networks to the agents of 'Pay' channel broadcasters or their relatives.**

Before taking any decision in this matter we request you to get a feedback from all stake holders on the amount and source of their FDI since the beginning of their venture and how the FDI has been utilised by them. We

place before you some facts about FDI observed in the past that have caused more harm to the industry than any benefits.

Important Facts about FDI in Broadcasting

1. Only those stake holders demand more FDI who already enjoy large **horizontal and vertical monopolies** or wish to do that for which the **government is already concerned** and has asked TRAI to examine the issue in depth and recommend steps to **curb the monopolies in Media**.

2. There are only two or three large media groups who wish to induct FDI in their DTH, MSOs or broadcasting companies to increase their **monopolies in the media sector by-**

(i) **Increasing number of channels in all genres and languages to make the market less competitive.**

(ii) **To take over small TV channels and last mile networks to increase their monopoly.**

(iii) **To carryout large scale mergers and acquisitions.**

(iv) **FDI is used to pay off to politicians and bureaucrats through their foreign subsidiaries to make policies favouring them.**

(v) **They spend huge sum in taking distributors and MSOs on foreign jaunts to lure them into their fold.**

3. Because of **cartelisation** these companies do not let any small operator and broadcaster to grow and compete with them.

5. Such take-overs also **generate unemployment of lakhs of people** working in these networks where as government spends thousands of crores to generate new employment in the country.

7. **Such FDI is never invested in infrastructure** in India but goes out to purchase equipment and services from abroad, helping other foreign countries or

their own group companies. **Example of importing 28 million poor quality old technology STBs without any standards, BEE ratings, interoperability or value added services for digital networks costing more than Rs 4000 crores from China and other countries** in the last one year is there before us. This money has already been recovered by these companies from subscribers or the local cable operators. **So, where is the FDI or FII that some of them received in the name of Digitisation?**

These investments will be sought by only the vertically integrated DTH companies because other DTH operators are already reeling under heavy debts and ready to sell a part or whole of their company. **The vertically integrated DTH companies are asking for more of FDI for this purpose.**

Some of these media groups are owned by companies like **News Corp of Rupert Murdoch which are known for their unethical ways of expansion, bribing the government officials and law making machinery in many countries.** A recent case of Murdoch's news paper helping one political group against the government in power in Australia and last year's phone hacking scandal in the UK that had rocked the British Parliament are a warning of what can come if we allow such foreign investors to dominate the media in the country (**News clips from all over the world regarding Rupert Murdoch's exploits in influencing Politicians and governments are attached as Annexure-III).**

Results of the first Phase of digitalisation already show that we are slowly moving towards a chaotic situation that would benefit only a few large companies and consumers and cable operators would suffer the most. **Digitalisation effort has failed miserably to attract FDI and create an atmosphere that would attract many foreign investors as anticipated by the government.**

What the Investors want?

The above conditions do not attract investors from abroad as investors know that in developed countries like USA, UK and Europe, **it took more than ten years to achieve digitisation that we are trying to achieve in just three years**, that too in a country which has 70% poor people.

Also they are aware that **in no country a private industry was ever forced to adopt a new technology discarding the old one completely**. Such strategies never lead to growth.

They are also aware that in all countries where digitisation was mandated on terrestrial networks only, it was to save on spectrum for the new wireless communications. **Those governments felt it their duty to enable the consumers to migrate to new technology and provided them with monetary help to do that.**

URGENT NEED

Problems of the Industry needed immediate attention before inviting FDI.

Some of the basic problems of the industry that require to be addressed to create an investment friendly environment are given below:-

1. **Cross media holdings and vertically integrated operations** to be curbed.
2. **Cable operators** who control the last mile of 100 million households providing service to the subscribers should be strengthened to help **consolidation through supporting regulations**.
3. **India is not a pay TV market as yet**. Pay channels have been forced on consumers without addressable system and operate just like free to air channels. **Hence there is no way to judge their viewership or revenue collection. TRP system does not give the right picture. Investors know that consumers can never be forced. Give adequate time to consumers to adopt the new technology**
4. **Revenue for Cable Operators** has been frozen since December 2003 where as channels have increased and pay channel rates are allowed to go up and it is out of reach of majority of consumers. **Thus investors do not see any return on investments.**
5. **Cable TV networks have a very poor infrastructure to support a modern investment oriented business model.**
 - There is no return path.

- State governments have not yet given Right of Way (RoW) to cable TV.
 - Networks do not support broadband triple play.
 - Not even a single national MSO has upgraded to IP based networks that attract maximum FDI.
 - Provision of content to distribution platforms like Cable TV networks, DTH, IPTV networks etc. is not streamlined. **There is so much discrimination by Pay TV broadcasters that no investor wants to invest in India.**
6. It is ironical that addressability was curtailed on cable in 2003 but was permitted on DTH and other platforms. **Thus addressability never grew in cable and now it is being forced to adopt a similar structure as in DTH favouring only the 'Pay' Broadcasters in an unrealistic time frame** that is impossible to adhere too by any smaller player. Please remember that even in the USA from where most of the 'Pay' channels have come to India people are fighting for their a-la-carte choice (**Latest news about introduction of new cable law favouring a-la-carte choice in the US is attached as Annexure-IV**)

This issue of FDI in the broadcasting sector is a very serious matter that involves monopolies in media sector, money laundering, diversion of funds to other business and killing of competition. Hence we humbly request that the government must ensure the following:-

Major Issues to be taken care of

1. **Security Concerns**. Home Ministry and I&B Ministry had last year shown their concern over security issues involved in increasing the FDI limits, particularly in verifying the shareholders' credentials who are investing in India. **Another major concern indicated was how to prevent global media barons like Rupert Murdoch, who have a track record of exceeding their brief and influencing policies from entering the business (Recent news reports of Rupert Murdoch's efforts in**

influencing elections in Australia and his last year's scandal of phone hacking in the UK that rocked British Parliament are attached as Annexure-IV).

2. **Forced Take-overs.** No take-overs are done in coercive manner forcing people out of jobs, creating large scale unemployment.
3. **Consumers are protected** from the growing horizontal and vertical monopolies of these media groups, in terms of content and cost of services.
4. **The issue of monopolies in media** is under consultation by the regulator TRAI on reference from Ministry of Information and Broadcasting. FDI caps should not be raised till this issue is resolved.

CONDITIONS FOR SEEKING FDI

Government must regulate use of foreign funds so that it helps in the growth of indigenous businesses. (Our comments and Suggestions on Second Amendment to Cable TV Act sent to the Lok Sabha Standing Committee on IT dated 28 feb 2012 are attached as Annexure-V)

- Approve FDI only when an MSO is ready to **invest certain percentage in rural areas.**
- Approve FDI only to those MSOs who **build two way broadband triple play networks.**
- Approve FDI to those broadcasters who wish to **launch high-tech HD or 3D channels**
- Approve FDI to Foreign channels only when it is assured that minimum **75% content will be created in India.**
- **Allow private DTT broadcasting studios with 100% FDI** so that small regional channels get to be carried at lower cost than satellite. This will save many existing small channels and encourage more in every region/district. Also will provide growth to indigenous STB production, small TV sets, mobile broadcasts providing technology benefits to consumers.

CONCLUSION

These cable TV networks can fulfil the vision of our government in providing broadband services in rural as well as urban areas as almost every large village has a **cable TV network that connects many other smaller villages around with fibre-optic cables and co-axial cables that have more capacity to carry data traffic than any of the telecom or mobile networks**. These networks are run by local self employed people who have further trained and employed lakhs of people to operate and maintain these networks, thus helping the government in generating employment apart from being a part of knowledge economy, empowering the masses with information and knowledge. Universal License Holders can integrate their services with these networks using latest technologies like G-PON, E-PON, EoC etc.

We therefore, request that decision to increase FDI limits must be taken after a thorough study of the ground situation rather than what is projected on paper by these large media groups through I&B Ministry and industry lobbies like FICCI, CII, ASSOCHAM, CASBAA, MPA etc.

Yours Faithfully,

(Roop Sharma)

9810069272

Attached:

Annexure-I : Letter of Industry Ministry declaring Cable TV as SSS&BE

Annexure-II : Article on the Indian economy published in NITI Central news portal

Annexure-III: News reports of Rupert Murdoch's efforts in influencing elections in Australia and phone hacking scandal in the UK that rocked British Parliament.

Annexure-IV: Introduction of new cable law favouring a-la-carte choice in the US

Annexure-V: COFI comments and Suggestions on Second Amendment to Cable TV Act sent to the Lok Sabha Standing Committee on IT dated 28 Feb 2012.

Annexure-I
(Refer to Counter Comments of
COFI on Media ownership)

GOVERNMENT RECOGNISE CABLE TV OPERATION AS SSSBE

Dated 1st Feb 1994

NO. 2(3)/93-SSB bD. & Policy
Governmrt Of India Ministry Of Industry
Dptt. Of Small Scale Industries & A.R.I
Office of the Development Commissioner (SSI)

To

- 1 The Secretary (Industries) All States/UTs
- 2 The Director/Commissioner of Industries (All States/UTS).

Subject - Activities Registrable as SSBE-s Inclusion of Cable T.V Service as 'SSSBE'

Ref Letter No. 2(3)/91-SSI Bd. dated 30.9.91
Letter No. 2(3)/91-SSI Bd. dated 3.1.92

Sir

In Continuation of this office letters of even number referred to above. I am to inform you that it has now been decide to recognize the following activity as a Small Scale Service & Business Enterprises (SSSBE).

