

Who Pays for Television Entertainment?



Centre for Advocacy and Research

C-100/B, 1st Floor, Kalkaji, New Delhi - 110 019

Telefax : 011-6292787, 6430133, 6229631

E-mail : cfarasam@ndf.vsnl.net.in

Viewers' Voice

"There is no uniformity in the reception quality of channels. Most of the time, Doordarshan National Channel is of poor quality. On and off the other channels' reception too is of poor quality. On complaining about this, the standard response is: 'due to load shedding, the system was working on a generator and therefore the poor reception'.

Minal Hazarika, Saket, New Delhi

"Zee reception has been very poor for days now. The cable operator says, it's coming like this 'peechhe se'. But I have no clue as to what he means by that."

Rajshree, AGCR Enclave, New Delhi

"The number of channels that my operator gives me has increased and he now charges me Rs 200 per month, for 2 TV sets. But I am not sure as to how many channels I receive now."

Meera Sapra, Noida

"I would prefer to go in for the Subscriber Management System even though it might be expensive initially, but it will be an investment for the long term."

Sujata Goenka, Defence Colony, New Delhi

"Most of the channels are not clear...I argue with the operator every month, but it doesn't improve...I feel helpless."

Prem Bala, Vasant Kunj, New Delhi

"Four months ago when Star went pay, we agreed to a Rs 25 hike. We then thought it was ok, but now everytime a channel goes pay, it seems we will have to pay more. So we have decided not to pay more and so we don't get Zee anymore. But we are not missing Zee much."

Jahnvi Vyas, Gandhinagar

"Complaining about quality is futile. I do it all the time. And every time the operator assures me that he will see what he can do...and that's the end of the matter."

Anita Ghai, Rajouri Gardens, New Delhi

"Reception quality of all the Zee channels is very bad. We have raised the issue with the operator several times. He says he will install a booster but he hasn't done that so far."

Shallini Mathur, Nirala Nagar, Lucknow

"Digitisation is supposed to make the transmission quality better. However, with Zee I haven't noticed much of a difference."

Anuradha Mathur, Indira Nagar, Lucknow

Introduction

Just about anybody who has anything to do with the business of TV entertainment - be it broadcasters, cable operators or viewers - is agitated.

Broadcasters are angry because:

- Competition has increased enormously and revenue from advertisements has gone down. Says Kiran Karnik, former CEO of Discovery India: "Broadcast channels can no longer survive on advertising only."
- 1 Sunil Khanna, vice-president, DTO, Zee TV spoke of how: "Cable operators' incomes have gone up with the addition of new channels but they continue to under-report the number of household connections they have."

Outcome: Broadcasters have got tough with cable operators and increased the subscription rates for their channel packages. Star India, for instance is now charging cable operators Rs. 30 per household for its entire package of channels (see table)

Cable Operators are angry because:

- "Every channel is a pay channel now," says Rakesh Dutta, an independent cable operator in Delhi: "We have been charging Rs 190 per month from viewers but with rates going up this is barely enough to sustain ourselves."¹

¹ Pay channels: Niche channels – or channels that cater to specific viewer interests like Discovery, National Geographic, Animal Planet, etc. – were the first ones to turn into pay channels. But now the mass entertainment channels such as Zee TV, Sony and Star too have become pay. That means broadcasters have hiked the rates at which they supplied their feeds of channels to the operators.

Outcome: Cable operators have passed on this additional cost to viewers by increasing the subscription rates to anything between Rs 150-Rs 200 per month. What is more, this will in all probability go up to Rs 250 per month by the end of this year as more and more channels go 'pay'.

Viewers are angry because

In one fell blow, their TV entertainment bills have gone up by a minimum of Rs 40 and a maximum of Rs 100 per month. Says Jahnavi Vyas of Gandhinagar: "Four months ago when Star went pay, we agreed to a Rs 25 hike. We then thought it was OK, but now every time a channel goes pay, it seems we will have to pay more. This simply can't go on. If we now agree to pay for Zee, then tomorrow it will be for Sony. So we have stopped paying and we don't get Zee any more. But we don't really miss it."

