

Presentation By

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On

**Dispute Resolution in
Broadcasting Sector**

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Major Consumer Issues

- **No choice to consumers**
- **Unwanted channels forced on consumers**
- **No regulations for Tariff in non-CAS areas**
- **Interoperability Issue**
- **Government vision not keeping-up with technology developments**
- **There are no regulations for content**
- **No distinction between pay channels and FTA channels**

Cable TV rates fixed by TRAI

(From 1st Dec 2007)

No. of channels	'A-1' & 'A' class cities	'B-1' & 'B-2' class cities	Oth ers
Only free to air channels (min.30 FTA channels)	Rs. 77	Rs. 77	Rs. 77
Minimum 30 FTA channels plus upto 20 pay channels	Rs. 160	Rs. 140	Rs. 130
Minimum 30 FTA channels plus more than 20 and upto 30 pay channels	Rs. 200	Rs. 170	Rs. 160
Minimum 30 FTA channels plus more than 30 and upto 45 pay channels	Rs. 235	Rs 200	Rs.1 85
Minimum 30 FTA channels plus more than 45 pay channels	Rs. 260	Rs. 220	Rs. 200

Subscription Fee of All Pay Channels

Zee Turner Bouquets	=	Rs 167.00
Star DEN Bouquets	=	Rs 135.00
One Alliance Bouquets	=	Rs 162.00
Sports Channels : ESPN + Star Sports	=	Rs 57.00
Southern Bouquets : Sun+Raj+Maa	=	Rs 132.00
Mega Reach	=	Rs 26.00
ETV	=	Rs 21.00
UTV	=	Rs 53.00
Others	=	Rs 85.00
Total	=	Rs 838.00

Subscription Fee- Cable TV Service

All Pay Channels Rs 838.00

Local Video Channels Rs 15.00

Basic Package Charge Rs 85.00

Total (Rounded off) Rs 938.00

Inflation effect (Rounded) Rs 62.00

Grand Total Rs 1000.00

Entertainment Tax in Delhi = Rs 20.00

Service Tax @ 12.00% = Rs 120.00

**Total Subscription fee paid by a subscriber if
he subscribes to all the pay channels = Rs 1140.00**

CMS Survey Reveals

- Number of channels watched by a household: **7 to 15**
- Consumers want to pay : **Rs 200/-**
 - a) Cable Subs: **Rs 100 (1990) – Rs 200 (2010)**
 - b) Pay chnl subs: **Rs 2/- (1995) - Rs 1000/- (2010)**
- Subs reduced due to DTH : **Rs 200 to Rs 185**
- Subs in Chennai (complete CAS area)- **Rs 106**

- Subscribers get receipts: **75%**
 - a) Non Paying : **15%**
- Subscribers **not willing to pay more for better services** through digitalization.
- Factors which make some people pay more: **Better quality and fast redressal of complaints**
- People may pay more: **For DTH.**

Main Causes of Disputes that still have No Remedy

LCO - MSOs

- 1. From Independent operators LCOs were made franchisee (Line Holders) by the MSOs.**
- 2. Over-ambitious MSOs tried their best to create monopolies.**
- 3. Signed Copy of Franchisee Agreement is not given to the LCO.**
- 4. No receipt is given to them by the MSOs**
- 5. Monthly payable amount to MSO changes almost every three months.**
- 6. Competition among operators as well as from DTH.**

7. Raising of Dummy Operators

- **MSOs play all four roles-**
 - a) MSOs;**
 - b) Pay channel distributors;**
 - c) Partners with Broadcasters and**
 - d) LCOs**
- 9. LCOs are not given pay ch decoders if they wish to become independent.**
- 10. JV partners or Distributors of National MSOs buy stakes in networks surreptitiously to capture last mile networks.**
- 11. MSOs do not Share carriage fee with LCOs.**
- 12. Advertisement Revenue from their video channels is not shared by the MSOs.**
- 13. Difficulty to approach TRAI and TDSAT.**

MSO- Broadcasters

- **Broadcasters do not give copy of Agreements and Receipts to many MSO(I).**
- **Increase demand of payments from LCOs and underpay the broadcasters.**
- **Always over charging – defaming operators blaming them of under-declaration.**
- **Charging LCOs for channels not watched by their subscribers (refer CMS Survey).**
- **Making bouquets of Channels and pushing them on Analog systems knowing well that adequate bandwidth does not exist.**
- **Pushing unwanted channels along with driver channels to earn more TRPs for all channels.**

- **Shifting of channels from one bouquet/ aggregator to another.**
- **Promoting their partner MSOs.**
- **Influencing Govt Authorities with Team of Lawyers and News Channels.**
- **Earning multifold from Advts, Subscription, SMS etc.**
- **8 hours programme- Repeated several times**
- **Same content- many countries.**
- **Broadcasters turn FTA to pay or pay to FTA or pay in some areas and FTA in others on their whims.**

Broadcaster is the King.

