

COMMENTS ON BEHALF OF ALL INDIA DIGITAL CABLE FEDERATION (AIDCF) TO THE DRAFT TELECOMMUNICATION (BROADCASTING AND CABLE SERVICES) INTERCONNECTION (ADDRESSABLE SYSTEMS) REGULATIONS, 2016

At the outset the AIDCF applauds the efforts of the TRAI in implementing the distribution network model through the proposed Interconnection Regulations, 2016 and the same has been made clearly to streamline the broadcasting industry and has taken into consideration the various issues raised by the various stake holders including the AIDCF.

The instant response being submitted by us i.e. the AIDCF is limited only to those provisions of the draft Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016 (hereinafter referred to as the Draft Regulations) which in our opinion require some modification in order to ensure a level playing field, protect the interests of the relevant stakeholders and would further help in reducing disputes between the stakeholders.

S. No.	Existing Draft Interconnection Regulations	Modification/Addition/Deletion proposed by the AIDCF to the Draft Interconnection Regulations	Detailed Reasons for the proposals by AIDCF
1.	Clause 2(mm) and (nn) read as under: (mm) “subscriber” means a person who receives television broadcasting services, provided by a service provider, at a place indicated by such person without further transmitting it to any other person and each set top	It is proposed that the Clause 2(mm) and (nn) should be amended to the following: (mm) “subscriber” for the purposes of this Regulation means a person who receives television broadcasting services, provided by a service provider, at a place indicated by such person without further transmitting it	It is submitted that the aforementioned changes are necessary as various Entertainment Tax departments have been consistently misreading the existing definition of subscriber under the extant Regulations and levying Entertainment Tax on the basis of each Set-Top Box irrespective of whether they are within the same customer premises. In essence, Entertainment

	<p>box located at such place, for receiving the subscribed television broadcasting services from the service provider, shall constitute one subscriber.</p> <p>(nn) “subscriber base” means the number of active subscribers in the addressable system of a distributor of television channels;</p>	<p>to any other person and each set top box located at such place, for receiving the subscribed television broadcasting services from the service provider, shall constitute one subscriber.</p> <p>(nn) “subscriber base” for the purposes of this Regulation means the number of active subscribers in the addressable system of a distributor of television channels;</p>	<p>Tax is a Tax imposed on the end consumer on availing Entertainment Services. However, the Departments relying upon the definition given under the Regulations, treat each Set-Top Box as an independent customer, whereas in cases where multiple Set-Top Boxes are installed at an individual customer’s premises, they should not be treated as such for the purposes of Entertainment Tax. Various complaints have been received by MSOs from customers on account of the same, as it is the customer who has to pay the said tax.</p>
2.	<p>Clause 3(9) reads as under:</p> <p>(9) Every distributor of television channels shall, within thirty days of the commencement of these regulation, publish on its website the total channel carrying capacity of its distribution network(s) in terms of number of standard definition channels, coverage area of the network(s), list of channels available on the network(s), spare capacity available on the network(s) and the list of channel(s) in chronological order for which requests have been received from the</p>	<p>It is proposed that Clause 3(9) should be amended to the following:</p> <p>(9) Every distributor of television channels shall, within <u>sixty</u> days of the commencement of these regulation, publish on its website separately the total channel carrying capacity of its distribution network(s) in respect of each geographical area in terms of number of standard definition channels, coverage area of the network(s), list of channels available on the network(s), spare capacity available on the network(s) and the list of channel(s) in chronological order for which requests</p>	<p>It is submitted that the time period of 30 days given to a distributor of TV channels is too short, as in the case of MSOs the capacity for each Network has to be calculated distinctly and such exercise would require some time to complete and hence, a period of 60 days has been proposed.</p> <p>Furthermore, as far as MSOs are concerned the capacity of carrying channels differs from Network to Network and area to area, depending on a variety of factors. Therefore, there should be no ambiguity at the time of declaration by the distributor of TV channels as to the separate and distinct</p>

	broadcaster(s) for re-transmission and are pending.	have been received from the broadcaster(s) for re-transmission and are pending.	capacity of each Network. The declaration by the distributor of TV channels for each Network should be separate.
3.	<p>Clause 3(12) reads as under:</p> <p>(12) It shall be open for a distributor of television channels to discontinue carrying of a television channel in case the monthly subscription, in the immediate preceding six consecutive months, for that particular television channel is less than five percent of the subscriber base of that distributor, in the target market specified by the broadcaster in the interconnection agreement, in that particular month.</p>	<p>It is proposed that Clause 3(12) be amended to the following:</p> <p>(12) It shall be open for a distributor of television channels to discontinue carrying of a television channel in case the monthly subscription, in the immediate preceding <u>three</u> consecutive months, for that particular television channel is less than five percent of the subscriber base of that distributor, in the target market specified by the broadcaster in the interconnection agreement, in that particular month.</p>	<p>In sub clause 3(12) the time period of six consecutive months has been reduced to three consecutive months, as the period of six months is too long and would result in blocking bandwidth by carrying channels which are not popular with the subscriber base. A period of 3 months is sufficient to ascertain whether or not a channel is being well received and/ or demanded by the subscribers. The period of 6 months casts an excessively onerous obligation on the distributor of TV channels.</p>
4.	<p>Clause 3(14) reads as under:</p> <p>(14) If a distributor of television channels, before providing access to the network for retransmission of television channel(s) requested by a broadcaster, directly or indirectly, proposes or stipulates for a minimum guarantee for period or number of channel(s), as a precondition for providing access to the network, such</p>	<p>It is proposed that Clause 3(14) be amended to the following:</p> <p>(14) If a distributor of television channels, before providing access to the network for retransmission of television channel(s) requested by a broadcaster, directly or indirectly, proposes or stipulates for a minimum guarantee period exceeding a period of 6 months or number of channel(s), as a</p>	<p>In Clause 3(14) it has been proposed that a distributor of TV channels can seek execution of an agreement for a minimum period of 6 months as the distributor of TV channels cannot change the channel numbering for a period of 1 year (which we have proposed to reduce to 6 months). Furthermore, in Clause 3(12) it has been stated that a channel cannot be discontinued before 6 months.</p>

