

We welcome this Consultation Paper brought out by TRAI on the issues related to commercial tariffs. We also generally agree with the definitions of 'Commercial Subscriber' and 'Commercial establishment' as suggested by TRAI.

We are, however, of the view that the present categorization of commercial subscribers may be continued for a period of six months from the date of issue of new regulation before the new definitions are fully implemented. This will help in smooth changeover of services to the existing subscriber.

We are also of the view that rate of content for commercial subscriber as well as all deals done under this regulation should be made public by the parties concerned so that the operative rates are available in the public domain and can be made available to all commercial subscribers in a non-discriminative manner. Non-discriminative rates offering both by the broadcaster as well as by the distribution platform, should be key milestones for the Regulatory Authority as it helps to create a level playing field for all stakeholders as well as the consumer. This is also in line with the requirement of non discriminatory term to all distribution of TV channel as bought out in clause 3.2 of Interconnect Regulation 2004 as amended.

Our replies to the question raised are given below:

1. Do you agree with the definitions of "commercial establishment", "shop" and "commercial subscriber" as given in para 1.23?

Reply- We agree to the definitions of 'Commercial Establishment', 'Commercial Subscriber' and 'Shops', as suggested by TRAI.

2. If the answer is in the negative, alternate definitions with proper justification may be suggested.

Reply- Not Applicable.

3. Do you agree that further sub-categorizing the commercial subscribers into similarly placed groups may not be the way to proceed? In case the answer is in the negative, please give details as to how the commercial subscribers can be further sub-categorised into similarly placed groups along with full justifications.

Reply- We are of the view that present sub categorization, as given below, should continue for six months from the date of issue of regulation. In our view this will help in the continuance of services to the present subscriber and will not unduly burden the subscribers who are presently getting services under this categorization. The commercial rates, as they are presently, are very high and may put undue burden on the consumers.

Sub-categorization of commercial subscriber as per the present policy.

- (a) A specified category of commercial subscribers comprising---
 - (i) Hotels with rating of 3 stars and above;

- (ii) Heritage hotels (as defined by the Department of Tourism, Government of India);
 - (iii) Any hotel, motel, inn or commercial establishment providing board & lodging and having 50 or more rooms; and
- (b) All other commercial subscribers (not falling under the specified category of commercial subscribers).

4. Which of the models, discussed in para 1.27 above, should be prescribed for distribution of TV signals to the commercial subscribers? Please elaborate your response with justifications. Stakeholders may also suggest any other model with justifications.

Reply- We support model (iii) which is a combination of Broadcaster and DP (Distribution Platform) declaring commercial rates for distribution platform and subscriber respectively (end customer). We prefer that all distribution activity should be done through the distribution platform since there are lots of other TV channels available on distribution platform media. It should be able to give better offering to the commercial subscriber, who could opt for different channels from different broadcasters. The revenue share between broadcaster and Distributing Partner Operator should be fixed by the authority. This along with non-discriminatory disclosure of term to all distributors including rates agreed will create level playing field.

5. In your view which of the 4 alternatives mentioned in para 1.28 above, should be followed? Please elaborate your response with justifications.

6. In case your answer is "alternative (ii)" as mentioned in para 1.28 above, please give full details with justifications of as to what should be the tariff ceiling/dispensation for each category/ group of commercial subscribers.

Reply to 5&6.- We support option (ii) above of para 1.28 of consultation paper. It is seen that at present forborne tariff for commercial subscriber is very high. Therefore, in the interest of all stakeholders it will be better to have linkage of commercial tariff to tariff of ordinary subscriber. This way the RIO rates of broadcaster for commercial tariff will also get capped and will result in better proliferation of services in commercial subscriber's domain. Non-discriminative rates and offering both by the broadcaster as well as by the distribution platform should be key milestones for regulatory authority and will ensure proliferation of broadcast services in this category of subscriber.

7. If in your view, none of the 4 alternatives mentioned above are to be followed, stakeholders may also suggest any other alternative with justifications.

Reply- Not Applicable.