



**Telecom Regulatory Authority of India**



**CONSULTATION  
ON  
DRAFT TELECOMMUNICATION (BROADCASTING AND CABLE SERVICES)  
INTERCONNECTION (ADDRESSABLE SYSTEMS) REGULATIONS, 2016  
(No. \_\_\_\_ of 2016)**

Mahanagar Doorsanchar Bhawan

Jawahar Lal Nehru Marg

New Delhi-110002

Website: [www.trai.gov.in](http://www.trai.gov.in)

**Written comments on the draft Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016 are invited from the stakeholders by 28/10/2016. Comments will be posted on TRAI's website [www.traigov.in](http://www.traigov.in) . The comments may be sent, preferably in electronic form to Sh. Sunil Kumar Singhal, Advisor (B&CS), Telecom Regulatory Authority of India, on the e-mail:- [sksinghal@traigov.in](mailto:sksinghal@traigov.in) or [gs.kesarwani@traigov.in](mailto:gs.kesarwani@traigov.in) . For any clarification/ information, Sh. Sunil Kumar Singhal, Advisor (B&CS) may be contacted at Tel. No.: +91-11-23221509, Fax: +91-11-23220442.**

## **PREFACE**

### **The Draft Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016**

The Telecom Regulatory Authority of India Act, 1997 (the TRAI Act) entrusts the Authority, amongst others, the functions to ensure technical compatibility & effective interconnection between different service providers and fix the terms and conditions of interconnectivity.

2. Keeping this in view, the first interconnection regulation for the Broadcasting and Cable TV sector, namely the Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004 (13 of 2004), was notified by TRAI to regulate interconnection arrangements between service providers for re-transmission of signals in analog mode, in vogue at that time and later its scope was expanded to include addressable systems such as Direct to Home (DTH), Head-end In the Sky (HITS), and Internet Protocol Television (IPTV) etc. For implementation of digitization with addressability in the cable TV sector, the Authority subsequently notified the Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012 specifically applicable for cable TV services provided through Digital Addressable Cable TV Systems (DAS).

3. The interconnection regulations ought to evolve to keep pace with new developments in the sector, while sustaining the fundamental underlying principles of non-discrimination and level playing field. Keeping this in view, the Authority considered it fit to review the regulatory framework, for all type of addressable systems in a complete and holistic manner. Subsequently, the Authority issued a consultation paper on “Interconnection framework for Broadcasting TV Services distributed through Addressable Systems” on 4<sup>th</sup> May 2016. In response, a total of 28 comments & 1 counter comment were received from stakeholders. Subsequently, an Open House Discussion was held on 13<sup>th</sup> July 2016 in Delhi, which was attended by a large number of stakeholders.

4. After taking in to consideration the comments of the stakeholders and internal analysis in TRAI, the draft regulations [the Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016] along with its explanatory memorandum have been prepared. The basic principles of non-exclusivity, non-

discrimination, transparency, level playing field and fair completion have been retained in these draft regulations. Some of the new features of the draft regulations are as follows:-

- (i) A common interconnection framework for all addressable systems namely DTH, HITS, DAS and IPTV.
  - (ii) “Must carry” provision for all addressable systems, on first come first serve basis. DPOs to publish information about its platform including available capacity and declare the rate of carriage fee.
  - (iii) No carriage fee is to be paid by a broadcaster if the subscription of the channel is more than or equal to 20% of the subscriber base.
  - (iv) The rate of carriage fee has been capped at 20 paisa per channel per subscriber per month. Further, the carriage fee amount will decrease with increase in subscription.
  - (v) The distributors of TV channels may offer discounts on the carriage fee rate declared by them not exceeding 35% of the rate of the carriage fee declared.
  - (vi) The interconnection agreements to be signed in accordance with the Reference Interconnection Offer (RIO).
  - (vii) Broadcaster to offer to a distributor, a minimum of 20% of the maximum retail price of its pay channel(s) or bouquet(s) of pay channels as distribution fee. They may also offer discounts on the maximum retail price provided that the sum of discounts and distribution fee in no case shall exceed 35% of the maximum retail price, so declared.
  - (viii) Standard format of application for DPOs for obtaining signals of television channel(s) from broadcaster and standard format of application for a broadcaster for access of network from distributor for re-transmission of a television channel(s).
  - (ix) Format of subscription report to be provided by a DPOs to a broadcaster including free to air channels.
  - (x) Updation in the technical specification for addressable systems.
  - (xi) The framework for subscription audit & technical audits.
  - (xii) Extension of Model Interconnection Agreement (MIA) and Standard Interconnection Agreement (SIA) framework applicable for MSOs to HITS and IPTV operators.
5. As part of the consultative process, the draft Telecommunication (Broadcasting and

Cable Services) Interconnection (Addressable Systems) Regulations, 2016 has been uploaded on the TRAI website. The stakeholders are requested to provide their comments/ views on the draft regulations specifically on specific values suggested in the draft. The stakeholders are also requested to provide their inputs on completeness and consistency of the regulations within and with other draft regulations/ tariff orders. It is requested that the comments/ view are provided with adequate justification. It would be appreciated if stakeholders justify their comments in respect of specific values suggested in the draft regulations with supporting data and figures.

6. Stakeholders are requested to offer their comments/ views latest by **28.10.2016**. The comments may be sent, preferably in electronic form, on the e-mail [sksinghal@traigov.in](mailto:sksinghal@traigov.in) or [gs.kesarwani@traigov.in](mailto:gs.kesarwani@traigov.in) . For any clarification/ information, Sh. Sunil Kumar Singhal, Advisor (B&CS) may be contacted at Tel. No.: +91-11-23221509, Fax: +91-11-23220442. Comments will be posted on TRAI's website.

**DRAFT**

**TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,  
PART III, SECTION 4  
TELECOM REGULATORY AUTHORITY OF INDIA  
NOTIFICATION**

**New Delhi the \_\_\_\_\_ October, 2016**

**F. No. \_\_\_\_\_/2016- B&CS** – In exercise of the powers conferred by section 36, read with sub-clauses (ii), (iii) and (iv) of clause (b) of sub-section (1) of section 11 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), read with notification of the Government of India, in the Ministry of Communication and Information Technology (Department of Telecommunication) No.39,-----

(a) issued, in exercise of the powers conferred upon the Central Government under clause (d) of sub-section (1) of section 11 and proviso to clause (k) of sub-section (1) of section 2 of the said Act, and

(b) published under notification No. S.O.44 (E) and 45 (E) dated the 9<sup>th</sup> January, 2004 in the Gazette of India, Extraordinary, Part II, Section 3, the Telecom Regulatory Authority of India hereby makes the following regulations, namely:-

**THE TELECOMMUNICATION (BROADCASTING AND CABLE SERVICES)  
INTERCONNECTION (ADDRESSABLE SYSTEMS) REGULATIONS, 2016  
(No. \_\_\_\_ of 2016)**

## **CHAPTER – I**

### **PRELIMINARY**

**1. Title, extent and commencement.**--- (1) These regulations may be called the Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016.

(2) These regulations shall cover commercial and technical arrangements among service providers for interconnection for broadcasting and cable services provided through addressable systems throughout the territory of India.

(3) These regulations shall come into effect from the date of their publication in the Official Gazette.

**2. Definitions.**--- (1) In these regulations, unless the context otherwise requires: -

- (a) **“Act”** means the Telecom Regulatory Authority of India Act, 1997 (24 of 1997);
- (b) **“active subscriber”** means a subscriber who has been authorized to receive signals of television channels as per the subscriber management system and whose set top box has not been denied signals;
- (c) **“addressable system”** means an electronic device (which includes hardware and its associated software) or more than one electronic device put in an integrated system through which transmission of programmes including re-transmission of signals of television channels can be done in encrypted form, which can be decoded by the device or devices at the premises of the subscriber within the limits of the authorization made, on the choice and request of such subscriber, by the service provider;
- (d) **“a-la-carte” or “a-la-carte channel”** with reference to offering of a television channel means offering the channel individually on a standalone basis;
- (e) **“Authority”** means the Telecom Regulatory Authority of India established under sub-section (1) of section 3 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997);

- (f) **“bouquet”** or **“bouquet of channels”** means an assortment of distinct channels offered together as a group or as a bundle and all its grammatical variations and cognate expressions shall be construed accordingly;
- (g) **“broadcaster”** means a person or a group of persons, or body corporate, or any organization or body who, after having obtained, in its name, down-linking permission for its channels, from the Government, provides programming services;
- (h) **“broadcasting services”** means the dissemination of any form of communication such as signs, signals, writing, pictures, images and sounds of all kinds by transmission through space or through cables intended to be received by the subscribers and all its grammatical variations and cognate expressions shall be construed accordingly;
- (i) **“cable service”** or **“cable TV service”** means the transmission of programmes including re-transmission of signals of television channels through cables;
- (j) **“cable television network”** or **“cable TV network”** means any system consisting of a set of closed transmission paths and associated signal generation, control and distribution equipment, designed to provide cable service for reception by multiple subscribers;
- (k) **“calendar quarter”** means a period of three consecutive calendar months beginning on any of January 1, April 1, July 1, or October 1 and it shall be reckoned as January, February, March (**quarter 1**); April, May, June (**quarter 2**); July, August, September (**quarter 3**); and October, November, December (**quarter 4**);
- (l) **“carriage fee”** means any fee paid by a broadcaster to a distributor of television channels for carrying its channel(s) through the distribution network, without, specifying the placement of such channel(s) onto a specific position in the electronic programme guide or, asking for assigning a particular number to such channel(s);
- (m) **“compliance officer”** means any person appointed by a service provider for the purpose of reporting the information as required under the provisions of these

regulations and whose responsibilities include ensuring that the service provider does not contravene any provision of these regulations;

- (n) **“contact officer”** means any person appointed by a broadcaster or a distributor of television channels, as the case may be, under regulation 7 of the regulations.
- (o) **“direct to home operator” or “DTH operator”** means any person who has been granted license by the Government to provide direct to home (DTH) services;
- (p) **“direct to home service” or “DTH service”** means transmission of programmes including re-transmission of signals of television channels, by using a satellite system, directly to subscribers premises without passing through an intermediary such as local cable operator or any distributor of television channels;
- (q) **“distribution fee”** means any fee offered by a broadcaster to a distributor of television channels for distribution of its pay television channel(s) or bouquet(s) of pay television channels, as the case may be, to subscribers;
- (r) **“distribution platform”** means distribution network of a DTH operator, multi system operator, HITS operator or IPTV operator;
- (s) **“distributor of television channels” or “distributor”** means any DTH operator, multi system operator, HITS operator or IPTV operator;
- (t) **“electronic programme guide” or “EPG”** means a program guide maintained by the distributors of television channels that lists television channels and programmes, and scheduling and programming information therein and includes any enhanced guide that allows subscribers to navigate and select such available channels and programs;
- (u) **“free to air broadcaster” or “FTA broadcaster”** means a broadcaster which is not a pay broadcaster
- (v) **“free to air channel” or “free to air television channel”** means a channel for which no license fee is to be paid by a distributor of TV channel to the broadcaster for distribution of such channel to the subscriber;
- (w) **“head end in the sky operator” or “HITS operator”** means any person permitted by the Government to provided head end in the sky (HITS)service;

- (x) **“head end in the sky service” or “HITS service”** means transmission of programmes including re-transmission of signals of television channels---
- (i) to intermediaries like local cable operators or multi system operators by using a satellite system and not directly to subscribers; and
  - (ii) to the subscribers by using satellite system and its own cable networks;
- (y) **“interconnection”** means commercial and technical arrangements under which service providers connect their equipments and networks to provide broadcasting or cable services to the subscribers;
- (z) **“interconnection agreement”** with all its grammatical variations and cognate expressions means agreements on interconnection providing technical and commercial terms and conditions for distribution of signals of television channel;
- (aa) **“internet protocol television operator” or “IPTV operator”** means a person permitted by the Government to provide IPTV service;
- (bb) **“internet protocol television service” or “IPTV service”** means delivery of multi channel television programmes in addressable mode by using Internet Protocol over a closed network of one or more service providers;
- (cc) **“license fee”** with reference to a pay television channel or a bouquet of pay television channels means any fee payable by a distributor of television channels to a broadcaster for distribution of signals of the latter's pay television channel or bouquet of pay television channels, as the case may be, and for which due authorization has been obtained by such distributor from that broadcaster;
- (dd) **“local cable operator” or “LCO”** means a person registered under rule 5 of the Cable Television Networks Rules, 1994;
- (ee) **“maximum retail price” or “MRP”** with reference to a-la-carte channel or bouquet of channels means the maximum price, excluding taxes, payable by a subscriber for that a-la-carte pay channel or bouquet of pay channels, declared by the broadcaster;
- (ff) **“multi system operator” or “MSO”** means a cable operator who has been granted registration under rule 11 of the Cable Television Networks Rules, 1994 and who

- receives a programming service from a broadcaster and re-transmits the same or transmits his own programming service for simultaneous reception either by multiple subscribers directly or through one or more local cable operators;
- (gg) **“pay broadcaster”** means a broadcaster which has declared its one or more channel(s) as pay channel(s) to the Authority under the provisions of applicable regulations or tariff order, as the case may be;
- (hh) **“pay channel”** means a channel which is declared as such by the broadcaster and for which license fee is to be paid to the broadcaster by the distributor of television channels and for which due authorization needs to be taken from the broadcaster for distribution of such channel to subscribers;
- (ii) **“programme”** means any television broadcast and includes-
- (i) exhibition of films, features, dramas, advertisements and serials,
  - (ii) any audio or visual or audio-visual live performance or presentation,
- and the expression “programming service” shall be construed accordingly;
- (jj) **“reference interconnection offer” or “RIO”** means a document published by a service provider specifying terms and conditions on which the other service provider may seek interconnection with such service provider;
- (kk) **“service provider”** means the Government as a service provider and includes a licensee as well as any broadcaster, distributor of television channels or local cable operator;
- (ll) **“set top box” or “STB”** means a device, which is connected to or is part of a television and which enables a subscriber to view subscribed channels;
- (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 box located at such place, for receiving the subscribed television broadcasting services from the service provider, shall constitute one subscriber.
- (nn) **“subscriber base”** means the number of active subscribers in the addressable system of a distributor of television channels;

- (oo) “**subscriber management system**” means a system or device which stores the subscriber records and details with respect to name, address and other information regarding the hardware being utilized by the subscriber, channels or bouquets of channels subscribed by the subscriber, price of such channels or bouquets of channels as defined in the system, the activation or deactivation dates and time for any channel or bouquets of channels, a log of all actions performed on a subscriber’s record, invoices raised on each subscriber and the amounts paid or discount allowed to the subscriber for each billing period;
- (pp) “**tariff order**” means the Telecommunication (Broadcasting and Cable Services) (Eighth) (Addressable Systems) Tariff Order, 2016;
- (qq) “**television channel**” means a channel, which has been granted permission by the Government in India under the policy guidelines issued by it from time to time and reference to the term ‘**channel**’ shall be construed as a reference to “**television channel**”;

(2) All other words and expressions used in these regulations but not defined, and defined in the Act and rules and regulations made there under or the Cable Television Networks (Regulation) Act, 1995 (7 of 1995) and the rules and regulations made there under, shall have the meanings respectively assigned to them in those Acts or the rules or regulations, as the case may be.

## CHAPTER II INTERCONNECTION

**3. General provisions relating to interconnection.**--- (1) No broadcaster shall engage in any practice or activity or enter into any understanding or arrangement including exclusive contracts with any distributor of television channels that prevents any other distributor of television channels from obtaining television channels of such broadcaster for distribution.

(2) No distributor of television channels shall engage in any practice or activity or enter into any understanding or arrangement including exclusive contracts with any broadcaster that prevents any other broadcaster from obtaining access to the network of such distributor for re-transmission of channel(s).

(3) No distributor of television channels shall engage in any practice or activity or enter into any understanding or arrangement including exclusive contracts with any local cable operator that prevents any other local cable operator from obtaining signals of television channels from such distributor for further distribution.

(4) No service provider shall, directly or indirectly, prohibit any other service provider from providing its services to any subscriber.

(5) Every broadcaster shall, within sixty days of receipt of written request from a distributor of television channels for obtaining signals of television channel(s), provide, on non-discriminatory basis, the signals of television channel(s) to the distributor of television channels or convey the reasons in writing for rejection of request if the signals of television channel(s) are denied to such distributor of television channels.

Provided that imposition of any condition by the broadcaster, which is unreasonable, shall be deemed to constitute a denial of request.

Provided further that this sub-regulation shall not apply in case of a distributor of television channels, who seeks signals of a particular television channel from a broadcaster while at the same time demands carriage fee for re-transmission of that television channel or who is in default of payment to that broadcaster and continues to be in such default.

(6) If a broadcaster, before providing signals to a distributor of television channels, proposes or stipulates, directly or indirectly, for placing the channel(s) in any specified position in the electronic programme guide or assigning a particular number to the channel, as a pre-condition for providing signals, such pre-condition shall also amount to imposition of unreasonable condition.

(7) No broadcaster shall, for providing signals of television channel(s) to a distributor of television channels, propose or stipulate, directly or indirectly, for packaging of the channel(s) in any particular bouquet(s) offered by the distributor of television channels to the subscribers.

(8) No broadcaster shall, for providing signals of television channel(s) to a distributor of television channels, directly or indirectly, propose, stipulate or demand, for guarantee of a minimum subscriber base or a minimum subscription percentage for its channel(s).

(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 broadcaster(s) for re-transmission and are pending.

Provided that any change in the information published under this sub-regulation shall be updated on the website within thirty days from the date of happening of such change.

(10) Every broadcaster shall, for the purpose of carrying its channel(s) by a distributor, declare target market in terms of the relevant geographical areas as specified in **Appendix I**.

(11) Subject to the availability of channel carrying capacity on the distribution network, every distributor of television channels shall, within sixty days of receipt of written request from a broadcaster for re-transmission of signals of television channel(s), carry, on non-discriminatory basis, the signals of such television channel(s) or convey the reasons in writing for rejection of request if the re-transmission of such signals of television channel(s) is denied to the broadcaster.

Provided that it shall be mandatory for the distributor of television channels to carry television channel(s) on its distribution network, for which requests have been received from the broadcaster(s) for re-transmission of television channel(s) and are pending, on first come first serve basis.

Provided further that imposition of any condition by the distributor of television channels, which is unreasonable, shall be deemed to constitute a denial of request.

Provided also that nothing contained in this sub-regulation shall apply to a broadcaster who refuses to pay the carriage fee to the distributor of television channels or who is in default of payment to that distributor and continues to be in such default.

(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.

(13) A distributor of television channels shall not be under obligation to carry a channel which has been discontinued as per sub-regulation (12), for a period of one year from the date of such discontinuation.

(14) If a distributor of television channels, before providing access to the network for re-transmission 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 pre-condition for providing access to the network, such pre-condition shall also amount to imposition of unreasonable condition.

(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.

Provided that imposition of any condition by the distributor of television channels, which is unreasonable, shall be deemed to constitute a denial of request.

Provided further that in case, it is not 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.

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.

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.

(16) No distributor of television channels shall, before providing signals of television channels to a local cable operator, propose or stipulate, for guarantee of a minimum subscriber base or, minimum subscription guarantee for providing signals of television channels.

(17) Nothing contained in the sub-regulation (15) and (16) of this regulation shall apply to a DTH operator.

(18) No service provider shall, directly or indirectly, propose or stipulate, for payment of a minimum guarantee amount by other service provider for, providing signals of television channels or access to the network, as the case may be.

**CHAPTER III**  
**REFERENCE INTERCONNECTION OFFER**

**4. Compulsory offering of channels on a-la-carte basis.**--- Every broadcaster shall offer all television channel(s) on a-la-carte basis to distributor of television channels.

Provided that it shall be open to a broadcaster to offer its pay channels, in addition to offering of channel(s) on a-la-carte basis, in form of bouquet(s).

**5. Publication of reference interconnection offer (RIO) by broadcaster for pay television channels.**--- (1) Every broadcaster shall publish, on its website, a draft reference interconnection offer for providing signals of all its pay television channel(s) to a distributor of television channels, within thirty days of commencement of these regulations or before launching of a pay television channel, in conformance with the provisions of the regulations and the tariff orders notified by the Authority.

(2) Such draft reference interconnection offer for providing signals of pay television channel(s) to a distributor of television channels, shall contain the technical and commercial terms and conditions, including but not limited to, maximum retail price of pay television channel(s), maximum retail price of bouquet(s) of pay television channels, discounts, if any, offered on the maximum retail price to the distributor, distribution fee, manner of calculation of license fee, payment terms, delivery and security, anti-piracy, reports, audit, term, termination and jurisdiction.

Provided that a broadcaster may include in its reference interconnection offer, television channel(s) or bouquet(s) of pay television channels of its subsidiary company or holding company or subsidiary company of the holding company, which has obtained, in its name, the down-linking permission for its television channels from the Government, after written authorization by them.

*Explanation: For the purpose of these regulations, the definition of “subsidiary company” and “holding company” shall be the same as assigned to them in the Companies Act, 2013 (18 of 2013).*

Provided further 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 distribution of television channel(s).

(3) Every broadcaster shall declare a 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.

Provided that the distribution fee declared by the broadcaster shall be uniform across all the distribution platforms.

(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.

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.

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.

Provided also that the parameters of discounts shall be objective, measurable and computable.

(5) It shall be open to distributor(s) of television channels to raise objections on the draft reference interconnection offer published by the broadcaster, regarding conformance of such draft reference interconnection offer to the regulations and the tariff orders notified by the Authority, within thirty days from its publication on the website of the broadcaster and it shall be mandatory for the broadcaster to maintain the record of objections so received from the distributor(s) for a period of minimum one year from the date of publication of such draft reference interconnection offer.

(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.

(7) Any amendment to the final reference interconnection offer shall be published in the same manner as provided under the sub-regulations (1), (2), (3), (4), (5) and (6) of this regulation.

(8) The Authority, *suo-motu* or otherwise, may examine the reference interconnection offer submitted by a broadcaster and on examination if the Authority is of the opinion that the reference interconnection offer has not been prepared in conformance with the provisions of the regulations and the tariff orders notified by the Authority, it may, after giving an opportunity of being heard to such broadcaster, direct such broadcaster to modify the said reference interconnection offer and such broadcaster shall amend reference interconnection offer accordingly and publish the same within fifteen days of receipt of the direction.

Provided that it shall not be mandatory for such broadcaster to follow the procedure as provided in sub-regulation (7) for amending the reference interconnection offer if such amendment has been carried out by the broadcaster in pursuance to the direction issued by the Authority under this sub-regulation.

(9) In the event of any amendment to the final reference interconnection offer by a broadcaster under sub-regulation (7) or sub-regulation (8), the broadcaster shall give an option to all the distributors, with whom it has written interconnection agreements, within thirty days from the date of such amendment and it shall be open to such distributors to enter into fresh interconnection agreement in accordance with the amended reference interconnection offer within thirty days from the date of receipt of such option or continue with the existing interconnection agreement.

**6. Publication of reference interconnection offer (RIO) by distributor of television channels.**--- (1) Every distributor of television channels shall publish, on its website, a draft reference interconnection offer for carrying television channel(s), within thirty days of commencement of these regulations or before starting a distribution network, in conformance with the provisions of the regulations and the tariff orders notified by the Authority.

Provided that such reference interconnection offer shall be applicable only in the cases where a broadcaster requests a distributor of television channels to carry the broadcaster's channels on the distribution network of such distributor.

(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 distributor of television channels shall not exceed twenty paisa.

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.

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).

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).

(3) A distributor of television channels may offer discounts to broadcasters on the rate of carriage fee which shall not exceed thirty five percent of the rate of carriage fee declared under sub-regulation (2).

Provided that offer of discounts, if any, to broadcaster on the carriage fee, shall be on the basis of fair, transparent and non-discriminatory terms.

Provided further that the parameters of discounts shall be objective, measurable and computable.

(4) It shall be open to broadcaster(s) to raise objections on the draft reference interconnection offer published by the distributor of television channels, regarding conformance of such draft reference interconnection offer to the regulations and the tariff orders notified by the Authority, within thirty days from its publication on the website and it shall be mandatory for the distributor to maintain the record of objections so received from the broadcaster(s) for a minimum period of one year from the date of publication of such draft reference interconnection offer.

(5) Every distributor of television channels shall publish on its website final reference interconnection offer after taking into consideration the objections, if any, received from the broadcaster(s), in conformance with the regulations and tariff orders notified by the Authority and simultaneously provide, for the purpose of record, a copy of the same to the Authority.

(6) Any amendment to the final reference interconnection offer shall be published in the same manner as provided under the sub-regulation (1), (2), (3), (4) and (5) of this regulation.

(7) The Authority, *suo-motu* or otherwise, may examine the reference interconnection offer submitted by a distributor of television channels and on examination if the Authority is of the opinion that the reference interconnection offer has not been prepared in conformance with the provisions of the regulations and the tariff orders notified by the Authority, it may, after giving an opportunity of being heard to such distributor, direct such distributor to modify the said reference interconnection offer and such distributor shall amend reference interconnection offer accordingly and publish the same within fifteen days of receipt of the direction.

Provided that it shall not be mandatory for such distributor to follow the procedure as provided in sub-regulation (6) for amending the reference interconnection offer if such amendment has been carried out by the distributor in pursuance to the direction issued by the Authority under this sub-regulation.

(8) In the event of any amendment in the final reference interconnection offer by a distributor of television channels under sub-regulation (6) or sub-regulation (7), the distributor shall given an option to all the broadcasters, with whom it has written interconnection agreements,

within thirty days from the date of such amendment and it shall be open to such broadcaster to enter into fresh interconnection agreement in accordance with the amended reference interconnection offer within thirty days from the date of receipt of such option or continue with the existing interconnection agreement.

**7. Appointment of contact officer.**--- (1) Every pay broadcaster shall, within thirty days from the date of commencement of these regulations, appoint one or more contact officer in every relevant geographical area, for the purpose of managing written requests for interconnection from distributors and any grievance redressal thereof.

(2) Every pay broadcaster shall, immediately on appointment or change of contact officer(s),-

(a) give wide publicity about appointment of such contact officer(s) or any change thereof;

(b) display, on its website, the name(s) of the contact officer(s), their address(es) and telephone numbers, e-mail addresses, facsimile numbers and other means of contacting them.

(3) Every distributor of television channels shall, within thirty days from the date of commencement of these regulations, appoint one or more contact officer in every state in which it is providing television broadcasting services, for the purpose of managing written requests for interconnection from broadcasters and local cable operators and any grievance redressal thereof.

(4) Every distributor of television channels shall, immediately on appointment or change of contact officer(s),-

(a) give wide publicity about appointment of such contact officer(s) or any change thereof;

(b) display, on its website, the name(s) of the contact officer(s), their address(es) and telephone numbers, e-mail addresses, facsimile numbers and other means of contacting them.