(a) "Installation and operation of Cable T.V. Network"

These units would be eligible to obtain registration with the registering authorities as 'SSSBE' and will be entitled to avail the benefits available to SSI units. Subject to other terms & conditions.

Yours Sincerely
Sd/-
(RAJUSHARMA)
DIRECTOR (SSIBD. &POLICY)

Copy forwarded to

- 1 Director of all SISIs & Director in HQ& IAs.
- 2 All others as per mailing list.
- 3 Director. Tech.Pub. O/o the DC(SSI). New Delhi.

Annexure II

Indian economy comes to a fullstop

<http://www.niticentral.com/2013/07/22/indian-economy-spirals-to-a-fullstop-107779.html>

By **MR Venkatesh** on July 22, 2013



A fairly large South-Indian group with varied business interests had invited me to a strategy session to turn it around. It was the first meeting and was to be preceded by breakfast. As we waited to be served, I perused their latest balance sheet.

Noticing that it was a profitable, tax and dividend paying company, where was the question of turnaround I wondered? Nevertheless, I instantly zeroed in on the balance sheet. I observed that the company had invested approximately Rs 700 crore on its subsidiaries and lent another Rs 300 crore — in the aggregate Rs 1,000 crore. Flipping across the accounts, I asked a simple question – what is the return from this investment of Rs 1,000 crore? (Amounts changed for obvious reasons.)

The CFO was silent. The executive director hummed and hawed. The body language of the rest was a dead giveaway of their uneasiness to discuss this matter further.

The junior-most amongst them blurted out, perhaps unwittingly, that it was virtually nil. His answer got a cold stare from his superiors. “Nil!” I exclaimed to the horror of my hosts. “You must be paying approximately Rs 150 crore as interest annually on this sum.” I commented, probably rubbing salt into their wounds. I went on to probe further, “Why, what happened to this money?”

This time my question was followed by thundering silence. Even the junior one was quiet this time around. May be he had already got the message. As I helped myself to the breakfast I noticed radio silence at the table. Was I at a funeral?

Between mouthfuls, I attempted to be at my persuasive best. Probably my training as a chartered accountant helped me. Unable to bear my repeated questioning, the CFO finally broke down. “Sir, as you are aware we are in infrastructure. That requires tremendous pay-offs to politicians and bureaucrats. We have used approximately 150 subsidiaries, some of which are foreign ones, to route these payments.”

I was stunned. My jaw dropped. “Sir, we expected you to know all these practicalities of our business. The turnaround strategy needs to factor these ground realities.” Obviously, this time around I was at the receiving end. The breakfast meeting concluded abruptly.

Importantly, I understood that India's outbound investment policy was not a liberalisation process, but a facilitation one – one that ensured smooth pay-offs! Importantly in this mess, businessmen, politicians, professionals, bureaucracy, judiciary and even the media are involved. No one can blame the other.

The economics of kickbacks and payoffs

Instantly my thoughts raced to the Nira Radia tapes. Fifteen per cent was the kickbacks payable to the Minister concerned for approving every road contract. Add another fifteen to the bureaucracy and local politicians. Add another five to seven to bankers, lawyers, consultants and agents to procure funds. What we have is a staggering 35-40 per cent additional cost to every infrastructure project.

That implies a road project costing Rs 100 crore would in effect be a Rs 140-150 crores project. Naturally, the toll for the stretch would not be Rs 100 but Rs 150. This has profound implications for the Indian economy. This extra Rs 50 in toll levy for every 100 km has a cumulative effect on the manufacturing cost.

The net result – imports from most of our neighbors of several items [despite cost of transportation and customs duty] are competitive than manufacturing the same in India. Forget competing abroad, Indian manufacturing has become uncompetitive in India!

There is another dimension to this issue. Somewhere down the line these “costs” were funded, mostly by our banks. Corporates altered their top-line as well as bottom-line to keep their banks in good humor. The Banks in turn suspended their sense of disbelief. As chartered accountants we too played ball in creating a mini-Satyam in most of India's corporates.

The impact of gold plating

But this gold plating of balance sheets cannot be done beyond a point. Everything has a breaking point isn't it, especially as the economy tanked?

These developments were brilliantly captured by a Report by the Centre for Monitoring Indian Economy (CMIE) “As the topline growth continued to slow down, the manufacturing sector as well as the non-financial services sector saw profits fall in the March 2013 quarter compared to the year-ago levels. Operating profits of the manufacturing sector excluding the petroleum sector fell by close to four per cent while the net profit fell by a sharp 23.2 per cent.”

The report goes on add “The non-financial services sector managed to improve its sales growth from 3.2 per cent in the March 2012 quarter to 6.5 per cent in the March 2013 quarter on account of sectors like transport services and software. However, at the net level the sector saw a sharp 28.3 per cent decline in profits.”

Well, both the manufacturing and services sector are going bust.

Simultaneously the CMIE points out that the “Commissioning of projects dropped sharply to Rs 337 billion during the quarter ended June 2013 from Rs 827 billion in the June 2012 quarter. This was lowest since quarter ended December 2006.”

Macro-economic data too corroborate these numbers. From a growth rate of 7.5 per cent in the first quarter of 2011-12 growth rate has witnessed a steady fall in the next seven quarters to less than 4.8 per cent in the fourth quarter of 2012-13.

If data released by the Finance Ministry for the first two months of this fiscal is any indication, manufacturing has recorded a negative – yes negative growth of two percent, mining a negative of 5.7 per cent, capital goods a negative of 2.7 per cent, consumer goods a negative of 4 per cent and consumer

durables a negative of 10 per cent. In short, when it comes to manufacturing, forget growth, we are in negative zone.

The net result – twenty per cent of lending by Indian Banks is stressed. Obviously, when banks end up funding pay-offs and kickbacks, this is the end result. And that is a whopping Rs 11 lakh crores – approximately \$200 billion – a sum that even the banks in USA cannot afford.

Added to this is the stress on account of our external accounts. The foreign debt has risen to \$390 billion. This was a mere \$225 billion in 2008. What is galling is that the foreign exchange reserve has remained at a constant \$300 billion during this period. Needless to emphasise, the ratio of foreign exchange reserves to foreign debt has deteriorated from 138 per cent then to less than 75 per cent now.

What is adding to the consternation is that in the short term – by March 2014 – we need to pay approximately \$172 of our foreign debts. This works out to approximately 44 per cent of the external debt and a staggering 60 per cent of the total foreign exchange reserves of the country.

The short-term external borrowings are surely the villain of the piece. Remember in 1991 the short-term external debt was a mere 10 percent of the total external debt. Now it is one-fourth.

Another important parameter – India's net international investment position [the net claims of non-residents against external claims of residents] stood at a negative \$225 billion as at 30th June 2012. This deteriorated to a negative of \$307 billion by March 31, 2013. That implies an addition of \$82 billion in a matter of mere nine months.

Simply put, Indian manufacturing by and large is uncompetitive at current exchange rates. And if Rupee is devalued, prices of imports, especially crude oil, would increase leading to an inflationary spiral. Either way, that means increased unemployment. The services sector too as pointed out above is spluttering. And remember agriculture has been historically recording sub-three percent growth in the best of times.

As we witness large-scale unemployment, purchasing power in the hands of the people is rapidly decreasing. That implies demand compression which in turns puts the economy once again on the downward spiral.

Add to this the absolute lack of governance, indecision and Governmental apathy – you would know what it means to do business in India. Whatever be the reason – political or otherwise — bureaucracy in Delhi has simply refused to function. Likewise every assessment with our revenue departments ends up as extortion.

Unfortunately the Government's response has been pathetic. Surely, increasing FDI limits is not reforms. On this the UPA Government is completely off-target. What makes the set of reforms scandalous is that the Government is indirectly bribing foreigners to invest in India. The Jet-Etihad deal is a case in point.

Put pithily, we are witnessing a repeat of the 1991 crisis. This time around, it is threatening to make the previous one look like a walk in the park. Well what makes the crisis different this time around? Contrary to the popular belief this is not an economic crisis, this is a crisis of national character. Forget fiscal, revenue and current account deficits – let us first talk about morality deficits.

(MR Venkatesh is a Chennai based chartered accountant. Comments can be sent to mr@mr.net.in)

HOW A MEDIA MOGHUL LIKE MURDOCH CAN INFLUENCE THE POLITICS OF A COUNTRY

**He does not stop even after getting disgraced in UK Parliament last year
Abbott hits back at Australia PM over Murdoch claims**

By Martin Parry (AFP)—1 day ago (08 Aug 2013)



SYDNEY — Kevin Rudd's election rival Tony Abbott played down links to Rupert Murdoch Thursday as the mogul's key tabloid depicted the Australian leader as bumbling Nazi TV character Colonel Klink.



The Sydney Daily Telegraph on August 8, 2013 showing Australian Prime Minister Kevin Rudd (R) as Colonel Klink (AFP, Greg Wood)

Abbott spoke after Rudd went on national television late Wednesday to accuse his rival of conspiring with the Australian-born media magnate, who has made clear he wants Abbott's conservative coalition to win national elections on September 7.