Table 1 - Channels: The Pay Package

Broadcaster	The Channel Package	Cost per subscriber household per month
Star	Star Plus, Star News, Star World, Star Movies, National Geographic	Rs 30
Zee	All 13 Zee channels	Rs 30
Sony	Sony, AXN, Set Max	Rs 20
Turner	HBO, CNN, TNT Cartoon Network	Rs 20
ESPN-Star	ESPN-Star Sports	Rs 18
Discovery	Discovery	Rs 6
Modi	DD Sports, Hallmark	Rs 9
Total		Rs 133

Viewers woes - Viewers Forum Findings

A dipstick survey among members of Viewers Forum in Delhi, Ahmedabad and Lucknow has, meanwhile, revealed that viewers were in fact agitated over several other issues. These include:

- **Rising subscription charges**

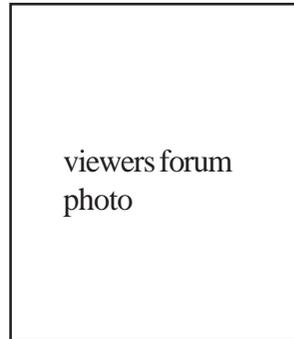
Many viewers reported that in 2000, cable operators had increased their subscription charges from around Rs 80-100 for 40 channels to Rs 120- Rs 150 for 60-70 channels. At that point of time viewers were also warned that it would go up further to Rs 250. Says Meena Sapra of Noida: "The number of channels that my operator gives me has increased and he now charges Rs 200 per month, for 2 TV sets. But I am not sure how many channels I receive now."

- **Indifferent attitude of cable operators towards quality of service**

Quality has always been a major concern. Several viewers have, for instance, complained about some channels of the Zee package going off air for days together. Others said that the reception of Doordarshan often remained poor while still others complained of "terrible audio". As one viewer pointed out: "After several complaints and fights with the cable guy, we do manage to get an acceptable quality of images." Most viewers have, however, learned to live with poor quality as cable operators tell them that "the signals are weak and we can't do anything about it."

- **Poor quality images**

While channels have been shouting from the rooftops about their improved quality of reception due to digitization most viewers felt it had made no difference to the quality of images that they receive on their TV sets. Most people also confessed that they had



no idea what "digitization" meant or how it would improve the quality of their viewing.

- **Desire status quo**

Most viewers seemed to have some idea about the options that might become available to them in the near future - for instance, DTH (direct to home)² and Subscriber Management Systems (or Conditional Access Systems)³ which allow viewers to choose and pay for only the channels they watch. Some of them were of the opinion that SMS might not be a bad idea because after an initial investment of Rs. 2500-3000 one would be paying only for the channels one watched. So one would save money in the long run. But most people were unwilling to experiment with new systems and wanted things to continue as they are. As one viewer succinctly put it: "I will go for the cheapest option."

This booklet seeks to address the above concerns of viewers and provide information about existing and future options.

² DTH or direct to home broadcasting will become available in 2002 when viewers can subscribe to the channels of their choice directly from DTH broadcasters without going through the cable operator. This is a more expensive option as viewers will have to pay monthly charges of anything between Rs 600- Rs 1000 per month for the service, plus invest in a set-top box which allows his TV set to receive these channels.

³ Subscriber Management Systems, also known as Conditional Access Systems are devices that control the operations of all pay channels and is placed at the cable operator's control room. A black box will have to be purchased by the viewer for anything between Rs 2500 to Rs 3000 - which will be placed in his house. The viewer can then select the channels that he wants to watch and pay only for those. Normally, cable operators give a basic package of 15 channels free of cost. Over and above this, if the viewer selects other pay channels, he will have to inform the cable operator of his choices, who will then authorise their boxes to send out only the selected channels plus the free channels to that household.

