

## **RESPONSE BY SITI CABLE NEWTWORK LIMITED**

**With reference to**

### **Consultation paper on Consultation Paper on Interconnection framework for Broadcasting TV Services distributed through Addressable Systems dated 4<sup>th</sup> May 2016**

At the outset we would like to congratulate the Authority for the hard work and efforts being put in to streamline the Broadcasting and Cable TV Sector in the country. The Authority has put in sincere effort on various Consultation Papers, covering most of the aspect of the Sector in the recent times and has taken care the interest of all the stake holders. We hope that the Authority will keep this momentum and ensure the growth of this sector in the country.

As the decision/notification on the consultation process with regard to tariff for DAS is still not finalized, the response on the interconnection framework is bit early and this exercise should have been done once the issues with regard to tariff are settled, since the new tariff regulations may throw up certain other new issues in view of different distribution model suggested and considered particularly Network Distribution Model.

Our response to the present consultation is as below;

#### **COMMON INTERCONNECTION FRAMEWORK FOR ALL TYPES OF ADDRESSABLE SYSTEMS**

##### *1.1 How a level playing field among different service providers using different addressable systems can be ensured?*

Response: In the addressable regime, there are two set of players. One is DTH/IPTV etc. who are directly providing the service to subscribers and another is MSO/HITS, where the services to the subscribers are being rendered through Local Cable Operators, whose revenue share is already regulated by the Authority. While providing level playing field to all the players, this particular

aspect of additional revenue share in the cable tv sector should be considered while deciding parity and non-discrimination viz-a-viz other distribution platforms where such revenue share is neither mandated nor given. The Authority should consider separate discount scheme for MSOs by the broadcasters on account of LCO share. Platform neutral content pricing should have provision for additional revenue share since the same is mandatory in one platform and not so in another.

Secondly DTH fraternity has been allowed to charge on only prepaid basis whereas the same option has not been extended to the MSOs due to which MSOs are sitting on a very high Account Receivables. Mandatory notice of 21 days for post-paid subscribers again adds up to the non-recoverable billing. MSOs should be allowed to offer only prepaid option to the subscribers. Defaulting subscribers or business partners cannot be given the option of compulsory postpaid. It is pertinent to point out here that even in case of single credit card payment default, the defaulter is barred by the other banks as well.

**1.2     *Should a common interconnection regulatory framework be mandated for all types of addressable systems?***

Response: Yes. There should be a common interconnection regulatory framework is need of the hour and should be mandated keeping in mind the complexity of different business models however this should include the issue of LCO revenue share as mentioned above in clause 1.1.

**1. TRANSPARENCY, NON-DISCRIMINATION AND NON-EXCLUSIVITY**

**2.1     *Is there any need to allow agreements based on mutually agreed terms, which do not form part of RIO, in digital addressable systems where calculation of fee can be based on subscription numbers? If yes, then kindly justify with probable scenarios for such a requirement.***

Response: The Authority has already floated consultation on issues related to tariff which is still in process. Deciding Interconnection Framework before closing the issue of tariff model is

an early and a pre mature exercise and the Authority ideally should have taken up this exercise once all other open issues with regard to tariff are concluded. However mutually agreed terms should be based on the RIO terms.

**2.2** *How to ensure that the interconnection agreements entered on mutually agreed terms meet the requirement of providing a level playing field amongst service providers?*

Response: As stated above, agreed terms based on the RIO will ensure that level playing field is available to all the service providers without any discrimination.

**2.3** *What are the ways for effectively implementing non-discrimination on ground? Why confidentiality of interconnection agreements a necessity? Kindly justify the comments with detailed reasons.*

Response: In case any option for mutually agreed terms outside the purview of RIO is allowed the same will adversely affect the parity and non-discrimination hence for effective implementation of non-discrimination on the ground it is essential that any agreed terms should necessarily be within the terms of RIO.

Confidentiality of interconnect agreement remain a necessity because it also contain confidential information about both partie-. TRAI has all the agreements and powers to intervene in case it finds any discrimination or default in any of the agreements.

**2.4** *Should the terms and conditions (including rates) of mutual agreement be disclosed to other service providers to ensure the non-discrimination?*

Response: The terms and conditions (including rates) should only be submitted to the Authority, since TRAI has all the agreements and powers to intervene in case if it finds any discrimination or default in any of the agreements TRAI can intervene and take necessary and remedial action upon finding the same.

- 2.5** *Whether the principles of non-exclusivity, must-provide, and must-carry are necessary for orderly growth of the sector? What else needs to be done to ensure that subscribers get their choice of channels at competitive prices?*

Response: Yes. Non-Exclusivity and Must Provide remains the key to ensure that enough options are available to the subscribers at reasonable rates. Must provide and Must Carry has also played significant role in stabilizing the market and the same should be continued.