**CHAPTER IV**  
**INTERCONNECTION AGREEMENT**

**8. General provisions relating to interconnection agreements.**--- (1) It shall be mandatory for service providers to reduce the terms and conditions of all their interconnection agreements to writing.

(2) No service provider shall provide for any clause in an interconnection agreement with the other service provider which would require, directly or indirectly, the latter to pay a minimum guaranteed amount.

**9. Interconnection agreement between broadcaster and distributor of television channels.**--- (1) No broadcaster shall provide signals of pay television channel(s) to a distributor of television channels without entering into a written interconnection agreement with such distributor of television channels.

(2) No distributor of television channels shall re-transmit signals of pay television channel(s) of any broadcaster without entering into a written interconnection agreement with such broadcaster.

(3) Every broadcaster shall specify an application form for providing signals of television channel(s) to distributors of television channels in accordance with the **Schedule II** to these regulations.

(4) A distributor of television channel desirous of obtaining signals of television channel(s) shall make a written request in the application form devised by the broadcaster under sub-regulation (3).

(5) Every distributor of television channels before requesting signals of television channel(s) from a broadcaster shall ensure that the addressable systems to be used for distribution of television channels meet the requirements as specified in **Schedule III** to these regulations.

(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 **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.

Provided that the findings of the auditor shall be final.

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.

(7) Every broadcaster of pay television channel(s), within thirty days of receipt of written request from a distributor of 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.

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.

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.

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).

*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.*

(8) A broadcaster may sign the interconnection agreement with distributors of television channels for a-la-carte pay television channel(s) or bouquet(s) of pay television channels of its subsidiary company or holding company or subsidiary company of the holding company, which has obtained, in its name, the down-linking permission for its television channels from the Government, after written authorization by them.

(9) It shall be open to a distributor of television channels to sign the reference interconnection offer published by a broadcaster, as an interconnection agreement, for obtaining signals of television channels and send the said agreement to such broadcaster, and the broadcaster shall provide signals to that distributor of television channels on the basis of such signed reference interconnection offer, considered as valid interconnection agreement, within thirty days from the date of receipt of such signed interconnection agreement.

(10) No broadcaster shall provide for any clause, directly or indirectly, in an interconnection agreement with a distributor of television channels which require such distributor of television channels to include the channel(s) or bouquet(s) of pay television channels in any particular bouquet of channel(s) offered by such distributor to the subscribers.

(11) No broadcaster shall provide for any clause, directly or indirectly, in an interconnection agreement with a distributor of television channels which require, such distributor of television channels to give a guarantee for a minimum subscriber base or a minimum subscription percentage for its channel(s).

*Explanation: For removal of any doubt it is clarified that any discount, offered as an incentive by a broadcaster on the maximum retail price of the pay channel(s) or the bouquet(s) of pay channels, based on number of subscribers or subscription percentage shall*

*not amount to guarantee for a minimum subscriber base or a minimum subscription percentage for its channel(s).*

(12) It shall be the responsibility of every broadcaster who enters into an interconnection agreement with a distributor of television channels to hand over a copy of such interconnection agreement to that distributor of television channels within a period of fifteen days from the date of execution of the interconnection agreement and retain a copy of an acknowledgement so obtained from the distributor.

(13) Every broadcaster shall enter into a new written interconnection agreement with distributor of television channels before the expiry of the existing interconnection agreement.

Provided that the broadcaster shall, at least sixty days prior to the date of expiry of the existing interconnection agreement, give notice to the distributor of television channels to enter into new written interconnection agreement.

Provided further that in case, the parties fail to enter into new interconnection agreement before the expiry of the existing interconnection agreement, the broadcaster shall not make available the signals of television channels to the distributor of television channels on expiry of the existing interconnection agreement.

Provided also that the distributor of television channels 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 date in the event of its failure to enter into new interconnection agreement.

(14) No distributor of television channels shall carry television channel(s), for which a request has been received from a broadcaster for re-transmission of signals of television channel(s), without entering into a written interconnection agreement with such broadcaster.

(15) Every distributor of television channels shall devise an application form, for providing access to the network for re-transmission of signals of television channel(s) to broadcasters, in accordance with the format specified in **Schedule IV** to these regulations.

(16) A broadcaster desirous of re-transmission of signals of its television channel(s) shall make a written request in the application form devised by the distributor of television channels under sub-regulation (15).

(17) Subject to the availability of channel carrying capacity on the distribution network, every distributor of television channels, within thirty days of receipt of written request from a broadcaster for re-transmission of television channels, shall enter into a written interconnection agreement with the broadcaster for carrying television channel(s) in accordance with the terms and conditions of the reference interconnection offer published by the distributor.

Provided that the carriage fee payable by a broadcaster to the distributor of television channels under the interconnection agreement shall be calculated on the basis of the rate of carriage fee and the discounts offered in the reference interconnection offer.

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.

Provided also that in case more than one interconnection agreement are entered with a broadcaster in respect of a television channel, each subsequent interconnection agreement shall contain the details of the earlier agreements in force with that broadcaster for such channel.

***Explanation:*** For the removal of any doubt, it is clarified that on receipt of a written request from a broadcaster by a distributor for carrying television channels, the written interconnection agreement, between the distributor and the broadcaster, shall be entered into within thirty days of receipt of such request. Thereafter, the distributor shall re-transmit signals of television channel(s) of such broadcaster's within thirty days from the date of signing of written interconnection agreement through the distribution network.

(18) It shall be open to a broadcaster to sign the reference interconnection offer published by a distributor of television channels, as an interconnection agreement, for carrying television channels and send the said agreement to such distributor, and the distributor of television channels shall provide access to the network to the broadcaster on the basis of such signed reference interconnection offer, considered as valid interconnection agreement, within thirty days from the date of receipt of such signed interconnection agreement.

(19) It shall be the responsibility of every distributor of television channel who enters into an interconnection agreement with a broadcaster to hand over a copy of written interconnection agreement to that broadcaster within a period of fifteen days from the date of execution of the interconnection agreement and retain a copy of an acknowledgement so obtained from the broadcaster.

(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 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 re-transmission 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 date in the event of its failure to enter into new interconnection agreement.

**10. Territory of interconnection agreement.**--- (1) The interconnection agreement signed between a broadcaster and a multi system operator shall include the following details for describing the territory for the purpose of distribution of signals of television channel(s):-

(a) the registered area of operation of the multi system operator as mentioned in the registration granted by the Government;

(b) the names of specific areas for which distribution of signals of television channel(s) has been agreed, initially, at the time of signing of the interconnection agreement.

(c) the names of the corresponding state(s)/ union territory (ies) in which such agreed areas as referred in clause (b) this sub-regulation are located.

(2) It shall be open for a multi system operator to distribute the channel(s) beyond the areas agreed under clause (b) of sub-regulation (1) by giving a prior written notice of at least thirty days to such broadcaster;

Provided that such area(s) of expansion falls-

(a) within the registered area of operation of the multi system operator, and

(b) within the state(s)/ union territory (ies) mentioned in the interconnection agreement as per the clause (c) of sub-regulation (1).

**11. 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.

(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.

(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 these regulations, by mutually agreeing on the clauses 10, 11 and 12 of the said agreement:

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:

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.

***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 interconnection agreement shall prevail.*

(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.

(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.

(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 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.

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).---

- (a) the date of expiry of its existing interconnection agreement; and
- (b) regarding disconnection of signals of television channels from the said date in the event of its failure to enter into new interconnection agreement.

(7) The settlement of service charges between local cable operator and multi system operator shall be governed by mutual agreement.

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 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.

**12. Non-Applicability to DTH operator.**--- Nothing contained in the regulations 10 and 11 shall apply to a DTH operator.

**CHAPTER V**  
**SUBSCRIPTION REPORT AND AUDIT**

**13. Subscription report and monthly fee.**--- (1) Every distributor of television channels shall provide to the broadcaster complete and accurate subscription report for channel(s) or bouquet(s) of channels of such broadcaster within fifteen days from the end of each calendar month in the format specified in the **Schedule VII**.

Provided that the broadcaster shall disconnect the signals of television channel(s) after giving three weeks' prior written notice to the distributor if the distributor fails to provide the subscription reports under this regulation for immediately preceding three consecutive months.

(2) On the basis of subscription report the broadcaster shall issue monthly invoice to the distributor for pay channel(s) or bouquet(s) of pay channels and such invoice shall clearly specify the current payment dues and arrears, if any, along with the due date for payment.

Provided that the broadcaster shall allow a time period of at least fifteen days to the distributor of television channels for making payment from the date of receipt of invoice by the distributor.

Provided further that the broadcaster shall have no claim on any arrear amount which has not been specified by him in the immediate next three consecutive invoices issued after the due date for the invoice to which arrears pertain.

Provided further that in case the distributor fails to provide the subscription report within the period of fifteen days from the end of the month, the broadcaster shall have the right to raise a provisional invoice, for an amount increased by ten percent of the licence fee payable by the distributor for the immediate preceding month, and the distributor shall be under obligation to make the payment on the basis of such provisional invoice.

Provide also that it shall be mandatory for the distributor to carryout reconciliation, between the provisional invoice and the final invoice raised by the broadcaster on the basis of the

subscription report sent by the distributor, within three months from the date of issue of such provisional invoice.

(3) Every distributor of television channels shall issue monthly invoice to the broadcasters, with whom the written interconnection agreements have been entered into for carrying channels, for payment of the carriage fee amount payable by such broadcaster along with the subscriber base in the target market and the subscription report for the channel(s) of the broadcaster carried by the distributor of television channels in the format specified in the **Schedule VII** and such invoice(s) shall clearly specify the current payment dues and arrears, if any, along with the due date for payment.

Provided that the distributor shall allow a time period of at least fifteen days to the broadcaster for making payment from the date of receipt of invoice by the broadcaster.

Provided further that the distributor of television channels shall have no claim on any arrear amount which has not been specified by him in the immediate next three consecutive invoices issued after the due date for the invoice to which arrears pertain.

(4) Any claim for arrears by broadcaster or distributor of television channels, as the case may be, under this regulation, shall be accompanied by proof of service of invoices for the periods to which the arrears pertain.

**14. Audit.**--- (1) Every distributor of television channels shall, once in a calendar year, cause audit of its subscriber management system, conditional access system and other related systems by an auditor to verify that the subscription reports made available by the distributor to the broadcasters are complete, true and correct, and issue a audit report to this effect for the each concerned broadcaster.

Provided that the Authority may empanel auditors for the purpose of such audit and it shall be mandatory for every distributor of television channels to cause audit, under this sub-regulation, from such empanelled auditors.

Provided further that any variation, due to audit, resulting in less than zero point five percent of the billed amount shall not require any revision of the invoices already issued and paid.

(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.

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 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.

(3) Every distributor of television channels shall offer necessary assistance to auditors so that audits can be completed in a time bound manner.

**CHAPTER VI**  
**MISCELLANEOUS**

**15. Change in the maximum retail price and the nature of a channel.**--- Every broadcaster, before making any change, in the maximum retail price of the pay channel(s) or the bouquet(s) of pay channels or, in the nature of the channel, as the case may be, declared under the tariff order notified by the Authority, shall follow the provisions of these regulations including but not limited to the provisions pertaining to publication of reference interconnection offer by broadcasters of pay channels.

**16. Disconnection of signals of television channel(s).**--- No service provider shall disconnect the signals of television channel(s) without giving at least three weeks' prior notice in writing to other service provider, clearly specifying the reasons for the proposed disconnection.

Provided that the period of three weeks' notice shall start from the date of receiving the notice by the other service provider.

Provided further that the distributor of television channels shall, fifteen days prior to the date of disconnection, inform the subscriber through scrolls on concerned channel(s) regarding the date of disconnection of signals of such television channels.

Provided also that no service provider shall display notice for disconnection of signals of television channels in form of static images overlaid on the television screen, obstructing normal viewing of the subscribers.

**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.

Provided further that all television channels of same language within the same genre shall appear together consecutively in the electronic programme guide.

**18. Reporting of details of service providers.**--- (1) Every service provider with in thirty days from the date of commencement of these regulations shall register its name, address, contact number, e-mail address and license/ permission/ registration details issued by the Government on the website which shall be specified by the Authority through direction.

(2) Any service provider who commences its operations after the coming into effect of these regulations shall register its name, address, contact number, e-mail address and license/ permission/ registration details issued by the Government on the website which shall be specified by the Authority through direction.

(3) It shall be mandatory for a service provider to verify, from the website specified by the Authority, that the service provide seeking interconnection for providing signals of television channels or access to the network, as the case may be, has registered its details under sub-regulation (1) and sub-regulation (2).

**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 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.

**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).

(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.

(4) In the event of any change in the name of the compliance officer so appointed under sub-regulation (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.

(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.

(6) The compliance officer shall be responsible for-

- (a) ensuring conformity with the provisions of these regulations applicable to the service provider.
- (b) reporting to the Authority, with respect to compliance with these regulations and other directions of the Authority issued under these regulations.
- (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.

**20. Intervention by the Authority.**--- The Authority may, in order to protect the interest of the consumer or service provider or to promote and ensure orderly growth of the broadcasting and cable sector or for monitoring and ensuring compliance of these regulations, by order or direction, intervene, from time to time.

**21. Repeal.**--- (1) The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012 along with all its amendments and directions issued there under are hereby repealed.

(2) All the provisions of the Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004 and its amendments and directions issued there under, to the extent they are applicable to addressable systems, are hereby repealed.

(3) The repeal, under sub-regulation (1) and sub-regulation (2) of this regulation, shall not affect-

(a) the previous operation of the repealed regulation(s) or anything done or any action taken under the repealed regulation(s); or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under the regulation(s) so repealed; or

(c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the regulation(s) so repealed; or,

(d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture and punishment may be imposed, as if the aforesaid regulations had not been repealed.

**(Sudhir Gupta)**  
**Secretary TRAI**

**Note.**---The Explanatory Memorandum explains the objects and reasons of the Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulation, 2016.

## Appendix-I

(Refer sub-regulation (10) of regulation 3)

### Relevant geographical areas for TV channel distribution

1	All India
2	Andhra Pradesh and Telangana
3	Arunachal Pradesh
4	Assam
5	Bihar
6	Chhattisgarh
7	Delhi
8	Goa
9	Gujarat including UTs of Dadra & Nagar Haveli and Daman & Diu
10	Haryana
11	Himachal Pradesh
12	Jammu & Kashmir
13	Jharkhand
14	Karnataka
15	Kerala including UT of Lakshadweep
16	Madhya Pradesh
17	Maharashtra
18	Manipur
19	Meghalaya
20	Mizoram
21	Nagaland
22	Odisha
23	Punjab including UT of Chandigarh
24	Rajasthan
25	Sikkim
26	Tamil Nadu including UT of Puducherry
27	Tripura
28	Uttar Pradesh
29	Uttarakhand
30	West Bengal including UT of Andaman & Nicobar Islands

## Schedule I

(Refer sub-regulation (2) of the regulation 6)

### Provisions for calculation of the carriage fee amount

The carriage fee amount, for each month or part thereof, during the term of the interconnection agreement shall be calculated as given below:-

Sl.	calculation of the carriage fee amount
1	If the number of average active subscribers in a month for a channel in the target market is less than five percent of the average subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to the rate of carriage fee per channel per subscriber per month, as agreed under the interconnection agreement, multiplied by the average subscriber base of the distributor in that month in the target market.
2	If the number of average active subscribers in a month for a channel in the target market is greater than or equal to five percent but less than ten percent of the average subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to the rate of carriage fee per channel per subscriber per month, as agreed under the interconnection agreement, multiplied by 0.75 times of the average subscriber base of the distributor in that month in the target market.
3	If the number of average active subscribers in a month for a channel in the target market is greater than or equal to ten percent but less than fifteen percent of the average subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to the rate of carriage fee per channel per subscriber per month, as agreed under the interconnection agreement, multiplied by 0.5 times of the average subscriber base of the distributor in that month in the target market.
4	If the number of average active subscribers in a month for a channel in the target market is greater than or equal to fifteen percent but less than twenty percent of the average subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to the rate of carriage fee per channel per subscriber per month, as agreed under the interconnection agreement, multiplied by 0.25 times of the average subscriber base of the distributor in that month in the target market.
5	If the number of average active subscribers in a month for a channel in the target market is greater than or equal to twenty percent of the average subscriber base of the distributor in that month in the target market, then the carriage fee amount shall be equal to 'Nil'.

**Note:-** (1) here, the average subscriber base of the distributor in a month shall be calculated in a manner as prescribed in the schedule VII of these regulations.

(2) here, the target market refers to the relevant geographical areas, as specified in the interconnection agreement for carrying the channel.

**Application form for obtaining signals of television channel(s)**

1. Name of the distributor of television channels:
2. The names of Owners/Directors/Partners of the distributor:
3. Office address:
4. Address for communication:
5. Name of the contact person/ Authorized Representative:
6. Telephone:
7. Email address:
8. Copy of certificate of registration/ permission/ license (Attach a Copy):
9. Details of Head-end(s), Conditional Access Systems (CAS) and Subscriber Management Systems(SMS) deployed by the distributor:
10. Details of the areas, corresponding State(s)/ UT(s) and details of the Head-end from which the signals of television channels shall be distributed in such areas:
11. Area wise present subscriber base of the distributor:
12. List of channel(s) and bouquet(s) for which signals of television channels are requested:
13. Service Tax registration number:
14. Entertainment Tax Number:
15. PAN No. (attach a copy):
16. Are the CAS/ SMS in compliance with the regulations: YES / NO

\_\_\_\_\_  
(Signature)  
Date and Place

**DECLARATION**

I \_\_\_\_\_s/o, d/o\_\_\_\_\_, \_\_\_\_\_ (Owner/Proprietor/Partner /Director/ Authorized Signatory), of \_\_\_\_\_ (Name of Distributor of television channels), do hereby declare that the details provided above are true and correct. I state that the addressable systems installed for distribution of television channels meet the technical and other requirement(s) specified in **Schedule III** of the Telecommunication (Broadcasting & Cable Services) Interconnection (Addressable System) Regulations 2016, which may be verified by the broadcaster.

\_\_\_\_\_  
(Signature)  
Date and Place

**Addressable Systems Requirements**

**A) Conditional Access System (CAS) & Subscriber Management System (SMS):**

1. The distributor of television channels shall ensure that the current version of the Conditional Access System (CAS), deployed by it, do not have any history of hacking.

*Explanation: A written declaration available with the distributor from the CAS vendor, in this regard, shall be construed as compliance of this requirement.*

2. The SMS shall be independently capable of generating, recording, and maintaining logs, for the period of at least immediate preceding two consecutive years, corresponding to each command executed in the SMS including but not limited to activation and deactivation commands.
3. It shall not be possible to alter the data and logs recorded in the CAS and the SMS.
4. The distributor of television channels shall validate that the CAS, deployed by it, do not have facility to activate and deactivate a Set Top Box (STB) directly from the CAS terminal. All activation and deactivation of STBs shall be done with the commands of the SMS.
5. The SMS and the CAS should be integrated in such a manner that activation and deactivation of STB happen simultaneously in both the systems.

*Explanation: Necessary and sufficient methods shall be put in place so that each activation and deactivation of STBs is reflected in the reports generated from the SMS and the CAS terminals.*

6. The distributor of television channels shall validate that the CAS has the capability of upgrading set top boxes over-the-air (OTA), so that the connected set top boxes can be upgraded in the event of hacking.
7. The fingerprinting should not get invalidated by use of any device or software.
8. The CAS and the SMS should be able to activate or deactivate services or STBs of at least 50% of the subscriber base of the distributor within 24 hours.

9. The STB and Viewing Card (VC) shall be paired from the SMS to ensure security of the content.
10. The CAS and SMS should be capable of individually addressing subscribers, for the purpose of generating the reports, on channel by channel and STB by STB basis.
11. The SMS should be computerized and capable of recording the vital information and data concerning the subscribers such as:
  - a. Unique Customer Id
  - b. Subscription Contract number
  - c. Name of the subscriber
  - d. Billing Address
  - e. Installation Address
  - f. Landline telephone number
  - g. Mobile telephone number
  - h. Email id
  - i. Channel(s), bouquet(s) and services subscribed
  - j. Unique STB Number
  - k. Unique VC Number.
12. The SMS should be capable of:
  - a. Viewing and printing of historical data in terms of the activations and the deactivations of STBs.
  - b. Locating each and every STB and VC installed.
  - c. Generating historical data of changes in the subscriptions for each subscriber and the corresponding source of requests made by the subscriber.
13. The SMS should be capable of generating reports, at any desired time about:
  - i. The total number of registered subscribers.
  - ii. The total number of active subscribers.
  - iii. The total number of temporary suspended subscribers.
  - iv. The total number of deactivated subscribers.
  - v. List of blacklisted STBs in the system.

- vi. Channel(s) and bouquet(s) wise Monthly Subscription Report in the prescribed format.
  - vii. The names of the channels forming part of each bouquet.
  - viii. The total number of active subscribers subscribing to a particular channel or bouquet at a given time.
  - ix. The name of a-la carte channel(s) and bouquet(s) subscribed by a subscriber.
  - x. The ageing report for subscription of a particular channel or bouquet.
14. The CAS shall be independently capable of generating, recording, and maintaining logs, for the period of at least immediate preceding two consecutive years, corresponding to each command executed in the CAS including but not limited to activation and deactivation commands issued by the SMS.
15. It shall be possible to generate the following reports from the logs of the CAS:
- a. STB-VC Pairing / De-Pairing
  - b. STB Activation / De-activation
  - c. Channels Assignment to STB
  - d. Report of the activations or the deactivations of a particular channel for a given period.
16. The SMS shall be capable of generating bills for each subscriber with itemized details such as the number of channels subscribed, the rental amount for the channels subscribed, the rental amount for the customer premises equipment, charges for pay channel(s) and bouquet(s) of pay channels along with the list and retail price of corresponding pay channel(s) and bouquet(s) of pay channels, taxes etc.
17. The distributor shall ensure that the CAS & SMS vendor(s) has the technical capability in India to maintain the systems on 24x7 basis throughout the year.
18. The distributor of television channels shall declare the details of the CAS and the SMS deployed for distribution of channels. In case of deployment of any additional CAS/ SMS, the same should be notified to the broadcasters by the distributor.
19. Upon deactivation of any subscriber from the SMS, all programme/ services shall be denied to that subscriber.

20. The distributor of television channels shall preserve unedited data of the CAS and the SMS for at least 2 years.

**(B) Fingerprinting:**

1. The distributor of television channels shall ensure that it has systems, processes and controls in place to run finger printing at regular intervals.
2. The STB should support both visible and covert types of finger printing.
3. The finger printing should not be removable by pressing any key on the remote of STB.
4. The finger printing should be on the top most layer of the video.
5. The finger printing should be such that it can identify the unique STB number or the unique VC number.
6. The finger printing should appear on all the screens of the STB, such as menu, EPG, Settings, no content screen, and games etc.
7. The location, font color and background color of fingerprint should be changeable from head end and should be random on the viewing device.
8. The finger printing should be able to give the numbers of characters as to identify the unique STB and/or the VC.
9. The finger printing should be possible on global as well as on the individual STB basis.
10. The overt finger printing should be displayed by the distributor of television channels without any alteration with regard to the time, location, duration and frequency.
11. Scroll messaging should be only available in the lower part of the screen.
12. The STB should have a provision that finger printing is never disabled.

**(C) Set Top Box (STB):**

1. All STBs should have a Conditional Access System.
2. The STB should be capable of decrypting the Conditional Access messages inserted by the Head-end.

3. The STB should be capable of doing finger printing. The STB should support both Entitlement Control Message (ECM) & Entitlement Management Message (EMM) based fingerprinting.
4. The STB should be individually addressable from the Head-end.
5. The STB should be able to receive messages from the Head-end.
6. The messaging character length should be minimal 120 characters.
7. There should be provision for global messaging, group messaging and the individual STB messaging.
8. The STB should have forced messaging capability including forced finger printing display.
9. The STB must be compliant the applicable Bureau of Indian Standards.
10. The STBs should be addressable over the air to facilitate OTA software upgrade.

**Schedule IV**

*(Refer sub-regulation (15) of the regulation 9)*

**Application form for access to the network for re-transmission of a television channel(s)**

1. Name of the broadcaster:
2. The names of CEO/MD of the broadcaster:
3. Office address:
4. Address for communication:
5. Name of the contact person/ Authorized Representative:
6. Telephone:
7. Email address:
8. Names of channel(s) for which request for re-transmission has been made:
9. Copy of permission letter issued by the ministry of information and broadcasting for down-linking of the channel(s) mentioned above in India:
10. Nature of channel(s) (Pay or free to air)
11. Genre of channel(s):
12. Language(s) of channel(s):
13. Target Market in terms of relevant geographical area(s) of channel(s):
14. Down-linking frequencies of channel(s):
15. Modulation/coding & compression standard of channel(s):
16. Encryption of channel(s): encrypted/unencrypted

\_\_\_\_\_  
(Signature)  
Date and Place :

**DECLARATION**

I \_\_\_\_\_ s/o, d/o \_\_\_\_\_, \_\_\_\_\_ (Authorized Signatory), of \_\_\_\_\_ (Name of the broadcaster), do hereby declare that the details provided above are true and correct.

\_\_\_\_\_  
(Signature)  
Date and Place :

**Schedule V**

*(Refer sub-regulation (3) of the regulation 11)*

**MODEL INTERCONNECTION AGREEMENT BETWEEN MULTI SYSTEM OPERATOR AND LOCAL CABLE OPERATOR FOR PROVISIONING OF CABLE TV SERVICES THROUGH DIGITAL ADDRESSABLE SYSTEMS (DAS).**

*[1. Each page of this Agreement shall be signed by the authorised signatory of Multi System Operator and Local Cable Operator;*

*2. The numbers allotted to the clauses in this format shall not be altered and additions (if any) may either be carried out at the end of relevant clause or after the last clause of this format].*

This Technical and Commercial Interconnection Agreement along with its Schedules and Annexures is executed on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_ by and between:

\_\_\_\_\_, having its office at

\_\_\_\_\_, through its Authorised Signatory, hereinafter referred to as the “**MSO**” which expression shall unless repugnant to the context or meaning thereof, be deemed to include its successors, assignees, legal heirs and executors of the **ONE PART**.

MSO’s Status: Individual/Firm/Company/Association of Persons/Body of Individuals *(strike out whichever is not applicable or modify suitably in case of Association of Persons or Body of Individuals)*

**AND**

\_\_\_\_\_, having its office at

\_\_\_\_\_, through its Authorised Signatory, hereinafter referred to as the “**LCO**” which expression shall unless repugnant to the context or meaning thereof, be deemed to include its successors, assignees, legal heirs and executors, of the **OTHER PART**

LCO’s Status: Individual/Firm/Company/Association of Persons/Body of Individuals *(strike out whichever is not applicable or modify suitably in case of Association of Persons or Body of Individuals)*

The **MSO** and the **LCO** are hereinafter individually referred to as ‘Party’ and collectively referred to as “**Parties**”.