The tycoon's Sydney Daily Telegraph also took aim at Rudd on Tuesday, splashing with a picture of the prime minister under the headline "Kick This Mob Out".

Rudd escalated the feud by suggesting Murdoch is using his newspapers to attack Labor because he sees the party's multi-billion dollar plan for a National Broadband Network (NBN) as a threat to the business model of his part-owned Foxtel cable TV company.

He accused his rival of colluding with the tycoon, who has said "through his own direct statements that he wants Mr Abbott to replace me as prime minister".

Rudd added on ABC television: "The question I posed through this is simple as follows: What is underneath all this?"

"Is it to do with the National Broadband Network representing a commercial threat to Foxtel?"

"I've seen some commentary on that and I've only just been looking back on the files today and discovered that in fact Mr Abbott's NBN policy was launched at the Fox Studios here in Sydney.

"I would like to hear some answers as to what discussions Mr Abbott may have had with Mr Murdoch on the future of Australia's National Broadband Network."

Abbott, whose opinion polls show is on track to narrowly win the election, admitted Thursday: "I do from time to time talk to Rupert Murdoch."

"Have I ever spoken to Rupert Murdoch about the NBN? No, I haven't," he added, with the conservatives pledging to connect fibre only to local hubs rather than individual premises to save money.

The multi-billion dollar project is set to provide high-speed broadband to all Australian homes and businesses, with 93 percent to have access through optic fibre.

The argument is that consumers could opt to use fast NBN speeds to download their own visual entertainment rather than pay for a Foxtel subscription.

Opposition broadband spokesman Malcolm Turnbull accused Rudd of acting "more and more like a jilted lover".

"Once the darling of the News Ltd tabloids.... Now his years of sycophancy and duchessing editors with juicy leaks about his colleagues count for nothing. No wonder he's bitter," he told reporters.

He said Murdoch was simply stating what others in the business community felt -- that the NBN was too expensive and taking too long to roll out.

"Rupert Murdoch's views on the NBN are very mundane," said Turnbull, who acknowledged he had known the ageing media baron "very well" for close to 40 years.

The Murdoch press showed no let-up Thursday in attacking Labor, with the Telegraph depicting a dour-faced Rudd as Colonel Klink from the hugely popular 1960s comedy Hogan's Heroes, wearing a Nazi uniform and a monocle.

It accompanied a story about Deputy Prime Minister Anthony Albanese, dressed as Klink's inept sidekick Sergeant Schultz, being caught drinking beer in a German-themed Sydney bar this week with disgraced former Labor MP Craig Thomson.

The Telegraph said it made a mockery of Labor's campaign slogan "A New Way", with Thomson, portrayed as wily American POW leader Colonel Hogan, facing more than 100 fraud charges related to when he was Health Services Union general secretary between 2002 and 2007.

Thomson, who denies the allegations, was suspended from Labor and is now standing as an independent, with the opposition suggesting the meeting was about Labor securing his support in the event of a hung parliament.

9 August 2013, 1.48pm AEST

News Corp chief quits as PM claims editors told "go hard on Rudd"

Jim Williams has resigned as chief executive of News Corp Australia, in a move that has shocked the media industry. Williams, who has held the post only since December 2011, gave no reason publicly. But it is believed from an industry insider that his departure is related to conflict within the organisation...



Kim Williams has announced he will leave News Corp Australia. AAP/Joe Castro

Kim Williams has resigned as chief executive of News Corp Australia, in a move that has shocked the media industry.

Williams, who has held the post only since December 2011, gave no reason publicly. But it is believed from an industry insider that his departure is related to conflict within the organisation.

Williams had felt marginalised by Rupert Murdoch and senior executives within News, the source said.

In his email to staff, Williams said “an action like this is always taken with a heavy heart and a mixed bag of feelings.

“It is certainly not a decision made lightly, or without an awareness of the impact decisions like this inevitably have on many close colleagues, clients and diverse bodies within the media community.”

The surprise resignation comes as News' coverage of the election campaign has become a major issue. On Day One of the campaign Sydney's Daily Telegraph headline said people now had the chance to “Kick This Mob Out”. Today, responding to Peter Beattie's re-entry into politics, the Courier Mail's headline was “Send In The Clown”.

Prime minister Kevin Rudd has attacked Murdoch all week and returned to the fray today, outlining a number of “facts”.

These included that Murdoch had said in “black and white that he wants Mr Abbott to be the next prime minister of Australia.” Rudd, who repeated his claim that Mr Murdoch owned 70% of Australia's newspapers, said the media proprietor had brought one of his “right hand men”, Col Allan, from New York to Australia in recent weeks.

He said a large number of News editors were called to a meeting with Allan in Sydney last week and “the message delivered very clearly was... "go hard on Rudd, start from Sunday and don't back off”.

“If you look at the front pages of News Limited tabloid papers as well as The Australian since then, what you see is a fairly consistent – not universally – but fairly consistent pattern,” the Prime Minister said.

Rudd repeated his earlier allegation that there was a feeling the NBN threatened the business model of Foxtel, which is half owned by News.

Williams will be replaced by Julian Clarke, who has been associated with News or its related companies for 30 years, most recently as chairman of the Herald and Weekly Times.

Chief Executive of News Corp Robert Thomson said that Williams “feels now is the right moment to leave the company... following the successful implementation of the first stage of News Corp Australia's strategy to drive integration and improve efficiency, to invest in its

editorial products and publishing system and secure a path of growth in a multi-platform world”.

Murdoch, News Corp Executive Chairman, thanked Williams for his service to the company, “but more importantly for his loyalty and his friendship to me and my family all of these years”.

A senior industry insider said the departure had been coming for some time. News executives including the editors of The Australian, Chris Mitchell and The Telegraph, Paul Whittaker have prevailed with Murdoch and Williams had been marginalised. The insider said Williams described the situation as “not so much about ideological differences, that is being left or right wing, but about what constitutes responsible journalism”.

The source said that Murdoch had wanted former prime minister Julia Gillard out and, although he felt less intensely about Kevin Rudd, Rudd’s comeback had threatened the removal of Labor.

In his email to staff Williams said that he wished Murdoch, Thomson and their new management team “nothing but the best continued success with the product and commercial rewards that their efforts so richly deserved”.

Williams said he would be forever grateful to colleagues who had been so helpful and constructively supportive in “the many matters we have mutually confronted. There have been many good wins, matched with some memorable awful problems and opponents!”

He said the leadership roles and issues that he had encountered had “at times been frankly really confronting” but it had been a source of perpetual renewal and reinforcement to have worked with so many “terrific colleagues”. Williams was appointed chief executive of News Corp Australia after 10 years as chief executive of Foxtel.

9 August 2013, 2.51pm AEST

News is the story as boss Kim Williams resigns

he first week of what is shaping up to be a great election campaign ended as it began – with the media at the forefront of the agenda. Rupert Murdoch’s News Corp Australia has been firmly in focus all week, and the media company this morning announced the departure of its chief executive, Kim Williams...

Provides funding as a [Member](#) of The Conversation.
qut.edu.au

The resignation of News Corp Australia CEO Kim Williams comes at the end of week where the company’s tabloids were criticised for ‘biased’ election coverage. AAP/Lukas Coch

The first week of what is shaping up to be a great election campaign ended as it began – with the media at the forefront of the agenda. Rupert Murdoch’s News Corp Australia has been firmly in focus all week, and the media company this morning [announced the departure](#) of its chief executive, Kim Williams.

The last time Rupert Murdoch lost a CEO in such a dramatic manner was when his son James resigned from [his UK job](#) as chairman of News International, forced out by the fallout from the [phone hacking scandal](#) and the very real possibility that he could face prosecution in Britain and the US for corporate bribery of public officials and other offences. James Murdoch’s resignation was a sacrifice to the cause of damage limitation in the hugely important US market, as was the closure of the News of the World, where the scandal began.

Kim Williams’ resignation has very different roots, of course, but confirms the depth of the management dysfunction now afflicting the Murdoch empire. At the end of a week in which News has been [heavily criticised](#) for its brazenly biased coverage of the election, the CEO of the company resigns. This in the wake of the arrival of [hardman Col Allan](#) to provide “additional editorial direction” – News-speak for ensuring that the boss’ desires be implemented fully.

Not that Williams was a pussycat in management terms. According to one report today there was a “good Kim and a bad Kim”; he is a man with a “volcanic temper”; a “genius” but a “complicated” character. But he was not the typical News manager, being something of an intellectual, and not especially comfortable with the idea of fronting the corporate vehicle for a propaganda campaign against the ALP. The arrival of Col Allan to whip him into line seems to have been the trigger for today’s announcement, which comes at the worst possible moment for the company.

This display of executive disunity, at the outset of a campaign in which News titles have already been placed under scrutiny for their ideologically committed approach, draws more attention to their motives and agendas. If a seasoned manager like Williams can’t stand the heat, what on earth must the rest of the staff be thinking right now – those, that is, who don’t willingly buy into the “Rudd bad/Abbott good” frame being pursued by News?

Williams was someone who, while addressing quite ruthlessly the need for digital transformation of News’ business, also wished to keep the Australian branch free of the taint of the UK phone-hacking scandal. He sought to address the perception in Australia that News had become simply a Murdoch family mouthpiece, and to stress the importance he placed on quality journalism. He [condemned](#) former communications minister Stephen Conroy’s proposals for reform of Australian press journalism after the Finkelstein review (as did many of us not in receipt of the Murdoch dollar), but he also gave the impression of understanding where the pressure for reform was coming from.