Current Scenario

Background: A Chronology of Events

- **1991:** Cable television was introduced to Indian viewers when CNN started broadcasting live reports about the Gulf War.
- Since there were no rules or regulations anybody could set up a satellite dish antenna, wire up homes with TV sets and beam various channels to them. Initially, some cable operators took deposits of Rs 1000 from each household but as the number of operators increased this has come down to Rs. 100 for 40 channels. Many of them don't even take a deposit.
- **The 1990s:** The number of homes with cable connections went up from one million in 1991 to 30 million in 2000. What is more, by 1997 viewers had 50 private satellite channels and 19 DD channels to choose from.
- **1994:** STAR Network launched a pay channel - STAR Movies - and charged Rs 3 per household. Three months later, Zee Cinema was launched as a pay channel and in 1996 Star Sports went pay.
- **1995:** The "cottage industry" status of the industry ended with the passage of the Cable Television Ordinance Law in January. It required the registration of cable operators and imposed technical standards that required most operators to upgrade their systems.
- **2001:** Because of the Ordinance the number of cable operators has decreased from an estimated 100,000 to 60,000. Many operators are now selling out to new players - the multi-system operators (MSOs) run by broadcasting networks - in order to avoid paying

entertainment taxes which can be as high as 30 to 40 per cent. Others are forming partnerships and pooling their resources so as to be able to compete with bigger players.

Who is an MSO? And is your operator an MSO?

An MSO - or a Multi-System Operator - is an organization that is set up by broadcasting companies like Zee, STAR, etc. For instance, Zee's MSO is SitiCable while Star has WinCable which it jointly owns with Hathway. The MSO acts like a wholesaler and supplies channel feeds to cable operators who further distributes it to households. In Mumbai, the Hinduja-owned MSO, InCable, has a large number of operators while in Kolkata, it's RPG's Netcom.

When did MSOs come into the picture?

They emerged in 1995 when the small cable operators found it more and more difficult to invest in the expensive decoders/receivers that were needed to decode the signals that they received from broadcaster. Such equipment costs Rs 25,000 per channel. The small cable operator who found it difficult to make such huge investments each time a new channel was launched started selling out to the MSOs and working as part of their larger networks. MSOs control the channel band allocation and install the "head ends" while cable operators take care of other aspects of the operation such as collecting subscription charges from viewers, maintenance of cables, etc. Today, MSOs control 50 per cent of the distribution of channels in the large cities.

Who are the other key players?

- **Broadcasters.** They are the networks that provide the content that viewers watch on their TV sets. While terrestrial broadcasters such as Doordarshan transmit signals through a transmitter with a given range, satellite broadcasting involves transmission through

satellites. Television feeds need to be uplinked to a satellite and the signals are then downlinked for distribution to operators and viewers. Cable broadcasting is done with a VCR-based system from the control room of the cable operator.

- **Independent Cable Operators.** Some of the bigger cable operators have formed partnerships among themselves rather than selling out to MSOs. They have pooled their resources to upgrade their systems and they deal directly with the broadcasters. Seven Star in Mumbai is one such large independent operator which is investing in the distribution network and upgrading its infrastructure to deliver quality service.

How do MSOs earn revenue?

The cable operators working under them act as their subscription collectors. But MSOs, like broadcasters, complain that cable operators

Table 2 - The Cable Revenues: Who Gets What

	1997	2000	2005
Cable homes (million)	18	30	46
Cable Subscription Revenue	1512	3600	8280
Internet and value added services	-	-	2208
Who gets what			
Cable Operator	1512	3200	3146
MSO	-	200	4196
Broadcaster	-	200	3146

Source: BusinessWorld, 13 November 2000
All revenues in Rs Crore.

are eating into their share of the revenue by under reporting the actual number of household connections they have. So MSOs are being forced to increase their revenues by charging new channels a “carriage fee”. Some of the new channels have reportedly paid between Rs 8 lakh and Rs 25 lakh as carriage fees to MSOs in Mumbai.

How much do viewers pay cable operators as subscription?

If the average subscription per home is Rs 100, it adds up to approximately Rs 200 crore (for 20 million paying homes) a month, or Rs 2400 crore per year for the entire industry. This is the total collection that all operators in India are believed to have earned last year. Each neighborhood also has its own rates - depending on the competition among operators. Where there is competition, the rate varies between Rs100-Rs150.

Out of this how much goes to the broadcasters?

In 1999, subscription revenue earned from pay channels was estimated at Rs 150 crore - Rs 200 crore ⁴.

Where does the rest of the money go?