- Do not abide by any regulations, go to court to stall any government effort.
- Use team of highly paid lawyers to influence and pressurise govt/regulator to get their way through.
- All existing regulatory measures are either ineffective or support them to create vertical as well as horizontal monopolies. They own all genres of Pay Channels, are MSOs, Channel Aggregators, DTH operator, HITS operator, Telcos, Broadband and IPTV operator, Mobile Operator and content producers.
- Use their news channels to lobby and pressurize the government departments.
- Refuse to obey any content code and are pressurizing for self regulation (more than 500 cases of violations already exist with I&B Mnistry).
- Politicians and Bureaucrats are afraid of their sting operations.

Some Suggested Solutions

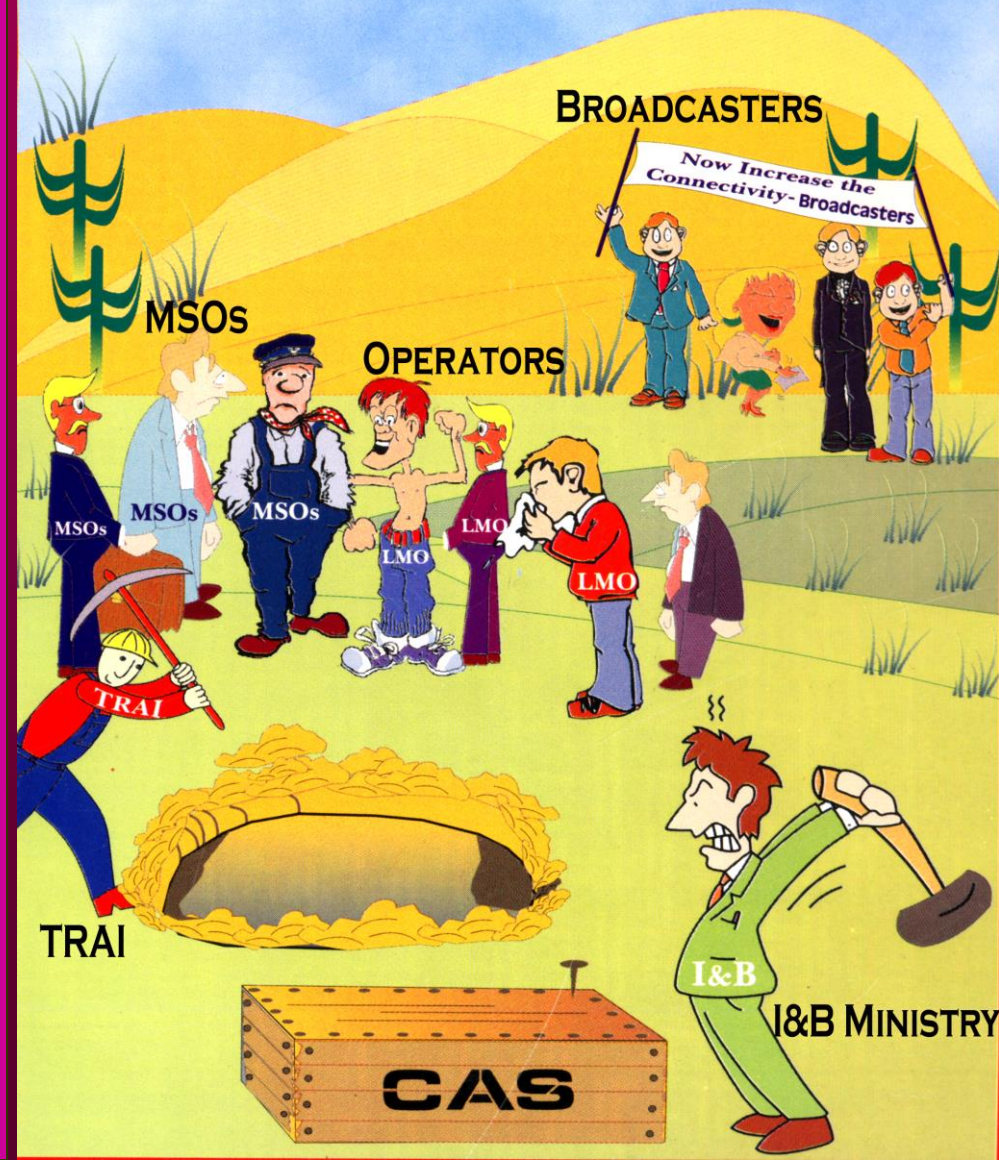
- Digitalisation with addressability (CAS)
- All Components of the delivery chain i.e Broadcasters MSOs, Cable Operators and Subscribers must be governed by similar and supporting rules and regulations so that there is no exploitation of one by the other in the garb of regulations.
- All Technologies of delivery of content like Cable, DTH, IPTV and Broadband are treated in the same way. It means our regulatory mechanism must create a level playing field for these technologies.
- Sufficient competition must be created in the market so that the prices can be kept low.
- Consumer must be given sufficient choice so that he does not pay for unwanted content and get whatever he wants at a reasonable cost.
- Consumer should pay the same amount for a pay channel on any platform. Only basic price for a platform should differ.

FOR THE BENEFIT
OF
CONSUMERS...

LET'S RESURRECT
CAS.

THANK YOU

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- THANK YOU