**WHEREAS,**

A. The MSO is a cable operator, who has been granted registration No. \_\_\_\_\_ dated \_\_\_\_\_ under the Cable Television Networks Rules, 1994, by the Ministry of Information and Broadcasting, for providing cable TV services through digital addressable systems in the areas of \_\_\_\_\_ notified by the Central Government under Section 4A of the Cable Television Networks (Regulation) Act, 1995.

B. The LCO is a cable operator, who has been granted registration under the Cable Television Networks Rules, 1994, having postal registration No. \_\_\_\_\_ dated \_\_\_\_\_, in the head post office \_\_\_\_\_, [Name of the head post office] for providing Cable TV Services in \_\_\_\_\_ [Mention the area].

C. The LCO has requested the MSO vide its letter No. \_\_\_\_\_ dated \_\_\_\_\_ for making available signals of TV channels and the MSO has agreed vide its letter No. \_\_\_\_\_ dated \_\_\_\_\_ to provide signals of TV channels to such LCO.

D. TERRITORY: Territory, in the context of this Agreement is \_\_\_\_\_  
*[mention the name of area(s)/ city(ies)/ district(s)/ state(s) for which this agreement is being signed.]*

E. The Parties have mutually agreed to execute this Agreement - on principal to principal and non-exclusive basis - between them to govern the roles, responsibilities, rights, obligations, technical and commercial arrangement in regard to the distribution of TV channels in the Territory.

F. The Parties also mutually agree that each and every transaction including transaction of any properties/ assets between the Parties shall be carried out in writing or in any other verifiable means.

**NOW, THEREFORE,** in consideration of the foregoing and the mutual covenants contained herein, the Parties agree as follows: -

**1. DEFINITIONS**

The words and expressions used in this Agreement shall have meanings as assigned to them in the Schedule to this Agreement. All other words and expressions used in this Agreement, but not defined, and defined in the Act and rules and regulations made there under or the Cable Television Networks (Regulation) Act, 1995 (7 of 1995) shall have the meanings respectively assigned to them in those Acts or the rules or regulations, as the case may be.

## **2. TERM OF THE AGREEMENT**

2.1 The Agreement shall commence on\_\_\_\_\_ [dd/mm/yyyy] and remain in force till\_\_\_\_\_ [dd/mm/yyyy] or the date of expiry of registration of the MSO or the LCO, as the case may be, whichever is earlier, unless terminated by either Party as per the terms and conditions of this Agreement.

2.2 The duration of the Agreement may be extended on terms and conditions to be mutually agreed between the Parties and recorded in writing provided that the extended term does not go beyond the last date of validity of registration of the MSO or the LCO, whichever is earlier.

## **3. TERMINATION OF THE AGREEMENT**

3.1 Either Party has a right to terminate the Agreement by serving an advance notice of 21 days in writing to the other Party in the event of:-

- (i) material breach of the Agreement by the other Party which has not been cured within 15 days of being required in writing to do so; or
- (ii) the bankruptcy, insolvency or appointment of receiver over the assets of other Party; or
- (iii) the other Party indulging in, or allowing or inducing any person to indulge in piracy or carrying programming service provided on the channel which is in violation of the Programme & Advertising Codes prescribed in the Cable Television Network Rules, 1994, as amended from time to time.

3.2 The LCO has a right to terminate the Agreement in the event of the MSO discontinuing the business of retransmission of signals of TV channels in the Territory.

3.3 The MSO has a right to terminate the agreement in the event of the LCO discontinuing its cable TV business in the Territory.

3.4 If the MSO decides to discontinue the business of retransmission of signals of TV channels in the Territory for any reason, it shall give a notice in writing, specifying the reasons for such decision, to the LCO at least 90 days prior to such discontinuation.

3.5 If the LCO decides to discontinue its business of providing signals of TV channels to the subscriber in the territory, it shall give a notice in writing, specifying the reasons for such decision, to the MSO at least 90 days prior to such discontinuation.

#### **4. EFFECT OF TERMINATION AND EXPIRY**

4.1 In the event of termination or expiry of the term of the Agreement, as the case may be, at the instance of either Party, each Party shall pay all amounts due and payable up to the date of termination or expiry to the other Party.

4.2 The LCO shall, within 15 days of the termination or expiry of the term of this Agreement, as the case may be, in terms of the provisions mentioned herein, hand over to the MSO all properties and assets belonging to the MSO, which are in the custody of the LCO. The LCO shall also be liable to make good all the losses or damages, if any, caused to such properties and assets belonging to the MSO, in custody of the LCO, within 30 days from the receipt of notice to this effect from the MSO and in the event of inability of LCO to repair such properties/assets, the LCO shall pay to the MSO the depreciated value of such properties/ assets.

4.3 The MSO shall, within 15 days of the termination or expiry of the term of this Agreement, as the case may be, in terms of the provisions mentioned herein, hand over to the LCO all properties and assets belonging to the LCO, which are in the custody of the MSO. The MSO shall also be liable to make good all the losses or damages, if any, caused to such properties and assets belonging to the LCO, in custody of the MSO, within 30 days from the receipt of notice to this effect from the LCO and in the event of inability of MSO to repair such properties/assets, the MSO shall pay to the LCO the depreciated value of such properties/ assets.

Explanation:- The clause 4.2 and 4.3 above shall not have any application in respect of Hardware or any other equipment belonging to the MSO or the LCO, as the case may be, which are installed at the premises of the subscribers.

4.4 If the LCO or the MSO, as the case may be, fails to hand over the assets or make good losses or damages caused to such properties and assets within the above stipulated period, the

defaulting Party shall be liable to make payment for the depreciated value of the same together with simple interest calculated at the rate 2% over and above the base rate of interest of the State Bank of India.

## **5. PROVISIONING OF SERVICES**

5.1 The MSO shall make available signals of TV channels to the LCO, on non-exclusive basis, in order to re-transmit the same to the subscribers in the Territory, in terms of this agreement and as per prevailing norms, policies, the applicable laws and rules, regulations, directions and orders of the concerned authorities.

5.2 The LCO shall carry signals of TV channels received from the MSO, on non-exclusive basis, for distribution to the subscribers in the Territory.

5.3 The Parties shall compulsorily transmit, re-transmit or otherwise carry any channel, content or programme only in encrypted mode through a digital addressable system strictly in terms of and in accordance with the applicable laws and regulations.

5.4 The roles and responsibilities of the Parties to the Agreement for provisioning of services are contained in **clause 10** of this Agreement.

5.5 In consideration of the roles and responsibilities mentioned in **clause 10** of the Agreement, the revenue settlement between the LCO and the MSO have been mentioned in the **clause 12** of the Agreement.

## **6. RIGHTS OF THE MSO**

6.1 The MSO shall continue to have a right of ownership of its network used to deliver the cable TV services under this agreement and it may expand/ upgrade/ change/ replace/ re-design any part or entire network subject to the condition that any such activity does not interrupt or degrade the Quality of Service provided to the subscribers.

6.2 The MSO shall sign the interconnection agreement with broadcasters for re-transmission of signals of TV Channels as per prevailing norms, policies, the applicable laws and rules, regulations, directions and orders of the concerned authorities.

6.3 The MSO shall have the right to finalise the maximum retail price of each channel, as payable by the subscriber in compliance with the provisions of applicable laws and rules, regulations and tariff orders.

6.4 The MSO shall have the right to package the channels/ services offered on the network, as per its business plan and as per prevailing norms, policies, the applicable laws and rules, regulations and tariff orders.

6.5 The MSO shall have the right to finalise the rate of Basic Service Tier (BST) in compliance with the provisions of the applicable tariff orders and regulations notified by the Authority from time to time.

6.6 The MSO shall have the right to finalise the rates of bouquets of channels, if offered by the MSO, in compliance with the provisions of the applicable tariff orders and regulations notified by the Authority.

6.7 The MSO shall have the right to get all requisite information from the LCO for the purpose of fulfilling its responsibilities under the Agreement, and the applicable orders and regulations.

## **7. RIGHTS OF THE LCO**

7.1 The LCO shall continue to have its right of ownership of its network used to deliver the cable TV services under this agreement and it can expand/ upgrade/ change/ replace/ re-design any part or entire network subject to the condition that any such activity does not interrupt or degrade the Quality of Service offered to the subscriber on its network.

7.2 The LCO shall have right to get all the requisite information from the MSO for the purpose of fulfilling its responsibilities under the Agreement, and the applicable orders and regulations.

## **8. OBLIGATIONS OF THE MSO**

8.1 MSO shall set up and operationalise the Head-end, Conditional Access System (CAS) and Subscriber Management System (SMS) for ensuring efficient and error-free services to the subscribers by recording and providing individualized preferences for channels, billing cycles or refunds.

8.2 The MSO shall make available to the LCO, the necessary and sufficient information relating to the details of channels, bouquets of channels, and services offered to the subscribers including their prices.

8.3 The MSO shall provide web based grievance redressal mechanism for addressing the complaints of LCOs in relation to the provision of services, roles and responsibilities, revenue settlements, quality of services etc.

8.4 The MSO shall not issue pre-activated STBs and the STBs shall be activated only after the details of the Customer Application Form (CAF) have been entered into the SMS.

8.5 The MSO shall generate bills for subscribers on regular basis, for charges due and payable for each month or as per the billing cycle applicable for that subscriber, within 3 days from the end of the billing cycle.

8.6 The MSO shall provide access to the relevant part of the SMS under its control to the LCO for the purpose of fulfilling responsibilities by the Parties under the Agreement, and the applicable orders and regulations.

8.7 The MSO shall not indulge in any piracy or other activities, which has the effect of, or which shall result into, infringement and violation of trade mark and copyrights of the LCO or person associated with such transmission.

8.8 The MSO shall comply with all the applicable statutes or laws for the time being in force, or any rules, codes, regulations, notifications, circulars, guidelines, orders, directions etc. issued, published or circulated under any law for the time being in force.

8.9 The MSO shall not do any act or thing as a result of which, any right or interest of the LCO in respect of cable TV signals under this Agreement or any property of the LCO may be infringed or prejudiced.

8.10 The MSO shall be responsible for encryption of the complete signal, up to the STB installed at the premises of the subscriber.

8.11 The MSO shall not disconnect the signals of TV Channels, without giving three weeks' advance notice to the LCO clearly specifying the reasons for the proposed disconnection as envisaged in the Interconnection Regulation.

8.12. The MSO shall make available online payment gateway, prepaid system for subscribers and facility for electronic acknowledgment to the subscriber on the receipt of payment from the subscriber.

8.13 The MSO shall provide to the LCO at least 2% of the total STBs active in the network of the LCO with an upper cap of 30 STBs as maintenance spare, which are not pre-activated, to ensure speedy restoration of services affected due to any fault in STB. This quantity of maintenance spare STBs shall be maintained during the term of the agreement.

8.14 The MSO shall intimate to the LCO, at least 15 days in advance, in respect of any proposed changes in the package composition or the retail tariff being offered to the subscriber.

8.15 The MSO shall have no right, without the prior written intimation to the LCO, to assign or transfer any of its rights or obligations under this Agreement.

## **9. OBLIGATIONS OF THE LCO**

9.1 The LCO shall handover a copy of CAF received from subscribers within 15 days to the MSO;

9.2 The LCO shall be responsible for entering the details of the bill amount paid by the individual subscriber to the LCO for the Cable TV services in the SMS.

9.3 The LCO shall not indulge in any piracy or other activities, which has the effect of, or which shall result into, infringement and violation of trade mark and copyrights of the MSO, or any other person associated with such retransmission.

9.4 The LCO shall have no right, without the prior written intimation to the MSO, to assign or transfer any of its rights or obligations under this Agreement.

9.5 The LCO shall not replace the STBs of the MSO with the STBs of any other MSO without receiving the requests from the subscribers through application forms for returning the STB of the existing connections and for providing new connections through Customer Application Form. The new Set Top Box shall be activated only after entry of the details, as provided in new Customer Application Form, into the Subscriber Management System of the new MSO.

9.6 The LCO shall –

(i) not transmit or retransmit, interpolate or mix any signals which are not transmitted or generated by the MSO without the prior written consent of the MSO;

(ii) not insert any commercial or advertisement or information on any signal transmitted by the MSO. Any such tampering of signals or interpolating of signals shall be deemed to be a violation of this Agreement and shall constitute sufficient cause for termination of this Agreement by the MSO by giving such notice as prescribed under the law or under this agreement;

(iii) not interfere in any way with the signals provided by the MSO and also not use any decoding, receiving, recording equipment(s), counterfeit set top box or Smart card and any other like equipments;

(iv) not alter or tamper the Hardware including the seal (seal to prevent opening of set top box), misuse, replace, remove and shift the Smart card or STB without the written consent of MSO from their respective original addresses;

(v) not use, either before or after the installation of STB, of any decoding, receiving, recording equipment(s), counterfeit set top box(es), smart card(s) other than the

STB(s), Smart cards and any other equipments supplied/ approved by the MSO, and to take actions as directed by the MSO against such subscribers.

(vi) intimate the MSO promptly about any alteration, tampering with the Hardware including the seal, misuse, replacement, removal and shifting of Smart cards and STBs, without the written consent of MSO, from their respective original addresses and also about the use, either before or after the STBs, of any decoding, receiving, recording equipment(s), counterfeit set top box(es) and smart card(s) other than the STB(s), Smart card(s) and any other items of Hardware supplied by the MSO, and to take actions as directed by the MSO against such subscribers.

9.7 The LCO shall not provide connection to any entity for further retransmission of the Cable TV signals.

9.8 The LCO shall not record and then retransmit Cable TV signals or otherwise to block or add or substitute or otherwise tamper with the signal being transmitted by the MSO or with the trunk line nor shall allow any other person to do so.

9.9 The LCO shall not do any act or thing as a result of which, any right or interest of the MSO in respect of the Cable TV signals under this Agreement or any property of the MSO may be infringed or prejudiced.

9.10 The LCO shall permit access to the systems under its control to the MSO, on non-exclusive basis, for the purpose of fulfilling responsibilities by the Parties under the Agreement, and the applicable orders and regulations.

9.11 The LCO shall not disconnect the signals of TV Channels, without giving three weeks' notice to the MSO clearly specifying the reasons for the proposed disconnection as envisaged in the Interconnection Regulation.

**10. ROLES AND RESPONSIBILITIES OF THE MSO AND THE LCO:**

<b>Sl. No.</b>	<b>Role</b>	<i>Responsibility of the MSO or the LCO as mutually agreed by the Parties - fill the cell accordingly</i>	<b>Remarks</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1	Publicizing schemes for obtaining and returning the Set Top Boxes (STBs) by the subscriber and the warranty/ repairing policy applicable thereof.		
2	Devising formats of application as specified in the schedule-I of the QoS regulations for seeking connection, disconnection, reconnection, transfer, and shifting of Cable TV services;		
3	Publication of Manual of Practice (MoP)		
4	Setting up of Website containing information pertaining to services, details of Customer Care Center, complaint redressal system, complaint monitoring system, citizen charter, nodal officer etc.		

5	<p>a. Establishment of Customer Care Center for</p> <p>(i) addressing service requests of subscribers,</p> <p>(ii) redressal of complaints of subscribers.</p> <p>b. Establishment of web based Complaint Management System.</p> <p>c. Providing Toll free Consumer Care Number and its publicity.</p> <p>d. Maintenance of records of all complaints filed by the consumer as provided in the QoS Regulations.</p>		<p>In case this responsibility is given to the MSO then the MSO shall communicate to the LCO the details of Customer Care Center for onward communication to subscribers.</p>
6	<p>Specification of a system of discount or rebate to the subscriber due to interruptions in service and creating awareness about such scheme.</p>		

7	<p>a. Providing information to the subscriber about the schemes for obtaining and returning the STB and the warranty/ repairing policy applicable thereof.</p> <p>b. Providing of the application form along with the MOP to the applicants/ subscribers and</p> <p>c. Receiving of application form from applicants/ subscribers for</p> <p>(i) connection, reconnection, transfer, and shifting of Cable TV services;</p> <p>(ii) obtaining and returning of STB.</p> <p>d. Returning of the duplicate copy of the application form to the applicant/ subscriber as an acknowledgment of receipt of application.</p> <p>e. Communication of shortcomings or deficiency, in the application form, in writing to the applicant, within 2 days of receipt of the application.</p> <p>f. Communication of technical or operational non-feasibility to the applicant, in case it is technically or operationally non-feasible to provide connection, reconnection, shifting of service or supply of STB at the location, where the services are requested by the applicant, within 2 days of receipt of the application.</p>		<p>The Party who has been assigned this responsibility shall update the information in the Subscriber Management System (SMS) in each case within 24 hours from the receipt of the application.</p>
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8	Issue of Unique Identification Number (UIN) for the applicant.		The UIN shall be generated from the SMS. In case the responsibility is assigned to the LCO then the relevant access of the SMS should be provided by the MSO to the LCO.
9	Installation of STB at the premises of the subscriber and activation through SMS.		In case the responsibility is assigned to the LCO then the MSO should provide relevant access to SMS for STB activation.
10	Providing rebate to the subscriber for delay in installation and activation of STB.		
11	Issuance of advance notice of 15 days regarding discontinuing or disconnection of cable service to the subscriber, indicating the reasons for such discontinuation or disconnection.		
12	Receipt of request from the subscriber for disconnection or suspension of service and its execution through SMS.		
13	Receipt of request for change in subscription package from the subscribers and its execution through SMS.		
14	Notice to the Subscribers regarding disruption of signals for preventive maintenance.		

15	Response to the consumer complaints as per norms of the QoS regulations.		The complaints received by the Party shall be immediately updated in the web based complaint monitoring system so that the necessary corrective action can be taken by the Parties in time and the same can be monitored by the complainant.
16	Redressal of consumer complaints as per the norms of the QoS regulations:- (i) relating to 'No signal'; (ii) relating to STB; (iii) relating to subscriber's billing and receipts; (iv) any other complaint.		The complaints redressed by the Party shall be immediately updated in the web based complaint monitoring system.
17	Designation of nodal officer as per the provisions of the QoS regulations.		
18	Communication to subscriber about redressal of the complaint received from the Authority.		
19	Printing and delivery of system generated itemized bills to subscribers.		
20	Delivery of payment receipts to subscribers.		
21	Electronic acknowledgement to subscriber.		

22	Providing information relating to itemised usage showing actual usage of service in case of prepaid bills for any period within 6 months.		The requests received by the LCO shall be immediately updated in the SMS so that the MSO can provide the requisite details to the subscriber in time.
23	Payment of taxes to the Government.	<b>MSO and/ or LCO</b>	The specific details of tax payment responsibilities need to be filled in the adjoining cells at the time of signing of the agreement as per the rules and regulations of the respective Tax authorities.

*Note:- The responsibilities for various roles mentioned in the column (2) above can be mutually agreed by the Parties and accordingly the cells of the column (3) to be filled.*

## **11. BILLING**

11.1 The billing for subscriber shall be in the name of \_\_\_\_\_ . However, each Party shall ensure that the applicable laws, rules and regulations relating to taxes are complied with.

11.2 The Party, in whose name the billing for subscribers have been agreed in the clause 11.1 above, shall receive the payment of the subscription fee paid by the subscribers. The revenue share as per clause 12.1 of this Agreement shall be paid by this Party to the other Party on receipt of the invoice from the other Party.

## **12. REVENUE SETTLEMENT BETWEEN THE LCO AND THE MSO AND RELATED RIGHTS AND OBLIGATIONS**

12.1 The settlement of charges between the LCO and the distributor shall be in the following manner:-

- (a) the rental amount for the channels subscribed shall be shared in the ratio of \_\_: \_\_ between multi system operator and local cable operator respectively.
- (b) the distribution fee shall be shared in the ratio of \_\_: \_\_ between multi system operator and local cable operator respectively.

### **Note:-**

*For mutual agreement cases where the roles and responsibilities of the MSO and the LCO have been agreed as per column (3) of clause (10), this clause can be suitably amended based on mutual agreement.*

12.2\*

**(When the billing for subscribers is in the name of the LCO and the LCO receives the payment of subscription fee paid by the subscribers)**

The MSO shall issue monthly invoice to the LCO towards dues payable by the LCO for revenue settlement and such invoice shall clearly specify the current payment dues and arrears, if any, along with the due date of payment which shall not be less than seven days. Any demand of arrears shall be accompanied by the proof of service of invoices for the

period for which the arrears pertain. The amounts raised in the invoice shall be payable on or before the due date as mentioned therein.

**OR**

12.2\*

**(When the billing for subscribers is in the name of the MSO and the MSO receive the payment of subscription fee paid by the subscribers)**

The MSO shall share the complete information relating to the subscribers billing and receipt of the payments with the LCO. The LCO shall issue monthly invoice to the MSO towards dues payable by the MSO for revenue settlement and such invoice shall clearly specify the current payment dues and arrears, if any, along with the due date of payment which shall not be less than seven days. Any demand of arrears shall be accompanied by the proof of service of invoices for the period for which the arrears pertain. The amounts raised in the invoice shall be payable on or before the due dates as mentioned therein.

*(\*Strike out whichever is not applicable at the time of signing individual agreement)*

12.3 The Party shall update the details of the subscription amount realised from the subscriber, in the SMS within 7 days from the due date.

### **13. DEFAULTS**

13.1 Without prejudice to such rights and remedies that the Parties may have in law or under the provisions of this Agreement, in the event of any delay or failure by the MSO or the LCO, as the case may be, to make payments of dues on or before the respective due dates, the LCO or the MSO, as the case may be, shall have the right:-

(i) to disconnect the services subject to the compliance of the applicable rules, regulations, directions or orders of the Authority;

(ii) to terminate this Agreement, subject to compliance of the applicable laws in force;

(iii) to charge a simple interest at the rate 2% over and above of the base rate of interest of the State Bank of India from the date such amounts became due until those are fully and finally paid;

13.2 In cases where any of the Parties has failed to make payment on or before due date for three consecutive months in the past, the other Party shall have right to demand the interest free security deposit which shall not exceed average of immediately preceding 6 months billing amounts and the same shall be maintained for the remaining term of the agreement.

13.3 Upon disconnection of the service as mentioned in clause 13.1 above, whether accompanied by termination of this Agreement or not, the defaulting Party shall be liable to deposit forthwith all sums payable by it. In the case of termination, accounts shall be settled within thirty days and for delayed payments, either Party shall be liable to pay simple interest at the rate 2% over and above of the base rate of interest of the State Bank of India.

#### **14. UNDERTAKINGS**

14.1 Each Party shall recognize the exclusive ownership of the property owned and installed by the other Party and shall not have or claim any right, title or interest or lien of whatsoever nature.

14.2 Nothing contained herein shall constitute either Party as the agent or partner or the representative of the other for any purpose and neither Party shall have the right or authority to assume, create or incur any liability or obligation of any kind, express or implied, in the name of or on behalf of the other Party and the relationship between the MSO and the LCO shall remain on “Principal to Principal” basis.

14.3 It is expressly understood by the Parties that “\_\_\_\_\_” logo(s) is a Registered Trade Mark of the MSO, and the LCO shall use the said logo only during the currency of this Agreement for the benefit of the cable television networking business of the MSO. Consent of the MSO is hereby given to the LCO to use the said logo, to the extent of or in connection with the business of the MSO.

14.4 It is expressly understood by the Parties that “\_\_\_\_\_” logo(s) is a Registered Trade Mark of the LCO, and the MSO shall use the said logo only during the currency of this Agreement for the benefit of the cable television networking business of the LCO. Consent of the LCO is hereby given to the MSO to use the said logo, to the extent of or in connection with the business of the LCO.

14.5 It is clearly understood and accepted by each Party that it shall have no right to use any intellectual property of the other on its Cable TV service or otherwise on or after the withdrawal by the other Party of its consent for such uses.

14.6 In case the LCO or the MSO, as the case may be, decides to transfer its interest in respect of its business of providing Cable TV Service to any other party / person (third party), in whole or in part, the LCO or the MSO, as the case may be, shall give prior notice to the MSO or the LCO. One Party shall not have any objection to such transfer if the other Party has complied with its obligations under this contract and has paid all its dues.

Provided, however, that such third party shall sign and execute a deed of adherence to the terms & conditions of this Agreement and other undertaking/ bonds to the satisfaction of the MSO or the LCO, as the case may be, in order to give effect to the provisions of this Agreement.

14.7 The LCO shall maintain and continue to maintain its Postal Registration Certificate renewed from time to time in accordance with the Cable TV Networks (Regulation) Act, 1995 and comply with the terms and conditions of the registration certificate issued by the Postal Authority.

14.8 The MSO shall maintain and continue to maintain its Registration Certificate renewed from time to time in accordance with the Cable TV Networks (Regulation) Act, 1995 and comply with the terms and conditions of the registration.

14.9 Both the Parties shall comply with the Programme Codes and Advertising Codes prescribed in the Cable Television Network Rules, 1994, as amended from time to time.

14.10 Both the Parties shall comply with the laws for the time being in force in India, as applicable to them.

## **15. PREVENTION OF PIRACY**

15.1 The Parties shall not indulge or allow any person to indulge in Piracy or in reverse engineering any technology used in the Hardware or any component thereof nor shall they use the Hardware to be connected to any equipment for setting up a mini head-end for retransmission of the signals generated from the same.

15.2 Signal to any subscriber shall be disconnected by the MSO or the LCO, as the case may be, after giving due notice as required under applicable regulations, if found to be indulged in or abetting any Piracy.

## **16. DISCLAIMER AND INDEMNITY**

16.1 In no event, the MSO shall be liable to the LCO for any indirect, special, incidental or consequential damage arising out of or in connection with the disruption, interruption or discontinuance of the Service or for any inconvenience, disappointment or due to deprivation of any programme or information or for any indirect or consequential loss or damage, which is not attributable to any act of the MSO.

16.2 In no event, the LCO shall be liable to the MSO for any indirect, special, incidental or consequential damage arising out of or in connection with the disruption, interruption or discontinuance of the Service or for any inconvenience, disappointment or due to deprivation of any programme or information or for any indirect or consequential loss or damage, which is not attributable to any act of the LCO.

16.3 LCO shall indemnify the MSO for all cost, expense and damages by reason of any claim, action or proceedings from any third party or from subscribers for any inconvenience, loss or annoyance caused to them due to any default of the LCO or due to termination of the Agreement or suspension of the Service due to LCO's breach.

16.4 MSO shall indemnify the LCO for all cost, expense and damages by reason of any claim, action or proceedings from any third party or from subscribers for any inconvenience, loss or annoyance caused to them due to any default of the MSO or due to termination of the Agreement or suspension of the Service due to MSO's breach.