	pre-condition shall also amount to imposition of unreasonable condition.	precondition for providing access to the network, such pre-condition shall also amount to imposition of unreasonable condition.	Therefore, if a channel cannot be removed for such prescribed minimum period, the agreement for the same should also provide for such minimum period. Furthermore, the distributor of TV channels has to make packages (which cannot be changed for a period of 6 months) for its subscribers and thus, it also requires a surety that the channel will be available for a prescribed minimum amount of time.
5.	<p>Clause 3(15) reads as under:</p> <p>(15) Every distributor of television channels shall, within sixty days of receipt of written request from a local cable operator, provide, on non-discriminatory basis, signals of television channels to such local cable operator or convey the reasons in writing for rejection of request if the signals are denied to such local cable operator.</p> <p>Provided that imposition of any condition by the distributor of television channels, which is unreasonable, shall be deemed to constitute a denial of request.</p> <p>Provided further that in case, it is not</p>	<p>It is proposed that Clause 3(15) be amended to the following:</p> <p>(15) Every distributor of television channels shall, within sixty days of receipt of written request from a local cable operator, provide, on non-discriminatory basis, signals of television channels to such local cable operator or convey the reasons in writing for rejection of request if the signals are denied to such local cable operator.</p> <p>Provided that imposition of any condition by the distributor of television channels, which is unreasonable, shall be deemed to constitute a denial of request.</p> <p>Provided further that in case, it is not</p>	<p>It is submitted that the third proviso to clause 3(15) be amended, so that there is bar on every distributor of television channels on providing signals to a defaulting local cable operator and the same cannot be an option of the distributor of television channels. Local Cable Operators usually default on making complete payments to their MSO and after racking up huge dues and without returning the Set-Top Boxes of their MSO, migrate to another MSO leaving the MSO with no remedy to recover its property and dues. Therefore, a local cable operator should only be provided signals if he/ she is not in default of payment.</p>

	<p>feasible to provide signals of television channel at a location where the signals have been requested by the local cable operator, the distributor of television channels shall inform the local cable operator within thirty days from the date of receipt of request indicating the reasons as to why it is not feasible to provide the signals of television channels at such location.</p> <p>Provided further that this sub-regulation shall not apply in case of a local cable operator who is in default of payment of a distributor of television channels and continues to be in such default.</p> <p>Provided also that a local cable operator shall not be considered in default of payment to a distributor if it produces the copies of immediately preceding three consecutive months' invoices with corresponding payment receipts, as a proof of having paid its dues.</p>	<p>feasible to provide signals of television channel at a location where the signals have been requested by the local cable operator, the distributor of television channels shall inform the local cable operator within thirty days from the date of receipt of request indicating the reasons as to why it is not feasible to provide the signals of television channels at such location.</p> <p>Provided further that no distributor of television channels shall provide signals of television channels to a local cable operator who is in default of payment of a distributor of television channels and continues to be in such default.</p> <p>Provided also that a local cable operator shall not be considered in default of payment to a distributor if it produces the copies of immediately preceding three consecutive months' invoices with corresponding payment receipts, as a proof of having paid its dues.</p>	
6.	<p>Clause 5(3) reads as under:</p> <p>(3) Every broadcaster shall declare a</p>	<p>It is proposed that Clause 5(3) be amended to the following:</p> <p>(3) Every broadcaster shall declare a</p>	<p>It is proposed that the minimum percentage of distribution fee be increased from 20% to 55%. It is submitted even under the CAS regime;</p>