Broadcasters say that it goes to the cable operators which they feel is not very fair because they are the ones who are producing the content while all the operator does is distribute it. They feel, therefore, that cable operators should share at least 50 per cent of the subscription collections with them. They also say that worldwide, operators get to keep only 50 per cent of the collections, but in India they keep as much as 70 per cent of the collections.

⁴ In 1999, broadcasters’ earnings from subscription was in the region of Rs 150-200 crore. This was earned by a host of pay channels including Star Movies, Star Plus, ESPN, Star Sports, Star World, Discovery, Cartoon Network, HBO, Hallmark, Kermit, National Geographic, Animal Planet, and Zee Cinema.

How successful have the MSOs been in realizing their dues from operators?

The MSOs claim that they haven't fared any better than broadcasters on this score.

Are channels going pay to subsidize the cost of their programmes?

Says D.S. Mehta of Consumer Helpline: "The perception among viewers is that expensive programmes such as *Kaun Banega Crorepati* have become a financial burden for the channels and they have therefore increased subscription rates. If this is true, such extravagances are uncalled for."

Why should I pay more for watching the same programmes?

Theoretically speaking, the consumer is paying for better technology which in turn means better transmission quality.

Better Quality? What Quality?

Anita Ghai of Rajouri Gardens complains bitterly about the poor quality reception that she gets but says: "Complaining to the cable operator about quality is futile. I do it all the time. And every time the operator assures me that he will see what he can do...and that's the end of the matter."

Another viewer, Rajshree of AGCR Enclave, New Delhi says: "Zee's reception has been very poor for several days. The cable operator says, it's coming like this 'peeche se'. I have no clue as to what he means by that."

Vijaya Shastri of Mandakini Enclave, New Delhi is as hassled as anybody else when it comes to picture quality: "Channels keep on changing, the quality is not good, the sound is terrible. When I complain

the operator says he takes the feed from another cable network in the neighborhood and he cannot improve either the quality or the selection of channels."

Why do we have these problems if digital transmission is supposed to be better?

Broadcasters up link digitally encrypted signals, which are then down linked by the cable operators through receivers that broadcasters give them. To be able to transmit equally good quality images to viewers, operators must upgrade their equipment and invest in head ends that can transmit the signals with minimal loss. But most of them don't do so because it costs about Rs 25 lakhs or more for transmission

Point to Ponder: What has been your experience on these issues? And how did you tackle them? More important, who do you feel is responsible for this situation - the broadcaster or the cable operator? And how can it be resolved? Write to us with your suggestions.

of about 40-50 channels.

The Viewer Perspective: Analysis of the Current Scenario

Technology and market dynamics are driving the industry and let's analyse how these translate into advantages and disadvantages for

Scenario	Providers promise	Consumers experience
Digitisation/Pay channels	Large no. of channels	Increase in subscription Not leading to greater individual choice
Quality of images	Technically advanced	No specific or distinct improvement in reception.
Quality of service	Client-oriented	Uneven Service More operator driven
Content	Viewer-centred Diversity in programming - comedy, drama, thrillers, etc.	On many occasions, we viewers feel restless and are compelled to surf because no programme suits the mood of the hour and the need of the times.

Chapter 2

Future Trends

the viewer.