## **17. GOVERNING LAW AND DISPUTE RESOLUTION**

17.1 As mandated by the Telecom Regulatory Authority of India Act, 1997, the Parties shall not institute any suit or seek injunction or interim orders in any court or judicial tribunal/ authority in India with respect to any claims, dispute or differences between the Parties arising out of this Agreement save and except before the Telecom Disputes Settlement and Appellate Tribunal, New Delhi ("TDSAT"). The Parties agree that all disputes between the Parties shall be resolved solely through proceedings instituted before the TDSAT.

## **18. FORCE MAJEURE**

18.1 Failure on the part of the MSO or the LCO to perform any of its obligations, shall not entitle either Party to raise any claim against the other or constitute a breach of this Agreement to the extent that such failure arises from an event of Force Majeure. If through Force Majeure the fulfilment by either Party of any obligation set forth in this Agreement is delayed, the period of such delay shall not be taken into account in computing periods prescribed by this Agreement. Force Majeure will include act of god, earthquake, tides, storm, flood, lightening, explosion, fire, sabotage, quarantine, epidemic, arson, civil disturbance, terrorist attack, war like situation, or enactment of any law or rules and regulation made by the Authorities or revocation of registration of the Parties any circumstances beyond the reasonable control of the Parties herein that directly or indirectly hinders or prevents either of the Parties from commencing or proceeding with the consummation of the transactions contemplated hereby. The Party affected by such Force Majeure event shall promptly notify the other Party of the occurrence of such event. It is agreed between the Parties that lack of funds shall not in any event constitute or be considered an event of Force Majeure. If the conditions of Force Majeure to continue for a period exceeding one month, the Parties shall meet to decide upon the future performance of the Agreement. If the Parties are unable to agree upon a plan for future performance, then the

Agreement shall be terminated upon notice of either Party to the other, on expiry of one month from the date of such notice.

18.2 Any accrued payment obligation of a Party prior to the commencement of Force Majeure shall survive the termination of this Agreement pursuant to such Force Majeure.

## **19. NOTICES**

19.1 Any notice to be served on any Party by the other shall be deemed to have been validly sent if sent by Registered Post Acknowledgement Due (RPAD) or speed post service of Department of Post, Government of India or by hand delivery duly acknowledged at the address mentioned in the beginning or at such other changed address as the Party may inform and the date of receipt of such notice shall be the date of receipt by the other Party or 7 days from the date of dispatch of the notice by RPAD, whichever is earlier.

## **20. RESTRICTION ON TRANSFER**

20.1 The either Party shall not remove, sell, assign, mortgage, transfer/sublet and encumber all or any part of the network which belongs to the other Party. If the Party indulges in any of the above-mentioned acts, the said acts shall be illegal and void ab-initio and the Party shall also be liable for any action under the applicable law.

## **21. CONFIDENTIALITY**

21.1 The Parties shall keep in strict confidence, any information received by one from the other while participating in the affairs/business of each other and shall not disclose the same to any person not being a party to this Agreement.

21.2 The Parties shall also bind their employees, officers, advisors, associates, contractors, agents, authorized persons and other similar persons to whom the above mentioned information may be disclosed, to the obligations of confidentiality.

21.3 The Parties hereby agrees that the confidential information can be disclosed to the statutory authority on demand by such authorities.

**22. MODIFICATIONS**

22.1 The Agreement cannot be modified, varied or terminated except in writing. Any variation of the Agreement, including Addendum Agreements, Annexures, Schedules or any other document, called by whatever name, but executed in relation to this Agreement, shall be mutually agreed to in writing and executed by or on behalf of the Parties.

**23. BINDING EFFECT**

23.1 This Agreement modifies all prior understanding of the Parties as to the subject matter thereof and shall not be amended except in writing by both the Parties. Any other understanding between the Parties (if any) with regard to any other matter or any accrued rights and obligation of the Parties not covered under this agreement, if any, shall continue to be in full force and effect.

**IN WITNESS WHEREOF** the Parties have set and subscribed their respective hands to this Agreement on the date and year appearing hereinabove.

Signed on behalf of the MSO

( \_\_\_\_\_ )

In the presence of

1. ....

2. ....

Signed on behalf of the LCO

( \_\_\_\_\_ )

In the presence of

1. ....

2. ....

*Note: The self attested copies of power of attorney/authorization letter, whereby the signatories of this agreement have been authorised to sign and execute this agreement by the Parties, shall be attached with this agreement.*

## DEFINITIONS AND INTERPRETATIONS

### A. DEFINITIONS

In the Agreement unless the context requires otherwise, the following words and expressions shall have the meanings set out herein below:

- (a) **“Act”** means the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), as amended from time to time;
- (b) **“Addressable System”** shall have the same meaning as assigned to it in the Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016;
- (c) **“Authority”** means the Telecom Regulatory Authority of India established under subsection (1) of section 3 of the Telecom Regulatory Authority of India Act, 1997;
- (d) **“Basic Service Tier”** shall have the same meaning as assigned to it in the Tariff Order.
- (e) **“bouquet”** or **“bouquet of channels”** means an assortment of distinct channels offered together as a group or as a bundle and all its grammatical variations and cognate expressions shall be construed accordingly;
- (f) **“broadcaster”** means a person or a group of persons, or body corporate, or any organization or body who, after having obtained, in its name, down-linking permission for its channels, from the Government, provides programming services;
- (g) **“cable service”** or **“cable TV service”** means the transmission of programmes including re-transmission of signals of television channels through cables;
- (h) **“cable television network”** or **“cable TV network”** means any system consisting of a set of closed transmission paths and associated signal generation, control and distribution equipment, designed to provide cable service for reception by multiple subscribers;
- (i) **“channel”** means a channel, which has been granted permission by the Government in India under the policy guidelines issued by it from time to time and reference to the term **‘channel’** shall be construed as a reference to **“television channel”**;

- (j) **“Customer Care Center”** means a facility established by the multi-system operator or his linked local cable operators, as the case may be, under QoS Regulations;
- (k) **“CTN Act”** means the Cable Television Networks (Regulation) Act, 1995 (7 of 1995), as amended from time to time.
- (l) **“Encryption or encrypted”** in respect of a signal of cable television network, means the changing of such signal in a systematic way so that the signal would be unintelligible without use of an addressable system and the expression "unencrypted" shall be construed accordingly;
- (m) **“Free To Air channel”** shall have the same meaning as assigned to it in the Tariff Order.
- (n) **“Hardware”** means a multi-system operator approved set top box to enable the decryption of signals of Channels transmitted in encrypted form, the remote and other associated components and accessories.
- (o) **“Head-end”** means a facility that contains satellite receivers, modulator, compression equipment, multiplexes, and conditional access facilities, other transmission equipments and has antennas which receive signals from Satellite and/or from local studio for retransmission to subscribers directly or through linked LCOs;
- (a) **“Interconnection Regulation”** means the Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016, as amended from time to time.
- (p) **“Manual of Practice (MoP)”** means the Manual of Practice referred in the QoS Regulation;
- (q) **“Nodal Officer”** means the officer appointed or designated by the multi-system operator or his linked local cable operator, as the case may be, under the QoS Regulations;
- (r) **“Pay Channel”** shall have the same meaning as assigned to it in the Tariff Order;
- (s) **“Piracy”** means unauthorized reception, retransmission or redistribution of Cable TV Signal by any person by any means and modes including but not limited to any alteration, tampering of the seal or any component or accessory thereof or misuse, replacement, removal and/or shifting of Hardware or any use, either before or after the set top box, any decoding, receiving, recording equipment(s), counterfeit or unauthorized devices or any activity, which has the effect of, or which may result

into, infringement and violation of trade mark and copyright of the MSO or the LCO as the case may be;

- (t) "**Programme**" means any television broadcast and includes;
  - (i) exhibition of films, features, dramas, advertisements and serials;
  - (ii) any audio or visual or audio-visual live performance or presentation and----  
the expression "programming service" shall be construed accordingly;
- (u) "**QoS Regulation**" means the Standards of Quality of Service and Consumer Protection (Digital Addressable Systems) Regulations, 2016, as amended from time to time.
- (v) "**set top box**" or "**STB**" means a device, which is connected to or is part of a television and which enables a subscriber to view subscribed channels;
- (w) "**Smart Card**" means the card duly approved by the multi system operator as part of the Hardware, which enables the subscriber to gain access to the Cable TV signals of Channels.
- (x) "**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 box located at such place, for receiving the subscribed television broadcasting services from the service provider, shall constitute one subscriber;
- (za) "**Subscriber management system or SMS**" means a system or device which stores the subscriber records and details with respect to name, address and other information regarding the hardware being utilized by the subscriber, channels or bouquets of channels subscribed by the subscriber, price of such channels or bouquets of channels as defined in the system, the activation or deactivation dates and time for any channel or bouquets of channels, a log of all actions performed on a subscriber's record, invoices raised on each subscriber and the amounts paid or discount allowed to the subscriber for each billing period;
- (zb) "**Tariff Order**" means the Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff Order, 2016, as amended from time to time;
- (zc) "**Trunk Line**" means the coaxial/optic fibre cable network and other allied equipment such as receiver nodes, amplifiers, splitters etc. owned and installed by the multi-system operator or its associate companies for the purpose of transmitting Cable

TV Signal to various LCOs till the receiving end of various LCOs, including the LCO, to enable them to re-transmit the Cable TV Signal to respective subscribers; All other words and expressions used in this interconnection agreement but not defined, and defined in the Act and rules and regulations made there under or the CTN Act and the rules and regulations made there under, shall have the meanings respectively assigned to them in those Acts or the rules or regulations, as the case may be.

## **B. INTERPRETATION**

In this Agreement, unless the context otherwise requires:

- (a) Any reference to the singular in the Agreement shall include a reference to the plural and vice versa and words importing one gender only shall include all other genders unless the context otherwise requires;
- (b) The word “person” shall include individuals, corporations, partnerships, association of persons and any other entities;
- (c) Any references to article, clauses, sub-clauses, appendices, annexure and schedules are references to Articles, clauses, sub-clauses, appendices, annexure and schedules to the Agreement unless the context otherwise expressly provides;
- (d) References to a “month” are to a calendar month;
- (e) Headings and titles are for ease of reference only and shall not affect the interpretation of this agreement and in no way be read to give a construction not harmonious with the interpretation of various clauses of this agreement done otherwise independent of the title.
- (f) Any reference to law, regulation, statutory provision, order, guideline, policy, etc, includes references to such law or regulation or provision, order, guideline, policy, etc., as modified, codified, amended or re-enacted from time to time.

**Schedule VI**

*(Refer second proviso to sub-regulation (3) of regulation 11)*

**STANDRAD INTERCONNECTION AGREEMENT BETWEEN MULTI SYSTEM OPERATOR AND LOCAL CABLE OPERATOR FOR PROVISIONING OF CABLE TV SERVICES THROUGH DIGITAL ADDRESSABLE SYSTEMS (DAS).**

*[Each page of the Agreement shall be signed by the authorised signatory of the Multi System Operator and the Local Cable Operator]*

This Technical and Commercial Interconnection Agreement along with its Schedules and Annexures is executed on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_ by and between:

\_\_\_\_\_, having its office at \_\_\_\_\_, through its Authorised Signatory, hereinafter referred to as the “**MSO**” which expression shall unless repugnant to the context or meaning thereof, be deemed to include its successors, assignees, legal heirs and executors of the **ONE PART**.

MSO’s Status: Individual/Firm/Company/Association of Persons/Body of Individuals *(strike out whichever is not applicable or modify suitably in case of Association of Persons or Body of Individuals)*

**AND**

\_\_\_\_\_, having its office at \_\_\_\_\_, through its Authorised Signatory, hereinafter referred to as the “**LCO**” which expression shall unless repugnant to the context or meaning thereof, be deemed to include its successors, assignees, legal heirs and executors, of the **OTHER PART**

LCO’s Status: Individual/Firm/Company/Association of Persons/Body of Individuals *(strike out whichever is not applicable or modify suitably in case of Association of Persons or Body of Individuals)*

The **MSO** and the **LCO** are hereinafter individually referred to as ‘Party’ and collectively referred to as “**Parties**”.

**WHEREAS,**

A. The MSO is a cable operator, who has been granted registration No. \_\_\_\_\_ dated \_\_\_\_\_ under the Cable Television Networks Rules, 1994, by the Ministry of Information and Broadcasting, for providing cable TV services through digital addressable systems in the areas of \_\_\_\_\_ notified by the Central Government under Section 4A of the Cable Television Networks (Regulation) Act, 1995.

B. The LCO is a cable operator, who has been granted registration under the Cable Television Networks Rules, 1994, having postal registration No. \_\_\_\_\_ dated \_\_\_\_\_, in the head post office \_\_\_\_\_, [Name of the head post office] for providing Cable TV Services in \_\_\_\_\_ [Mention the area].

C. The LCO has requested the MSO vide its letter No. \_\_\_\_\_ dated \_\_\_\_\_ for making available signals of TV channels and the MSO has agreed vide its letter No. \_\_\_\_\_ dated \_\_\_\_\_ to provide signals of TV channels to such LCO.

D. TERRITORY: Territory, in the context of this Agreement is \_\_\_\_\_  
*[mention the name of area(s)/ city(ies)/ district(s)/ state(s) for which this agreement is being signed.]*

E. The Parties have mutually agreed to execute this Agreement - on principal to principal and non-exclusive basis - between them to govern the roles, responsibilities, rights, obligations, technical and commercial arrangement in regard to the distribution of TV channels in the Territory.

F. The Parties also mutually agree that each and every transaction including transaction of any properties/ assets between the Parties shall be carried out in writing or in any other verifiable means.

**NOW, THEREFORE,** in consideration of the foregoing and the mutual covenants contained herein, the Parties agree as follows: -

**1. DEFINITIONS**

The words and expressions used in this Agreement shall have meanings as assigned to them in the Schedule to this Agreement. All other words and expressions used in this Agreement, but not defined, and defined in the Act and rules and regulations made there under or the Cable Television Networks (Regulation) Act, 1995 (7 of 1995) shall have the meanings respectively assigned to them in those Acts or the rules or regulations, as the case may be.

## **2. TERM OF THE AGREEMENT**

2.1 The Agreement shall commence on\_\_\_\_\_ [dd/mm/yyyy] and remain in force till\_\_\_\_\_ [dd/mm/yyyy] or the date of expiry of registration of the MSO or the LCO, as the case may be, whichever is earlier, unless terminated by either Party as per the terms and conditions of this Agreement.

2.2 The duration of the Agreement may be extended on terms and conditions to be mutually agreed between the Parties and recorded in writing provided that the extended term does not go beyond the last date of validity of registration of the MSO or the LCO, whichever is earlier.

## **3. TERMINATION OF THE AGREEMENT**

3.1 Either Party has a right to terminate the Agreement by serving an advance notice of 21 days in writing to the other Party in the event of:-

- (iv) material breach of the Agreement by the other Party which has not been cured within 15 days of being required in writing to do so; or
- (v) the bankruptcy, insolvency or appointment of receiver over the assets of other Party; or
- (vi) the other Party indulging in, or allowing or inducing any person to indulge in piracy or carrying programming service provided on the channel which is in violation of the Programme & Advertising Codes prescribed in the Cable Television Network Rules, 1994, as amended from time to time.

3.2 The LCO has a right to terminate the Agreement in the event of the MSO discontinuing the business of retransmission of signals of TV channels in the Territory.

3.3 The MSO has a right to terminate the agreement in the event of the LCO discontinuing its cable TV business in the Territory.

3.4 If the MSO decides to discontinue the business of retransmission of signals of TV channels in the Territory for any reason, it shall give a notice in writing, specifying the reasons for such decision, to the LCO at least 90 days prior to such discontinuation.

3.5 If the LCO decides to discontinue its business of providing signals of TV channels to the subscriber in the territory, it shall give a notice in writing, specifying the reasons for such decision, to the MSO at least 90 days prior to such discontinuation.

#### **4. EFFECT OF TERMINATION AND EXPIRY**

4.1 In the event of termination or expiry of the term of the Agreement, as the case may be, at the instance of either Party, each Party shall pay all amounts due and payable up to the date of termination or expiry to the other Party.

4.2 The LCO shall, within 15 days of the termination or expiry of the term of this Agreement, as the case may be, in terms of the provisions mentioned herein, hand over to the MSO all properties and assets belonging to the MSO, which are in the custody of the LCO. The LCO shall also be liable to make good all the losses or damages, if any, caused to such properties and assets belonging to the MSO, in custody of the LCO, within 30 days from the receipt of notice to this effect from the MSO and in the event of inability of LCO to repair such properties/assets, the LCO shall pay to the MSO the depreciated value of such properties/ assets.

4.3 The MSO shall, within 15 days of the termination or expiry of the term of this Agreement, as the case may be, in terms of the provisions mentioned herein, hand over to the LCO all properties and assets belonging to the LCO, which are in the custody of the MSO. The MSO shall also be liable to make good all the losses or damages, if any, caused to such properties and assets belonging to the LCO, in custody of the MSO, within 30 days from the receipt of notice to this effect from the LCO and in the event of inability of MSO to repair such properties/assets, the MSO shall pay to the LCO the depreciated value of such properties/ assets.

Explanation:- The clause 4.2 and 4.3 above shall not have any application in respect of Hardware or any other equipment belonging to the MSO or the LCO, as the case may be, which are installed at the premises of the subscribers.

4.4 If the LCO or the MSO, as the case may be, fails to hand over the assets or make good losses or damages caused to such properties and assets within the above stipulated period, the defaulting Party shall be liable to make payment for the depreciated value of the same together with simple interest calculated at the rate 2% over and above the base rate of interest of the State Bank of India.

## **5. PROVISIONING OF SERVICES**

5.1 The MSO shall make available signals of TV channels to the LCO, on non-exclusive basis, in order to re-transmit the same to the subscribers in the Territory, in terms of this agreement and as per prevailing norms, policies, the applicable laws and rules, regulations, directions and orders of the concerned authorities.

5.2 The LCO shall carry signals of TV channels received from the MSO, on non-exclusive basis, for distribution to the subscribers in the Territory.

5.3 The Parties shall compulsorily transmit, re-transmit or otherwise carry any channel, content or programme only in encrypted mode through a digital addressable system strictly in terms of and in accordance with the applicable laws and regulations.

5.4 The roles and responsibilities of the Parties to the Agreement for provisioning of services are contained in **clause 10** of this Agreement.

5.5 In consideration of the roles and responsibilities mentioned in **clause 10** of the Agreement, the revenue settlement between the LCO and the MSO have been mentioned in the **clause 12** of the Agreement.

## **6. RIGHTS OF THE MSO**

6.1 The MSO shall continue to have a right of ownership of its network used to deliver the cable TV services under this agreement and it may expand/ upgrade/ change/ replace/ re-design any part or entire network subject to the condition that any such activity does not interrupt or degrade the Quality of Service provided to the subscribers.

6.2 The MSO shall sign the interconnection agreement with broadcasters for re-transmission of signals of TV Channels as per prevailing norms, policies, the applicable laws and rules, regulations, directions and orders of the concerned authorities.

6.3 The MSO shall have the right to finalise the maximum retail price of each channel, as payable by the subscriber in compliance with the provisions of applicable laws and rules, regulations and tariff orders.

6.4 The MSO shall have the right to package the channels/ services offered on the network, as per its business plan and as per prevailing norms, policies, the applicable laws and rules, regulations and tariff orders.

6.5 The MSO shall have the right to finalise the rate of Basic Service Tier (BST) in compliance with the provisions of the applicable tariff orders and regulations notified by the Authority from time to time.

6.6 The MSO shall have the right to finalise the rates of bouquets of channels, if offered by the MSO, in compliance with the provisions of the applicable tariff orders and regulations notified by the Authority.

6.7 The MSO shall have the right to get all requisite information from the LCO for the purpose of fulfilling its responsibilities under the Agreement, and the applicable orders and regulations.

## **7. RIGHTS OF THE LCO**

7.1 The LCO shall continue to have its right of ownership of its network used to deliver the cable TV services under this agreement and it can expand/ upgrade/ change/ replace/ re-design any part or entire network subject to the condition that any such activity does not interrupt or degrade the Quality of Service offered to the subscriber on its network.

7.2 The LCO shall have right to get all the requisite information from the MSO for the purpose of fulfilling its responsibilities under the Agreement, and the applicable orders and regulations.

## **8. OBLIGATIONS OF THE MSO**

8.1 MSO shall set up and operationalise the Head-end, Conditional Access System (CAS) and Subscriber Management System (SMS) for ensuring efficient and error-free services to the subscribers by recording and providing individualized preferences for channels, billing cycles or refunds.

8.2 The MSO shall make available to the LCO, the necessary and sufficient information relating to the details of channels, bouquets of channels, and services offered to the subscribers including their prices.

8.3 The MSO shall provide web based grievance redressal mechanism for addressing the complaints of LCOs in relation to the provision of services, roles and responsibilities, revenue settlements, quality of services etc.

8.4 The MSO shall not issue pre-activated STBs and the STBs shall be activated only after the details of the Customer Application Form (CAF) have been entered into the SMS.

8.5 The MSO shall generate bills for subscribers on regular basis, for charges due and payable for each month or as per the billing cycle applicable for that subscriber, within 3 days from the end of the billing cycle.

8.6 The MSO shall provide access to the relevant part of the SMS under its control to the LCO for the purpose of fulfilling responsibilities by the Parties under the Agreement, and the applicable orders and regulations.

8.7 The MSO shall not indulge in any piracy or other activities, which has the effect of, or which shall result into, infringement and violation of trade mark and copyrights of the LCO or person associated with such transmission.

8.8 The MSO shall comply with all the applicable statutes or laws for the time being in force, or any rules, codes, regulations, notifications, circulars, guidelines, orders, directions etc. issued, published or circulated under any law for the time being in force.

8.9 The MSO shall not do any act or thing as a result of which, any right or interest of the LCO in respect of cable TV signals under this Agreement or any property of the LCO may be infringed or prejudiced.

8.10 The MSO shall be responsible for encryption of the complete signal, up to the STB installed at the premises of the subscriber.

8.11 The MSO shall not disconnect the signals of TV Channels, without giving three weeks' advance notice to the LCO clearly specifying the reasons for the proposed disconnection as envisaged in the Interconnection Regulation.

8.12. The MSO shall make available online payment gateway, prepaid system for subscribers and facility for electronic acknowledgment to the subscriber on the receipt of payment from the subscriber.

8.13 The MSO shall provide to the LCO at least 2% of the total STBs active in the network of the LCO with an upper cap of 30 STBs as maintenance spare, which are not pre-activated, to ensure speedy restoration of services affected due to any fault in STB. This quantity of maintenance spare STBs shall be maintained during the term of the agreement.

8.14 The MSO shall intimate to the LCO, at least 15 days in advance, in respect of any proposed changes in the package composition or the retail tariff being offered to the subscriber.

8.15 The MSO shall have no right, without the prior written intimation to the LCO, to assign or transfer any of its rights or obligations under this Agreement.

## **9. OBLIGATIONS OF THE LCO**

9.1 The LCO shall handover a copy of CAF received from subscribers within 15 days to the MSO;

9.2 The LCO shall be responsible for entering the details of the bill amount paid by the individual subscriber to the LCO for the Cable TV services in the SMS.

9.3 The LCO shall not indulge in any piracy or other activities, which has the effect of, or which shall result into, infringement and violation of trade mark and copyrights of the MSO, or any other person associated with such retransmission.

9.4 The LCO shall have no right, without the prior written intimation to the MSO, to assign or transfer any of its rights or obligations under this Agreement.

9.5 The LCO shall not replace the STBs of the MSO with the STBs of any other MSO without receiving the requests from the subscribers through application forms for returning the STB of the existing connections and for providing new connections through Customer Application Form. The new Set Top Box shall be activated only after entry of the details, as provided in new Customer Application Form, into the Subscriber Management System of the new MSO.

9.6 The LCO shall –

(i) not transmit or retransmit, interpolate or mix any signals which are not transmitted or generated by the MSO without the prior written consent of the MSO;

(ii) not insert any commercial or advertisement or information on any signal transmitted by the MSO. Any such tampering of signals or interpolating of signals shall be deemed to be a violation of this Agreement and shall constitute sufficient cause for termination of this Agreement by the MSO by giving such notice as prescribed under the law or under this agreement;

(iii) not interfere in any way with the signals provided by the MSO and also not use any decoding, receiving, recording equipment(s), counterfeit set top box or Smart card and any other like equipments;

(iv) not alter or tamper the Hardware including the seal (seal to prevent opening of set top box), misuse, replace, remove and shift the Smart card or STB without the written consent of MSO from their respective original addresses;

(v) not use, either before or after the installation of STB, of any decoding, receiving, recording equipment(s), counterfeit set top box(es), smart card(s) other than the

STB(s), Smart cards and any other equipments supplied/ approved by the MSO, and to take actions as directed by the MSO against such subscribers.

(vi) intimate the MSO promptly about any alteration, tampering with the Hardware including the seal, misuse, replacement, removal and shifting of Smart cards and STBs, without the written consent of MSO, from their respective original addresses and also about the use, either before or after the STBs, of any decoding, receiving, recording equipment(s), counterfeit set top box(es) and smart card(s) other than the STB(s), Smart card(s) and any other items of Hardware supplied by the MSO, and to take actions as directed by the MSO against such subscribers.

9.7 The LCO shall not provide connection to any entity for further retransmission of the Cable TV signals.

9.8 The LCO shall not record and then retransmit Cable TV signals or otherwise to block or add or substitute or otherwise tamper with the signal being transmitted by the MSO or with the trunk line nor shall allow any other person to do so.

9.9 The LCO shall not do any act or thing as a result of which, any right or interest of the MSO in respect of the Cable TV signals under this Agreement or any property of the MSO may be infringed or prejudiced.

9.10 The LCO shall permit access to the systems under its control to the MSO, on non-exclusive basis, for the purpose of fulfilling responsibilities by the Parties under the Agreement, and the applicable orders and regulations.

9.11 The LCO shall not disconnect the signals of TV Channels, without giving three weeks' notice to the MSO clearly specifying the reasons for the proposed disconnection as envisaged in the Interconnection Regulation.

**10. ROLES AND RESPONSIBILITIES OF THE MSO AND THE LCO:**

<b>Sl. No.</b>	<b>Role</b>	<b>Responsibility in the event of agreement signed under the proviso to the clause 5 of the Tariff Order.</b>	<b>Remarks</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1	Publicizing schemes for obtaining and returning the Set Top Boxes (STBs) by the subscriber and the warranty/repairing policy applicable thereof.	<b>MSO</b>	<ul style="list-style-type: none"> <li>• The MSO shall finalize the schemes for provisioning/ returning STBs, warranty/ repairing policy applicable thereof. However the MSO shall share such details with the LCO.</li> <li>• The MSO shall finalize the packaging and pricing of channels/ services and such details shall be shared with the LCO.</li> <li>• The MSO shall finalize the contents of MOP. Copies of such MoP shall be shared with the LCO.</li> </ul>
2	Devising formats of application as specified in the schedule-I of the QoS regulations for seeking connection, disconnection, reconnection, transfer, and shifting of Cable TV services;		
3	Publication of Manual of Practice (MoP)		
4	Setting up of Website containing information pertaining to services, details of Customer Care Center, complaint redressal system, complaint monitoring system, citizen charter, nodal officer etc.	<b>MSO</b>	

5	<p>e. Establishment of Customer Care Center for (iii) addressing service requests of subscribers, (iv) redressal of complaints of subscribers.</p> <p>f. Establishment of web based Complaint Monitoring system.</p> <p>g. Providing Toll free Consumer Care Number and its publicity.</p> <p>h. Maintenance of records of all complaints filed by the consumer as provided in the QoS Regulations.</p>	<b>MSO</b>	The MSO shall communicate to the LCO the details of Customer Care Center for onward communication to subscribers.
6	Specification of a system of discount or rebate to the subscriber due to interruptions in service and creating awareness about such scheme.	<b>MSO</b>	The MSO shall communicate to the LCO, the details of such scheme for onward communication to subscribers.