	<p>minimum twenty percent of the maximum retail price of pay television channel(s) or bouquet(s) of pay television channels, as the case may be, as the distribution fee.</p>	<p>minimum <u>fifty-five</u> percent of the maximum retail price of pay television channel(s) or bouquet(s) of pay television channels, as the case may be, as the distribution fee.</p>	<p>the distribution fee had been fixed at 55%. Under The Telecommunication (Broadcasting and Cable Services) Interconnection (Second Amendment) Regulation, 2006 (9 of 2006) dated 24.08.2006 had published a Standard Technical and Commercial Interconnection Agreement which provided that 55% of the Maximum Retail Price to be retained by the Distributor of TV channels. CAS is a tried and tested methodology, which had resulted in minimization of disputes between stakeholders. Furthermore, under CAS the maximum ceiling for channel pricing was Rs. 5/-, whereas now the Broadcaster has been given much more leeway to price its channels accordingly. Also, the distributor of television channels and the local cable operators incur a significant cost in collection of monthly subscription fee and therefore, there is a need to increase their share in the distribution fee. Further, the Broadcaster has another source of revenue i.e. advertisement fees, however, as the MSOs are not given any share in the said fees, it would be highly onerous on the MSOs and the LCOs to try and make ends meet within the proposed 20% distribution fee.</p>
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7.	<p>Clause 5(4) reads as under:</p> <p>(4) A broadcaster may offer discounts to distributors of television channels, on the maximum retail price of pay television channel(s) or bouquet(s) of pay television channels, which shall not exceed fifteen percent of the respective maximum retail price.</p> <p>Provided that the sum of distribution fee declared by the broadcaster under sub-regulation (3) and discounts offered under this sub-regulation in no case shall exceed thirty-five percent of the maximum retail price of pay television channel(s) or bouquet(s) of pay television channels, as the case may be.</p> <p>Provided further that offer of discounts, if any, to distributors of television channels, shall be on the basis of fair, transparent and non-discriminatory terms.</p> <p>Provided also that the parameters of discounts shall be objective, measurable and computable.</p>	<p>It is proposed that Clause 5(4) be amended to the following:</p> <p>(4) A broadcaster may offer discounts to distributors of television channels, on the maximum retail price of pay television channel(s) or bouquet(s) of pay television channels, which shall not exceed fifteen percent of the respective maximum retail price.</p> <p>Provided that the sum of distribution fee declared by the broadcaster under sub-regulation (3) and discounts offered under this sub-regulation in no case shall exceed fifty-five percent of the maximum retail price of pay television channel(s) or bouquet(s) of pay television channels, as the case may be.</p> <p>Provided further that offer of discounts, if any, to distributors of television channels, shall be on the basis of fair, transparent and non-discriminatory terms.</p> <p>Provided also that the parameters of discounts shall be objective, measurable and computable.</p>	<p>Reasoning: The change in the percentage of discount mentioned in the first proviso to sub-clause 5(4) is being done to reflect the proposed increase in the distribution fee in Clause 5(3) above.</p>
8.	<p>Clause 5(6) reads as under:</p>	<p>It is proposed that Clause 5(6) be amended to the following:</p>	<p>It is proposed that a time limit of 30 days be fixed for publication of the</p>

	<p>(6) Every broadcaster shall publish on its website final reference interconnection offer after taking into consideration the objections, if any, received from the distributors, in conformance with the regulations and the tariff orders notified by the Authority and simultaneously provide, for the purpose of record, a copy of the same to the Authority.</p>	<p>(6) Every broadcaster shall publish on its website within 30 days of receipt of objections, final reference interconnection offer after taking into consideration the objections, if any, received from the distributors, in conformance with the regulations and the tariff orders notified by the Authority and simultaneously provide, for the purpose of record, a copy of the same to the Authority.</p>	<p>Reference Interconnect Offer after receipt of objections, so that the same remains a time-bound exercise, which is essential to protect the interests of the stakeholders.</p>
9.	<p>Clause 6(2) reads as under:</p> <p>(2) Such draft reference interconnection offer for carrying television channel(s) shall contain the technical and commercial terms and conditions, including but not limited to, rate of carriage fee, subscriber base, discounts, if any, offered on the rate of carriage fee, manner of calculation of carriage fee amount, payment terms, delivery and security, anti-piracy, reports, audit, term, termination and jurisdiction. Provided that the rate of carriage fee per standard definition channel per subscriber per month declared by the</p>	<p>It is proposed that Clause 6(2) be amended to the following:</p> <p>(2) Such draft reference interconnection offer for carrying television channel(s) shall contain the technical and commercial terms and conditions, including but not limited to, rate of carriage fee, subscriber base, discounts, if any, offered on the rate of carriage fee, manner of calculation of carriage fee amount, payment terms, delivery and security, anti-piracy, reports, audit, term, termination and jurisdiction. Provided also that the terms and conditions mentioned in the reference interconnection offer shall include all</p>	<p>It is proposed that Schedule I (at page 41 of the Draft Regulations) be completely done away with. The Authority has not in any other Regulation/ Tariff provided for a slab system, wherein increase in subscriber base leads to lowering of the charge. Furthermore, the same also takes away the right of the distributor of TV channels to package its channels accordingly. At present, a Broadcaster can request for and the distributor of TV channels can place a channel in the basic service tier or within a package which is subscribed by a large number of subscribers. However, if the slab system as proposed is implemented all channels will necessarily have to be</p>

	<p>distributor of television channels shall not exceed twenty paisa.</p> <p>Provided further that the rate of carriage fee per high definition channel per subscriber per month declared by the distributor of television channels shall not exceed forty paisa.</p> <p>Provided further that the carriage fee amount for television channel(s) shall decrease, as per the provisions specified in the Schedule I of these regulations, with the increase in subscription of such television channel(s).</p> <p>Provided also that the terms and conditions mentioned in the reference interconnection offer shall include all necessary and sufficient provisions, which make it a complete interconnection agreement for signing by other party, for carrying television channel(s).</p>	<p>necessary and sufficient provisions, which make it a complete interconnection agreement for signing by other party, for carrying television channel(s).</p>	<p>only provided on a-la-carte basis only, even if the channel is a FTA Channel, as if the channel is provided in a popular bouquet, it will lead to stoppage of carriage fee.</p> <p>Also, as Schedule I will get deleted, all other Schedules will have to be re-numbered accordingly.</p>
10.	<p>Clause 9(6) reads as under:</p> <p>(6) If a broadcaster, before providing signals of television channels, is of the opinion that the addressable systems, being used by the distributor for distribution of television channels, does not meet the requirements specified in</p>	<p>It is proposed that Clause 9(6) be amended to the following:</p> <p>(6) If a broadcaster, before providing signals of television channels, is of the opinion that the addressable systems, being used by the distributor for distribution of television channels, does not meet the requirements specified in</p>	<p>It is proposed that in the second proviso to Clause 9(6), the time period of one year be increased to two years as there is a substantial cost incurred by the distributor of TV channels in getting its systems audited by M/s. Broadcast Engineering Consultants India Ltd. or any other empaneled auditor. The Audit Report thus should be valid for a</p>