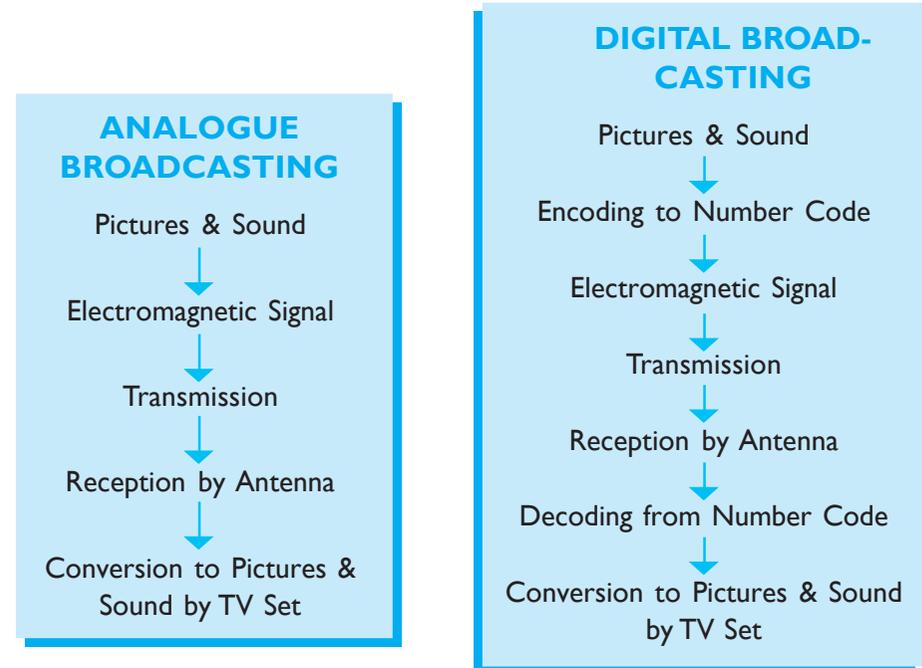
What is Digitization?

Digitization is here to stay. But before we assess the reasons for this, let's take a look at the differences between analogue and digital broadcasting. (see Diagrams)

How does digitization benefit broadcasters?

Broadcasters are going in for digital compression technologies for several reasons:

- It reduces the cost of hosting channels on transponders enormously. In fact, earlier while only one channel could be hosted on one transponder,⁵ today it can carry as many as six channels. Says Kiran Karnik: "Digital compression also gives broadcasters more audio channels. With this facility, broadcasters can dub the



same channel into two or more languages and get more viewers."

- Many of the channels which were earlier hosted on the PAS-4 are now switching to PAS-10 which has a wider footprint. This will make several channels overlap over Australia, South East Asia

⁵. The cost of renting a transponder is roughly about US \$2.5 million (Rs 11.8 crore). Therefore, carrying six channels on six different transponders would have meant a pay out of \$15 million (Rs 70 crore). However, today, for \$2.5 million, a broadcaster can run as many as 6 channels.

and Africa, in addition to the Indian subcontinent. B4U, for instance, offers its music and entertainment channels in the pay mode in Africa and Australia. This transition has led to B4U encrypting its signals by September and will go pay by December in India. MTV is another channel which is analog and free-to-air in India and is likely to be impacted since it is widely available as a pay channel in the satellite footprint area as a different feed. These channels will, therefore, have to be encrypted to block spillover of the signal into overseas pay markets.

- **Says Zee's Sunil Khanna:** "Digital compression also paves the way for monitoring and metering of signals. What this means is that once channels are digitally encrypted and set-top boxes deployed, broadcasters can exercise more control over the telecast of their channels. It also helps in curbing rampant piracy."
- As competition increases, broadcasters who operate a single channel are using digital technology to form alliances with other channels. By doing this, they can offer cable operators and viewers a mix of different channels on one digital platform. For instance, Aaj Tak which is just a news channel is in talks with Sony and Discovery to form a complete "channel bouquet" that includes news, entertainment and information/knowledge channels.

What is the impact of digitization on operators?

- Operators that have "decoders" are able to transmit the channels to viewers. Consequently, if operators refuse to pay up their dues, broadcasters can easily cut off their connection to the operator. This is exactly what happened in Delhi a few months ago - when some operators belonging to the InCable MSO refused to pay up their dues, Zee Network cut off their feeds. As a result the Zee channels went off the air.

- The trend towards "channel bouquets" also makes sense for the cable operator as it enables him to stretch his investment in decoders.
- In the long run, digitization will help cable operators to progress their business and offer value-added services when DTH, broadband, and Internet-over-cable and other convergence-related technologies becomes a reality in the not too distant future.

What is the impact of digitization on viewers?

In the short term viewers can expect subscription fees to go up to Rs 250-300 per month.

Point to Ponder: Are you willing to pay the price of new technology?

In the long run, digitisation will enable viewers to select, watch and pay for only specific channels. By going for options such as the Conditional Access System, viewers can ensure that their monthly cable bills remains within a pre-determined budget.

What is a Conditional Access System (CAS)?