7	<p>g. Providing information to the subscriber about the schemes for obtaining and returning the STB and the warranty/repairing policy applicable thereof.</p> <p>h. Providing of the application form along with the MOP to the applicants/ subscribers and</p> <p>i. Receiving of application form from applicants/ subscribers for</p> <p>(iii) connection, reconnection, transfer, and shifting of Cable TV services;</p> <p>(iv) obtaining and returning of STB.</p> <p>j. Returning of the duplicate copy of the application form to the applicant/ subscriber as an acknowledgment of receipt of application.</p> <p>k. Communication of shortcomings or deficiency, in the application form, in writing to the applicant, within 2 days of receipt of the application.</p> <p>l. Communication of technical or operational non-feasibility to the applicant, in case it is technically or operationally non-feasible to provide connection, reconnection, shifting of service or supply of STB at the location, where the services are requested by the applicant, within 2 days of receipt of the application.</p>	<p><b>LCO</b></p>	<p>The LCO shall update the information in the Subscriber Management System (SMS) in each case within 24 hours from the receipt of the application.</p>
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8	Issue of Unique Identification Number (UIN) for the applicant.	<b>LCO</b>	The UIN shall be generated from the SMS. The relevant access of the SMS should be provided by the MSO to the LCO.
9	Installation of STB at the premises of the subscriber and activation through SMS.	<b>LCO</b>	MSO should provide relevant access to SMS for STB activation.
10	Providing rebate to the subscriber for delay in installation and activation of STB.	<b>MSO</b>	In cases where the delay can be attributed to the LCO, for such cases the MSO may recover the rebate amount from the LCO.
11	Issuance of advance notice of 15 days regarding discontinuing or disconnection of cable service to the subscriber, indicating the reasons for such discontinuation or disconnection.	<b>MSO</b>	The MSO shall intimate the LCO in writing before issuing such advance notice to the subscriber.
12	Receipt of request from the subscriber for disconnection or suspension of service and its execution through SMS.	<b>LCO</b>	The LCO shall update the information in the SMS immediately.
13	Receipt of request for change in subscription package from the subscribers and its execution through SMS.	<b>LCO</b>	The LCO shall update the information in the SMS immediately.
14	Notice to the Subscribers regarding disruption of signals for preventive maintenance.	<b>MSO</b>	If the preventive maintenance is to be carried out by the LCO then he shall inform the MSO to enable him to give notice to the subscribers.

15	Response to the consumer complaints as per norms of the QoS regulations.	<b>MSO</b>	The complaints received by the Party shall be immediately updated in the web based complaint monitoring system so that the necessary corrective action can be taken by the Parties in time and the same can be monitored by the complainant.
16	Redressal of consumer complaints as per the norms of the QoS regulations:- (v) relating to 'No signal'; (vi) relating to STB; (vii) relating to subscriber's billing and receipts; (viii) any other complaint.	<b>Overall responsibility of MSO, faults in the network of the LCO shall be rectified by the LCO.</b>	The complaints redressed by the Party shall be immediately updated in the web based complaint monitoring system.
17	Designation of nodal officer as per the provisions of the QoS regulations.	<b>MSO</b>	
18	Communication to subscriber about redressal of the complaint received from the Authority.	<b>MSO</b>	
19	Printing and delivery of system generated itemized bills to subscribers.	<b>MSO</b>	In cases where the payment is collected by the LCO from the subscriber, then in such cases details of payment received by LCO shall be
20	Delivery of payment receipts to subscribers.	<b>MSO</b>	

21	Electronic acknowledgement to subscriber.	<b>MSO</b>	updated in the SMS immediately so that electronic acknowledgement to the subscriber is generated automatically.
22	Providing information relating to itemised usage showing actual usage of service in case of prepaid bills for any period within 6 months.	<b>MSO</b>	The requests received by the LCO shall be immediately updated in the SMS so that the MSO can provide the requisite details to the subscriber in time.
23	Payment of taxes to the Government.	<b>MSO and/ or LCO</b>	The specific details of tax payment responsibilities need to be filled in the adjoining cells at the time of signing of the agreement as per the rules and regulations of the respective Tax authorities.

## **11. BILLING**

11.1 The billing for subscribers shall be in the name of the MSO. However, each party shall ensure that the applicable laws, rules and regulations relating to taxes are complied with.

11.2 The MSO shall receive the payment of the subscription fee paid by the subscribers. The revenue share as per clause 12.1 of this Agreement shall be paid by the MSO to the LCO on receipt of the invoice from the LCO.

## **12. REVENUE SETTLEMENT BETWEEN THE MSO AND THE LCO AND RELATED RIGHTS AND OBLIGATIONS**

12.1 The rental amount for channels subscribed and distribution fee shall be shared in the ratio of 55:45 between multi system operator and local cable operator respectively.

12.2 The MSO shall share the complete information relating to the subscribers billing and receipt of the payments with the LCO. The LCO shall issue monthly invoice to the MSO towards dues payable by the MSO for revenue settlement and such invoice shall clearly specify the current payment dues and arrears, if any, along with the due date of payment which shall not be less than seven days. Any demand of arrears shall be accompanied by the proof of service of invoices for the period for which the arrears pertain. The amounts raised in the invoice shall be payable on or before the due dates as mentioned therein.

12.3 The Party shall update the details of the subscription amount realised from the subscriber, in the SMS within 7 days from the due date.

## **13. DEFAULTS**

13.1 Without prejudice to such rights and remedies that the Parties may have in law or under the provisions of this Agreement, in the event of any delay or failure by the MSO or the LCO, as the case may be, to make payments of dues on or before the respective due dates, the LCO or the MSO, as the case may be, shall have the right:-

(i) to disconnect the services subject to the compliance of the applicable rules, regulations, directions or orders of the Authority;

(ii) to terminate this Agreement, subject to compliance of the applicable laws in force;

(iii) to charge a simple interest at the rate 2% over and above of the base rate of interest of the State Bank of India from the date such amounts became due until those are fully and finally paid;

13.2 In cases where any of the Parties has failed to make payment on or before due date for three consecutive months in the past, the other Party shall have right to demand the interest free security deposit which shall not exceed average of immediately preceding 6 months billing amounts and the same shall be maintained for the remaining term of the agreement.

13.3 Upon disconnection of the service as mentioned in clause 13.1 above, whether accompanied by termination of this Agreement or not, the defaulting Party shall be liable to deposit forthwith all sums payable by it. In the case of termination, accounts shall be settled within thirty days and for delayed payments, either Party shall be liable to pay simple interest at the rate 2% over and above of the base rate of interest of the State Bank of India.

#### **14. UNDERTAKINGS**

14.1 Each Party shall recognize the exclusive ownership of the property owned and installed by the other Party and shall not have or claim any right, title or interest or lien of whatsoever nature.

14.2 Nothing contained herein shall constitute either Party as the agent or partner or the representative of the other for any purpose and neither Party shall have the right or authority to assume, create or incur any liability or obligation of any kind, express or implied, in the name of or on behalf of the other Party and the relationship between the MSO and the LCO shall remain on “Principal to Principal” basis.

14.3 It is expressly understood by the Parties that “\_\_\_\_\_” logo(s) is a Registered Trade Mark of the MSO, and the LCO shall use the said logo only during the

currency of this Agreement for the benefit of the cable television networking business of the MSO. Consent of the MSO is hereby given to the LCO to use the said logo, to the extent of or in connection with the business of the MSO.

14.4 It is expressly understood by the Parties that “\_\_\_\_\_” logo(s) is a Registered Trade Mark of the LCO, and the MSO shall use the said logo only during the currency of this Agreement for the benefit of the cable television networking business of the LCO. Consent of the LCO is hereby given to the MSO to use the said logo, to the extent of or in connection with the business of the LCO.

14.5 It is clearly understood and accepted by each Party that it shall have no right to use any intellectual property of the other on its Cable TV service or otherwise on or after the withdrawal by the other Party of its consent for such uses.

14.6 In case the LCO or the MSO, as the case may be, decides to transfer its interest in respect of its business of providing Cable TV Service to any other party / person (third party), in whole or in part, the LCO or the MSO, as the case may be, shall give prior notice to the MSO or the LCO. One Party shall not have any objection to such transfer if the other Party has complied with its obligations under this contract and has paid all its dues.

Provided, however, that such third party shall sign and execute a deed of adherence to the terms & conditions of this Agreement and other undertaking/ bonds to the satisfaction of the MSO or the LCO, as the case may be, in order to give effect to the provisions of this Agreement.

14.7 The LCO shall maintain and continue to maintain its Postal Registration Certificate renewed from time to time in accordance with the Cable TV Networks (Regulation) Act, 1995 and comply with the terms and conditions of the registration certificate issued by the Postal Authority.

14.8 The MSO shall maintain and continue to maintain its Registration Certificate renewed from time to time in accordance with the Cable TV Networks (Regulation) Act, 1995 and comply with the terms and conditions of the registration.

14.9 Both the Parties shall comply with the Programme Codes and Advertising Codes prescribed in the Cable Television Network Rules, 1994, as amended from time to time.

14.10 Both the Parties shall comply with the laws for the time being in force in India, as applicable to them.

## **15. PREVENTION OF PIRACY**

15.1 The Parties shall not indulge or allow any person to indulge in Piracy or in reverse engineering any technology used in the Hardware or any component thereof nor shall they use the Hardware to be connected to any equipment for setting up a mini head-end for retransmission of the signals generated from the same.

15.2 Signal to any subscriber shall be disconnected by the MSO or the LCO, as the case may be, after giving due notice as required under applicable regulations, if found to be indulged in or abetting any Piracy.

## **16. DISCLAIMER AND INDEMNITY**

16.1 In no event, the MSO shall be liable to the LCO for any indirect, special, incidental or consequential damage arising out of or in connection with the disruption, interruption or discontinuance of the Service or for any inconvenience, disappointment or due to deprivation of any programme or information or for any indirect or consequential loss or damage, which is not attributable to any act of the MSO.

16.2 In no event, the LCO shall be liable to the MSO for any indirect, special, incidental or consequential damage arising out of or in connection with the disruption, interruption or discontinuance of the Service or for any inconvenience, disappointment or due to deprivation of any programme or information or for any indirect or consequential loss or damage, which is not attributable to any act of the LCO.

16.3 LCO shall indemnify the MSO for all cost, expense and damages by reason of any claim, action or proceedings from any third party or from subscribers for any inconvenience,

loss or annoyance caused to them due to any default of the LCO or due to termination of the Agreement or suspension of the Service due to LCO's breach.

16.4 MSO shall indemnify the LCO for all cost, expense and damages by reason of any claim, action or proceedings from any third party or from subscribers for any inconvenience, loss or annoyance caused to them due to any default of the MSO or due to termination of the Agreement or suspension of the Service due to MSO's breach.

## **17. GOVERNING LAW AND DISPUTE RESOLUTION**

17.1 As mandated by the Telecom Regulatory Authority of India Act, 1997, the Parties shall not institute any suit or seek injunction or interim orders in any court or judicial tribunal/ authority in India with respect to any claims, dispute or differences between the Parties arising out of this Agreement save and except before the Telecom Disputes Settlement and Appellate Tribunal, New Delhi ("TDSAT"). The Parties agree that all disputes between the Parties shall be resolved solely through proceedings instituted before the TDSAT.

## **18. FORCE MAJEURE**

18.1 Failure on the part of the MSO or the LCO to perform any of its obligations, shall not entitle either Party to raise any claim against the other or constitute a breach of this Agreement to the extent that such failure arises from an event of Force Majeure. If through Force Majeure the fulfilment by either Party of any obligation set forth in this Agreement is delayed, the period of such delay shall not be taken into account in computing periods prescribed by this Agreement. Force Majeure will include act of god, earthquake, tides, storm, flood, lightening, explosion, fire, sabotage, quarantine, epidemic, arson, civil disturbance, terrorist attack, war like situation, or enactment of any law or rules and regulation made by the Authorities or revocation of registration of the Parties any circumstances beyond the reasonable control of the Parties herein that directly or indirectly hinders or prevents either of the Parties from commencing or proceeding with the consummation of the transactions contemplated hereby. The Party affected by such Force Majeure event shall promptly notify the other Party of the occurrence of such event. It is agreed between the Parties that lack of funds shall not in any event constitute or be considered an event of Force Majeure. If the conditions of Force Majeure to continue for a

period exceeding one month, the Parties shall meet to decide upon the future performance of the Agreement. If the Parties are unable to agree upon a plan for future performance, then the Agreement shall be terminated upon notice of either Party to the other, on expiry of one month from the date of such notice.

18.2 Any accrued payment obligation of a Party prior to the commencement of Force Majeure shall survive the termination of this Agreement pursuant to such Force Majeure.

## **19. NOTICES**

19.1 Any notice to be served on any Party by the other shall be deemed to have been validly sent if sent by Registered Post Acknowledgement Due (RPAD) or speed post service of Department of Post, Government of India or by hand delivery duly acknowledged at the address mentioned in the beginning or at such other changed address as the Party may inform and the date of receipt of such notice shall be the date of receipt by the other Party or 7 days from the date of dispatch of the notice by RPAD, whichever is earlier.

## **20. RESTRICTION ON TRANSFER**

20.1 The either Party shall not remove, sell, assign, mortgage, transfer/sublet and encumber all or any part of the network which belongs to the other Party. If the Party indulges in any of the above-mentioned acts, the said acts shall be illegal and void ab-initio and the Party shall also be liable for any action under the applicable law.

## **21. CONFIDENTIALITY**

21.1 The Parties shall keep in strict confidence, any information received by one from the other while participating in the affairs/business of each other and shall not disclose the same to any person not being a party to this Agreement.

21.2 The Parties shall also bind their employees, officers, advisors, associates, contractors, agents, authorized persons and other similar persons to whom the above mentioned information may be disclosed, to the obligations of confidentiality.

21.3 The Parties hereby agrees that the confidential information can be disclosed to the statutory authority on demand by such authorities.

**22. MODIFICATIONS**

22.1 The Agreement cannot be modified, varied or terminated except in writing. Any variation of the Agreement, including Addendum Agreements, Annexures, Schedules or any other document, called by whatever name, but executed in relation to this Agreement, shall be mutually agreed to in writing and executed by or on behalf of the Parties.

**23. BINDING EFFECT**

23.1 This Agreement modifies all prior understanding of the Parties as to the subject matter thereof and shall not be amended except in writing by both the Parties. Any other understanding between the Parties (if any) with regard to any other matter or any accrued rights and obligation of the Parties not covered under this agreement, if any, shall continue to be in full force and effect.

**IN WITNESS WHEREOF** the Parties have set and subscribed their respective hands to this Agreement on the date and year appearing hereinabove.

Signed on behalf of the MSO

( \_\_\_\_\_ )

In the presence of

1. ....

2. ....

Signed on behalf of the LCO

( \_\_\_\_\_ )

In the presence of

1. ....

2. ....

*Note: The self attested copies of power of attorney/authorization letter, whereby the signatories of this agreement have been authorised to sign and execute this agreement by the Parties, shall be attached with this agreement.*

**DEFINITIONS AND INTERPRETATIONS**

**A. DEFINITIONS**

In the Agreement unless the context requires otherwise, the following words and expressions shall have the meanings set out herein below:

- (y) **“Act”** means the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), as amended from time to time;
- (z) **“Addressable System”** shall have the same meaning as assigned to it in the Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016;
- (aa) **“Authority”** means the Telecom Regulatory Authority of India established under subsection (1) of section 3 of the Telecom Regulatory Authority of India Act, 1997;
- (bb) **“Basic Service Tier”** shall have the same meaning as assigned to it in the Tariff Order.
- (cc) **“bouquet”** or **“bouquet of channels”** means an assortment of distinct channels offered together as a group or as a bundle and all its grammatical variations and cognate expressions shall be construed accordingly;
- (dd) **“broadcaster”** means a person or a group of persons, or body corporate, or any organization or body who, after having obtained, in its name, down-linking permission for its channels, from the Government, provides programming services;
- (ee) **“cable service”** or **“cable TV service”** means the transmission of programmes including re-transmission of signals of television channels through cables;
- (ff) **“cable television network”** or **“cable TV network”** means any system consisting of a set of closed transmission paths and associated signal generation, control and distribution equipment, designed to provide cable service for reception by multiple subscribers;
- (gg) **“channel”** means a channel, which has been granted permission by the Government in India under the policy guidelines issued by it from time to time and

reference to the term ‘**channel**’ shall be construed as a reference to “**television channel**”;

- (hh) “**Customer Care Center**” means a facility established by the multi-system operator or his linked local cable operators, as the case may be, under QoS Regulations;
- (ii) “**CTN Act**” means the Cable Television Networks (Regulation) Act, 1995 (7 of 1995), as amended from time to time.
- (jj) “**Encryption or encrypted**” in respect of a signal of cable television network, means the changing of such signal in a systematic way so that the signal would be unintelligible without use of an addressable system and the expression "unencrypted" shall be construed accordingly;
- (kk) “**Free To Air channel**” shall have the same meaning as assigned to it in the Tariff Order.
- (ll) “**Hardware**” means a multi-system operator approved set top box to enable the decryption of signals of Channels transmitted in encrypted form, the remote and other associated components and accessories.
- (mm) “**Head-end**” means a facility that contains satellite receivers, modulator, compression equipment, multiplexes, and conditional access facilities, other transmission equipments and has antennas which receive signals from Satellite and/or from local studio for retransmission to subscribers directly or through linked LCOs;
- (b) “**Interconnection Regulation**” means the Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016, as amended from time to time.
- (nn) “**Manual of Practice (MoP)**” means the Manual of Practice referred in the QoS Regulation;
- (oo) “**Nodal Officer**” means the officer appointed or designated by the multi-system operator or his linked local cable operator, as the case may be, under the QoS Regulations;
- (pp) “**Pay Channel**” shall have the same meaning as assigned to it in the Tariff Order;
- (qq) “**Piracy**” means unauthorized reception, retransmission or redistribution of Cable TV Signal by any person by any means and modes including but not limited to any alteration, tampering of the seal or any component or accessory thereof or misuse,

replacement, removal and/or shifting of Hardware or any use, either before or after the set top box, any decoding, receiving, recording equipment(s), counterfeit or unauthorized devices or any activity, which has the effect of, or which may result into, infringement and violation of trade mark and copyright of the MSO or the LCO as the case may be;

- (rr) "**Programme**" means any television broadcast and includes;
- (i) exhibition of films, features, dramas, advertisements and serials;
  - (ii) any audio or visual or audio-visual live performance or presentation and----  
the expression "programming service" shall be construed accordingly;
- (ss) "**QoS Regulation**" means the Standards of Quality of Service and Consumer Protection (Digital Addressable Systems) Regulations, 2016, as amended from time to time.
- (tt) "**set top box**" or "**STB**" means a device, which is connected to or is part of a television and which enables a subscriber to view subscribed channels;
- (uu) "**Smart Card**" means the card duly approved by the multi system operator as part of the Hardware, which enables the subscriber to gain access to the Cable TV signals of Channels.
- (vv) "**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 box located at such place, for receiving the subscribed television broadcasting services from the service provider, shall constitute one subscriber;
- (za) "**Subscriber management system or SMS**" means a system or device which stores the subscriber records and details with respect to name, address and other information regarding the hardware being utilized by the subscriber, channels or bouquets of channels subscribed by the subscriber, price of such channels or bouquets of channels as defined in the system, the activation or deactivation dates and time for any channel or bouquets of channels, a log of all actions performed on a subscriber's record, invoices raised on each subscriber and the amounts paid or discount allowed to the subscriber for each billing period;
- (zb) "**Tariff Order**" means the Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff Order, 2016, as amended from time to time;

(zc) **“Trunk Line”** means the coaxial/optic fibre cable network and other allied equipment such as receiver nodes, amplifiers, splitters etc. owned and installed by the multi-system operator or its associate companies for the purpose of transmitting Cable TV Signal to various LCOs till the receiving end of various LCOs, including the LCO, to enable them to re-transmit the Cable TV Signal to respective subscribers; All other words and expressions used in this interconnection agreement but not defined, and defined in the Act and rules and regulations made there under or the CTN Act and the rules and regulations made there under, shall have the meanings respectively assigned to them in those Acts or the rules or regulations, as the case may be.

## **B. INTERPRETATION**

In this Agreement, unless the context otherwise requires:

- (a) Any reference to the singular in the Agreement shall include a reference to the plural and vice versa and words importing one gender only shall include all other genders unless the context otherwise requires;
- (b) The word “person” shall include individuals, corporations, partnerships, association of persons and any other entities;
- (c) Any references to article, clauses, sub-clauses, appendices, annexure and schedules are references to Articles, clauses, sub-clauses, appendices, annexure and schedules to the Agreement unless the context otherwise expressly provides;
- (d) References to a “month” are to a calendar month;
- (e) Headings and titles are for ease of reference only and shall not affect the interpretation of this agreement and in no way be read to give a construction not harmonious with the interpretation of various clauses of this agreement done otherwise independent of the title.
- (f) Any reference to law, regulation, statutory provision, order, guideline, policy, etc, includes references to such law or regulation or provision, order, guideline, policy, etc., as modified, codified, amended or re-enacted from time to time.”

**Schedule VII**

*(Refer sub-regulation (1) of the regulation 13)*

**Details of subscription reports to be provided by a distributor of television channels to a broadcaster**

**Reported Month:**

**Year:**

1. The average subscriber base of the distributor during the last month in the target market (to be provided only in cases where the transaction of carriage fee is involved)
2. Subscription report for a-la-carte channels:

Sl.	Name of the channel	Subscription count on 7 <sup>th</sup> day of the month		Subscription count on 14 <sup>th</sup> day of the month		Subscription count on 21 <sup>st</sup> day of the month		Subscription count on 28 <sup>th</sup> day of the month	
		From SMS	From CAS	From SMS	From CAS	From SMS	From CAS	From SMS	From CAS
1									
2									
3									

3. Subscription report for bouquets of pay channels:

Sl.	Name of the bouquet of pay channels	Subscription count on 7 <sup>th</sup> day of the month		Subscription count on 14 <sup>th</sup> day of the month		Subscription count on 21 <sup>st</sup> day of the month		Subscription count on 28 <sup>th</sup> day of the month	
		From SMS	From CAS	From SMS	From CAS	From SMS	From CAS	From SMS	From CAS
1									
2									

Notes:

1. Average active subscribers of the channel(s) and bouquet(s) in a month shall be arrived at, by averaging the subscription count of that channel(s) and bouquet(s) recorded four times in each month, as provide in column 3, 4, 5 and 6 of table-1 and table-2 respectively. The subscription count shall be recorded for any instant between 19:00 HRS to 23:00 HRS of the day.
2. The reports shall be generated in non-editable PDF format, with read only permissions.
3. Each set top box, located at a place indicated by the subscriber for receiving the subscribed television broadcasting services from the distributor of television channels, shall constitute one subscriber.

## Explanatory Memorandum

### **Background**

1. The Telecom Regulatory Authority of India Act, 1997 (the TRAI Act) entrusts the Authority, amongst others, with the functions to ensure technical compatibility and effective interconnection between different service providers, fix the terms and conditions of interconnectivity between the service providers, and regulate arrangement amongst service providers for sharing their revenue derived from providing telecommunication services. Through the Government notification, TV broadcasting services were brought within the ambit of telecommunication services in terms of section 2(k) of the TRAI Act in the year 2004. The interconnection between service providers is a techno-commercial arrangement by which service providers connect their equipment and networks to deliver TV broadcasting services to consumers.
  
2. To discharge the above mentioned functions notified in the TRAI Act, the Telecom Regulatory Authority of India (the Authority), from time to time, notifies regulatory framework for interconnection between the service providers of TV broadcasting services. Based on this framework the service providers finalize their commercial and technical terms & conditions to arrive at an agreement and share revenues derived from providing TV broadcasting services.
  
3. The first interconnection regulation for TV broadcasting services, namely the Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004 (13 of 2004), was notified by the Authority on 10.12.2004 (hereinafter referred to as the Interconnection Regulations, 2004). These were originally notified to regulate interconnection arrangements between service providers for re-transmission of TV channels signals in analog mode, in vogue at that time. From time to time, need arose to clarify, as well as to expand the scope of the Interconnection Regulations, 2004 to include addressable systems such as Direct to Home (DTH), Head-end In the Sky (HITS), and Internet Protocol Television (IPTV) etc. The basic features of the Interconnection Regulations, 2004, inter alia, encompass the provisions for providing signals of a TV channel on non-discriminatory terms to distributors of TV channels, publishing Reference Interconnect Offer (RIO) for interconnection, entering in to written

interconnection agreement, disconnection of signals of TV channel, and ascertaining the subscriber base for non-addressable systems.

4. The evolution of technology paved the way for digitization and addressability of the cable TV services. For implementation of digitization with addressability in the cable TV services, the Parliament amended the Cable Television Networks (Regulation) Act 1995 on 30<sup>th</sup> December 2011. Subsequently, the Cable Television Networks (Amendment) Rules, 2012 were notified by the Central Government on 28th April 2012. Immediately after the notification of the Cable TV Rules 2012, the Authority notified the Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012 (9 of 2012) on 30th April, 2012 (hereinafter referred as the Interconnection Regulations, 2012). These regulations were specifically applicable for cable TV services provided through Digital Addressable Cable TV Systems (DAS). Whereas the Interconnection Regulations, 2004, continued for non-addressable cable TV systems and also for other addressable systems such as DTH, HITS and IPTV. The basic features of the Interconnection Regulations, 2012 were similar to the basic features of the Interconnection Regulations, 2004, mentioned in Para 3 above.
5. As per the road map notified by the Government, after 31<sup>st</sup> December 2016, the provisioning of cable TV services shall be permitted through encrypted digital addressable systems only. Till now, digitization of the cable TV services has been completed in most of the urban areas. Now, with the implementation of digitization and addressability of cable TV services in the urban areas, majority of subscribers to TV broadcasting services receive these services through addressable systems.
6. The regulatory framework ought to evolve to keep pace with major developments in the sector. Accordingly, the Authority decided to review, in a complete and holistic manner, the regulatory framework for TV broadcasting services delivered through addressable which include Tariff orders, and Interconnection, Quality of Service (QoS) and Register of Interconnection Regulations.