	<p>Schedule III to these regulations, without prejudice to the time limit prescribed in sub-regulation (5) of the regulation 3, the broadcaster may cause audit of the addressable systems of the distributor by M/s. Broadcast Engineering Consultants India Limited, or any other auditor empanelled by the Authority for conducting such audit and provide a copy of the report issued by the auditor to the distributor.</p> <p>Provided that the findings of the auditor shall be final.</p> <p>Provided further that if the addressable systems of such distributor have been audited during the last one year by M/s. Broadcast Engineering Consultants India Ltd., or any other auditor empanelled by the Authority for conducting such audit and the distributor produces a report issued by the auditor as a proof of conformance to the requirements specified in Schedule III to these regulations.</p>	<p>Schedule II to these regulations, without prejudice to the time limit prescribed in sub-regulation (5) of the regulation 3, the broadcaster may cause audit of the addressable systems of the distributor by M/s. Broadcast Engineering Consultants India Limited, or any other auditor empanelled by the Authority for conducting such audit and provide a copy of the report issued by the auditor to the distributor.</p> <p>Provided that the findings of the auditor shall be final.</p> <p>Provided further that if the addressable systems of such distributor have been audited during the last <u>two years</u> by M/s. Broadcast Engineering Consultants India Ltd., or any other auditor empanelled by the Authority for conducting such audit and the distributor produces a report issued by the auditor as a proof of conformance to the requirements specified in Schedule III to these regulations.</p>	<p>minimum period of 2 years.</p> <p>Further, if the proposal of the AIDCF as mentioned in point no. 9 above are accepted, then Schedule III would be read as Schedule II and the said correction would also need to be made.</p>
11.	<p>Clause 9(7) reads as under:</p> <p>(7) Every broadcaster of pay television channel(s), within thirty days of receipt of written request from a distributor of</p>	<p>It is proposed that Clause 9(7) be amended to the following:</p> <p>(7) Every broadcaster of pay television channel(s), within thirty days of receipt of written request from a distributor of</p>	<p>It is proposed that the second proviso to Clause 9(7) be amended and the minimum duration of the interconnection agreement be increased from one year to two years. The reasons for the same is that the</p>

<p>television channels, shall enter into a written interconnection agreement with the distributor of television channels for providing signals of its pay television channel(s) in accordance with the terms and conditions of the reference interconnection offer published by the broadcaster.</p> <p>Provided that the licence fee payable by a distributor of television channels to the broadcaster under the interconnection agreement shall be calculated on the basis of the maximum retail price, the distribution fee and the discounts offered in the reference interconnection offer.</p> <p>Provided further that the term of the interconnection agreement in no case shall be less than one year from the date of commencement of the agreement.</p> <p>Provided also that in case more than one interconnection agreement are entered with a distributor of television channels in respect of television channel(s) or bouquet(s) of pay television channels, each subsequent interconnection agreement shall contain the details of the earlier agreements in force with that distributor for such channel(s) or bouquet(s).</p>	<p>television channels, shall enter into a written interconnection agreement with the distributor of television channels for providing signals of its pay television channel(s) in accordance with the terms and conditions of the reference interconnection offer published by the broadcaster.</p> <p>Provided that the licence fee payable by a distributor of television channels to the broadcaster under the interconnection agreement shall be calculated on the basis of the maximum retail price, the distribution fee and the discounts offered in the reference interconnection offer.</p> <p>Provided further that the term of the interconnection agreement in no case shall be less than <u>two years</u> from the date of commencement of the agreement.</p> <p>Provided also that in case more than one interconnection agreement are entered with a distributor of television channels in respect of television channel(s) or bouquet(s) of pay television channels, each subsequent interconnection agreement shall contain the details of the earlier agreements in force with that distributor for such channel(s) or bouquet(s).</p>	<p>distributor of TV channels requires some certainty with regard to its packaging obligations, as also to plan for its Return on Investment. Even, as on date it is only with MSOs that Interconnection Agreements are executed for a shorter duration whereas with DTH Operators the duration is usually 2-3 years. Furthermore, the execution of a longer duration agreement only ensures availability of channels for a longer period and has nothing to do with pricing of the channel.</p> <p>It is also pertinent to mention that the agreements should for a period of 2 years from the date of signing of the agreement irrespective of the accounting year closing i.e. 31st March or 30th June of the year as Broadcasters for the sake of their convenience sometimes enter into very short term agreements which end corresponding to their respective companies accounting year closing and then the MSOs are left running from pillar to post to get the agreements renewed and the same also leads to disputes and/or unnecessary litigation.</p>
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	<p>Explanation: For the removal of any doubt, it is clarified that on receipt of a written request from a distributor by a broadcaster for obtaining signals of pay television channels, the written interconnection agreement, between the broadcaster and the distributor, shall be entered into within thirty days of receipt of such request. Thereafter, the broadcaster shall provide signals of its pay television channel(s), within thirty days from the date of signing of written interconnection agreement, to the distributor of television channels.</p>	<p>Explanation: For the removal of any doubt, it is clarified that on receipt of a written request from a distributor by a broadcaster for obtaining signals of pay television channels, the written interconnection agreement, between the broadcaster and the distributor, shall be entered into within thirty days of receipt of such request. Thereafter, the broadcaster shall provide signals of its pay television channel(s), within thirty days from the date of signing of written interconnection agreement, to the distributor of television channels.</p>	
12.	<p>Clause 9(20) reads as under:</p> <p>(20) Every distributor of television channels shall enter into a new written interconnection agreement, for carrying television channels requested by a broadcaster, before the expiry of the existing interconnection agreement. Provided that the distributor of television channels shall, at least sixty days prior to the date of expiry of the existing interconnection agreement, give notice to the broadcaster to enter into new written interconnection</p>	<p>It is proposed that Clause 9(20) be amended to the following:</p> <p>(20) Every distributor of television channels shall enter into a new written interconnection agreement, for carrying television channels requested by a broadcaster, before the expiry of the existing interconnection agreement. Provided that the distributor of television channels shall, at least sixty days prior to the date of expiry of the existing interconnection agreement, give notice to the broadcaster to enter into new written interconnection</p>	<p>It is proposed that the third proviso to Clause 9(20) be amended to reflect that a channel should not be discontinued only in the event the a-la-carte subscription of that channel is more than 20 per cent of the subscriber base, as if on the request of a Broadcaster a channel is placed in the basic service tier or a popular package on receipt of carriage fee by a distributor of TV channels, the distributor of TV channels will never be able to discontinue the channel, even if the carriage fee is stopped by the Broadcaster. The intent of the regulation is that popular</p>