Williams’ management style and editorial approach were not those of a Col Allan, or Williams’ predecessor John Hartigan, or former editor of The Sun Kelvin MacKenzie in the UK, by which I mean unapologetically confrontational, populist and loyal to the boss. With Allan’s high profile and humiliating arrival, Williams appears to have decided that he was fatally compromised at News Corp Australia.

So this is an extraordinary end to an extraordinary week, in which issues of media bias and tone – and the relationship between media, democracy and power – have been consistently at the top of the news and campaign agendas.

As a longstanding observer of the UK scene where, until the phone hacking scandal broke, News got away with the most outrageous political coverage for decades – challenged only by the left and some in the academic world – I think this is a good way to start an election campaign.

There has been a lot of debate this week about how important News' ferocious coverage of the ALP will be in shaping the election outcome, and how important mainstream media are in the digital news environment. What we can say with some confidence is that the capacity of any media organisation to influence public opinion is inversely proportional to the degree of scrutiny and transparency which surrounds its activities.

For the moment at least, News is the story of the campaign, and not in a good way. Nothing it prints, posts or broadcasts about the competing programs on offer in 2013 can be read free of the highly illuminating context this week's events have provided.

Tom Watson takes the fight to Rupert Murdoch's backyard. It's going to get ugly

By [Matthew HolehouseWorld](#) Last updated: August 9th, 2013



Tom Watson, with time on his hands after stepping down from the shadow cabinet, is preparing to fly to Australia to challenge Rupert Murdoch's newspaper on their home turf. Watson is appalled by News Corp Australia's coverage of the general election, which has seen the Australian Labor Party's leadership portrayed as bumbling Nazis from Hogan's Heroes. One splash featured a picture of Prime Minister Kevin Rudd with the headline: "KICK THIS MOB OUT."

“I’m coming out there to ask some serious questions about whether Rupert Murdoch has learned the lesson of the Leveson inquiry in the United Kingdom,” [Mr Watson told the Guardian](#).

And how did Australia's Daily Telegraph (no relation) greet the news? ["Hide the pies! Salad-dodging UK chair tester Tom Watson is headed our way,"](#) wrote columnist Tim Blair, before rehearsing Mr Watson's expenses claims for food. Good news for the local restaurant industry, he says. This is going to get ugly.

Front-page Nazi slur against PM Kevin Rudd puts Rupert Murdoch centre stage in Australian election

Sydney tabloid, the Daily Telegraph, carries depiction of Prime Minister Kevin Rudd as Colonel Klink



Australia’s federal election campaign has only just started, but already Prime Minister Kevin Rudd is locked in a public spat with Rupert Murdoch, whose Sydney tabloid, the *Daily Telegraph*, carried a front page depicting him as Colonel Klink, the bumbling Nazi TV character.

Mr Murdoch, who owns 70 per cent of the country’s newspapers, has already made clear he wants the conservative coalition, led by Tony Abbott, to win the 7 September election. In case anyone was in doubt, a front-page headline in the *Telegraph* on Monday, day one of the campaign, urged readers to “Kick This Mob Out”.

This week, Mr Rudd hit back, accusing Mr Murdoch of using his papers to attack the Labor government in order to further his own business interests. The media tycoon, he claimed, regards Labor’s multi-billion-dollar National Broadband Network, which is to be installed around the country, as a threat to his Foxtel cable TV network. A claim which Mr Murdoch denies.

The Prime Minister also accused Mr Abbott, whose Liberal-National Party coalition is narrowly ahead of Labor in the polls, of colluding with Mr Murdoch in relation to his own broadband policy. “I’ve only just been looking back on the files today, and I’ve discovered that, in fact, Mr Abbott’s NBN policy was launched at the [Murdoch-owned] Fox Studios here in Sydney,” he told ABC TV.

For Mr Rudd, the tables have turned. In 2007, Mr Murdoch’s News Ltd tabloids backed Labor, which ousted the conservative government.

Now, according to the coalition’s broadband spokesman, Malcolm Turnbull, the man who was “once the darling of the News Ltd tabloids” is acting “like a jilted lover”.

Referring to Mr Rudd's campaign to destabilise his predecessor, Julia Gillard, Mr Turnbull said: "His years of sycophancy, and duchessing editors with juicy leaks about his colleagues, count for nothing. No wonder he's bitter."

Mr Abbott denied speaking to Mr Murdoch – who took to Twitter this week to question how the NBN could be financed, given the "present situation" (a growing budget deficit) – about the coalition's policy.

The Telegraph's front pages this week are believed to be the work of Col "Pot" Allan, a veteran Murdoch editor who has just returned to Australia from New York, where he had been the New York Post's editor-in-chief. Mr Allan was brought back to "ginger up" the Telegraph's election coverage, according to Melbourne's The Age.

The front page also featured the Deputy Prime Minister, Anthony Albanese, as Klink's inept sidekick, Sergeant Schultz, and a disgraced former Labor MP, Craig Thomson.

What happened in the UK last July (2012) in the scandal of phone hacking by Rupert Murdoch's News of the World ?

Murdochs face grilling over dealings with Downing Street

TUESDAY 24 APRIL 2012

2



Rupert Murdoch was in London yesterday preparing for his appearance before the Leveson Inquiry to answer questions about his relationship with prime ministers from Margaret Thatcher to David Cameron.

The 81-year-old media mogul will give evidence tomorrow, a day after his son James is due to give testimony about his interaction with politicians while executive chairman of News International, the Murdoch subsidiary which he was in charge of prior to the phone-hacking revelations at the News of the World.

James Murdoch will face uncomfortable questions about his knowledge of the extent of voicemail interception at the defunct Sunday newspaper, which targeted a number of prominent Labour politicians and aides.

Mr Murdoch Senior, who arrived in Britain at the weekend, has returned to London in bullish form, criticising the Coalition for a range of policies.

Rupert Murdoch (News Corp & STAR India) ex aide Rebekah Brooks charged in hacking scandal

UK phone-hacking scandal: Rebekah Brooks charged



IBN Live, May 15, 2012

London: Rebekah Brooks, a former chief executive of Rupert Murdoch's British newspaper arm, has been charged with perverting the course of justice over a phone hacking scandal at one of the media mogul's papers, British prosecutors said on 14 May.

"I have concluded ... there is sufficient evidence for there to be a realistic prospect of conviction," said Alison Levitt, Principal Legal Advisor to the Director of Public Prosecutions.

Also charged were Brooks's race horse trainer husband Charlie, her secretary and other staff from News International, including her driver and security officials from the British newspaper arm of Murdoch's News Corp media empire.

The maximum sentence for perverting the course of justice is a life prison term.

The news is a personal blow for Murdoch and also embarrassing for British Prime Minister David Cameron, who was close friends with Brooks and her husband.

Police re-launched an investigation in January last year into claims journalists at Murdoch's News of the World tabloid routinely hacked into the phones of celebrities, politicians and victims of crime to generate front page stories.

They are also investigating whether staff hacked into computers and made illegal payments to public officials including the police to get ahead in their reporting.

More than 160 staff are now working on one of the biggest investigations ever carried out by London police and almost 50 people have been arrested.

Read more: <http://ibnlive.in.com/news/uk-phonehacking-scandal-rebekah-brooks-charged/258106-2.html>



More News on the Subject Click: http://www.cbsnews.com/8301-202_162-57434277/rupert-murdoch-empire-rebekah-brooks-charged-in-hacking-scandal/

<http://www.google.com/hostednews/afp/article/ALeqM5hu2AxCLFuuoc7inwGL5paoOPCBKQ?docId=CNG.d2b5654fc520de0d7ec1bb92d358ab16.1c1>

<http://uk.reuters.com/article/2012/05/15/uk-britain-hacking-idUKBRE84E0DA20120515>

UK PM Cameron defends ill-fated Andy Coulson hire

By GREGORY KATZ The Associated Press June 14, 2012, 12:52PM ET

LONDON

A confident and unruffled Prime Minister David Cameron on Thursday defended his ill-fated decision to make disgraced tabloid editor Andy Coulson his communications director even though Coulson had already been tarnished in Britain's phone-hacking scandal.

The premier also defended the conduct of Culture Secretary Jeremy Hunt and the decision to put him in charge of judging Rupert Murdoch's controversial bid to take full control of the lucrative BSkyB broadcasting company. Hunt has been accused by critics of being too close to the media mogul and his company, News Corp.

Cameron also shed light on the cozy relationship he enjoyed with senior Murdoch executives as he tried to wrest control of Britain's government from the Labour Party before the 2010 general election that brought him to power, acknowledging extensive social contacts and supportive text messages.

In sworn testimony before a U.K. media ethics inquiry, Cameron said he chose Coulson for the key communications post because he wanted a tough man to implement his media strategy in a demanding, 24/7 news environment.

"I had met him when he was editor of News of the World, and I felt he was a very effective individual," Cameron said of Coulson. "That was my decision; I take full responsibility for it."

Cameron said he had received assurances that Coulson was not personally involved in the phone-hacking scandal -- but those proved hollow when Coulson was forced to resign from his senior government post last year after new revelations about widespread wrongdoing while he was top editor at the News of the World.

Coulson, who has since been charged with perjury and denies wrongdoing, resigned as News of the World editor in 2007 after his paper was found to have hacked into the voicemail messages of top aides to the royal family.