- 2.6** *Should the RIO contain all the terms and conditions including rates and discounts, if any, offered by provider, for each and every alternative? If no, then how to ensure non-discrimination and level playing field? Kindly provide details and justify.*

Response: Yes. The RIO should be the only document for rates, discounts or any other terms and conditions.

- 2.7** *Should RIO be the only basis for signing of agreement? If no, then how to make agreements comparable and ensure non-discrimination?*

Response: Yes. The RIO should be the only basis for signing the agreement and any arrangement other than RIO will not be comparable.

- 2.8** Whether SIA is required to be published by provider so that in cases where service providers are unable to decide on mutually agreed terms, a SIA may be signed?

Response: Since all the deals are to be RIO based and transparent, there is a need for publishing SIA and since Authority has taken a step by publishing SIA and MIA for interconnection between MSO and LCO. Similarly, for all interconnection with broadcasters, MIA/SIA should be published by the Authority.

- 2.9** *Should a format be prescribed for applications seeking signals of TV channels and seeking access to platform for re-transmission of TV channels along with list of*

*documents required to be enclosed prior to signing of SIA be prescribed? If yes, what are the minimum fields required for such application formats in each case? What could be the list of documents in each case?*

Response: The common format prescribed by the authority will help in standardization of process for all service providers. The minimum documents should be;

- a. License/ Permission / Registration
- b. Identity proof and Address proof
- c. PAN number / Service Tax No.

**2.10** *Should ‘must carry’ provision be made applicable for DTH, IPTV and HITS platforms also?*

Response: Yes. It is important for level playing field among all service providers. TRAI has already initiated a separate exercise on infrastructure sharing which will help remove any constraints on bandwidth which presently these platforms may have.

**2.11** *If yes, should there be a provision to discontinue a channel by DPO if the subscription falls below certain percentage of overall subscription of that DPO. What should be the percentage?*

Response: The existing provision of less than or equal to 5% of the subscriber base is reasonable. However, period of calculating the same should be three months instead of six months.

**2.12** *Should there be reasonable restrictions on ‘must carry’ provision for DTH and HITS platforms in view of limited satellite bandwidth? If yes, whether it should be similar to that provided in existing regulations for DAS or different. If different, then kindly provide the details along with justification*

Response: Yes. Any such reasonable restriction on ‘must carry’ should be equally applicable to all the DPOs including MSOs. MSOs are also dependent on telecom service providers to carry

their signals where such constraints exist and similarly MSOs on HITS also have a similar bandwidth issue.

- 2.13** *In order to provide more transparency to the framework, should there be a mandate that all commercial dealings should be reflected in an interconnection agreement prohibiting separate agreements on key commercial dealing viz. subscription, carriage, placement, marketing and all its cognate expressions?*

Response: Before responding on the above, it is important to clarify that the above issue has two different kind of services involved one is provided by the broadcasters and the other is provided by the DPOs. In these two transactions, Subscription Fee is paid by the DPOs for the content provided by the broadcasters whereas Carriage/Placement fee is charged by DPOs for services provided by the DPOs to the broadcasters. These are two separate agreements and cannot be covered in one agreement though the same has been in practice so far. Carriage and placement is specific to areas and may not be applicable to all the areas covered by a DPO.

The Broadcaster pays Carriage/Placement Fee for getting higher viewership, resulting in higher advertisement revenues and carriage and placement fee is nothing but part of such advertisement pie and is not related to subscription revenues in anyway.

## **EXAMINATION OF RIO**

- 3.1** *How can it be ensured that published RIO by the providers fully complies with the regulatory framework applicable at that time? What deterrents do you suggest to reduce non-compliance?*

Response: To ensure compliance of the regulatory framework before RIO is published, it is submitted that before publishing the RIO the same should be submitted to the Authority and the Authority should examine/verify the compliance of various provisions before giving go ahead on the same. It will serve both the above purpose i.e. the RIO will comply with the existing framework and will also reduce the non-compliance.

- 3.2** *Should the regulatory framework prescribe a time period during which any stakeholders may be permitted to raise objections on the terms and conditions of the draft RIO published by the provider?*

Response: In case the draft RIOs before publishing the same are first submitted and cleared by the Authority then the same would be well taken care. However adequate provisions should be there where in stake holders can raise their objections even if the same are cleared by TRAI.

- 3.3** *If yes, what period should be considered as appropriate for raising objections?*

Response: There should be 30 days' time limit for the same, however, in case of any dispute after the period of 30 days and during the period of agreement then the same can be adjudicated by TDSAT.

## **TIME LIMIT FOR PROVIDING SIGNALS OF TV CHANNELS / ACCESS TO THE PLATFORM**

- 4.1** *Should the period of 60 days already prescribed to provide the signals may be further subdivided into sub-periods as discussed in consultation paper? Kindly provide your comments with details.*

Response: The time of 60 days is quite long as it does not take more than 15 days to go through all the aspects of the request hence the overall time should be reduced to 30 days which may have two sub-periods of 15 days each.