<p>agreement. Provided further that in case, the parties fail to enter into new interconnection agreement before the expiry of the existing interconnection agreement, the distributor of television channels may not carry such television channels on expiry of the existing interconnection agreement. Provided further that a distributor of television channels shall not discontinue carrying a television channel if the signals of such television channel remain available for retransmission and subscription for that particular television channel is more than twenty percent of the subscriber base in the target market. Provided also that if the distributor of television channels decides to discontinue carrying a television channel due to expiry of the existing interconnection agreement, it shall, fifteen days prior to the date of expiry of its existing interconnection agreement, inform the subscribers through scrolls on concerned channel(s) --- (a) the date of expiry of its existing interconnection agreement; and (b) regarding disconnection of signals of television channels from the said</p>	<p>agreement. Provided further that in case, the parties fail to enter into new interconnection agreement before the expiry of the existing interconnection agreement, the distributor of television channels may not carry such television channels on expiry of the existing interconnection agreement. Provided further that a distributor of television channels shall not discontinue carrying a television channel if the signals of such television channel remain available for retransmission and <u>the a-la-carte subscription</u> for that particular television channel is more than twenty percent of the subscriber base in the target market. Provided also that if the distributor of television channels decides to discontinue carrying a television channel due to expiry of the existing interconnection agreement, it shall, fifteen days prior to the date of expiry of its existing interconnection agreement, inform the subscribers through scrolls on concerned channel(s) --- (a) the date of expiry of its existing interconnection agreement; and (b) regarding disconnection of signals</p>	<p>channels are not taken off from the network of the distributor of TV channels. Popular channels will satisfy the criteria of 20% of the a-la-carte subscriber base. It will help in balancing the interest of all stakeholders.</p>
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	date in the event of its failure to enter into new interconnection agreement.	of television channels from the said date in the event of its failure to enter into new interconnection agreement.	
13.	<p>Clause 11 reads as under:</p> <p>Interconnection agreement between distributor of television channels and local cable operator.--- (1) No distributor of television channels shall provide signals of television channels to a local cable operator without entering into a written interconnection agreement with such local cable operator.</p> <p>(2) No local cable operator shall re-transmit signals of television channel(s) of any broadcaster to any subscriber without entering into a written interconnection agreement with a distributor of such television channels.</p> <p>(3) Every multi system operator shall, within thirty days of receipt of written request from a local cable operator, enter into a written interconnection agreement with such local cable operator for providing signals of television channels, on lines of the Model Interconnection Agreement (MIA) as set out in the Schedule V of</p>	<p>It is proposed that Clause 11 be amended to the following:</p> <p>Interconnection agreement between distributor of television channels and local cable operator.--- (1) No distributor of television channels shall provide signals of television channels to a local cable operator without entering into interconnection agreement with such local cable operator.</p> <p>Explanation:Such interconnection agreement can either be in writing or in electronic form</p> <p>(2) No local cable operator shall re-transmit signals of television channel(s) of any broadcaster to any subscriber without entering into a interconnection agreement with a distributor of such television channels.</p> <p>(3) Every multi system operator shall, within thirty days of receipt of written request from a local cable operator, enter into a interconnection agreement</p>	<p>TRAI has taken significant steps by incorporating various clauses which promotes transparency by allowing use of technology. Hence to further strengthen the philosophy, we are proposing to have electronic interconnect agreement with LCO.</p>