The practice was initially characterized as the work of a rogue reporter, but later proven to be widespread, accepted procedure at the now-defunct paper.

The prime minister said Thursday that he believed at first the Coulson had acted "honorably" by resigning from the paper and believed he deserved a second chance.

Cameron's decision to bring Coulson into his inner circle has left the prime minister open to questions about his judgment.

"This has come back to haunt both him and me," Cameron said.

Cameron also admitted seeking the advice of Rebekah Brooks, another former tabloid editor facing criminal charges, before hiring Coulson.

Both Brooks and Coulson were senior editors in Rupert Murdoch's News International empire, and Brooks eventually became chief of Murdoch's U.K. newspapers before she, too, was forced out by the scandal.

The prime minister admitted frequent visits with Brooks and her husband, Charlie Brooks, who also faces criminal charges in the scandal. He said Charlie Brooks was a longtime friend and frequent tennis partner.

Cameron also acknowledged receiving an extremely encouraging text from Brooks in 2009 just before a major party conference speech during the run-up to the general election.

"I'm so rooting for you tomorrow, not just as a proud friend but because professionally we are in this together," Brooks wrote to Cameron before the big event. "Speech of your life? Yes he Cam!"

The text shows how close Cameron was to Murdoch's chief executives during the months the general election, when the Murdoch papers, particularly The Sun, traditionally play an important role shaping British public opinion.

Cameron said James Murdoch, Rupert's son, told him personally over drinks that The Sun newspaper would back his party in a general election, switching its support to Cameron's Conservatives after years of backing the rival Labour Party.

Coulson has been charged with perjury in a case linked to the phone-hacking scandal. Brooks was charged last month with three counts of conspiracy to pervert the course of justice -- an offense that carries a maximum sentence of life imprisonment.

Relations with Murdoch's powerful media empire have been problematic for Cameron. The prime minister has faced criticism for the way his government handled Murdoch's bid to take full control of British Sky Broadcasting, a lucrative satellite broadcaster in which it already had a 39 percent stake.

Cameron told the committee that his government consulted its lawyers and acted properly in appointing Hunt to oversee the government's response to the bid. He said careful review was needed because the takeover bid raised serious public policy questions about media plurality.

He has defended Hunt from charges that he was too close to James Murdoch and provided the company with inside information about the vetting process.

"It was a perfectly rational decision, done with the advice of lawyers," Cameron said.

<http://www.businessweek.com/ap/2012-06/D9VD1DD81.htm>

Murdoch 'wilfully blind' in hacking scandal

Updated May 01, 2012 22:03:12



Rupert Murdoch is unfit to run a major international company and should take responsibility for a culture of illegal phone hacking that has shaken News Corp, a powerful British parliamentary committee has said.

Pulling few punches, lawmakers focused on the failings of the 81-year-old News Corp chief executive, his son James and a company which they said had showed "wilful blindness" about the scale of phone-hacking that first emerged at Murdoch's News of the World newspaper.

The cross-party committee, which approved the report by a majority of six to four, scolded News Corp for misleading the British parliament and trying to cover up illegal phone hacking.

It said that there had been huge failures in corporate governance which raised questions about the competence of Mr Murdoch's son, James.

"News International and its parent News Corporation exhibited wilful blindness, for which the companies' directors -including Rupert Murdoch and James Murdoch - should ultimately take responsibility," it said.

"Their instinct throughout, until it was too late, was to cover up rather than seek out wrongdoing and discipline the perpetrators.

"Even if there were a 'don't ask, don't tell' culture at News International, the whole affair demonstrates huge failings of corporate governance at the company and its parent, News Corporation."

The report may force James Murdoch, once heir apparent to the media empire, to sever his last ties with Britain's biggest satellite TV firm BSkyB, which News Corp had sought to take over before the scandal.

In the week of local elections, the report could also embarrass British prime minister David Cameron, who has acknowledged that Britain's political elite has been dazzled and charmed by the Murdoch's media clout for years.

News International and its parent News Corporation exhibited wilful blindness, for which the companies' directors -including Rupert Murdoch and James Murdoch - should ultimately take responsibility.

UK Commons culture, media and sport select committee

The committee has been investigating the allegations on and off since a single reporter went to jail for the crime in 2007, believing that the practice went far beyond the one "rogue" staffer and questioning a string of executives over what they knew and when.

Rupert Murdoch has apologised for the scandal but told a judicial inquiry into press ethics last week that senior staff at his British newspaper publisher had hidden the hacking scandal.

The 39-year-old James Murdoch has also apologised for failing to get to the bottom of the scandal, but said he was kept in the dark by staff at the paper.

Both Murdochs have put the blame on the journalists and in particular on the News of the World's former lawyer Tom Crone and former editor Colin Myler.

In response to the report, News Corporation released a statement "acknowledging wrongdoing" at News of the World.

"News Corporation is carefully reviewing the select committee's report and will respond shortly. The company fully acknowledges wrongdoing at news of the world and apologises to everyone whose privacy was invaded," it said.

<http://www.abc.net.au/news/2012-05-01/murdoch-27unfit27-to-run-global-company/3983738>

Enfeebled politicians are a danger to democracy, warns proprietor

Ministers cross line when they let press owners influence policy, says owner of Independent

TUESDAY 24 APRIL 2012

London

Newspaper proprietors cross the line between a healthy relationship with politicians and one that "enfeebles" democracy when they seek to influence policy-making, Evgeny Lebedev, the proprietor of The Independent, told the Leveson Inquiry yesterday.

Mr Lebedev, who is chairman of the company that owns the Independent titles and the London Evening Standard, said his relationship with senior politicians was driven by interest in politics rather than any desire to exert influence, but added that evidence of a different dynamic would be heard by the media standards inquiry "over the next few days".

Rupert and James Murdoch are due to give evidence in front of Lord Justice Leveson this week with the media mogul's son, who has been criticised for his handling of the News of the World phone-hacking scandal while in charge of News International, due to begin his testimony today.

The opening day of this latest section of the public inquiry, which will deal with relations between newspaper owners and politicians, heard that interaction between the two groups is legitimate and should not be subject to formal recording because of the chilling effect it would have on frank discussions about potentially sensitive subjects.

But Mr Lebedev, who is Russian-born and took British citizenship in 2010, contrasted the "robust" nature of the British press with the political and proprietorial interference suffered by many papers in Russia. He added that there was a clear point at which the relationship between a proprietor and politicians in Britain also became unhealthy.

He said: "One of the biggest issues that the inquiry is looking at is the influence that newspaper proprietors are able to exert over politicians. I don't see a problem with proprietors and editors and politicians meeting. The problem is when proprietors start trying to exert influence."

Mr Lebedev, who described London Mayor Boris Johnson as a friend, and said he meets former Prime Minister Gordon Brown and his wife "every so often", said he had never been asked by a politician for one of his papers to lend support to a particular party or policy, adding that the power of the press was over-estimated.

He said: "Politicians generally over-estimate the influence newspapers have on the political process. We are in danger of building a society where every institution and every element of democracy becomes too feeble. So politicians become too feeble;

police become too feeble; the country becomes too feeble; if the press becomes too feeble, then what we get is the tyranny of consensus."

In evidence of the interaction between press barons and ministers, Aidan Barclay, the chairman of the Telegraph Media Group (TMG), which publishes The Daily Telegraph, revealed how he exchanges text messages with David Cameron.

Mr Barclay, the son of Telegraph co-owner Sir David Barclay, who has met Mr Cameron 12 times including at an informal dinner at the Prime Minister's Downing Street flat, said he had texted on economic subjects such as bank tax during the economic crisis.

In one text, Mr Barclay wrote: "David, did you ring me? I had a missed call from your mobile?" Mr Barclay, who said the texts were a way of ensuring his thoughts went direct to the Prime Minister "rather than get lost in the system", described how he also sent articles on economics to Mr Cameron.

Telegraph chief warns against over-regulation

Lord Justice Leveson was urged by the publisher of The Daily Telegraph not to over-regulate the newspaper industry yesterday.

Aidan Barclay, who chairs the company that publishes the Telegraph titles, told the Leveson Inquiry that a "relatively small number" of journalists had been accused of "indiscretions".

"I find it very difficult to volunteer for more regulation," Mr Barclay told the hearing. "The media industry employs about 250,000 people in this country. The indiscretions, or alleged indiscretions, involve a relatively small number of people. We don't want to destroy the industry through over-regulation. I am concerned that we don't go too far... I believe in self-regulation."

In a written witness statement, Mr Barclay warned against a "backlash" following allegations of phone hacking and payments to public officials.

He added: "Newspapers and their websites already operate under a burdensome body of law and, indeed, are competing with other media organisations in the digital arena that do not seem to be subject to UK domestic law."

Shareholder body to target Murdoch

By Jamie Grierson

Monday, October 29, 2012

James Murdoch will come under attack from shareholders at BSkyB's annual meeting on Thursday after the UK telecoms watchdog called his "competence" and "attitude" into question.

Mr Murdoch stepped down as BSkyB chairman amid fears that the News International phone-hacking scandal would damage the firm, but he stayed on as non-executive director.

Shareholder group Pirc (Pensions Investment Research Consultants) has urged shareholders to vote against his re-appointment due to the criticisms levelled at Mr Murdoch by communications regulator Ofcom.

