

Without Prejudice

03 September 2013

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Subject: Comments on “Distribution of TV channels from broadcasters to platform operator”

On the onset I would like to congratulate TRAI for bringing in the changes desired by lot of people and moving in a direction of Level Playing field. We all know lot of people were apprehensive about the DAS regulation specially the smaller stakeholders who were looking the whole change with suspicion. But this regulation is a step in a right direction which may require few more steps to completely erase the monopolistic practises by any of the stakeholders.

The present scenario has created a situation where a few Broadcasters have joined hands to monopolise the industry and create an unequal playing field for all other stakeholders including the Independent Broadcasters. The entire ecosystem of pay television in the past few years was imbalanced due to the aggregation practice followed by all the popular broadcasters. It is imperative to point out that although it was clearly contrary to the essence of law but still was accepted and followed by most of the stakeholders either willingly or otherwise.

By implementing the proposed regulation the regulator will effectively disband the unfair bundling of the content and allow the viewer genuine freedom of choice to choose only the channels he wishes to view & pay for them only. Also there will be genuine plurality of views and freedom of expression in all important news & views section as all News Broadcaster will then have equal access to the viewer. In the present scenario some aggregated News Channels are forced on to the consumer while other Independent News channels do not find the same equal access to the viewer thus resulting in distortion of opinion and insufficient representation of balanced & wider viewpoints on important issues. While this regulation may not solve all the problems, it will go a long way to address some of the core issues and I submit that it is a important starting point to curb monopolies and ensure level paying fields as well as plurality and freedom of expression.

Keeping this aims in view I would take this opportunity to suggest the following further steps which may also be considered to achieve the objects of this regulation.

1. Ambiguous pricing of Channels / Content for the End Customer.

Fixing the MRP of Channel / Service for the End customer will ensure the removal this ambiguity. We are sure it is not difficult as TRAI has already brought in regulation for security deposits & rentals for the STB. As of now if a consumer moves from one area to another he will surely get a defined deal on rental of STB but on the price of pay channel it can vary up to few 100%. Hence the existing price mechanism of pay channels is very vague. We propose that as all the important channels are transmitted in two formats i.e. SD & HD and SD channel feed is enjoyed by almost everyone including people covered under “Food security Bill” so a price fixation of SD format will offer “Entertainment Security” to the general public. We further propose forbearance in case of HD channels feed as it is still enjoyed by the affluent people who can afford to pay much better. In future even fixing the price of HD channel feed too can be looked in on similar parameters.

2. Number of channels per Broadcaster

We are a democratic country with so many religions, languages, castes & creeds all living in harmony. It is proposed that the number of channels per Broadcaster may also be limited to some realistic number to bring in the plurality of thought process. Otherwise there is again a fear of monopolisation by way of acquisitions and mergers.

3. Sharing of revenue between stakeholders

It is another important point which requires an urgent attention of the regulator for maintaining the balance of TV Industry ecosystem. I read somewhere that when you remove or weaken one element from a fragile ecosystem, it has far reaching and long lasting negative effects. Here by not defining the exact revenue share between stakeholders similar situation is arising which will have a long lasting negative impact on the consumer & TV industry.

4. Vertical Integration

Lastly I would like to touch upon the vertical Integration prevalent in this Industry. Earlier when this Industry started the smaller stakeholders (LCO) were the biggest contributor to its growth but with the passage of time the Broadcaster attained a dominant position due to monopolistic practises & aggregation of . But dominant position also brought in the idea of pushing the non aligned stakeholders out of business and acquisition of entire value chain. This whole process of vertical integration is non transparent, marred with unfair pricing for non aligned entities and unequal playing field between the similar stakeholders. So in such scenario it become imperative for the regulator to step in and set the things right.

Yours Sincerely

For Star Broadband Services (I) Pvt. Ltd.

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