	<p>these regulations, by mutually agreeing on the clauses 10, 11 and 12 of the said agreement:</p> <p>Provided that the multi system operator and the local cable operator, without altering or deleting any clause of the model interconnection agreement, may add, through mutual agreement, clauses to the model interconnection agreement, however such addition shall not have the effect of diluting any of the clauses as laid down in the model interconnection agreement:</p> <p>Provided further that in case the multi system operator and the local cable operator fail to enter into interconnection agreement as provided above in this sub-regulation, the multi system operator and the local cable operator shall enter into the Standard Interconnection Agreement (SIA) as specified in Schedule VI of these regulations.</p> <p>Explanation: for removal of doubts it is clarified that in the event of any conflict between the terms and conditions of the prescribed model interconnection agreement and new terms and conditions added through mutual agreement by the parties, the terms and conditions of the prescribed model</p>	<p>with such local cable operator for providing signals of television channels, on lines of the Model Interconnection Agreement (MIA) as set out in the Schedule V of these regulations, by mutually agreeing on the clauses 10, 11 and 12 of the said agreement:</p> <p>Provided that the multi system operator and the local cable operator, without altering or deleting any clause of the model interconnection agreement, may add, through mutual agreement, clauses to the model interconnection agreement, however such addition shall not have the effect of diluting any of the clauses as laid down in the model interconnection agreement:</p> <p>Provided further that in case the multi system operator and the local cable operator fail to enter into interconnection agreement as provided above in this sub-regulation, the multi system operator and the local cable operator shall enter into the Standard Interconnection Agreement (SIA) as specified in Schedule VI of these regulations.</p> <p>Explanation: for removal of doubts it is clarified that in the event of any conflict between the terms and conditions of the prescribed model interconnection</p>	
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	<p>interconnection agreement shall prevail.</p> <p>(4) Every multi system operator, upon entering into a written interconnection agreement with a local cable operator, shall provide signals of television channels, within thirty days of entering into the written interconnection agreement, to such local cable operator.</p> <p>(5) It shall be the responsibility of every multi system operator who enters into an interconnection agreement with a local cable operator to handover a copy of such agreement to that local cable operator within a period of fifteen days from the date of execution of the agreement and retain a copy of an acknowledgement so received from the local cable operator.</p> <p>(6) Every multi system operator shall enter into a new written interconnection agreement with local cable operator before the expiry of the existing interconnection agreement. Provided that the multi system operator shall, at least sixty days prior to the date of expiry of the existing interconnection agreement, give notice to the local cable operator to enter into new written interconnection agreement. Provided further that in case, the</p>	<p>agreement and new terms and conditions added through mutual agreement by the parties, the terms and conditions of the prescribed model interconnection agreement shall prevail.</p> <p>(4) Every multi system operator, upon entering into a interconnection agreement with a local cable operator, shall provide signals of television channels, within thirty days of entering into the written/digital interconnection agreement, to such local cable operator.</p> <p>(5) It shall be the responsibility of every multi system operator who enters into an interconnection agreement with a local cable operator to handover a copy of such agreement to that local cable operator within a period of fifteen days from the date of execution of the agreement and retain a copy of an acknowledgement so received from the local cable operator.</p> <p>In case of electronic, the same can be provided through email.</p> <p>(6) Every multi system operator shall enter into a new interconnection agreement with local cable operator before the expiry of the existing interconnection agreement. Provided that the multi system</p>	
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<p>parties fail to enter into new written interconnection agreement before the expiry of the existing interconnection agreement, the distributor shall not make available the signals of television channels to the local cable operator on expiry of the existing interconnection agreement.</p> <p>Provided also that the multi system operator shall, fifteen days prior to the date of expiry of its existing interconnection agreement, inform the subscribers through scrolls on concerned channel(s).---</p> <p>(a) the date of expiry of its existing interconnection agreement; and</p> <p>(b) regarding disconnection of signals of television channels from the said date in the event of its failure to enter into new interconnection agreement.</p> <p>(7) The settlement of service charges between local cable operator and multi system operator shall be governed by mutual agreement.</p> <p>Provided that in cases where the multi system operator and the local cable operator fails to arrive at a mutual agreement for settlement of service charges, then the rental amount for the channels subscribed and the distribution fee shall be shared in the ratio of 55:45 between multi system</p>	<p>operator shall, at least sixty days prior to the date of expiry of the existing interconnection agreement, give notice to the local cable operator to enter into new interconnection agreement.</p> <p>Provided further that in case, the parties fail to enter into new interconnection agreement before the expiry of the existing interconnection agreement, the distributor shall not make available the signals of television channels to the local cable operator on expiry of the existing interconnection agreement.</p> <p>Provided also that the multi system operator shall, fifteen days prior to the date of expiry of its existing interconnection agreement, inform the subscribers through scrolls on concerned channel(s).---</p> <p>(a) the date of expiry of its existing interconnection agreement; and</p> <p>(b) regarding disconnection of signals of television channels from the said date in the event of its failure to enter into new interconnection agreement.</p> <p>(7) The settlement of service charges between local cable operator and multi system operator shall be governed by mutual agreement.</p> <p>Provided that in cases where the multi</p>	
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	operator and local cable operator respectively. (8) The provisions of sub-regulations (3), (4), (5), (6) and (7) of this regulation shall apply, mutatis mutandis, to HITS operator and IPTV operator.	operator fails to arrive at a mutual agreement for settlement of service charges, then the rental amount for the channels subscribed and the distribution fee shall be shared in the ratio of 55:45 between multi system operator and local cable operator respectively. (8) The provisions of sub-regulations (3), (4), (5), (6) and (7) of this regulation shall apply, mutatis mutandis, to HITS operator and IPTV operator.	
14.	Clause 13 (1) read together with Schedule VII		It needs to be amended as schedule VII requires Distributors to provide report 4 times a month and that too the data has to be sourced from the SMS and CAS during 19 hrs to 23 hrs, which are the peak hours. This requirement to procure the report 4 times that too during peak hrs. is not only cumbersome but technically would put strain on the SMS and CAS, impacting the performance of the System. The current procedure of providing data twice(start of the month and end of the month) a month along with report being generated at midnight is working absolutely fine and should not be tinkered with.
15.	Clause 14(2) reads as under:	It is proposed that in Clause 14(2) a	It is necessary to add the above