He is not considered to be independent, as his father Rupert is the ultimate controlling shareholder through News Corporation, the group said. "Although Ofcom stated that the evidence available to date did not provide a reasonable basis to conclude that James Murdoch deliberately engaged in any wrongdoing, it was severely critical of him," a statement from Pirc said.

Ofcom hit out at his failure to uncover problems at News International earlier during its review of Sky's broadcasting licence in the wake of the hacking claims.

The regulator determined BSkyB was "fit and proper" to hold a licence but Mr Murdoch was spared no criticism in its report.

Ofcom said: "We consider that the events set out above raise questions regarding James Murdoch's competence in the handling of these matters and his attitude towards the possibility of wrongdoing in the companies for which he was responsible."

As well as Pirc, investment campaigners FairPensions have called for Mr Murdoch to resign in light of Ofcom's comments.

The charity, which promotes responsible and ethical investment in UK pension funds, has set up a petition calling for Mr Murdoch to step down.

Ofcom launched its review of Sky after Mr Murdoch and News Corporation, which owns 39% of its shares, were engulfed in the hacking scandal which led to the closure of News Corp's News of the World.

<http://www.irishexaminer.com/business/shareholder-body-to-target-murdoch-212235.html>

Murdoch's rivals in City may be victims of phone hacking

[Martin Hickman](#). Sunday 28 October 2012

Commercial espionage became a possible motive for phone hacking today after a top City PR firm said attempts may have been made to access the voicemails of executives who were advising on media takeovers.

Citigate Dewe Rogerson has been told that three executives may have fallen victim to the practice in 2005 and 2006, at the height of the News of the World's campaign of illegal phone hacking.

At the time the PR firm, one of the biggest in the City, was dealing with Virgin Media's merger with the cable TV company NTL with the aim of challenging Rupert Murdoch's dominance in pay TV.

Mr Murdoch's News Corp, which has a controlling stake in Sky TV, closed the News of the World last year in the wake of the phone hacking scandal.

Confirming the potential intrusion, a spokesman for Citigate said: "We were told by our mobile provider around 18 months ago that police were investigating allegations that between 2005 and 2006 attempts by unauthorised parties may have been made to hack into three of our company mobile phones.

"We sought further details from the police but there has been no recent follow-up by them."

The spokesman said there was no evidence that Operation Weeting, the Metropolitan Police inquiry into phone hacking, was actively pursuing the Citigate allegation.

However the possibility that messages intended for City figures were intercepted could change the public perception of the hacking scandal. Until now, the assumption had been that the News of the World eavesdropped voicemails only to find stories.

Given that some targets were government media ministers and leading business figures, it is now possible that News Corporation's wider corporate interests were at play too.

In the mid-2000s, Sir Richard Branson, Virgin's founder, and Mr Murdoch fell out over Virgin's attempts to move into television.

Sir Richard revealed last year that police had told him his phone may have been hacked by the News of the World. His right-hand man, Will Whitehorn, Virgin Group's corporate affairs director, is also thought to have been targeted.

Sir Richard has so far remained silent on the hacking, except to say that it was worrying, but in 2006 – after he had been thwarted by BSkyB from buying ITV – he told the Daily Telegraph: "All of us know governments are scared stiff of Murdoch."

As the scandal deepened yesterday, the Independent on Sunday revealed that a report for Trinity Mirror shareholders had found that phone hacking was "systemic" at its national newspapers. The report said six reporters from the Daily Mirror and People were said to have regularly used the technique.

Sir Brian Leveson will issue his report on the press next month. He is expected to recommend some form of statutory newspaper regulation.

<http://www.independent.co.uk/news/uk/crime/murdochs-rivals-in-city-may-be-victims-of-phone-hacking-8229909.html>

David Cameron too close to Rupert Murdoch, say constituents

ANDREW GRICE 

THURSDAY 10 MAY 2012

David Cameron's own constituents believe he is too close to Rupert Murdoch and his media empire.

A ComRes poll of 500 people in Witney, Oxfordshire, found that 49 per cent agree that the Prime Minister is too close to Mr Murdoch and News Corp, while 35 per cent disagree. The finding suggests that recent revelations could harm his image – even in his home territory.

Mr Cameron is friends with Rebekah Brooks, the former News International chief executive due to appear before the Leveson Inquiry tomorrow, and her husband Charlie, who also have a home in the Prime Minister's constituency.

Mr Cameron won a huge 22,740 majority in Witney at the last election. According to ComRes, 54 per cent of his constituents now believe he and his government have not done enough to avoid a double-dip recession, while 40 per cent think they have.

However, by a margin of 2-1, they do not share the opinion of the Tory backbencher Nadine Dorries that Mr Cameron is an "arrogant posh boy". By a similar margin – 61 to 33 per cent – his constituents believe the Prime Minister understands their needs.

By a margin of 53 to 42 per cent, they think Mr Cameron is doing a good job as Prime Minister. Some 45 per cent are disappointed, while 51 per cent are not. People are evenly split over whether the Coalition has the right ideas for the country.

Only 29 per cent of those polled said they would vote Conservative if there were an election now. Although Mr Cameron would still win, a larger proportion (31 per cent) say they would not vote or do not know which party they would support.

When undecideds and non-voters are excluded, the Tories emerge with 46 per cent of the vote (down from 59 per cent at the last election), with Labour on 20 per cent (up from 13 per cent), UKIP on 10 per cent (up from 4 per cent) and the Liberal Democrats on 9 per cent (down from 19 per cent).

Today Mr Cameron's links with the Murdoch empire will be in the spotlight when Andy Coulson, his former communications director who resigned as News of the World editor over the phone hacking scandal, gives evidence to the Leveson Inquiry. Last night Downing Street admitted that it was "entirely probable" Mr Coulson had attended high-level Government meetings on defence and intelligence despite having only been subjected to a low level of security screening.

Yesterday it was revealed that Mr Cameron sent Ms Brooks a text message urging her to "keep her head up" in the week she resigned from News International. Downing Street did not deny a claim in an updated biography of Mr Cameron that he met Ms Brooks at an undeclared point-to-point meeting in Oxfordshire and at a Chipping Norton fair.

TELEVISION CONSUMER FREEDOM ACT IN USA

SENATOR JOHN McCAIN INTRODUCES NEW “A LA CARTE” CABLE BILL

May 9, 2013

Washington, D.C. – U.S. Senator John McCain (R-AZ) today introduced the Television Consumer Freedom Act of 2013, which provides consumers the ability to buy cable channels individually, also known as “a la carte,” giving Americans more control over their viewing options and, as a result, their monthly cable bill.

Cable Bills Focus of Congress Push for a La Carte Prices

By Todd Shields & Alex Sherman - May 15, 2013 3:32 AM GMT+0530

It’s time to let television viewers buy individual channels rather than being required to pay for bundles of programming, and to end blackouts of sports events in publicly financed stadiums, U.S. Senator [John McCain](#) said.

“Consumers shouldn’t have to pay for television channels they don’t watch, and have no interest in watching,” McCain, an [Arizona](#) Republican, told a Senate panel today.



April 12 (Bloomberg) -- Leo Hindery, managing partner at InterMedia Partners LP, talks about News Corp.'s Fox network's threat to end free broadcasts and become a cable-only channel if U.S. courts don't stop Internet startup Aereo Inc. from retransmitting shows without permission. Hindery, speaking with with Betty Liu on Bloomberg Television's "In the Loop," also talks about U.S. budget negotiations. (Source: Bloomberg)



May 14 (Bloomberg) -- U.S. Senator John McCain, an Arizona Republican, speaks about legislation he's proposed that would let television viewers buy individual channels rather than being required to pay for bundles of programming. He speaks with Trish Regan on Bloomberg Television's "Street Smart." (Source: Bloomberg)

McCain, a former presidential candidate, has introduced a bill to force cable and direct-broadcast satellite TV companies to offer channels individually -- or a la carte -- and to end blackouts of events such as National Football League games.

Cable rates have attracted congressional scrutiny before today's hearing at the communications subcommittee led by Senator Mark Pryor, an Arkansas Democrat. The market isn't working for consumers who are paying more for TV service, Senator [Jay Rockefeller](#), the West Virginia Democrat who is chairman of the Commerce Committee, which includes the subcommittee, said at a July hearing.

"The most egregious of all is ESPN," McCain said today in an interview on Bloomberg Television's "Street Smart" program. "There are many, many people, unlike me, that don't like to watch ESPN and yet they're faced with the prospect of paying about \$5 more in their cable bill." ESPN, owned by the Walt Disney Co., generates about \$5.54 per cable subscriber each month, according to an estimate from research firm SNL Kagan.

Popular Packages

The average cable bill for expanded basic service -- the most popular package -- increased 6.1 percent annually from 1995 through 2011, rising to \$57.46 from \$22.25, the Federal Communications Commission said in a report last year. The typical number of channels in such a package rose to 124, from 44, the FCC said. The price per channel dropped three cents, to 57 cents, the agency said.

Studies show a-la-carte pricing won't save viewers money, in part because channels not in a package would suffer drops in audience and advertising revenue, said [Michael Powell](#), president of the Washington-based National Cable & Telecommunications Association trade group.

"They are very likely to have to raise the individual price of that programming quite substantially," Powell told senators. "It's not a good deal for consumers to pay \$10 for 10 channels when you were paying \$10 for 100."