The CAS is a device which enables the customer to decide what he wants to view and thereby gets charged only for the channels that he watches. The black box allows the viewer to choose between different sets of channels he may like to see. Most cable operators abroad have three or more packages - a basic package of about 15 channels which costs about \$10 (Rs 470) a month in most developed countries. Then there's an advanced package for those who want it and this usually adds exclusive sports and movie channels to the basic package and costs about \$30 (Rs 1410) a month. The premium package consists of

all the channels that the operator can offer, about 60 to 125 channels for roughly \$50 - \$75 (Rs 2,350 - 3,525) per month.

How much will it cost?

Currently in India, the set-top box is priced at Rs 2500 - Rs 3000, an investment that few customers want to make. The industry feels that initially the set-top box will have to be subsidised and once it is accepted by viewers, prices will start dropping as is the trend with most other consumer durables. But the question is: who will subsidise it? Most players are mum on this issue.

What are the other benefits of CAS?

Viewers can also look forward to receiving new services over the cable - including Internet, broadband, etc. through these set-top boxes.

Rakesh Dutta, Independent Cable Operator, New Delhi

Subscribers need to be made aware that Indian television viewers pay the lowest cable subscription rates in the world. Even in Bangladesh, the service charge for providing 50-55 channels is Rs 300 per month whereas in India it's between Rs 150- Rs 200 as of now. In Hong Kong and Singapore, it is about Rs 1000 per month. But if things progress like this, cable operators will have no option but to shut down and then it will be the multinationals who will rule the roost and will charge international prices.

The broadcasters are the ones who are opposing the Subscriber Management System because it will expose the truth about claimed viewership to advertisers. The broadcasters will be the ones who will be hurt if addressable systems are put in place because then they will no longer be able to claim viewership figures of millions. Advertisers will then refuse to pay them premium rates for spots on those channels.

Barriers to Consumer Choice

Who is opposing CAS and why?

Currently cable operators and broadcasters are accusing each other of trying to scuttle the move to introduce CAS. Cable operators vociferously argue that the broadcasters are most likely to lose if these CAS devices are introduced as they will no longer be able to claim inflated viewership figures to advertisers. A lot of channels with low viewership might have to shut shop as advertising revenues for them will completely dry up once advertisers have access to data regarding viewership patterns which can be accurately monitored through these devices.

operators control room

Broadcasters are equally vociferous in refuting this and say that such a system will only pose a threat to the cable operators who will no longer be able to get away by gross under-reporting of their connections. Moreover, they will have to invest in the encryption system in their control rooms.

What happens if some operators do not adopt CAS?

Right now, there is only talk about CAS. Everybody is waiting for a government notification on this before any move is taken to actually

introduce CAS. In the absence of such a government notification or order, broadcasters and cable operators fear that some operators might choose not to adopt CAS. As a result, those who adopt CAS could lose out if the non-adopters went to viewers and offered them all channels at lower subscription rates with the added benefit of not spending on CAS devices.

Point to Ponder: Do you think CAS will prove to be beneficial for you? Discuss this with your cable operator and find out how you can get improved services through the CAS

What role is the government expected to play?

In the early 1990s, the cable industry grew without any government sanction. In fact, while the lack of government interference actually helped the industry to grow at a phenomenal pace, absence of a regulatory framework will only hinder the industry's future potential. The current fracas between broadcasters, MSOs, cable operators and assorted industry players is only a result of this.

- Broadcasters are keen that the government lays down the ground rules in terms of operations of the cable operators have no choice but to go in for CAS systems
- The government has passed a notification regarding channel content, but this is being opposed by operators as they believe that it will put the onus of the channel's content on cable operators. Both broadcasters and operators want a monitoring and policing infrastructure to be

set up by the government to prevent censorship rules from being flouted. Currently, for instance, despite strong anti-piracy laws, cable operators continue to show pirated foreign and Indian films on their video channels.

What if I as a viewer do not want to go in for the CAS?

Channel subscription is a service that viewers pay for. The choice that a viewer has to make is whether or not he would want to make a one-time investment in a system that gives him the flexibility of how much he would like to pay per month and on that basis choose the channels that interest him. The other option would be to change his cable operator and go for one that offers a service that suits his pocket. The risk here is that it would still mean regular arguments with the operator regarding transmission quality, service, etc.