- 4.2** *What measures need to be prescribed in the regulations to ensure that each service provider honor the time limits prescribed for signing of mutual agreement? Whether imposition of financial disincentives could be an effective deterrent? If yes, then what should be the basis and amount for such financial disincentive?*

Response: Though it is important that the prescribed time lines are adhered to however, imposing financial disincentive as a thumb rule may not be the solution. However, if there is any non-compliance then Authority has the power to intervene and take necessary action.

**4.3     *Should the SIA be mandated as fall back option?***

Response: Yes.

**4.4     *Should onus of completing technical audit within the prescribed time limit lie with broadcaster? If no, then kindly suggest alternative ways to ensure timely completion of the audit so that interconnection does not get delayed.***

Response: No. There should be a fixed time line not more than 15 days to complete the technical audit beyond which pending technical audit it should be obligatory to the broadcaster to provide the signals after signing the interconnect agreement within next 15 days.

**4.5     *Whether onus of fixing the responsibility for delay in individual cases may be left to an appropriate dispute resolution forum?***

Response: Yes, In case it is found that delay is not deliberate to deny the signals.

**REASONS FOR DENIAL OF SIGNALS / ACCESS TO THE PLATFORM**

**5.1     What are the parameters that could be treated as the basis for denial of the signals/ platform?**

Response: The parameters for denial of signals by a Broadcaster to a DPO can be as under:

1. Seeker does not have a valid registration
2. Seeker is in default of payment
3. Seeker is not able to clear the technical audit.

The parameters for denial of signals by a DPO to a Broadcaster can be as under:

1. Seeker does not have a valid license/ permission to operate
2. Seeker is in default of payment.
3. DPO has bandwidth constraints and is therefore unable to carry the channel on its platform.

**5.2** *Should it be made mandatory for service providers to provide an exhaustive list in the RIO which will be the basis for denial of signals of TV channels/ access of the platform to the seeker.*

Response: Yes.

## **INTERCONNECTION MANAGEMENT SYSTEM**

**6.1** Should an IMS be developed and put in place for improving efficiencies and ease of doing business?

Response: Yes

**6.2** If yes, should signing of interconnection agreements through IMS be made mandatory for all service providers?

Response: Yes

**6.3** If yes, who should develop, operate and maintain the IMS? How that agency may be finalized and what should be the business model?

Response: The Authority either directly or through any third party vendor directly reporting to the Authority, can develop, operate and maintain the IMS. The agency can be finalized by the

Authority and costing of the same can be assigned to the respective stakeholders depending upon the volume of interconnection agreement being handled by IMS.

- 6.4** What functions can be performed by IMS in your view? How would it improve the functioning of the industry?

Response: The major function IMS should be to ensure that all interconnect agreements are submitted with the IMS, duly registered in the IMS and unique code is allotted to each such agreement which should be the only tracking reference for interconnect agreements. The details of each agreement is entered in the IMS which can be used by only relevant stakeholders with unique ID and password. It would improve the functioning of the industry as all agreement would be available with the IMS and stakeholders can not dispute the validity or content of the agreement.

- 6.5** *What should be the business model for the agency providing IMS services for being self-supporting?*

Response: Reasonable cost can be fixed as is prevailing in the open market for such services which would ensure the self-supporting of the IMS.

## **TERRITORY OF INTERCONNECTION AGREEMENT**

- 7.1** *Whether only one interconnection agreement is adequate for the complete territory of operations permitted in the registration of MSO/ IPTV operator?*

Response: Yes. There should be only one agreement for the complete territory, however, in case a player is entering into a new territory during the term of the agreement, the stakeholder can enter into a new agreement for the remaining term of the agreement.

- 7.2** *Should MSOs be allowed to expand the territory within the area of operations as permitted in its registration issued by MIB without any advance intimation to the broadcasters?*

Response: Yes. MIB registration is the only pre-requisite for the MSOs and putting any other restriction to expand in the authorized area of operations will dilute the very intent of the DAS. Once the commercial terms are based on RIO broadcaster's interference should not be there in the operational territories of the MSOs.

- 7.3** *If no, then should it be made mandatory for MSO to notify the broadcaster about the details of new territories where it wants to start distribution of signal a fresh in advance? What could be the period for such advance notification?*

Response: N.A.

## **PERIOD OF AGREEMENTS**

- 8.1** *Whether a minimum term for an interconnection agreement be prescribed in the regulations? If so, what it should be and why?*

Response: Yes, minimum one year should be the term of the agreement as frequent change in the agreement would result in change in packaging offered by the DPO and will adversely affect the relationship between customers and DPO. It is further suggested that instead of one year the term of the agreement could be higher say 3 to 5 years or validity of the licenses of seeker and provider.