7. In line with established practice, for reviewing the regulatory framework for TV broadcasting services, the Authority issued a series of consultation papers on Tariff, Interconnection, QoS, and Register of Interconnection issues. The consultation paper on “Tariff Issues related to TV services” was issued on 29th January 2016, Register of Interconnection Agreements (Broadcasting and Cable Services) Regulations, 2016 was issued on 23<sup>rd</sup> March 2016, “Interconnection framework for Broadcasting TV Services distributed through Addressable Systems” was issued on 4<sup>th</sup> May 2016, and “Issues related to Quality of Services in Digital Addressable Systems and Consumer Protection” was issued on 18<sup>th</sup> May 2016.
8. For consultation on “Interconnection framework for Broadcasting TV Services distributed through Addressable Systems” (the CP), initially a month time was given to the stakeholders to submit their comments. On requests of the stakeholders, the last date for submission of comments was extended by a week time i.e. up to 10th June, 2016. The last date for submitting counter comments was 17<sup>th</sup> June, 2016. In response to this consultation paper, a total of 28 comments & 1 counter comment were received from stakeholders. Subsequently, an Open House Discussion (OHD) program to discuss issues relating to interconnection with stakeholders was held on 13<sup>th</sup> July 2016 at Delhi, which was attended by a large number of stakeholders.
9. After internal examination of the issues relating to interconnection based on the available information with the Authority and analysis of the comments and counter-comments provided by the stakeholders, the Authority has notified the Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016. The subsequent paragraphs provide issues raised in the CP, stakeholder’s comments thereon, their analysis and objects and reasons for these regulations. The issues and comments have been summarized here as they are available in detail in the CP and individual comments uploaded on the website of TRAI respectively.

## **Common Regulatory Framework for Interconnection of All Types of Addressable Systems**

10. At present, two separate regulatory frameworks are applicable for interconnection of HITS, IPTV and DTH, and cable TV services respectively. The issue is whether there is a need to prescribe a common regulatory framework for interconnection of all types of addressable systems so as to ensure a level playing field among different type of distributors.
11. In response of this issue, majority of the broadcasters and Distribution Platform Operators (DPOs) were of the opinion that a common interconnection framework should be mandated for all types of addressable systems. As per them, different terms could be specified for different types of addressable systems depending upon their technical characteristics. Some broadcasters commented that specific regulatory framework should be in place for each type of addressable system. One broadcaster opined that distribution platforms may be divided into two categories (1) Cable & HITS and (2) DTH & IPTV due to presence of an intermediary i.e. local cable operator in cable and HITS services. One DTH operator stated that, level playing field between a DTH operator and an MSO does not exist as there is an additional burden of the Entry Fee, Bank Guarantee and annual License Fee on a DTH operator. Therefore, different regulatory regime needs to be formed for different types of addressable systems but with similar rights & responsibilities. MSOs supported the idea of common interconnection regulatory framework, but with the consideration of the issue of additional LCO revenue share. Whereas, LCO associations have stated that there cannot be a common framework due to presence of LCOs in case of MSOs & HITS operators & distinction should be kept while framing the regulations.
12. For broadcasters, the cost of the pay TV channels is independent of the type of distribution network used for delivering TV broadcasting services to consumers. Therefore permitting any kind of variations in the pricing of pay TV channels based on type of addressable systems used for delivering TV broadcasting services to consumers may lead to favouring of a type of operators over others by the broadcasters. This may affect the level playing field at distribution level.
13. For DPOs delivering TV broadcasting services through addressable systems, the primary input cost comprises of pay TV channels and re-transmission of signals.

Every type of distribution network has different capabilities and unique advantages. The DPOs would be able to compete with each other based on their own strengths if the signals of TV channels are provided to them on equal terms. The difference on account of the licensing framework cannot be the basis for different interconnection arrangement between service providers. Similarly, utilizing services of the LCOs in case of the cable TV, HITS and IPTV platforms cannot be the reason for differentiation as utilizing the services of LCOs is an option and not compulsion for these types of operators. They may choose to deliver TV broadcasting services directly to the consumers after establishing their own access networks. Further, in all types of addressable systems, the commercial parameters of interconnection are transparent and directly linked with the number of subscribers subscribing to channels/ bouquets of channels.

14. Since the cost of the pay TV channels is independent of the type of distribution network used for delivering TV broadcasting services to consumers and the basis, i.e. the number of subscribers subscribing to channels/ bouquets, for calculating subscription fee is common across all types of addressable systems, the Authority is of the view that common regulatory framework for interconnection of all types of addressable systems will ensure a level playing field among different service providers. Further, it would foster competition, promote orderly growth and result in better quality of services at affordable prices to the subscribers. This is expected to promote innovation and investment in cost efficient addressable distribution networks.
15. Accordingly, these regulations cover all types of addressable systems delivering TV broadcasting services to consumers in the country. The Authority also acknowledges the presence of LCOs in Cable TV, IPTV & HITS networks and therefore specific provisions to the regulations, wherever required, for Cable TV/ HITS/IPTV i.e. where LCOs are present in the value chain, have been provided. Similarly, wherever required, specific provisions have been made on the basis of technical characteristics of different type of distribution networks.

## **Reference Interconnection Offer and Interconnection Agreement**

16. On the basis of various interactions with distributors of TV channels in the past and information available with the Authority, it was noted that there were substantial variations between the commercial terms of mutually negotiated agreements and those of the Reference Interconnection Offer (RIO). The flexibility, for signing of written interconnection agreement on mutual agreed terms, provided in the regulatory framework for interconnection, was many times misinterpreted by the service providers to discriminate among similarly placed service seekers. Sometimes this flexibility was used by broadcasters to discriminate between different types of DPOs. This was giving rise to number of disputes between service providers. Therefore in the CP, the issue of a need to allow interconnection agreements based on mutually agreed terms, which do not form part of RIO published by a broadcaster or DPO, was deliberated. It was also discussed whether the RIO should be the only basis for signing interconnection agreement and the RIO should include all the terms and conditions including rates and discounts, to ensure non-discrimination and level playing field.
17. The majority of broadcasters & DTH operators stated that the RIO should contain only general terms, conditions & rates and service providers should be allowed to negotiate mutually in a fair & transparent manner with RIO as its starting point. Some broadcasters stated that provisions should be included in the regulatory framework which puts a cap on discounts to check on the discriminatory behaviour of service providers while providing signals or access to the network. The cap on discounts suggested by these broadcasters varies from 33% to 50%. One broadcaster & a DTH operator stated that a Standard Interconnection Agreement (SIA) format may be published by the regulator which may spell out an essential and sufficient set of the terms and conditions, except the prices, audit and other commercial terms. Whereas some other broadcasters & most MSOs commented that mutual negotiations should not be allowed & RIO should contain all the terms & conditions including fee, discounts or any other incentive, offered by the service provider for providing signals of TV channels or access to the distribution network for re-transmission. While one MSO stated that any mutual negotiation should be under the limits of RIO & the negotiations should be transparent & applicable for all DPOs.

18. In a way, majority of broadcasters & DTH operators have argued for continuation of existing practices for entering into interconnection agreement which have resulted into large number of disputes and complaints of discrimination. Further, on one hand, they are advocating for mutual negotiations in a fair and transparent manner with RIO as its starting point, but on the other hand, in response of some other questions of this CP and another CP on Register of Interconnect agreements, they are opposing the disclosure of the agreements signed on mutually agreed basis to the stakeholders. They have failed to explain as to how their proposal to allow mutual agreements, without transparently disclosing them, will ensure the non-discrimination. Similarly, publishing of SIA without the important commercial conditions such as prices, audit, discounts etc. may not address the issues relating to level playing field and discrimination.
19. The Authority has examined these issues in detail. The regulatory framework should provide enough flexibility to the service providers to innovate their offerings. To provide flexibility to the service providers for carrying out their operations as per their business and marketing needs, the Authority has preferred continuance of a framework where the service provider publishes its RIO for providing signals of TV channels or access to the platform for re-transmission of TV channels. However, the RIO published by service providers should be non discriminatory, providing a level playing field to all the service providers. To effectively implement the non-discrimination principle on ground, it is necessary that the mutual negotiations between service providers remain within the confines of the RIO. Therefore the interconnection agreement, either for providing signals of television channels or access to the network for re-transmission, should be entered into in accordance with the RIO. Accordingly relevant provisions have been made in the regulations.
20. In any business, reasonable amount of commission/ discounts are offered for distribution of products and services at various levels in the value chain. In a similar manner, the broadcasters or the distributors should also be free to offer reasonable amounts of discounts, if such discounts do not disturb the level playing field, obstruct fair competition in the market and restrict the freedom of choice of

consumers. The discounts are good when they are offered to all service providers in the value chain on fair, transparent and non-discriminatory terms. If the service providers declare rates of their products or services, parameters of discounts and their values and computation method objectively in the RIO and the interconnection agreements are signed in accordance with RIO then the instances of discrimination can be done away with. To ensure parity among similarly placed service providers it is also essential that parameters of discounts are measurable and computable in nature so that on fulfilment of certain criteria for a particular type of discount, final value of the products or services can be arrived at. Therefore, the Authority has decided that each and every kind of discounts, proposed by the service provider, must be offered in the RIO and the interconnection agreements must be signed by the service providers on the basis of RIO. Accordingly provisions have been made in these regulations.

21. Further, it has been observed that many times the service providers, in their RIOs, declare very high rates for their products or services and then they offer deep discounts on such rates. Keeping the maximum retail prices very high and then offering very deep discounts on those prices, leads to discriminatory practices and it is not in the interest of the consumers also. Unreasonable amounts of discounts lead to illusionary/perverse pricing and non-level playing field. Therefore, the Authority agrees with the views of some broadcasters that maximum amount of discounts on prices declared in the RIO should be capped. Capping on discounts may also help in discovering the optimum price for their products or services i.e. the price at which gross revenues are maximised. Based on the practices followed in other sectors and suggestions of the stakeholders, the Authority is of the view that the maximum value of discount which can be offered on the MRP should be limited to 35%. This limit of 35% shall be equally applicable on pay channels as well as carriage fee. In case a service provider is willing to provide its products or services at a further lower price by offering more discount than the cap percentage then that service provider has to lower the maximum retail price or the rate of carriage fee itself so that all consumers and service providers gets benefit.
22. In respect of pay TV channels, at distributor end, other than re-transmission cost, there would be certain other operational expenses like expenses on subscription

management, subscription amount collection, accounting etc. As per the current regulatory framework being put in place, the re-transmission cost for pay as well as FTA channels shall be recovered by distributors of TV channels from the subscribers in the form of monthly rental amount. Further in respect of DTH operators, license fee is required to be paid on the basis of gross revenues. As a commercial entity, for distribution of pay TV channels, distributors of TV channels shall have expectation for reasonable level of profits also. Reasonable amount of discounts on MRP are necessary to recover distribution expenses and earn a reasonable amount of profit. It is therefore legitimate that to cover all these kinds of expenses, certain minimum percentage of discounts on MRP is ensured for the DPOs. Based on the practices followed in other sectors and available data, the Authority is of the view that minimum value of discount on MRP of pay channels be fixed at 20%. This minimum value of discount has been referred to as distribution fee.

23. Since, the distribution fee in respect of a pay TV channel is linked as a percentage of the MRP of that channel or bouquet, the distribution fee in terms of amount may be very low in cases where the MRP of pay channels or bouquet of pay channels is very low. The Authority noted that collection of retail prices in respect of pay channel(s) or bouquet of pay channels is collected by the DPOs along with the rental amount. Therefore, the collection of retail price of pay channels will not involve any extra proportionate effort by the distributor and hence even if the distribution fee is of minimal amount, it will not materially affect the business of the distributor.
24. As mentioned in the above paragraphs, the distribution fee is required to be paid by broadcaster to the distributor to compensate the distributor for his efforts put in place for collection of amount for pay channels from subscribers, its accounting and payment of the same to the broadcaster. This activity is required to be carried out by every DPOs be it DTH, HITS, cable or any other addressable systems. Thus the purpose of distribution fee is agnostic to the technology of a particular distribution network. Therefore, the Authority is of the view that the rate of distribution fee shall be uniform across the different platforms. However, if a broadcaster, depending upon his marketing needs may offer further discounts up

to 15% of MRP in such a manner that the cumulative discounts involving minimum distribution fee and other discounts do not exceed 35% of the MRP. The broadcaster may offer variable discounts for different distribution platforms depending upon their marketing needs.

25. As the interconnection agreement between the service providers is required to be signed on the basis of RIO, therefore it is necessary that the terms and conditions mentioned in the RIO should include all the necessary and sufficient provisions which make it a complete interconnection agreement for distribution of television channels. In cases, where the service providers do not arrive at a mutual agreement, a product or service seeker should be able to choose from the options available in the RIO and sign the same. The signed copy of such RIO can be sent to the service provider as an acceptance of the offer which will be construed as valid interconnection agreement. Accordingly, a suitable provision has been made in these regulations.

#### **Confidentiality of Interconnection agreement**

26. The issue is whether confidentiality of the interconnection agreements is a necessity and whether the terms and conditions (including rates) of mutual agreement be disclosed to other service providers to ensure the non-discrimination.
27. Majority of broadcasters were of the opinion that agreements should not be disclosed as it contains commercially sensitive information while access to information should be made available on case to case basis and by providing the concerned stakeholder adequate opportunity of being heard with strict confidentiality obligations to deter any misuse. Whereas many DPOs commented that non-discrimination can never be achieved if the agreements are allowed to be kept confidential. As per them the terms of a broadcaster with one DPO should be made available to other DPOs. Some DPOs also stated that confidentiality of subscription agreements should be maintained but agreements should be submitted to TRAI so that it can intervene if it finds any discrimination. While another DPO suggested that commercials should be disclosed to the

authority & it should come out with a summary of all the commercial arrangements with DPOs.

28. One of the main purposes of these regulations is to ensure the non-discrimination. Every service provider should be able to get content/ access to network at non-discriminatory terms. In order to ensure non-discrimination, the Authority has relied on the principle of signing of interconnection agreement on the basis of the reference interconnection offer published by the broadcaster or the distributor as the case may be. The issue of disclosure of interconnection agreement has been properly addressed and explained in a separate set of regulation called as the Register of Interconnection Agreements (Broadcasting and Cable Services) Regulations, 2016 being notified by the Authority.

**Non-exclusivity, must provide and must carry**

29. The issue is whether the principles of non-exclusivity, must-provide, and must-carry is necessary for orderly growth of the sector.

30. On this issue majority of the broadcasters stated that ‘must carry’ provision should be universally applicable to all networks. Whereas, one broadcaster stated that ‘must carry’ provision should not be made applicable to DTH and HITS networks as there are transponder capacity constraints. Further, a broadcaster commented that principles of non-exclusivity and must provide should not dilute the rights of exclusivity provided under the Copyright Act & ‘must provide’ clause should be conditional. While other broadcasters & most DPOs commented that these clauses, i.e. non-exclusivity, must-provide, and must-carry, are necessary for orderly growth of the sector. Some DPOs also stated that non-exclusivity & ‘must provide’ provisions should be mandatory but ‘must carry’ provisions should not be mandated for DTH & HITS network because of its limited satellite capacity.

31. The issue of non-exclusivity, must-provide, and must-carry has to be examined primarily from the consumer’s perspective. If all channels, in demand in a particular market, are not available on any one TV distribution network then in such markets the consumers may have to subscribe for services of more than one operator to view their favourite channels. Similarly, if a channel, especially

popular channel, is exclusively available on one network only then there may not be effective competition in the distribution market. Therefore, it is necessary that provisions relating to non-exclusivity and must-provide should continue in the consumer's interest. Similarly the provision of “must-carry” should be there for removing the entry barrier for the channels. The Authority is of the view that the content should be agnostic to the network and conversely the network should be agnostic to the content. Broadcasters ‘must provide’ signals of TV channels to the DPOs, making request for the same, on non-discriminatory basis and in the same manner, DPOs must carry signals of TV channels of the broadcaster, making request for the same, on non-discriminatory basis. Similarly, the DPOs must provide signals of TV channels to the LCOs on non-discriminatory basis.

32. Exclusive agreements whereby popular TV channels can be denied to a competitor so as to promote the broadcaster’s own distribution network, may affect fair competition and growth of the sector. Similarly, entering into any understanding or arrangement by a DPO with a broadcaster or LCO which prevents other broadcasters or other LCOs to access the network of the DPO for re-transmission or to obtain signals of TV channels may be pre-judicial to the competition. Therefore the Authority is of the view that any kind of exclusivity in distribution of TV channel is pre-judicial for competition and hence is not permitted.
  
33. As per the down-linking guidelines of the Ministry of Information & Broadcasting (MIB), a broadcaster can distribute its TV channel through distributors of TV channels only. Therefore it becomes essential that a broadcaster desirous of serving a particular market should be able to access that particular market through distributors of TV channels present in that market. Denial of access to that particular market by a DPO may cause double jeopardy to that broadcaster as it cannot access that particular market through any other alternate means also. However, a DPO decides the capacity of its distribution network on the basis of its business plans and market need. Therefore, there is a distinct possibility that at a given time when a broadcaster approaches a distributor for re-transmission of its channels, spare capacity in the distribution network may not be available. To strike a balance between two different needs of the service providers, it necessary that a DPO transparently declares the information about its distribution network.

The non-discriminatory access of the network is possible if the DPO transparently publishes on its website the channel carrying capacity of its network, the list of channels available on its network, spare capacity available, if any, and the list of channel(s) for which requests are pending with the broadcaster for access of the network for re-transmission. Such declaration of capacity of the network and its availability or waiting list would remove entry barriers for new channels which will provide availability of choice of channels to the subscribers. Subject to availability of capacity for carrying channels, the access to the network should be provided on first come first serve basis on payment of applicable carriage fee. In this manner the issues relating to capacity constraints due to non-availability of transponders would get addressed and access to a particular market in non discriminatory manner would become available to a broadcaster.

34. In relation to the issue of discontinuation of a channel by DPO if the subscription falls below certain percentage, a broadcasters opined that such provision should not be there as this will give unilateral power to DPOs to discriminate and will be against the principle of network neutrality and will enable operator to act as gate keepers for channels. A broadcaster suggested that a provision may be made for DTH and HITS operators to discontinue a channel if the subscription, in the preceding six months is less than or equal to a given minimum of 10 percent of the total active subscriber base of that operator averaged over that period. Some DPOs quoted that it should be permitted to discontinue the channel on the average subscriber base of the past 3 months instead of 6 months, and the period after refusal should be increased from 1 year to 3 years.
35. The 'must provide' principle ensures that the channels having demand in a particular market are available on the network of a DPO. The 'must carry' principle removes the entry barrier for channels and ensures that distribution network is accessible for testing of channel. However, in order to ensure that non-popular channels do not occupy the valuable space on a distribution network, the DPO should have an option to discontinue re-transmission of such channels on the basis of pre-defined criteria. This would ensure that, in the event of capacity constraint in the distribution network, popular channels in a particular market occupy the distribution network. This will create a space for new channel that can

be given access in terms of its position in the waiting list. Therefore the Authority has decided that it shall be open for a DPOs to discontinue carrying of a TV channel in case the monthly subscription in a the immediately preceding six consecutive months is less than five percent of the subscriber base in the relevant geographical area. In case of failure to maintain the required subscription levels, a DPO, in its discretion, can refuse to grant further access to the network for a period of further one year. Such a refusal cannot be considered a violation of the “must carry” provision. Accordingly, provision has been made in these regulations.

36. Before providing signals of television channels or access to the platform, the service provider should not impose any condition which is unreasonable as such imposition of condition violates the principles of “must provide” or “must carry”. Since, packaging and placement of a channel is the prerogative of the DPOs, any pre-condition for placing the channel in any specified position in EPG or assigning a particular number to a channel may affect the right of the distributor. Such pre-condition has also been qualified as unreasonable. The parties to the interconnection agreement must not include any clause in the interconnection agreement which directly or indirectly require the DPOs to include the channels or bouquet of pay television channels in any particular bouquet offered by the distributor as this may affect the choice of the consumer. However, the parties can provide discounts for placing of channels for allocating a particular number to a channel on the basis of parameter disclosed in the RIO.

37. Similarly at the time of providing access to its network by a distributor for re-transmission, a pre-condition for minimum guarantee period or minimum number of channels may pre-judicial to the competition as this will create entry barrier of the new channels as well as it may create exit barrier to channels. However, the distributor may offer discount on the rate of the carriage fee to the broadcasters for longer period interconnection agreements or for carrying more number of channels in the RIO.

### **Carriage fee**

38. In respect of carriage fee issue, in response to the consultation paper on tariff related issues, majority of broadcasters are against the practice of carriage fee payments while stating that capacity constraints are no longer a concern in a digitised era. They have argued that with addressability clearly established in a transparent manner, there has been a steady increase in the subscription revenues. Despite this, carriage fees continue to be charged. The broadcasters have indicated that carriage fee may be permissible only if the 'must carry' provisions are invoked by a broadcaster on the DPO to ensure that his channel is carried on the DPOs network. Another broadcaster opined that the carriage fee regime must be such that DPOs should publish their RIOs specifying the conditions for levy of carriage fee. Another suggestion from the broadcasters is that the Authority must fix the carriage fee of an MSO based on the infrastructure cost incurred by that MSO with a cap on the annual carriage fee at 50 paisa to one rupee per channel per set-top-box. One broadcaster has submitted that TRAI must prohibit bundling of channels and allow carriage, placement and marketing fee only on a-la-carte basis.
39. On the contrary, the DPOs do not favour any regulation of the carriage fee and have proposed that carriage fee be decided based on mutual negotiations. They have stated that capacity of the distribution networks remains constrained even after the digitisation process and that carriage fee incentivise a DPO to add channel capacity and upgrade its network. Few DPOs suggested that the carriage fee rates be made part of a RIO that is made publicly available to all stakeholders in a non-discriminatory manner. One DPO has suggested that carriage fee be initially limited from Rs. 2 to Rs. 5 per subscriber per month and be gradually reduced with an increase in the number of subscribers.
40. As per earlier regulatory framework for DAS, the MSOs were required to publish the RIO for carriage fee. After the mutual negotiations, the carriage fee was required to be charged in a non-discriminatory and transparent manner. Also the carriage fee was not to be revised upward for a minimum period of 2 years. For DTH and HITS networks, there was no mandatory requirement for publication of RIO for carriage fee.

41. It was expected that, after the implementation of digitisation, due to transparency in ascertaining the number of subscribers, the dependence of MSOs on the carriage fee, as a source of revenue, will be reduced. Further, since digitisation would enable carriage of large number of channels on cable TV networks, it was also expected that, it may reduce gap between demand and supply which in turn may bring down carriage fee per subscriber per month.
42. On analysis of the available information regarding carriage fee with the Authority, it is noted that the data relating to carriage, placement and marketing fees, have been combined by service providers. The purpose of placement and marketing fees is totally different from the purpose of carriage fee. In spite of repeated requests, the service providers could not make available data specifically relating to carriage fee only. Further, there is lack of transparency in such dealings and such opaqueness often results in discriminatory behaviour under the guise of mutual negotiations. However, from the available data and discussions with the service providers during the meetings called on this issue, it emerged that after digitisation of cable TV networks, carriage fee per subscriber per month has reduced over a period of time.
43. When a broadcaster invokes a must carry provision, payment of carriage fee may be inevitable as a DPO can insist for it because DPO incurs certain additional cost for re-transmission of signals of a TV channel. Placement and marketing fees are totally optional and depend on their mutual agreement. Even without payment of placement and marketing fees, a channel can secure a space on a distribution network within its declared genre space.
44. In the new regulatory framework being notified by the Authority, the DPOs have been allowed to charge a rental amount for distribution of TV channels to the subscribers. The rental amount would be able to recover the distribution expenses incurred in the form of fixed costs like depreciation, administrative, customer service, maintenance costs etc., and variable costs like transmission cost which vary with the number of channels carried on a distribution network. Rental amount could vary based on the number of channels subscribed by individual subscriber. Therefore, it is expected that a DPO would seek signals of channels which are in

demand in a particular market. For such channels, a DPO cannot demand for a carriage fee as it would be able to recover retransmission expenses from the rentals charged from the subscribers. However, for channels, which have relatively less demand in a particular market, a DPO may not be able to recover fully the retransmission expenses from the rentals charged from the subscribers. In such cases, a DPO may not be interested in seeking signals of those channels for retransmission on its network. The broadcaster of such channels may like to invoke must carry provisions to reach their targeted customer segment which in turn would protect their other sources of revenue like advertisement, subscription, if any, etc. In order to fill the gap between the retransmission expenses incurred by a DPO on carrying a particular channel on its platform and rental amount charged from subscribers for that channel on proportionate basis, it would be legitimate to permit a DPO to charge carriage fee to that extent from the broadcaster of that channel. Therefore where a request has been made by the broadcaster to carry channels under 'must carry' conditions, a provision for levy of carriage fee has been made so that the DPO is able to recover the additional re-transmission cost for distribution of that channel on its network.

45. To ensure that a DPO charge carriage fee on non-discriminatory basis, it has to publish an RIO specifying the rate of carriage fee per channel per subscriber per month, and discounts, if any. On such RIOs and on the interconnection agreements entered into on the basis of these RIOs, the explanations mentioned under the heading 'Reference Interconnection Offer and Interconnection Agreement' shall apply.
46. The Authority agrees with the views of the broadcasters that to restrict levy of carriage fee to a reasonable level, a cap on carriage fee rate is necessary. On the basis of available data and present situation prevailing in the market, the Authority came to a conclusion that the carriage fee rate shall in no case exceed Rs. 0.20 per channel per subscriber per month. The amount of carriage fee will be calculated for a subscriber base in the relevant geographical area(s) of the channel(s) as declared by the broadcaster in the interconnection agreement. The DPOs may declare the rate of carriage fee in their RIOs within the prescribed cap for this purpose to optimise their revenues.

47. In a broadcasting distribution network, a DPO should be able to recover its distribution expenses even when the subscription of individual channels is in the range of 15 to 20% of its subscriber base as every customer may not subscribe to every channel available on the network. This particular condition has been kept in consideration while finalising the cap on rental as well as carriage fee rates. Accordingly, in cases where a channels penetration reaches 20% of the subscriber base in a particular market, the distribution expenses can be met out of the rental collected from the subscriber. As a channel gathers subscription, the quantum of carriage fee should diminish proportionately due to increased revenue accruing from subscriptions to the DPO for that channel. For ease of computation, the Authority has decided that for a channel where the subscription reaches, between 5 to 10% of the total subscriber base in a relevant market the carriage fee must be reduced by 25% from the initial amount, for 10 to 15% penetration the carriage fee must reduce by 50%, for 15 to 20% penetration the carriage fee must reduce by 75% and no carriage fee may be levied once the penetration reaches 20% of the total subscriber base in a relevant market.