What guarantee is there that opting for the CAS will mean improved service?

Until the system is actually launched, one cannot say precisely whether or not it will result in better quality of service. To find out more about the CAS, its viability, quality of service, and other issues, viewers should raise these issues with their operators and seek more information from their favourite channels.

What role can viewers play?

- Unfortunately viewers have no say in determining the price of a service.
- Even in terms of 'objectionable' or obscene content, the only option that consumers have is not to patronise the channel or to report it to the authorities like the police or women's organisations who can take action under the provisions of the Indecent Representation of Women Act. In case of offensive programming, it is the cable

operator who is supposed to ensure that no offensive material is telecast.

- Viewers can approach the consumer courts with complaints about poor quality transmission and other issues regarding quality of service.
- On the issue of non-payment of cable subscription fees, cable operators are supposed to issue a notice to defaulting customers warning them that their services could be discontinued if payment is not made within a prescribed period. However, if the cable operator does not issue such a notice, the consumer is entitled to challenge his actions in consumer courts.

Low Cost Options

Given the current conflict regarding the issue of pricing and sharing of subscription revenues, few broadcasters are willing to run the risk of further losing out on subscription revenues by offering low cost package options. However, in the future, as more and more MSOs gain dominance over the cable market, broadcasters are likely to introduce low-cost options for viewers.

Zee Network, for instance, has developed a lower-priced package for cable operators in rural markets. Introduced in July this year, this package is being rolled out in five states - Maharashtra, Gujarat, Uttar Pradesh, Rajasthan and Madhya Pradesh. Under this package, cable operators can subscribe to Zee TV and Zee News at a flat rate of Rs 2500 per month. For access to Zee Cinema, the operator pays an additional Rs 3500 per month. In contrast, in urban areas cable operators with about 500 household connections have to pay Rs 9,000 for access to any two channels in the Zee Network. Digitisation enables Zee to monitor whether or not these packages are being misused by cable operators as they have unique IDs.

Market analysts are projecting huge growth for the pay TV market in India. According to Merrill Lynch, the Indian pay TV market will grow from its estimated size of Rs 290 crore in 2001 to Rs 1,830 crore in 2006. The report suggests that the growth in revenues will happen due to the following reasons:

- Cable connectivity will rise to 49 million by 2006
- Broadcasters will increase their share in cable revenue from the current 6 per cent to 13 per cent in 2006.
- Cable subscription fees will increase to Rs 250 per month by 2006.

DTH broadcasting:

- As of January 2001, the government of India has permitted the entry of direct-to-home (DTH) broadcasting service. This service enables distribution of multi-channel TV programmes by using a satellite system that provides TV signals directly to subscribers' homes without passing through a cable operator.⁶

⁶ The DTH guidelines specify the following terms and conditions:

- A Rs 10 crore entry fee for a DTH player and 10 per cent annual revenue sharing, 20 per cent foreign direct investment and 29 per cent from non-resident Indians, foreign institutional investors and overseas corporate bodies
- Each DTH platform has to submit a Rs 40 crore bank guarantee for a 10-year non-exclusive licence.
- Management control has to rest with resident Indians with majority representatives on the board as well as the Chief Executive of the company being a resident Indian.
- Each DTH platform must establish an uplink earth station in 12 months of being licensed. It should pass all content through a common encryption and conditional access system (CAS).

Who are the major players in DTH?

Star Network has lined up a \$500 million DTH project. But other broadcasters have not shown much interest. That's because the cost of setting up an earth station will be very high. However, the move to DTH is seen as a stepping stone to a lot of new technological services which media companies hope to offer in the near future, including television programmes, telephony, Internet and cable. The big telephone companies and MNCs like Europestar are expected to enter this field in a big way.

What does this mean for viewers?

Bigger, more resourceful players are entering into broadcasting. Reliance is investing crores of rupees in laying fibre-optic cables in 65 towns across the country. These broadband pipes will help it to enter subscribers' homes and offer new services such as Internet over cable, pay-per-movies, home-shopping, and more. New technologies, more services, more options for the viewer, but all these will be expensive options.