Customer Value

Bundled channels offer value to consumers, ESPN President John Skipper said today at a news briefing in [New York](#).

"Everybody thinks a \$13 movie ticket is too high and a \$6 cup of coffee is too high," Skipper said. "The question is, is it enough value for you to keep paying? We don't see yet any significant deterioration in the overall sub base."

[Consumers Union](#), an advocacy group based in Yonkers, New York, that advocates for fairness, has endorsed McCain's bill.

"Cable customers have to buy larger and larger packages of channels," [Delara Derakhshani](#), policy counsel, said in a statement.

McCain's bill would deny licensing privileges to pay-TV companies that don't offer programming for purchase separately, and would keep broadcasters from demanding retransmission fees if they don't let their channels be sold individually.

The measure also would require non-broadcasters such as [Viacom Inc. \(VIAB\)](#) to offer a-la-carte programming to pay-TV companies. In addition, it would revoke the airwaves license from a broadcaster that doesn't send an over-the-air signal identical to the signal sent through pay-TV companies.

Aereo Challenge

[CBS Corp. \(CBS\)](#)'s CBS TV network and [News Corp. \(NWSA\)](#)'s Fox network have said they may go off the air if courts don't block [Barry Diller](#)'s Aereo Inc., which accesses broadcast TV signals and resells them online for \$8 to \$12 a month -- without paying a retransmission fee.

No hearing date has been set for the bill, and no votes have been taken.

It's unlikely McCain's bill will pass, "but it is still relatively early" in the congressional session that runs through next year, [Paul Gallant](#), Washington-based managing director at Guggenheim Securities, said yesterday in a note to clients. McCain isn't a member of the Commerce Committee that handles TV legislation and it isn't clear if Rockefeller will push the issue, Gallant said.

Sports Blackouts

McCain said the rule allowing sports blackouts barring local broadcasts of games that don't sell out is "antiquated." The rule, which dates to 1975, is aimed at ensuring that enough fans attend the events.

"If the taxpayers pay for it, by God, I think that the taxpayers ought to be able to see the game, whether they sell out the stadium or not," McCain said.

Five senators in a letter to the Federal Communications Commission last year called for an end to such blackouts. The agency is considering voiding a rule that prevents cable and satellite companies from showing pro-sports games when local TV broadcasts of the events are blocked by contract.

The rule lets fans receive free, over-the-air TV broadcasts of event while also promoting the excitement of a live games before full stadiums, the NFL said in an FCC filing.

Cable and broadcast groups in testimony submitted to Pryor's committee said changes aren't needed.

"The system is not broken," and changing laws that govern programming distribution "is not in the public's best interest," [Gordon Smith](#), president of the [National Association of Broadcasters](#), said in submitted testimony. Members of the trade group in [Washington](#) include networks such as Burbank, California-based Disney's ABC, Fox, [Comcast Corp. \(CMCSA\)](#)'s NBC and CBS.

Lawmakers generally don't need to intervene in the marketplace, which is competitive, Powell said in written testimony. Members of the Washington-based cable group he leads include Philadelphia-based [Comcast \(CMCSA\)](#), largest U.S. cable company, and New York-based [Time Warner Cable Inc. \(TWC\)](#), the second-largest.

DON'T PUT DOWN THAT BUFFET PLATE! WHY A LA CARTE TV ISN'T HERE YET

By [Ted Kritsonis](#) — August 7, 2013

Read more: <http://www.digitaltrends.com/home-theater/a-la-carte-channels-cable-tv-viewing/#ixzz2bmNiNeW0>



Nobody actually wants to pay for a bunch of channels they don't watch. Yet, for years now, that's the paradigm cable and satellite services have stuck us with: For every one ESPN, you get ten QVC's. It's a service model that has consumers defecting to the Internet in search of a TV utopia in which they pay only for what they want. It's a concept that's been branded: a la carte TV.

The act of "cord cutting", or otherwise abandoning your cable/satellite provider, coupled with the rising interest big companies have in filling the void has led to calls for a la carte TV business models that let you pick your poison instead of paying for 500 channels you couldn't possibly care less about. These days, it sounds a lot like a steady cry for better choice and fairness where even legislators in Congress are weighing in with their opinions. But a deeper look into the bigger picture shows that it may not be a cakewalk to bring down the old broken system and replace it with something freer and fairer.

The revolution has begun

The fact that TV is changing is obvious, what with services like Netflix, [Hulu](#) and Amazon Instant Prime growing their subscriber bases and delving into producing their own exclusive content. In turn, Big Media, like the cable companies and networks, are trying to keep from losing out in this existential power struggle over who the power-brokers will be in the future of TV.

“Most channels are owned by the same handful of large media companies that seek to maximize revenue across all of their channels”

The average pay-TV cable monthly bill in the U.S. was \$86 as recently as 2011 (compared to \$40 per month in 2001), and could rise to \$123 per month by 2015, according to research firm NPD Group. As those prices continue to balloon, there is a bubbling narrative that suggests an a la carte system is the best way to cut those bills down and spur more competition from providers.

Even Republican Senator John McCain took it upon himself to co-sponsor a bill (with D-Conn Senator Richard Blumenthal) that would basically force pay-TV operators to offer a la carte deals. The bill seems a long shot to pass, but it has helped cast a spotlight on the angst consumers feel about what they pay to watch the limited programming they tune into every week.

Despite McCain’s assertions that the government and special interests have “stacked the regulatory deck in favor of preserving an outdated business model”, it will still prove to be a tough nut to crack.

The money behind cable deals

“Most channels are owned by the same handful of large media companies that seek to maximize revenue across all of their channels,” says Greg Ireland, a research manager at IDC who follows the industry. “By bundling channels, they’re able to get carriage fees and advertising revenue on channels that perhaps wouldn’t get carriage if offered on their own. This model, while problematic for some consumers (and some pay-TV operators), isn’t broken from the media company perspective and they don’t necessarily want to make changes that upset the current formula.”

Channel survival has long been cited as a key reason why an a la carte system would be detrimental to both the pay-TV operators and consumers. Channels that appeal to niche audiences or minorities might have a tough time staying on air because of the current benefits of bundling channels together. Those opposed to a la carte believe content diversity, such as it exists today in an albeit flawed system, would suffer greatly because of the lack of choice it brings with it. An older example of a successful crossover was *Queer Eye for the Straight Guy*, which was aimed at a specific audience, but became an Emmy-winning series that launched on Bravo, a channel that many consumers might not have considered subscribing to at the time.

But the Internet was still evolving at the time, and there was no Netflix, Hulu or Amazon Instant Prime back then to provide an alternative to pay-TV for shows with

more of a niche audience. As the political drama *House of Cards* showed for Netflix, original content can work wonders, and the continued success of such projects might open the door to more content aimed at a smaller percentage of subscribers.

In many ways, TV channels were already doing that years ago. Shows would be exclusive to a network or specialty channel until they were farmed out for syndication to subsidiary channels or local broadcasters. The trend later on took this a little further, with exclusive shows like *Mad Men* or *Breaking Bad* on AMC and *The Vampire Diaries* on The CW as two examples of popular shows that started with smaller networks.

Those shows can be found on Netflix, and while they don't air the newest episodes, their availability already opens the door to expanding that offering in the future. But that won't happen without a fight.

Why TV can't change overnight

"Media companies can't simply walk away from revenue and profits without there being some consequences," says Ireland. "It could very well be that the result of a la carte is that many consumers will end up paying the same amount for fewer channels. But this doesn't mean there can't or won't be possible solutions — smaller bundles and different price points, or perhaps bundles without expensive sports-centric content. Choice is good for consumers but many times things don't work out exactly the way we wish them to."

He adds that there is a lot of good programming on TV right now because many channels are investing in higher quality original content (like *Mad Men* and *Breaking Bad*). Subscription fees go, in part, to supporting the creation of that content — as well as the stuff that isn't particularly good. "The magic question is where the tipping point is in terms of consumer appetite for higher bills and action from Washington or the courts," he says.

"Media companies can't simply walk away from revenue and profits without there being some consequences"

Jeff Kagan, an independent analyst and author who has followed the industry for years, believes there is a trickle-down effect that is understated. The cable industry is focused on charging customers more each year and earning more for shareholders, which investors love but obviously customers hate.

"Traditionally when customers complain pricing is too high, the company feels the pinch and cuts the price, but cable television isn't a two-part system," says Kagan. "Instead, it's a three-part system. If customers complain to the cable company, they aren't complaining to the only party that matters. The third party is the networks who always charge more, year after year."

Part of the reason they do is because the talent also wants more. In fact, a lot of stakeholders have to get paid. Complaining about the cost of accessing content might directly relate to what it costs to produce a show and what actors and actresses in hot shows are demanding for pay raises. A good example is *Friends*, where all six regular cast members wanted \$1 million per episode. That, along with more elaborate shooting locations and larger crews, has likely contributed to this trickle-down effect.

"If the cast of *Modern Family* goes on strike demanding higher wages, that can trickle down, just like with the high-profile demands of the cast of *Friends* and for [sports](#) programming costs," says Ireland. "So consumers that clamor for a la carte

need to understand that, for better or worse, depending on one's perspective, there's a bigger business model that results in the situation we now have and there are many parties on which to place blame if we're looking for someone to blame." Calling it a "broken model" that is essentially unsustainable, Kagan believes the current system protects pay-TV companies and punishes customers unfairly. Regulators back in the day never could've imagined this scenario when the system was first set up, but reforming it now will require some trade-offs on all sides. Are actors or actresses willing to take a pay cut? Will pay-TV operators slowly phase out niche and specialty channels? Will those channels then move to streaming online to connect with their audience, and if so, is that audience willing to pay \$5 per month for just one channel?

