

From:

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Comments on TRAI Consultation Paper No.16/2017 Dt. 19-12-2017 on Issues relating to up linking and downlinking Television Channels in India.

At the outset, I appreciate and thank TRAI for bringing out a comprehensive consultation paper on tariff issues concerning to Uplinking and downlinking Television Channels in India. I would like to comments and give suggestions on the some of the issues mentioned in the consultation paper.

(Net-worth of eligible companies)

4.2 Should net-worth requirement of the applicant company for granting uplinking permission, and/ or downlinking permission be increased? If yes, how much should it be? Please elaborate with appropriate justification.

Comments: No, there is no need to increase the net-worth requirement of the applicant company for granting uplinking permission, and/ or downlinking permission for News and Current affairs channel. In fact, the present net-worth requirement must be reconsidered and also ***net-worth requirement of news and current affairs channel must be decreased.***

Reason:

At present, net-worth for uplinking of non-news & current affairs TV channel is Rs 5 Crore (for the first channel) and 2.5 crore for subsequent new channels. Whereas, net-worth for uplinking of News & current affairs TV channel is Rs 20 Crore (for the first channel) and 5 crore for subsequent new channels.

It is a well-known fact from BARC data that GEC channels has more viewership while News Channels have very less (in case of Hindi Market) or minuscule (in case of regional market) viewership and reach. Hence, it is obvious that it is easy for GEC channels to fetch more revenue than News Channels. But unfortunately, the present net-worth requirements to start a GEC is very less when compared to News and Current affairs channels.

Suggestions:

1. The net worth requirement to start a news and current affair channel must be brought down by considering present market scenario.

Though the cost of content production is high for GEC channels, the investment can be recovered by Advertisements, sponsorships, Distribution (payee channels), Re-runs and syndication rights. It is a onetime investment and can be made optimum use.

Whereas, “news” is a real-time production and ongoing process. In spite of technological advancement it is still expensive to cover and broadcast news. Distribution cost is also high as there are no guidelines as how this “carriage fees” is calculated. In order to recover the investment made news channels often resort to other methods of earnings like Paid news, sponsored-news, etc. This is mainly because of the pressure to recover the investment made. (Advertising spending in News channels is also less when compared to GEC). Hence the net worth requirement of news channels must be lowered.

Also, other view is that very high net-worth requirement will deter first generation entrepreneurs from entering into this sector. Moreover, the high net-worth criteria could also discourage the growth of local and regional channels, thereby affecting overall program diversity.

In a bid to discourage non-serious companies from news broadcast can be checked by other ways,

Ex: Net worth requirement for first news channel can be Rs 10 crore and 25 crore for subsequent news channels. This can be one of the way to discourage non-serious players.

4.3 Should there be different net-worth requirements for uplinking of News and non-News channels? Give your suggestions with justification?

Comment: The above suggestion address this issue.

Grant of license/ permission for Satellite TV Channels

4.5 Whether auction of satellite TV channels as a complete package similar to FM Radio channels is feasible? If yes, then kindly suggest the approach

Comment: No, the auction of satellite TV channels are not feasible. This is due to many reasons such as technologies used for broadcast, available infrastructure, market scenario and competition, etc.

Other suggestions:

1. Terrestrial broadcasting must be allowed for private players. Though TRAI has brought out recommendations On Issues related to Digital Terrestrial Broadcasting in India(January 31, 2017), no further updates on implementation of the same is discussed.
2. Terrestrial broadcasting will also help to reach consumers in cost effective way.
3. TRAI can come up with the possibilities of allowing Terrestrial broadcasting for news and current affairs channel targeting that particular market. This will bring down the cost of production, distribution, etc and will help news organizations to work objectively. (Ex : Channel "X" targets Bangalore market and it provides local and relevant content to them. Hence, channel "X" distribution can be limited to that particular area. Also same content may be available on DTT Platforms)