Does this mean the end of cable TV as we have it now?

Some cable operators have decided to join hands with these players as they do not want to lose their business and their source of income. Until recently operators had been protesting against the entry of DTH. But now that the government has allowed its entry, some cable operators foresee a role for themselves in the DTH network - in the distribution, installation, dealership of hardware, collection of subscription fees and aftersales service.

In Kerala, cable operators have drawn up an ambitious project to undertake a Rs 300 crore Hybrid Cable Internet Super Highway project which aims at providing cable TV, interactive multimedia and Internet over fibre optic cables. The promoter of this project is the Kerala State Cabinet Internet Development Cooperative Society which has been

set up by 2,000 cable operators of the Cable Operators Association. These operators pooled in Rs 5,000 each for the new cooperative society as it will enable them to upgrade their services and compete with the bigger players.

Cable TV, in its present format, may or may not continue, once the new services begin to earn substantial incomes for the players.

What if I don't subscribe to DTH?

DTH will not be cheap. While subscribing to DTH means a viewer can cut out the cable operator and problems associated with reception quality, etc. what is not known, however, is whether the supplier of DTH channel - or the DTH operator - will be able to provide hassle-free service.

Am I then just exchanging the present cable operator for a DTH operator?

Yes, but in this case the DTH broadcaster and operator will be the same organisation or part of the same organisation. However, until DTH channels and operators actually begin providing the services, one cannot be sure how good, bad or indifferent their quality of service is likely to be. Viewers are encouraged to raise and discuss these issues with cable operators and broadcasters.

How much do I have to invest to get DTH channels?

The initial investment is said to be in the region of Rs 15,000. Plus the monthly subscription fee could be anything between Rs 600-Rs 1000 per month.

What kind of programming can I expect from DTH?

It will be a mix of channels that are currently available and new channels that the broadcaster will offer exclusively to DTH subscribers. including exclusives sporting events and movies.

Action Plan for Consumers

Broadcasters have been shouting from the roof-tops about giving viewers choice. Despite the surfeit of channels, 'real choice' still eludes the viewer. In fact, the broadcaster-cable operator combine has so far decided what they think constitutes "consumer choice" and has virtually dictated what the consumers watch. Today, having established a critical mass of viewership, this combine now feels that it can make the consumer pay up.

However, consumers in several cities, including the so-called upmarket localities of Mumbai and Delhi, are protesting against such arm-twisting tactics. Can consumers translate this dissatisfaction to send back a strong message to the media?

Yes, by taking steps, collectively, to demand better services from the industry, be it in terms of better content, better transmission quality, better after sales service. How can you do this?

- By banding together and doing a signature campaign in your locality - and sending these to the CEOs of media companies.
- By approaching the consumer courts in case of poor quality of service, ad-hoc disconnection and other tactics resorted to by cable operators.
- By sending in your letters of protest to the Viewers Forum in Delhi, Ahmedabad, and Mumbai.
- By refusing to succumb to threats of disconnection and approaching the local press for coverage .
- By petitioning the government to make it mandatory for Subscriber Management Systems, along with a fixed price range, to be brought in and suggest a phased manner for charging subscribers for the cost of set-top boxes.

D.S. Mehta, Director, Consumer Helpline

From the complaints that I have been getting via phone, e-mail, letters, it is apparent that there is no uniform rate of increase in subscription charges. Different operators within the same locality are charging different rates. There is total ad-hocism and lack of transparency. There is an urgent need to regularise the system. There should be a method of collecting this increased subscription: cable operators should distribute circulars to all consumers explaining the reasons for the increase. A consumer has a right to know what is happening.

A key issue is: why are consumers forced to pay for channels that he does not watch? I would suggest that the government should bring in pay channels only through the Subscriber Management System.

The perception among viewers is that expensive programmes such as *Kaun Banega Crorepati* have become a financial burden for the channels and therefore they have increased subscription rates. If this is true, such extravagances are uncalled for.

I would suggest that consumers should not pay the increased charges. Instead the Viewers Forum should conduct a dialogue with channels on this issue.