#### **Application form for seeking interconnection**

48. On the issue of prescription of format for applications for seeking signals/ access to network for re-transmission of TV channels, most broadcasters stated that a format for seeking signals of TV channels may be designed while one broadcaster stated that a format for application may not be prescribed and the broadcaster should be able to call for the documents needed. Some DPOs also opined that no format is required whereas others commented that Authority should prescribe a format.

49. A standard application form for seeking signals/ access including necessary and sufficient fields would help the service providers in reducing the unwanted repeated communications and to facilitate interconnection between them in fair & time bound manner. This will also prevent denial of signals/ access to any service provider on the grounds of not making available additional information/ documents which may not be relevant for entering into interconnection agreement for addressable systems. This would also help the seeker to check whether they

fulfil all the conditions or not at the time of making a request for the signal/network. Accordingly application formats have been specified.

### **Multiple interconnection agreements**

50. On the aspect of one agreement for all commercial deals for a channel between a broadcaster and a distributor, broadcasters were of the opinion that all commercial considerations should be subsumed as part of the same contract while one broadcaster stated that single agreement should be applicable only if the same entity is the distributor and owner of the content. Some DPOs also supported a single consolidated agreement for all commercials but an MSO commented that making subscription, carriage, placement, part of the interconnection would not be logical.

51. The objective of one agreement for all commercial deals between a broadcaster and a distributor is to check discrimination, if any, in providing signals of TV channels/ access to the network. However, prescription of a single agreement for all commercial dealings may not be practical as the different agreements for a given channel may be entered at different stages and time. However, the same objective can be achieved if all existing commercial dealings are linked with latest agreement. Accordingly, the provisions have been made.

### **Examination of RIO**

52. To ensure that the RIO published by the service providers fully complies with the applicable regulatory framework, one broadcaster suggested that TRAI should publish a check list to ensure that RIO meets with all requirements & a period of 30 days should be allowed for raising objections. Another broadcaster & a DPO opined that a draft RIO should be published and comments should be invited giving 15/ 30 days for raising the objections on draft. While one broadcaster stated that instead of any draft RIO, stakeholders should approach regulator or Hon'ble TDSAT in case of any objections on the RIOs. Some DPOs commented that to ensure full compliance, RIOs should be submitted to TRAI for approval & a time limit for raising objections is not appropriate. Whereas a group of DPOs stated that at least 2 months from date of publishing of a RIO should be provided for challenging the RIO. A cable operator suggested that a Model Interconnection

Agreement (MIA) should be prescribed where only commercial terms are open for discussion & in this case, no time period will be required for challenging the RIO.

53. TRAI has already laid down a comprehensive regulatory framework for the service providers that should be complied with, at the time of formulation & publication of the RIO. A provision to the effect that each RIO should contain necessary and sufficient conditions so as to make it a complete interconnection agreement has been made in the regulations. Therefore, there is no requirement of publication of any separate check list.
54. The service providers should have enough flexibility for carrying out their business as per their operational needs. Accordingly, in place of prescribing the MIA at this stage, the Authority has preferred continuance of a framework where the service provider publishes its RIO, in compliance of the regulatory framework, for providing either signals of TV channels or access to the network for re-transmission of TV channels. Further, it may not be desirable that the regulator approves each RIO before its publishing as any kind of such condition may make doing business difficult instead of easing it out.
55. The Authority has prescribed that RIO should include all the terms & conditions including commercials based on which all agreements with different service providers are to be signed. Therefore it becomes necessary that RIO complies with the regulatory framework, and its conditions are fair and reasonable. This can be ensured to a large extent if an opportunity is provided to stakeholders in the value chain for putting forward their views/ objections on the draft RIO. Such provision for intervention may ensure that the final RIO is more acceptable to the stakeholders in the value chain. This may lead to reduction in litigation also. Therefore a draft RIO, in compliance of the regulatory framework, should be uploaded on the website of the service provider & stakeholders may raise objections within 30 days from the publication of draft RIO before the service provider publishing the draft RIO. The service provider should also maintain a record of objections raised and take corrective measures in draft RIO, if required, before publishing the final RIO. Even after this exercise, an aggrieved stakeholder can approach an appropriate forum for settling their disputes on RIO.

56. In the event of any amendment, including any change in the MRP/ the nature of channel/ carriage fee/distribution fee or discounts, to the final RIO, the service provider must follow the same procedure as mentioned in the above paras as this will provide opportunity to other service providers to raise any objections to such amendments if it is not in the compliance of the provisions of regulations or tariff orders.
57. Further, after such change, the service provider making change should give an option to all the affiliated service providers to sign a fresh agreement in accordance with the amended RIO since any change in the RIO may have effect on revenue of the affiliated service providers.
58. The requirement of submission of final RIO published by the service providers and its amendment to the Authority, has been kept with a view that a reference copy is available with the regulator for future use, if any. Further, the Authority, may on *suo-motu* basis or otherwise, examine any RIO for its compliance with the regulatory framework and if the Authority is of the opinion that the RIO has not been prepared in accordance with the provisions of relevant regulations/ orders, such broadcaster or the DPO may be directed to carry out modification as may be necessary for compliance with the regulations. Accordingly such provisions have been made.

**Time limit for providing signals / access to the network and technical audit**

59. In the CP, the subdivision of 60 days time limit for providing signals of TV channels/ access to the network was discussed. The possible measures for ensuring that such time limits are honoured and imposition of financial disincentives as an effective deterrent was also consulted. In response, most of the broadcasters & some DPOs supported the existing time line of 60 days for providing signals of TV channels/ access to the network, without any sub-division & suggested that financial disincentives may be levied on service provider in case of any default. Another broadcaster commented that 60 days are not enough for a broadcaster to complete all the procedures & should be increased. While one DPO opined that out of the 90 days grace period (after expiry of agreements), the agreement should be closed within first 60 days else the DPO may modify the

packages, inform consumers about the disconnection/ new rates within 30 days on the basis of RIO rates or, a further grace period of 60 days (beyond 90 days) may be given to the DPO to do all necessary arrangements to shift to RIO terms. Other DPOs stated that 60 days can be sub-divided into 2 i.e. 30 days each, the first for raising objections, technical audit and the second for curing the defects. A cable operator commented that only 30 days are sufficient for providing signal of TV channels.

60. The Authority noted that earlier it was mandated that a service provider should provide the signals within 60 days from the date of receipt of the request & in case of refusal the reasons for such a refusal must be recorded in writing and conveyed to the seeker within 60 days from the date of receipt of the request. It is observed that the service providers are required to carry out certain activities for providing signals of TV channels such as commercial negotiations for entering into interconnection agreements, audit of distribution systems, provisioning of IRD and other technical infrastructure. Similarly, for providing access to the network, the DPO is required to finalise the commercial terms and conditions, enter into a written interconnection agreement, and make provision for IRD and other technical setup for providing access of TV network for re-transmission of the TV channel. However, signing of interconnection agreement only may not require the 60 days time. Therefore, the time for signing of agreement and providing signal/ access should be reasonably enough so that no service provider is put in a disadvantageous position. It is necessary that negotiations for signing of interconnection agreements are not prolonged needlessly defeating the very purpose of the regulations. Delays in signing of agreements also results in the delay in providing signals of TV channels/ access. Many times it was observed that either for want of certain additional information, or on technical or commercial grounds, the refusal to enter into agreement was conveyed at the fag end of the permissible period. Therefore, the Authority has decided to divide the total period of 60 days into two sub-periods of 30 days each. This would reduce the uncertainty period. The parties involved should finalize all the commercials by entering into the written interconnection agreement within 30 days from the date of receipt of request from a service provider and make necessary arrangements for provisioning of signals of TV channels/ access to the network within next 30 days

from the date of signing of the interconnection agreement. 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 30 days of receipt of such request. Thereafter, the broadcaster shall provide signals of its pay television channel(s), within 30 days from the date of signing of written interconnection agreement, to the DPOs. Similarly, it is clarified that on receipt of a written request from a broadcaster by a distributor for carrying television channels, the written interconnection agreement, between the distributor and the broadcaster, shall be entered into within 30 days of receipt of such request. Thereafter, the distributor shall re-transmit signals of television channel(s) of such broadcaster's within 30 days from the date of signing of written interconnection agreement through the distribution network. All the service providers should carry out communications in writing so that the same can be verified in case of any dispute between them.

61. On the aspect of levy of financial disincentives on the service providers for delay, the Authority noted that generally the delays in providing signals / access were due to either delay in signing of agreements or disputes between the service providers. Disputes can be appropriately resolved by them either through mutual discussions or the same can be decided by the dispute resolution forums. Therefore, the Authority is of the opinion that imposition of financial disincentives may not be feasible as each case would require examination of facts to ascertain the delays in provisioning of signal.
62. The Authority in its earlier regulatory framework had prescribed technical audit methodology. In the consultation paper review of current methodology of technical audit and the issue of exemption of technical audit for type approved Conditional Access Systems (CAS) and Subscriber Management Systems (SMS) before provisioning of signal were discussed.
63. On issue of timely completion of technical audit by broadcasters, they opined that the onus should not be put on the broadcasters only and responsibility of delay should be on case to case basis. A broadcaster quoted that a mechanism should be

introduced to ensure that any applicant seeking license to operate is completely compliant before any license is granted by MIB. A DTH operator commented that the responsibility of audit lies with the broadcaster but audit should be restricted to once a year & technical audit for each new channel should not be conducted every time. Another DTH operator stated that if the broadcaster intends to do the technical audit, it should be done either after providing the channel or simultaneously and TRAI or TDSAT or appropriate forum should take action against erroneous parties. Other DPOs opined that onus of audit should not lie with broadcasters & TRAI can publish a list of authorized auditors who can be approached by DPOs to get its CAS and SMS independently verified. Some DPOs commented that broadcaster should be mandated to complete audit within 15 days else issue IRDs after signing the interconnect agreement within next 15 days. An MSO & an LCO association stated that if a platform is inspected by BECIL/authorized agency, then no objections should be raised & if no such inspection is done, broadcasters should audit in 30 days.

64. On issue of exemption from technical audit for type approved systems, broadcasters opined that type approved CAS and SMS should not be exempted from audit. As per broadcasters, audit methodology in regulations should include provisions for field audit also. Whereas MSOs opined that type approved CAS & SMS should be exempted & TRAI should provide a list of auditors. LCOs commented that each CAS & SMS should be tested together as most networks use different versions of CAS & SMS which make them unique combination. Some suggested that no broadcaster audit is required & complaints can be made to the authority if any dispute occurs.
65. The Audit of the systems of DPO is necessary to ensure that the systems deployed by the DPO are addressable as per the regulatory requirement and any piracy of signals from DPO's network does not occur in future. To ensure that the audit does not delay the process of getting signals of TV channels, it is desirable that the DPO ensures that the addressable system installed by it meets the requirements specified in regulations. The broadcaster should also be able to assure itself that the system of the DPO meets the minimum requirement. In view of the above, the Authority is of the opinion that the onus of carrying out audit shall lie with the

broadcaster. However, to ensure that the audit should not delay the process of providing of signals of TV channels, a mechanism needs to be employed. Accordingly, the following scheme has been worked out. If a broadcaster is unable to complete the audit in time, due to reasons which may be attributed to the DPO, the same must be communicated to the DPO in writing. In such a case, the broadcaster has to notify the reasons for not providing signals of TV channels within the prescribed period of 60 days from the date of the request for providing signals of TV channels, stating the reason of non-completion of audit. To speed up the process of auditing so that delay in audit does not happen, the Authority has decided that it may specify a panel of Auditors from which broadcasters may choose any one. Once a distribution system is audited and certified by an empanelled auditor, it is only logical that other broadcasters will also have to accept the same for at least one year period from the time of issue of certification. This is expected to reduce cost burden on the service providers. Accordingly suitable provisions have been made in the regulations.

66. On the aspect of non-requirement of audit of the type approved systems, the Authority observed the issue needs elaborate examination and consultation with experts and therefore the decision would be taken at an appropriate stage after detailed consultation with the stakeholders.

#### **Reasons for Denial of Signals / Access to Network**

67. The stakeholders were requested to provide their opinion regarding parameters for denial of the signals/ network & mandatory inclusion of an exhaustive list of such parameters in the RIO. Broadcasters & some DPO supported that such comprehensive & indicative list outlining the possible reasons for denying signals/access should be provided in the RIOs. Another broadcaster stated that instead of an exhaustive list, an inclusive list with scope of further modifications must be made by TRAI as reasons vary on case to case basis. One DPO commented that such listing should not be done. In case of dispute, it should be examined by an appropriate forum. A cable operator quoted that there should be no denial for the next two years.

68. In the Interconnection regulations 2004 and 2012, imposition of any unreasonable terms by service providers for providing signals/ access to the network was considered to be violation of the ‘must provide’ and ‘must carry’ principles. One of the parameters that were considered as the basis of denial of signals/access was default in payment. In any business it is necessary that there is a proper revenue flow and therefore the Authority has decided to continue the principles and “must provide and “must carry” provisions shall not apply in case of a service provider who is in default of payment and continues to be in default.
69. The regulatory framework provides freedom for the distributor to package the channels/bouquets as per the choice of consumers and market needs. Since, packaging of a channel is the prerogative of the DPOs, any pre-condition by a broadcaster, before providing signals of TV channels, for packaging of its channels in a particular bouquet offered by the DPO affects the choice of consumer. Further any discounts provided by the broadcaster to the DPO for packaging of its channels may result in pushing of non-popular channels in the bouquets offered by DPO along with popular channels to the consumers. This ultimately causes subscription of unwanted channels by a subscriber when it chooses the bouquet containing the popular channels. The DPO should be free to decide the composition of bouquets offered by it to the consumers. Therefore, the Authority is of the view that such conditions relating to packaging can be neither be insisted before providing signals nor it can be provided in the interconnection agreements. Needless to mention that no discount can be offered by a broadcaster for packaging of channels in the bouquets offered by the DPOs.
70. In addressable systems, the technology provides for a Electronic Program Guide (EPG) wherein the channels being carried on an MSO’s network can be arranged in a simple easy and to understand manner so that the subscriber can easily go through this guide and select the channel of choice instead of flipping through all the channels. A subscriber can easily select the channel if a number is assigned to the channel. It is also required that the subscriber can easily surf the channel of his choice if the channel appears at a proper place in the EPG. Therefore the Authority has decided that all television channels of same language having same genre shall appear together consecutively in the electronic programme guide to

enable the subscriber to easily flip the channel. Further, for promotion of a channel, a broadcaster may advertise the information relating to the number assigned to its channel by a DPO. Frequent change in the number assigned to a channel may require frequent changes to be made by the broadcaster for the promotion of its channel and it also results in inconvenience of the subscriber. Accordingly, the Authority has decided that 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.

71. Placement of channels in the EPG is the choice of the distributor subject to the compliance of the regulatory provisions. Therefore, any pre-condition put by a broadcaster, before providing signals of TV channels for placing the channel in any specified position in EPG or assigning a particular number to a channel may affect the freedom of the distributor and therefore such pre-condition has also been qualified as unreasonable. However, the broadcaster can provide discounts for allocating a particular number to a channel or placing of channels in the electronic programme guide on the basis of parameter disclosed in the RIO in compliance with the relevant regulations. Accordingly provisions have been made in these regulations.
72. At the time of providing access to its network, a pre-condition for minimum guarantee period or minimum number of channels may be pre-judicial to the competition as this will create entry barrier of the new channels as well as it may also create exit barrier in the event a broadcaster decides to cease its operation due to any reason. However, the distributor may offer discount on the rate of the carriage fee to the broadcasters for longer period interconnection agreements or for carrying more number of channels in the RIO.
73. To enhance transparency and to minimise discretion, it has been decided that the service providers may list down all possible reasons which may lead to denial of signals/access of network & the same should be published in the RIOs. Needless to mention that such conditions should be fair, transparent & non-discriminatory. Any unreasonable, discriminatory or unfair terms put up by a provider is prohibited.

### **Interconnection Management System (IMS)**

74. To facilitate signing of the interconnection agreement between service providers, the Information and Communication Technology (ICT) technologies can help to facilitate faster execution of interconnection agreements. In the consultation paper, stakeholder's comments were invited on the facilitation of IMS in the broadcasting and cable TV sector. On the issues relating to IMS such as its benefits & functions for improving efficiencies in the sector, its feasibility, signing of interconnection agreements through IMS, its development, operation and maintenance and business model for the agency providing IMS services, comments were solicited. Most of the broadcasters were of the opinion that IMS will incur huge cost & is not feasible & may put commercial details of confidential nature in public domain. DTH operators also voiced that IMS is not required for the DTH system as all the information can be submitted to TRAI in e-formats. While other DPOs supported that IMS should be formed & agreements should be signed through IMS & IMS can be used for deposition & retrieval of Interconnection Agreements, tracking & data maintenance & for other regulatory requirements. They also stated that TRAI/ Government assigned agency can develop, operate and maintain the IMS but its control should be with TRAI & Fixed fee/fee per Agreement should be charged to recover the costs of the IMS. A DPO further suggested that a group/committee should be formed to consider all the pros and cons.

75. Though most of the stakeholders are not in favour of development of such a centralized online system, but Authority is of the view that the development of IMS where the industry data will be available at one centralized place, will facilitate in making the broadcasting sector technically strong & more transparent. It will also ensure that Annual Filing of all commercial agreements is done on regular basis ensuring all the relevant data of the industry is available with the Authority. Since, currently the stakeholders have not come forward in support of this, so an industry group can be constituted to develop the detailed framework and consensus on this issue and a provision may be made in the regulations. Later on the Authority may mandate, through direction / order, the signing of digital interconnection agreements between service providers through IMS.

## **Territory of Interconnection**

76. The issue is whether, only one interconnection agreement is adequate for the complete territory of operations permitted in the registration of MSO/ IPTV operator and should MSOs be allowed to expand the territory within the area of operations as permitted in their registration with advance intimation to broadcaster. If so what should be the period of such notification.
77. Regarding one interconnection agreement for the complete territory of operations permitted by the MIB in the registration of MSO/ IPTV operators & advance intimation to the broadcasters for expansion of territory of operation, broadcasters stated that if DPO expands its area of operation under a license, separate agreement should be signed & an advance notice of at least 15 days/60 days should be served to broadcasters to complete the formalities. Another commented that signing agreement whether one per territory or for entire list of territory, should be left to service providers. While another broadcaster stated that single interconnection agreement should be allowed. DPOs commented that one master agreement should be sufficient. A DPO also commented that the expansion should be allowed if it is within one state, else separate interconnection agreement for each state while another stated that same can be informed to the broadcaster & can be formalised within a given time frame of 60 days.
78. Generally, DTH and HITS operator have a pan-India license for their operations, whereas MSOs and IPTV operators either have pan India registration for retransmission of TV channels or remain restricted to a particular territory depending upon their business requirements. If a MSO/ HITS/ IPTV operator wishes to expand its services then it is only logical to allow such expansion if the DPO has a valid registration for such area. Generally it is in the interest of broadcaster that reach of its TV channel is wide so that it gets better subscription revenue as well as the advertisement revenue. Therefore, it is obvious that the broadcaster should not like to restrict the area of operation provided that the DPO has valid registration / license from the Government to supply signals in the concerned area. This would only enhance the connectivity of the broadcasters and will provide better coverage & more options for the users. In addressable systems,

the primary parameter which has a direct bearing on a broadcaster's revenue is the number of subscribers availing its channel and this number can be ascertained from the SMS of distributor. Therefore, whenever a distributor expands his area of operation, the SMS will show the number of subscribers accordingly and the revenue of the broadcaster would be calculated accordingly.

79. The MSO/HITS/IPTV operators may have registration or permission for the entire country but it may have not started its operation in the permitted area or registered area of operation. Therefore, it is necessary that before expanding the re-transmission of signals of TV channels, information to this effect should be given by the DPO to the broadcaster so that broadcaster can be aware about the reach or penetration of its channels and checks, if any, can be carried out to protect its interests. To facilitate this it is necessary that the interconnection agreement signed between a broadcaster and a DPOs shall, inter alia, contain the licensed/ permitted / registered area of operation of the DPOs as mentioned in the license/ permission / registration granted by the Government; the names of specific areas for which distribution of signals of television channel(s) has been agreed, initially, at the time of signing of the interconnection agreement and the names of the corresponding state(s)/ union territory (ies) in which such agreed areas are located. The DPOs may re-transmit signals of television channel(s) of a broadcaster in other area(s) by giving a prior written notice of at least thirty days to the broadcaster, provided that such area(s) falls within the state/UT mentioned in the interconnection agreement. Expansion of territory, within the state/ UT, can be done only with prior written notice of 30 days to the broadcasters by the DPO & the DPO should obtain the acknowledgement of such written notice. The prior notice to the broadcaster will ensure that the broadcaster is aware of the penetration of its channels and accordingly can market its channels as per its business models. Accordingly, suitable provisions have been made in the regulations.

#### **Period of agreements**

80. The issue is whether, a minimum term for interconnection agreement should be prescribed.

81. Broadcasters and some DPOs opined that this should be left to the parties. While other broadcasters stated that the period should neither be too short or too long/minimum period of one year. Another DPO stated that it should be same as the license period of the parties. While another commented that long term agreements of at least 3 yrs should be considered.
82. Authority has observed some instances where frequent expiry & renewal of interconnection agreements between the service providers resulted in suffering by the subscribers due to switching off of channels & broadcasters/DPOs getting a chance to negotiate the commercial terms. But acknowledging the fact that the term of the interconnection agreement is a matter of mutual negotiation and understanding between the parties and should be left to their discretion, Authority is of the view that prescribing a fixed term of long duration for interconnection agreement may hamper growth and innovation in the broadcasting sector where new technological developments affect the business decisions of the stakeholders. But to protect the interest of subscribers & DPOs, to avoid the frequent signing of the agreements and reduce disputes, the Authority is of the view that the agreements should be signed for a minimum period of 1 year between service providers.

### **Conversion in nature of channels**

83. A channel could be pay or FTA depending upon the choice of broadcaster. Before conversion of a FTA channel in to a pay channel, the broadcaster is required to enter into interconnection agreement for that converted channel with DPOs. The issue is whether there should be a provision of serving a prior notice in case broadcaster converts a channel from FTA to Pay or Pay to FTA.
84. Regarding serving of a prior notice by broadcasters to the DPOs before converting an FTA channel to pay channel & time period for such notice, broadcasters stated that there is no need for such notice. Another quoted that broadcasters should be allowed to publish the notification regarding converting an FTA channel to pay channel on websites only with no prior information while others stated that it should be done with prior intimation of 30 days. DTH operators opined that mandatory prior notice from broadcasters of least 1 year should be provided

before conversion. Another DPO stated that prior notice period of 1 month under the existing Regulations is not sufficient, it should be 6 months. A DPO stated that 3 months notice & a nationwide press release should be issued. While another quoted that notification scrolls at least 90 days in advance should be mandated.

85. In case of conversion of a nature of channel namely from FTA channel to pay channel, pay to FTA, premium to non-premium and vice-versa, a broadcaster will be required to amend the rates of channel and due to which it will also be required to change the RIO. Any amendment in the RIO will attract process of publication of RIO as envisaged in the regulations. Therefore sufficient time should be given to the stakeholders so that any change is suitably made effective by them. DPOs may be required to enter in to a new interconnection agreement or amend the existing one. The DPOs would also need to inform the subscribers & charge them accordingly. Therefore, the broadcaster has been mandated that before making any change, in the maximum retail price of the pay channel(s) or the bouquet(s) of pay channels or, in the nature of the channel, as the case may be, declared under the tariff order notified by the Authority, shall follow the provisions of these regulations including but not limited to the provisions pertaining to publication of RIO by broadcasters of pay channels.

**Minimum subscribers guarantee, minimum guaranteed amount and fixed fee**

86. The issue is whether the number of subscribers shall be the only parameter for calculation of subscription fee. What should be the checks for preventing usage of discounts and other variables as minimum subscribers guarantee.

87. On the issue most of the broadcasters & DPOs opined that conditions such as minimum guaranteed number of subscribers or any fix amount as a subscription fee should not be allowed. Broadcasters were also of the view that subscriber numbers and the rate of channels should be the core parameter for calculation however, discounts based on network size, LCN (logical channel numbers), parity etc. within the allowed caps should be considered for calculation, and minimum guarantee as a pre-condition should not be allowed. While one broadcaster & a DPO stated that number of subscribers should be the only criteria for uniformity and standardization & RIO should reflect all the incentives/discounts/ and other

variables. Some DPOs stated that it should be left to broadcasters and DPOs to decide the nature of their deals & same should be disclosed to the regulator and requirement of minimum subscriber number should not be allowed. Another DPO suggested that the rates of the channels should be fixed to prevent unfair/discriminatory discounts.

88. The minimum subscriber guarantee is the reminiscent of the analogue era, in which the number of subscribers was either not verifiable by the broadcasters or it was difficult for them to ascertain how many households are subscribing to their channels, due to technological constraints and therefore in order to protect their revenue they used to charge a fixed amount from the distributor or used to bill him for a minimum number of subscribers irrespective of whether he /she has been able to get that many subscribers or not. Digitisation with addressability of cable television in India was a revolutionary step taken by the Government to bring transparency in the system to benefit all stakeholders, including broadcasters, distributors, consumers and the Government itself. With the advent of digitisation and addressability in the sector, every household accessing signals is counted and the same can be easily verified. The malaise of under-reporting of subscribers by the cable operators, which was a main cause of revenue loss to the broadcaster and disputes in the sector, has been cured by bringing digital addressability in the sector. Despite that, minimum subscriber guarantee in the guise of fixed fee deals by the broadcasters continues to plague the industry. Stipulation of any minimum guaranteed number of subscribers or stipulation of any payment of fixed fee/fixed amount is antithesis to the addressable era.

89. Such a condition can deny entry to a new operator or to an operator entering a new system like DAS. Minimum subscriber guarantees or fixed fee deals could thus effectively block such new entrants from coming in. The Authority feels that such conditions are not only anti-competitive but it would also negatively impact the successful implementation of DAS. The SMS is a transparent mechanism to count the number of subscribers using Cable or DTH or HITS service. The basic idea of introduction of digitisation with addressability to give consumer choice and have subscriber base accounting gets defeated with minimum subscriber guarantee of fixed fee deals. These fixed fee deals may also inflate the cost for distributors and

in turn for the consumers. This would be against the objective of making services more affordable for the consumers and of increasing competition. Minimum subscriber guarantee and fixed fee deals therefore should not be allowed.

90. Therefore, in addressable systems, the only parameter permitted for calculating the subscription fee is the number of subscribers availing the services. No other parameter like fixed fee or minimum subscriber guarantee can be allowed for calculating the revenue for any service provider. Therefore, it has been provided in the regulations that that no minimum subscription guarantee or payment of minimum guaranteed amount (fixed fee) requirement can be proposed, insisted or agreed by any service provider and calculation of subscription fee should be on the basis of subscriber count.