What a la carte TV might look like

"A la carte is an open market where some networks would thrive and others would suffer because the customer chooses, meaning that little watched channels would struggle," says Kagan. "But what's missing is that the industry has to come up with another model that will reward both investors and customers. Today, a subscription is twice what it was 10 years ago, and it will double again in another decade, so the cable industry is spinning out of control. That's the reason people are crying out for a less expensive alternative and why a la carte makes sense to a growing segment of consumers."

The current system and a la carte are undoubtedly very different business models, and it may take some time to figure out how everyone, especially you as a consumer, come out of it with what you want for less of your money. In an a la carte world, the price per channel may be more than it is today, but since the average viewer sticks to about five or 15 channels per month, the total bill should theoretically be much lower.

It would be great to add and subtract channels at will as part of your subscription, but pay-TV operators are scared to death of such a scenario because of the loss in revenue that would come with that. And since there are investors with big dollars in the mix, change won't come easily or swiftly. What happens to the "little guy" channels will be a sidebar to the wider story, but for the time being, change will be a slow dance between frustrated customers and anxious pay-TV operators looking to do business as usual.

Read more: <http://www.digitaltrends.com/home-theater/a-la-carte-channels-cable-tv-viewing/#ixzz2bmOBqos0>

Follow us: [@digitaltrends on Twitter](#) | [digitaltrendsftw on Facebook](#)

CABLE OPERATORS FEDERATION OF INDIA (Regd.)

13/97, Near Rajouri Apartments, Rajouri Garden, New Delhi-110027

Ph. : 91-11-25131540, 25140097, Fax : 91-11-25139967

Ref: COFI/ Lok Sabha/02/2012

Dated: 28 February 2012

The Deputy Secretary (IT)
Lok Sabha Secretariat,
Room No 315,
Parliament House Annexe
New Delhi 110001

Memorandum giving Additional Points/ Suggestions on the Cable Television Networks

(Regulation) Second Amendment Bill, 2011

Sir,

1. Further to our comments on the Second Amendment Bill, we wish to submit the following Additional points/ suggestions regarding the Second Amendment to the Cable TV Act 1995.

Already Registered Channels

- a) **No Law Regulating the existing Registered Channels** – At present, there are no laws for TV channels. Only policy guidelines exist for downlinking and uplinking of satellite channels with effect from 2006. These guidelines, although provide the basic policy, do not stand the test of the law in the courts.
- b) **These Guidelines are flouted rampantly** by the registered satellite channels who after repeated violations, are let off by just giving an advisory or running an apology on the channel in an insignificant manner or at the most switch off the channel for a day or two. This is hardly a deterrent for these powerful broadcasters, who so often blackmail the government through their news channels.

- c) **No Laws for Broadcasters- Penalties for Cable Operators** – All laws, penalties, punishments are meant for cable operators, who are too small stake holders in the value chain. There are no punishments or penalties for broadcasters, who are powerful, have high contacts and violate all content/advertisement codes and other guidelines.
- (i) News Channels are known to run ‘paid news’.
 - (ii) Channels broadcast shows that denigrate women and children.
 - (iii) In the name of public interest, programmes are repeatedly shown where they can blackmail the government for vested interests or create anti-government sentiments for political motives.
 - (iv) News channels often carry out media trials of various cases and events.
 - (v) To gain TRPs, they repeatedly show indecent and obscene videos in the name of news.
 - (vi) Show misleading advertisements, that spread misconceptions and encourage superstitions.
- d) **No Regulations for TV Content/ Broadcasters**- During the discussion on the third Amendment Bill for cable television in the Parliament, every MP brought out the need to regulate the content of TV channels but there is no initiative by the government in this regards. They have been only asked to self regulate because whenever the government tried to regulate them, they protested vehemently through various lobbies like FICCI, CII, ASSOCHAM, IBF, NBA and News Broadcaster Editors’ Association.
- e) **Broadcasters Invest in MSOs, to Arm Twist Cable Operators.** Some large Broadcast houses have invested in some MSO companies or made their own MSOs, who provide content to thousands of LCOs and also act as Pay Channel distributors and arm-twist the small operators/MSO(I)s to extract more revenue from the public.

2. **Some Suggestions**

Foreign Channels

- a) **Registration of Foreign Channels** – These channels come to India to exploit our vast population. They sell to our people, the same content that they make and broadcast in their country, thus making double profits. Government must make these channels pay more for registration.
- b) **Indian Content on Foreign Channels MUST** – Like it is done in many European and other countries, there are restrictions on foreign channels that they must generate a percentage of their content (50% is typical) locally, it does not happen in India. We should also give downlinking permission to foreign channels, only after they agree to create 50% of their content within India.
- c) **Foreign Pay Channel Registration as Free to Air** - Most of the revenue generated by these foreign channels is sent out of India to their country of origin. Where as they benefit tremendously from our large population, Country does not benefit from them. In

view of this, they should be registered only as free-to-air channels, at least for the first five years or till they generate 50% content in India. This will make our own content production industry also flourish.

- d) **Foreign Pay Channel Pricing** – Foreign based pay channels, after they have generated 50% content within India, should be permitted to become ‘Pay’ channels only at half the rate what is fixed for our Indian channels that generate 100% content in India.

3. **Registration of HD/ 3D Pay Channels**

Registration of Pay/ Premium channels/ HD Channels/ 3D TV etc should be done at a much higher registration fee than ordinary channels. Registration charges may be linked with the cost of the pay channels per subscriber or as per different subscription slabs eg. Free to Air, Rs 1-5, Rs 6-10, Rs 11 upwards etc.

4. We also wish to highlight that Cable Television Industry was put under TRAI for the purpose of Regulations in 2004. TRAI has carried out more than 30 consultations with the Industry and given their recommendations. However, sad to say that not even a single recommendation for the benefit of Cable Operators has been accepted and implemented. This has left a big gap in the regulatory mechanism for the industry, mostly tilted in favour of large broadcast companies. Both I&B Ministry as well as TRAI are heavily influenced by broadcaster lobby who use organizations like FICCI, CII, ASSOCHAM, CASBAA, MPA, NBA, IBF, NBEA and their lawyers, before any regulations are drafted.
5. This has widened the differences amongst the stake holders where in large broadcast companies have been permitted to increase their monopolies in every field and every platform unfettered, but cable TV industry has been left to die its own death.
6. All over the world, cable TV networks have been encouraged to grow as country’s Broadband networks which contribute tremendously to their economy but in India cable operators, who created this industry connecting more than 100 million households, are being edged out by broadcasters.
7. Some of the prominent regulations badly needed to protect the industry and consumers at large are given below:
- (a) **Restructuring of Cable TV Industry.** Deals with improving cable TV infrastructure.
 - (b) **Cross Media Restrictions.** Absence of this has increased monopolies in the Industry.
 - (c) **Entry of Certain Entities into Broadcasting.** Deals with political parties entering in Broadcasting.
 - (d) **Interoperability.** Deals with consumers using the same STB for utilizing services of different service providers.
 - (e) **Convergence and Competition in Broadcasting and Telecommunications.**

(f) Private Terrestrial TV Broadcasting Services.

(g) Value Additions Services.

8. Below given are the recommendations accepted and notified but benefit only large players. Some of the issues like Tarrif for Pay Channels, issued by TRAI have been taken to courts by the Broadcasters and never implemented.
- (a) **FDI.** Since cable TV infrastructure has not been looked after by the Government, it does not attract any FDI. Hence, increase in FDI to 74% has no meaning for them. However, it has helped large foreign Broadcast Groups to induct their own funds into India and create monopolies through cartelisation.
 - (b) **Media Ownership.** There are no restrictions on cross media ownership. This has helped these big Media Groups to create many TV channels, DTH for direct broadcast, Cable Networks through MSO Companies, Content Production Houses, Online Media, Radio, News Papers etc.
 - (c) **Mobile TV and IPTV.** Both these services were notified within months to help large Telecom companies get into TV distribution domain, competing with small cable operators.
 - (d) **HITS.** This technology for nationwide cable networking using satellite was cleared to help one large Media Group after progress of smaller players was halted by deferring CAS implementation, even after the Law was cleared by the Parliament in 2003.
 - (e) **DTH.** This technology for TV distribution was also introduced so that the Large Media Groups including a Foreign Company could go direct to consumers bypassing cable operators. They were permitted to use CAS all over India in 2003, when the same was deferred for implementation on cable, to give an upper hand to broadcasters. The first three DTH players were Dish TV (Zee Group), TataSky (Star TV and Tatas) and Sun Direct (Sun TV Group). Telecom companies entered the field later.
9. The above has increased the domination of Indian Media scene by a handful of Foreign Broadcasting Groups and Indian Media companies leaving the smaller players in the lurch. These issues, in particular, the issue of content regulation must be considered seriously by the government if the nation has to be saved from the adverse effects of uncontrolled television content and large Media monopolies.

Thanking You,

Yours Faithfully,

Roop Sharma