	<p>(2) In cases where a broadcaster is not satisfied with the audit report received under sub regulation (1), after communicating the reasons of dissatisfaction in writing to the distributor, such broadcaster may, not more than once in a calendar year, audit the subscriber management system, conditional access system and other related system of the distributor of television channels for the purpose of verifying the information contained in the subscription reports, the amounts payable by the broadcaster or the distributor, as the case may be, and compliance with the terms and conditions of the interconnection agreement.</p> <p>Provided that if such audit reveals that additional amounts are payable to the broadcaster, the distributor shall pay such amounts, along with the late payment interest rate specified by the broadcaster in the interconnection agreement, within ten days and if such amount including interest due for any period exceed the amounts reported by the distributor to be due for such period by two percent or more, the</p>	<p>second proviso which reads as under be added and Clause 14(2) would read as under:</p> <p>(2) In cases where a broadcaster is not satisfied with the audit report received under sub regulation (1), after communicating the reasons of dissatisfaction in writing to the distributor, such broadcaster may, not more than once in a calendar year, audit the subscriber management system, conditional access system and other related system of the distributor of television channels for the purpose of verifying the information contained in the subscription reports, the amounts payable by the broadcaster or the distributor, as the case may be, and compliance with the terms and conditions of the interconnection agreement.</p> <p>Provided that if such audit reveals that additional amounts are payable to the broadcaster, the distributor shall pay such amounts, along with the late payment interest rate specified by the broadcaster in the interconnection agreement, within ten days and if such amount including interest due for any period exceed the amounts reported by the distributor to be due for such</p>	<p>mentioned proviso, as it is impossible to maintain perfect harmony between the CAS and the SMS as there are many factors which can hamper the accuracy of the CAS and SMS such as any malfunction, system error, system crashing etc. This could be in the case of every distributor of TV channels. The Broadcasters being aware of such issues in the system, during Audit use the same as a tool to harass and arm-twist the distributor of TV channels. As it is impossible to maintain perfect harmony, they insist that the difference be not more than 0.5%, which is not technically possible to maintain. However, we would recommend that the difference shall be not more than 2.5 to 3% instead of 0.5%, only in case if the system is in right condition.</p>
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	<p>distributor shall pay all of the broadcaster's costs incurred in the conduct of such audit, and take any necessary actions to avoid such errors in the future.</p>	<p>period by two percent or more, the distributor shall pay all of the broadcaster's costs incurred in the conduct of such audit, and take any necessary actions Provided further that no additional amounts shall be payable by the distributor to the Broadcaster if there is a difference of less than or equal to 5 per cent in the subscriber base reflected in the subscriber management system with the subscriber base reflected in the conditional access system.</p>	
16.	<p>Clause 17 reads as under:</p> <p>17. Listing of channels in electronic programme guide.--- Every distributor of television channels shall assign a number for each television channel distributed by him in such a way that the television channels of same genre, as declared by the broadcaster, are placed together consecutively and one channel shall appear at one place only. Provided that the number assigned to a television channel shall not be altered by the distributor for a period of at least one year from the date of such assignment.</p>	<p>It is proposed that Clause 17 be amended to the following:</p> <p>17. Listing of channels in electronic programme guide.--- Every distributor of television channels shall assign a number for each television channel distributed by him in such a way that the television channels of same genre, as declared by the broadcaster, are placed together consecutively and one channel shall appear at one place only. Provided that the number assigned to a television channel shall not be altered by the distributor for a period of at least <u>six months</u> from the date of such assignment, in the event of continuous</p>	<p>Two changes are being proposed to the first proviso to Clause 17. The first is the reduction of time period from one year to six months, the period of one year is excessively long. Also, a distributor of TV channels is obliged to maintain packaging for a minimum of 6 months, therefore, once the distributor can recast its packages it should also be free to change the channel numbering accordingly. Secondly, a condition needs to be added that the channel numbering will only be retained in the event that the channel is continuously available on the platform during the said period. If for any reasons, including non-payment of carriage fee the</p>