#### **Minimum technical specification for addressable systems**

91. The Authority in its earlier framework had prescribed minimum technical specifications for addressable systems in respect of SMS, CAS, fingerprinting & STBs etc. The addressable systems of DPOs shall meet the minimum requirements as prescribed, in order to get signals of TV channels from broadcasters for re-transmission to subscribers. These technical specifications primarily ensure the addressability and transparency, and help in preventing piracy. In the consultation paper, the Authority sought the inputs of the stakeholders on the updating of the specifications if required due to the progress in technologies. The issue of type approval of CAS and SMS and measures for avoiding wrong doing was also discussed.
92. On the issue, most of the broadcasters expressed that existing technical specifications by TRAI need a review and CAS & SMS should be type approved and in case of any wrong doing, CAS and SMS vendor involved should be blacklisted. Whereas DPOs were of the opinion that existing technical specifications are sufficient & self-certificate from the vendor should be sufficient. Some DPOs also stated that instead of type approval, SMS and CAS should be certified/ approved by BECIL/central agency & CAS should be registered so that action can be taken in case of any wrong doing. A cable operator association quoted that technical specification of broadcaster's signal at the MSO head-end

should be specified & clause 10 (CAS SMS should be currently in use with an aggregate of 1 million subscribers globally) should be removed.

93. Some stakeholders have expressed that the existing technical specifications prescribed by the Authority in Interconnection regulations, 2012 needs a review to be in line with the current market scenario. There are many apprehensions among the broadcasters regarding issues like correct preservation of logs of SMS and CAS, fingerprinting, technical standards of STBs & CAS to prevent piracy etc. Keeping this in view, necessary amendments & additions have been done in CAS, SMS & STB specifications (annexed as schedule III to these regulations) which shall be adhered by the distributors while re-transmitting the TV signals. These measures have been taken to further strengthen the quality & standards of systems installed by the distributors meanwhile ensuring that these specifications do not provide any kind of hindrance in the technical advancements in broadcasting such as STB interoperability & infrastructure sharing. Regarding type approval of SMS and CAS before deployment in the network, Authority may develop a process and finalise agency for type approval of the SMS and CAS. A separate industry group may be constituted and based on the recommendations of such group; the Authority may prescribe such processes through direction or order at a later stage.
94. The Authority in the minimum specification has mandated that the CAS and SMS deployed by the DPOs shall ensure that the CAS and SMS deployed by them in their network do not have any history of hacking in past. Further, the Authority is in agreement with the views of some stakeholders about dropping of requirement of SMS with capability of 1 million subscribers as there are many MSOs who will be required to cater a smaller subscriber base. However the system deployed should be capable enough to carry out activation of at least 50% of the subscriber base within 24 hours. It is therefore the responsibility of the service providers to ensure that the CAS and SMS deployed by the DPOs meet the necessary requirement mentioned by the Authority.

#### **Subscription details to broadcaster and subscription audit**

95. The Authority in its earlier regulatory framework had prescribed technical and subscription audit methodology. Issues put up for consultation were prescription

of a common format for subscription report, generation of subscription reports through a neutral third party system, method of calculation of subscription numbers for channel/ bouquet & reviewing the current subscription audit methodology, prescription of a common auditor, compensation mechanism for delays in availability of subscription figures, penal mechanism for difference in subscription figures and dependence of responsibility for payment of audit fee on outcome of audit results.

96. Majority of broadcasters opined that a common format may not be prescribed while two broadcasters stated that common format should be prescribed. Broadcasters suggested that 3 subscriber counts should be taken during each month (on 10<sup>th</sup>, 20<sup>th</sup> & 30<sup>th</sup> day or last 2, middle 2 & first 2 days of the month) at prime hours of the date, audit notice of 10 days should be prescribed & 4 audits should be allowed. Another broadcaster stated that calculation of subscription number should be on daily basis at prime time. Most DPOs suggested a common format should be provided & monthly average subscriber level described in Schedule II of Interconnection Regulation is adequate & existing audit framework & current regulations are adequate and subscriber numbers should be captured at midnight. Some DPOs also opined that it is practically impossible for a DPO to capture the data on daily basis for each broadcaster & channel.

97. Regarding compensation mechanism for delay in making available subscription figures, penal mechanism for difference in audited and reported subscription figures, involvement of a third party system for generating subscription and responsibility for payment of audit fee reports, broadcasters opined that compensation/fine for each day should be levied for delay in subscription figures and for difference in audited and reported subscription figures, DPO should be mandated to pay for the difference along with a penalty & actions like, suspension or revocation of DPO license/ registration should be done. A broadcaster & a DPO commented that for generating subscription reports, no third party should be involved while one broadcaster opined that TRAI designated third party system may be evolved. Most broadcasters suggested that the payment of audit fee must be independent of the outcome while some stated that the responsibility for payment should be made dependent on the outcome of the audit. Some DPOs

expressed that compensation mechanism for delay should be mutually agreed by the broadcasters and DPO. Other DPOs suggested that in case of delay, a notice for disconnection of signals can be issued and for incorrect reporting of subscriber numbers, interconnection agreements already contain provisions regarding it & no third party can be involved for report generation. Regarding audit fee, some DPOs stated that it can be shared equally between all stakeholders while one DPO stated that audit fee is responsibility of broadcaster while another said, it should be dependent on the outcome. Cable operators quoted that monthly reports should be submitted within 15 days at max, a penalty of Rs. 100,000 should be levied which should be doubled for delay of each month and in case of difference in reports, reports should be compared with back-up database to find the cause of difference, penalties for disputes can be imposed. They also commented that unless mandated, no DPO will permit a 3rd party for report generation.

98. On many occasions, broadcasters have raised the issue that the subscription figures provided by DPOs are not accurate while DPOs counter comments that as broadcasters do not have a common format for seeking the reports, it becomes practically difficult for them to generate customized reports each time for individual broadcaster. They also complain that this puts an unnecessary repetitive burden on their systems and resources. Authority is of the opinion that to avoid such situations, a standard format should be adopted for reporting the subscription details to the broadcasters. Such a format has been annexed as Schedule **VII** to these regulations. Authority also thinks that prescription of a standard format for subscription details does away the need of involving a 3<sup>rd</sup> party for report generation. Authority also considered all the suggestions provided by the stakeholders for method of calculation of subscriber numbers & have finalized that average monthly subscriber numbers of a channel should be calculated by averaging the subscription figures recorded once every week (i.e. four times in each month) and the time of capturing the subscriber numbers should be the prime time i.e. between 7 PM to 11 PM. The same has been provided in **Schedule VII** to these regulations. This methodology would be able to prevent any kind of manipulation as well as also include those subscribers who are active for less than 30 or 31 days, in a calendar month. Authority also may prescribe auditors for subscription audit where common auditors may audit for all broadcasters and

forward report specific to that broadcaster. These would remove the inefficiency of audit system.

99. The accurate, authentic and time-bound submission of subscription reports is very crucial in the broadcasting industry since the payment between the parties is directly related with the number of subscribers. It has been observed by the Authority that a plethora of litigations and disputes among parties have arisen in the past because of inaccurate subscription reports or non-submission/late submission of reports. Therefore, the industry players are advised to involve ICT for accurate and time bound submission of subscription reports so as to bring transparency and hygiene across the business lines and to reduce the litigations. The Authority may also prescribe an automated ICT system at some later stage for verification and audit of subscription numbers in consultation with the stakeholders.

100. On the issue of subscription audit, Indian Broadcasting Foundation (IBF), a body of broadcasters opined that a panel of auditors should be empanelled under IBF and for manipulation of subscriber report stiff financial disincentives & blacklisting of SMS and CAS vendors should be done. Another broadcaster commented that appointment of a panel of auditors will create monopoly and lead to increased expenditure. DPO's commented that current audit methodology is fine but audit for every channel should not be required & TRAI may also appoint a panel of auditors but this should be mutually decided by the broadcaster and DPO and for manipulation, blacklisting may be done. Another DPO expressed that audit periodicity should be 3 years. Whereas MSOs opined that type approved CAS & SMS should be exempted & TRAI should provide a list of auditors. Some LCOs suggested that no broadcaster audit is required & complaints can be made to the Authority if any dispute occurs.

101. Since, most of the stakeholders have suggested one or another change in the audit methodology; the Authority has decided to review it. The Authority has observed that there are around 50 pay broadcasters having 250 pay channels. If every broadcaster carries out audit once a calendar year then there will be at least 50 subscription audit of each system. This unnecessarily puts a burden on the

DPO. If a common auditor carry out audit of the system of the DPO in respect of every channel available on the network of the DPO and produces a report, then the burden can be reduced. Every DPO shall, once in a calendar year, cause audit of its SMS, CAS and other related systems by an auditor for preparing the audit report to each affiliated broadcaster and send these reports to the concerned broadcaster. The Authority may also empanel auditors for the purpose of the subscription audit and if such panel of auditor is decided by the Authority then it shall be mandatory for every DPO to cause audit from such empanelled auditors.

102. In case the broadcaster feels that the conduction of audit is necessary to protect its business interests then it may, not more than once in a calendar year, audit the SMS, CAS and other related systems of the DPOs for the purpose of verifying the information contained in the subscription report, amounts payable to the broadcaster or the distributor, as the case may be and compliance with the terms and conditions of the interconnection agreement. In order to deter & discourage any kind of discrepancies and manipulation in the subscription reports provided to the broadcasters, Authority has mandated that the cost of audit would to be borne by the DPO if the difference in audited and reported subscription figures is more than 2%, otherwise the broadcaster seeking audit of subscription report shall be liable for audit fee payment.

103. In the cases where DPO do not provide the subscription report to broadcaster, in time, in spite of repeated reminders, the broadcaster may issue provisional invoice to the service providers and will have option to disconnect the signals of television channels after following the procedures prescribed in the regulations.

#### **Disconnection of signals of TV channels**

104. In relation to one notice period for disconnection of signals and time frame for disconnection of channels on account of different reasons, broadcasters quoted that there should be only one notice period & current regulation for 21 days notice period should be brought down to 7/10/15 days however in case of piracy only immediate disconnection or 2 hour notice for live events and 2 days for non-live events should be provided. Some DPOs stated that one notice period of 21 days for disconnection is sufficient as

14 business days in case of piracy has been taken as cure period and in cases like broadcaster discontinuing his business; current 3 month notice should be applicable. Another DPO commented that 90 days notice period should be given by the broadcaster to a DPO for disconnection. While some DPOs stated that a common time period for all cases is not appropriate.

105. Disconnection of signals of TV channels is one of the issues, where the interest of consumers also needs to be safeguarded along with that of the broadcasters & DPOs. Instances have been observed where, due to dispute between the operators, signals by a broadcaster or DPO are cut off, leaving consumers in the lurch. Broadcasting industry is a consumer centric sector. In no case, a consumer, who has not defaulted, should bear the brunt of the disputes or non-agreements between the operators. While protecting the consumers without compromising the ability of the broadcasters/ DPOs to settle their dispute, Authority has decided to impose a restriction on the broadcasters/ DPOs that they cannot cut off the signals without giving at least 21 day's notice to the defaulting party. This period would allow some time for the affected parties to look for possible solutions to prevent disconnection, if required. Authority has also taken note of the concerns of broadcasters regarding disconnection in case of piracy of signals of their TV channels. However, piracy was more prevalent in non-addressable systems. With digital addressability in TV systems, scope of piracy, i.e. unauthorized re-transmission of TV channels have been minimized. Interconnection regulations provide that no DPO shall re-transmit the signals of broadcaster outside its territory of agreement without prior intimation to the broadcaster. Moreover, even in case of piracy, accepted standardized measures of fingerprinting have been prescribed in these regulations for preventing piracy. A broadcaster's fingerprinting points to the head-end from which unauthorized re-transmission is taking place & DPO's fingerprint can indicate the set top box from which the signal is being "stolen", which can then be investigated and switched off, if required. In such cases of piracy, the Authority has decided that a broadcaster can notify such practice to the concerned DPO and the DPO has to take required action & report back to the broadcaster. The broadcaster may make suitable provisions relating to anti-piracy measures to protect their interests.

## **Publication of On Screen Display (OSD) for issue of notice for disconnection of TV signals**

106. On the issues of review of current methodology for issuing notice for disconnection, prohibiting the broadcasters and DPOs from displaying the notice of disconnection through OSD, and requirement for publication of disconnection notices in the news papers, broadcasters stated that public notices in newspapers should be replaced by OSD and/or scrolls & onus of notice of disconnection to consumers should be on service provider initiating disconnection. Some broadcasters commented that full screen OSD should be prohibited and scrolls, notices on broadcaster's website should be allowed while another broadcaster stated that OSD should be allowed with a regulation for maximum size on OSD. Some DPOs quoted that OSD (on start-up screen, screen where alerts, reminders, notifications are displayed), apart from on the relevant channel, should be allowed & OSD on channel to be disconnected, would be helpful for viewers as it would provide information to the consumer about the disconnection of the channel. Other DPOs & cable operators stated that public notices can be dispensed with & a mandatory scroll (at bottom of the screen) should be allowed & OSD should not be allowed while another commented that OSD by broadcaster should be allowed but not in centre of screen, limited to max 3 repeats & with maximum frequency of 4 times/hour. Whereas a DPO also stated that OSD by DPO can be allowed in centre of screen with same frequency of 4 times/ hour. A cable operators association opined that public notice should not be dropped as it serves as a verifiable means for notice as compared to OSD.

107. It has already been prescribed that no broadcaster shall disconnect the TV channel signals without giving a three weeks' notice to the distributor clearly giving the reasons for such a proposed action. Similarly, no DPO shall disconnect the re-transmission of any TV channel without giving a three weeks' notice to a broadcaster. However, full/ partial OSD, by broadcasters and/or DPOs to convey the information to the consumers, regarding disconnection or non-availability of channels due to some reason, tends to severely block normal viewing, causes annoyance and affects the quality of viewing of the consumer. Therefore Authority has decided that displaying the notice of disconnection, through OSD in the centre of TV screen, in full or on a partial part of the screen is not allowed.

However information pertaining to channels including non-availability of channels can be carried as a scroll on the concerned channel without disturbing the viewing of the consumers.

108. Many stakeholders have suggested that requirement of public notice through local newspaper only adds to financial burden on the operators and do not serve any purpose. This provision was earlier added to protect the consumers by creating awareness among them regarding disconnection of TV signals subscribed by them. However, in several disconnection disputes, the Authority has noted that such notifications in local/regional newspaper often go unnoticed by the targeted subscribers due to their limited reach. Since, no particular benefit has been experienced by the subscribers by publication of disconnection notices in newspapers. Therefore, the Authority has decided to remove this requirement.

#### **No-dues certificates**

109. Many times disputes arise between service providers on account of no dues certificate. On the issue of provisioning of a no due certificate or details of dues on demand by service provider & the time period for the same, broadcasters supported that the service provider should be mandated to provide no dues certificate/ details of dues within a fortnight/7days/15 days from date of request. While MSOs quoted that time period should be 21/30/60 days from date of request and DTH operators commented that no dues should be provided mandatorily & not on-demand, within 60 days of payment being made and in case of failure, it would be deemed that no dues are pending. Whereas some cable operators association opined that no such condition is required.

110. It is observed that non-mentioning of arrears, if any, in the invoices raised is one of the prime reasons of dispute at the later stage. The Authority has decided that the service providers shall issue monthly invoice to the other service provider and such invoice(s) shall clearly specify the current payment dues and arrears, if any, along with the due date for payment. Further, the Authority has mandated that a service provider shall have no claim on any arrear amount which has not been specified by him in the immediate next three consecutive invoices issued

after the due date for the invoice to which arrears pertain. Accordingly, suitable provisions have been made in the regulations.

### **Providing signals to new MSOs**

111. In DAS, the cable operators are required to register themselves as MSO before they become eligible for receiving signals of TV channels from broadcasters for retransmission to the subscribers. In the CP, the issue of refusal of signals of TV channels to new MSOs who were operating earlier as LCO in the same area and were linked with other MSOs was consulted. On this issue broadcasters & MSOs were of the view that such provision for new MSO to provide the copy of current invoice/payment receipt should be made mandatory and the broadcaster should be allowed to deny the request on grounds of outstanding payments. While a cable operators association commented that due to faults in billing in cable TV system no such condition is required and instead, pre-paid billing should be done & new MSO should not be denied signals on this ground & broadcasters should remain indifferent to such disputes as they remain neutral in case of DTH operators.

112. In addressable systems, the business transactions are no longer opaque. Any restriction placed by the broadcasters depending upon the clearance of outstanding dues of the other MSOs may hamper the competition between two MSOs and would ultimately hamper the quality of services to the consumer. At the same time any kind of outstanding amounts affect cash flow in the value chain. It is expected that new MSOs who were operating earlier as LCO to produce the copy of current invoice and payment receipt from the last affiliated MSO at the time of seeking interconnection with the broadcasters.

### **Prohibition of DPOs as agent of broadcasters**

113. A broadcaster can appoint an agent for distribution of signals of its TV channels. The issue is whether it should be prohibited for the broadcaster to appoint DPO as agent or intermediary to avoid the conflict of interest situation leading to allegations of anti-competitive practices.

114. Most broadcasters & DPOs supported that appointment of a MSO/DPO, as an agent of a broadcaster should be prohibited & broadcasters should report

distribution agreements to the regulator for examination. While one commented that arrangement between broadcasters and its agent comes under purview of Indian Contract Act, 1857 & is not in the ambit of TRAI & it should not be mandatory for broadcasters to report their distribution agreements. While some cable operators stated that regulation should provide for appointment of MSOs by broadcasters, subject to intimation & approval of TRAI as role of distributor has already been diluted by regulations & scope of misuse is negligible.

115. The conflict of interest arises when the broadcaster appoints an agent who in turn is a DPO and who has his own business of distribution. To avoid this situation, the regulatory framework defines a broadcaster as an entity having the necessary Government permissions in its name. In case a broadcaster, in discharge of its regulatory obligations, is using the services of an agent, such agent can only act in the name of and on behalf of the broadcaster. All the obligation and responsibility casted upon the service provider under the regulations is of the principals not the agent. Therefore, specific prohibition of appointment of DPO as agent will not serve any useful purpose and the principals have to follow all the requirements prescribed by the regulations.

### **Interconnection framework between DPO & LCO**

#### *(a) Interconnection agreement and Revenue Share between DPO and LCO.*

116. In DAS and HITS services, the last mile connectivity is mostly provided by LCOs. In terms of the licensing guidelines issued by the Government, the LCOs can also provide last mile connectivity for IPTV service providers. Efficient interconnection arrangements between a DPO and an LCO are vital for delivering services to the subscribers. LCOs play a very important role in the value chain for meeting the quality of service norms for the subscribers. LCOs, like any other entity in the value chain, are registered service providers. As per the Cable TV Act and Rules made there under, LCOs are registered in the head post office of the area of their operation. The fundamental principles of non-exclusivity, must-provide, non-discrimination, written agreement, and time bound provisioning of signals for fostering competition and level playing field applies to interconnection arrangement between the DPO and the LCO as well so that TV services of good quality at competitive prices can be delivered to the subscribers.

117. In the consultation paper, on the issue relating to interconnection between DPO and LCO, stakeholders were asked to provide their opinion as to whether framework of Model Interconnection Agreement (MIA) and Standard Interconnection Agreement (SIA) as it was mandated in terms of Interconnection Regulations, 2012 should be made applicable for interconnection between DPOs and LCOs providing broadcasting service through addressable systems. The framework of MIA and SIA provides enough flexibility and ample freedom to the parties to carry out their business. Parties may enter into an interconnection agreement for provision of broadcasting TV services to the subscribers by mutually agreeing on the clauses of responsibilities, revenue share based on the responsibilities and billing. It was provided that the parties, without altering or deleting any clause of prescribed MIA, may add through mutual agreement additional clauses to the MIA. However, no such conditions shall have the effect of diluting or nullifying any of the conditions as laid down in the MIA. Further it was provided that in case of failure of mutual negotiation, the interconnection agreement will be signed in terms of SIA wherein the Authority had demarcated the responsibilities and fixed the revenue share as a fall back option. In the SIA, LCOs have been given the consumer centric responsibilities whereas the MSOs have been given the responsibilities which are directly linked with the SMS including billing for the subscribers.

118. In response, broadcasters stated that MIA/SIA, applicable for cable TV services should be made applicable for HITS/IPTV services also & provision of audit of LCOs network by MSOs should be added. DPOs also voiced that provisions/ regulations (MIA/SIA), applicable to pan-India MSOs should also be made applicable to HITS services in mutatis mutandis.

119. On revenue share between DPO and LCO some broadcasters & MSOs commented that a fall back arrangement between HITS/IPTV operator and LCO, similar to DAS should be applicable for revenue sharing, LCOs should only earn for their services of ground collection by way of a fixed fee or the contractual terms agreed with the MSO and if last mile servicing of the consumers is done on a chargeable basis, the same should be shared equally between MSOs and LCOs. While others stated that presently IPTV/HITS arrangements should be left to

market forces. Whereas some cable operators association opined that revenue model requires proper cost analysis as same revenue model is not possible for all DPOs due to different technologies in different network.

120. The Authority is of the view that different relationship models are possible between DPO and LCO. It may not be appropriate for the Authority to prescribe one specific model and so would like it to be left to the market conditions. The service to be rendered by one party to the other can be allocated through suitable interconnection agreement between them, depending on the roles and responsibilities shared by the parties. The interconnection agreement between the DPO and LCO shall have the details of various services rendered by parties and the charges to be levied by one party to the other party. The Authority is of the view that the interconnection agreement between the DPO and LCO shall clearly earmark the roles and responsibilities of each part on conformance to the quality of service regulations issued by the Authority from time to time. To facilitate the process of interconnection between DPOs and LCOs, the Authority has decided to extend with the framework of MIA and SIA as was applicable between MSO and LCO.

121. In the addressable systems, the SMS of the DPO contains database regarding the subscriber base and the channels/bouquets subscribed by each of its subscribers. This database is verifiable and auditable. With these details, the exact subscription revenue is also known to the DPO as well as to the LCOs connected to the DPO. In view of the transparency inbuilt into the digital addressable systems, the Authority is of the view that it would be appropriate that the MSO and LCO share the subscription revenue, based on mutual negotiations, as the parameters to negotiate upon are no longer disputable. To protect the interest of service providers and to ensure that signals are not disconnected due to dispute between the service providers, the Authority has prescribed a fall back revenue share between DPO and LCO in case the mutual negotiation between a DPO and an LCO fails.

122. In the tariff framework notified by the Authority, the DPO can fix the rental amount for subscription of broadcasting TV services for Rs. 130 for 100 channels.

The rental amount, to be charged by the DPOs from the subscribers, recover the distribution expenses in the form of fixed costs like depreciation cost, operations cost, customer service cost, and variable costs like transmission cost which will vary due to variations in the number of channels carried in the network. It also includes reasonable amount of profit. The LCO in the value chain provides last mile connectivity to the subscribers and it should be able to recover the expenditure incurred by it for re-transmission of signals of TV channels, depreciation cost of the network, operation cost and service cost. The Authority observed that in cable TV services provided through DAS, as a fall back arrangement the service provider were sharing the revenue in respect of subscription of FTA channels in the ratio MSO::LCO as 55::45. The Authority has decided to prescribe the sharing of rental amount for subscribed channels in the same ratio. In respect of pay channels the subscription amount is collected, accounted and consolidated by DPOs. It is found that in the most of the cases the responsibility of collection of the subscription amount is borne by LCO. Therefore the Authority has decided that the distribution fee received from the broadcaster shall also be shared between the DPO and LCO in the same ratio.

*(b) Time period for providing signals of TV channels to LCO*

123. Regarding prescription of time periods for interconnection between HITS/IPTV operators and LCOs as applicable for DAS and whether 30 days time period for entering into interconnection agreement and 30 days for providing signals of TV channels is appropriate for HITS, most of the broadcasters & DPOs favoured that time periods prescribed for interconnection between MSOs & LCO (30 days for entering into agreement, 30 days for providing signals) should be made applicable to HITS operators & LCOs. While one broadcaster stated that for signal provisioning, 45-60 days should be provided as 30 days is not enough for HITS operator (dish installation, audits etc). Cable operator association commented that present duration may be reduced.

124. The Authority has prescribed the time period for providing signals of TV channels to the LCO, on the request of LCO, within 60 days from the date of the request for the same. After analysing the responses of the stakeholders, Authority is of the view that the stakeholders should be given a time of 30 days for signing

of interconnection agreement between them, and thereafter depending upon the technical feasibility the signals of TV channels shall be provided to the LCO within next 30 days. Once interconnection agreement has been signed, every MSO, upon entering into a written interconnection agreement with a LCO, shall provide signals of television channels, within 30 days of entering into the written interconnection agreement, to such local cable operator.

125. For renewal of the interconnection agreement the Authority decided to continue the framework for renewal of agreement as was envisaged in Interconnection Regulations, 2012. The DPO and LCO should initiate mutual discussion by giving a notice at least 60 days prior to the existing interconnection agreement. Such notice will initiate mutual discussion and also act as notice for disconnection to the other party, in case of failure to enter into new agreement. Similar provisions have been made for interconnection between broadcaster and DPO.

*(c) Swapping of Set Top Box (STB) and no dues certificates*

126. Swapping of STBs refers to replacement of STB deployed at the subscriber's premises of one MSO with the STB of another MSO without the written consent of the subscriber. On the swapping of the STB and on the issues of demand of no-dues certificate by a new MSO from the LCOs in respect of their past affiliated MSOs, most of the broadcasters and MSOs stated that a provision for the MSOs to demand a no dues certificate from the LCOs should be mandated. An obligation should be casted upon the LCOs to provide copy of last invoice/receipts from the last affiliated MSOs. While a cable operators association commented that market should not be bound by these restrictions & pre-paid billing could be a solution to this issue.

127. Sometimes LCOs switch from their affiliated MSO when they are either unable or unwilling to pay their outstanding dues to their affiliated MSO. This result in bad debts for their affiliated MSOs leading to the latter's inability to pay broadcasters for the LCO's portion of dues. Broadcasters are also unable to recover these dues from the MSO in such cases. On the other hand, in the absence of regular issue of invoices, the LCOs are suddenly confronted with huge arrears,

which they have no means of paying. The problem can be tackled by ensuring that the LCOs are issued invoices on a monthly basis clearly showing the arrears as well as the current dues. In such a situation, if an LCO wants to switch to a new MSO, then the latest invoice would clearly show the level of arrears outstanding against the LCO. The LCO should not be considered in default of payment to a distributor if it produces the copy of immediately preceding three consecutive month's invoices with corresponding payment receipts, as a proof of having paid its dues. Such stipulation will also protect the LCO from unexpected and unforeseen arrears being suddenly thrust upon him. Accordingly, suitable provisions have been made in the regulations.

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