	<p>Provided further that all television channels of same language within the same genre shall appear together consecutively in the electronic programme guide.</p>	<p>availability of a television channel on the platform. Provided further that all television channels of same language within the same genre shall appear together consecutively in the electronic programme guide.</p>	<p>channel is removed from the platform, it cannot insist that upon reconnection it shall be entitled to the same channel number. The distributor of TV channels should be at liberty in such circumstances to replace the channel.</p>
17.	<p>Clause 19 reads as under:</p> <p>19. Appointment of compliance officer and his obligations. --- (1) Every service provider shall, within thirty days from the date of commencement of these regulations, appoint a compliance officer: Provided that nothing contained in this sub-regulation shall apply to a distributor of television channels having average subscribers base, over the immediately preceding calendar quarter, less than two lakh or such other number of subscribers which may be prescribed by the Authority through direction from time to time: Provided further that this sub-regulation shall also not apply to a free-to-air broadcaster and a local cable operator. (2) Every service provider which is a</p>	<p>It is proposed that Clause 19 be amended to the following: 19. Appointment of compliance officer and his obligations. --- (1) Every service provider shall, within <u>sixty</u> days from the date of commencement of these regulations, appoint a compliance officer: Provided that nothing contained in this sub-regulation shall apply to a distributor of television channels having average subscribers base, over the immediately preceding calendar quarter, less than two lakh or such other number of subscribers which may be prescribed by the Authority through direction from time to time: Provided further that this sub-regulation shall also not apply to a free-to-air broadcaster and a local cable operator. (2) Every service provider which is a</p>	<p>The time period of 30 days in sub-clause (1) has been increased to 60 days, as in most cases new hiring would have to be done by the service providers in terms of the Regulations. Any new hiring in an organization would be difficult to manage within a period of 30 days.</p> <p>The time period of 10 days in sub-clause (4) has been increased to 30 days. The same is on account of the fact that in the event of any change in the compliance officer, 10 days is not sufficient to recruit a replacement. Furthermore, at times employees can resign at very short notice period and therefore, sufficient time is required to appoint a replacement.</p>

	<p>company shall, within ten days from the date of appointment of the compliance officer under sub-regulation (1), furnish to the Authority the name, full address, contact number and e-mail address of the compliance officer along with authenticated copy of the board's resolution authorizing the appointment of such compliance officer.</p> <p>Explanation: For the purpose of this regulation, the definition of "company" shall be the same as assigned to it in the Companies Act, 2013(18 of 2013).</p> <p>(3) Every service provider which is not a company shall, within ten days from the date of appointment of the compliance officer under sub-regulation (1), furnish to the Authority the name, full address, contact number and e-mail address of the compliance officer along with authenticated copy of the authorization letter authorizing the appointment of such compliance officer.</p> <p>(4) In the event of any change in the name of the compliance officer so appointed under subregulation (1), the same shall be reported to the Authority by the service provider within ten days from the date of occurrence of such change along with authenticated copy of board's resolution or authorization letter, as the case may be.</p>	<p>company shall, within ten days from the date of appointment of the compliance officer under sub-regulation (1), furnish to the Authority the name, full address, contact number and e-mail address of the compliance officer along with authenticated copy of the board's resolution authorizing the appointment of such compliance officer.</p> <p>Explanation: For the purpose of this regulation, the definition of "company" shall be the same as assigned to it in the Companies Act, 2013(18 of 2013).</p> <p>(3) Every service provider which is not a company shall, within ten days from the date of appointment of the compliance officer under sub-regulation (1), furnish to the Authority the name, full address, contact number and e-mail address of the compliance officer along with authenticated copy of the authorization letter authorizing the appointment of such compliance officer.</p> <p>(4) In the event of any change in the name of the compliance officer so appointed under subregulation (1), the same shall be reported to the Authority by the service provider within <u>thirty</u> days from the date of occurrence of such change along with authenticated copy of board's resolution or authorization letter, as the case may be.</p>	
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	<p>(5) In the event of any change in the address or contact number or email address of the compliance officer, the same shall be reported to the Authority by the service provider within ten days from the date of occurrence of such change.</p> <p>(6) The compliance officer shall be responsible for-</p> <p>(a) ensuring conformity with the provisions of these regulations applicable to the service provider.</p> <p>(b) reporting to the Authority, with respect to compliance with these regulations and other directions of the Authority issued under these regulations.</p> <p>(c) ensuring that proper procedures have been established and followed by the service provider that would result in the correctness, authenticity and completeness of the information, statements and reports filed by the service provider under these regulations.</p>	<p>(5) In the event of any change in the address or contact number or email address of the compliance officer, the same shall be reported to the Authority by the service provider within ten days from the date of occurrence of such change.</p> <p>(6) The compliance officer shall be responsible for-</p> <p>(a) ensuring conformity with the provisions of these regulations applicable to the service provider.</p> <p>(b) reporting to the Authority, with respect to compliance with these regulations and other directions of the Authority issued under these regulations.</p> <p>(c) ensuring that proper procedures have been established and followed by the service provider that would result in the correctness, authenticity and completeness of the information, statements and reports filed by the service provider under these regulations.</p>	
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In conclusion, we the AIDCF would request the TRAI to consider the aforementioned proposed amendments/deletions and/or additions for the Interconnect Regulations to bring about a new and reformed era for the broadcasting sector wherein disputes between the

service providers are minimized and the actual goal of providing good quality uninterrupted services and choice to the customer is achieved as well as the business interests of all the tiers of the distribution chain are protected.