If all the agreements are going to be RIO based and transparent, the only change required in the agreement is commercial part which can be added or deleted via Addendum.

Broadcasters have used this one year agreement so far to arm twist and ask for arbitrary increments year on year on the name of renewal of agreements, though, there tariffs have been frozen since 2004.

## **CONVERSION FROM FTA TO PAY CHANNELS**

**9.1** *Whether it should be made mandatory for all the broadcasters to provide prior notice to the DPOs before converting an FTA channel to pay channel?*

Response: Yes

**9.2** *If so, what should be the period for prior notice?*

Response: A notice of six month should be reasonable period for a FTA channels to convert into Pay Channel. While a FTA channels convert into pay channel, the same impacts all the package composition of the DPOs. It is important to note here that only popular FTA converts into pay channel. While converting into pay channel, DPOs either have to enter into subscription agreement for such channel and also change its packaging according to the pricing of such channel. Subscribers also has to be informed about such change so that they can make their choice to subscribe for such pay channel at additional cost. The existing provision of one month notice is not sufficient for the same.

## **MINIMUM SUBSCRIBERS GUARANTEE**

**10.1** *Should the number of subscribers availing a channel be the only parameter for calculation of subscription fee?*

Response: Yes.

**10.2** *If no, what could be the other parameter for calculating subscription fee?*

Response: N.A.

- 10.3** *What kind of checks should be introduced in the regulations so that discounts and other variables cannot be used indirectly for minimum subscribers guarantee?*

Response: Fixed fee or MG by whatever mannerism has been barred by the regulation. The proposed IMS shall have sufficient data to monitor the same and intervene wherever required.

## **MINIMUM TECHNICAL SPECIFICATIONS**

- 11.1** *Whether the technical specifications indicated in the existing regulations of 2012 adequate?*

Response: Yes. Any further changes in the technical specification would lead to a lot of burden to the DPOs who have already made their investments to make their system compliant to the above regulations.

- 11.2** *If no, then what updates/ changes should be made in the existing technical specifications mentioned in the schedule I of the Interconnection Regulations, 2012?*

Response: N.A.

- 11.3** *Should SMS and CAS also be type approved before deployment in the network? If yes, then which agency may be mandated to issue test certificates for SMS and CAS?*

Response: Yes, BECIL/ any other agency identified by TRAI can be mandated to verify SMS and CAS.

- 11.4** *Whether, in case of any wrong doing by CAS or SMS vendor, action for blacklisting may be initiated by specified agency against the concerned SMS or CAS vendor.*

Response: YES, registration of all such vendors providing CAS and SMS should be made mandatory and only the registered vendor should be allowed to operate in India. Any action for blacklisting CAS and SMS vendors should bar them for future deployment, however, if their default on one DPO gives an occasion to ban their services to other DPOs as well then this will adversely affect the industry since the other DPO would be penalized for none of his fault.

## **TECHNICAL AUDIT OF ADDRESSABLE SYSTEMS**

**12.1** *Whether the type approved CAS and SMS be exempted from the requirement of audit before provisioning of signal?*

Response: Yes

**12.2** *Whether the systems having the same make, model, and version, that have already been audited in some other network and found to be compliant with the laid down specifications, need not be audited again before providing the signal?*

Response: Yes. Once a system having same make, model, and version, that have already been audited in some other network and found to be compliant, no useful purpose is served again auditing the same system.

**12.3** *If no, then what should be the methodology to ensure that the distribution network of a DPO satisfies the minimum specified conditions for addressable systems while ensuring provisioning of signals does not get delayed?*

Response: N.A.

**12.4** *Whether the technical audit methodology prescribed in the regulations needs a review? If yes, kindly suggest alternate methodology.*

Response: No.

**12.5** *Whether a panel of auditors on behalf of all broadcasters be mandated or enabled? What could be the mechanism?*

Response: Yes. After careful scrutiny of the available options, Regulator should publish a list of Auditors, who can conduct the Audit. Broadcaster can nominate any of the auditors from the panel and in case if the DPO is not agreeable to such auditor, the broadcaster may select any other auditor from the panel which is acceptable to the DPO. In case of any dispute, Broadcaster/DPO can request the Authority to select the auditor.

**12.6** *Should stringent actions like suspension or revocation of DPO license/ registration, blacklisting of concerned SMS and CAS vendors etc. be specified for manipulating subscription reports? Will these be effective deterrent? What could be the other measures to curb such practices?*

Response: In case of any manipulation is found in the subscription reports, there are adequate provision in the interconnect agreement of broadcaster and DPOs and also in the regulation to curb/stop such malpractices. Financial penalties can be imposed on the DPO for any such misreporting.

## **SUBSCRIPTION DETAILS**

**13.1** *Should a common format for subscription report be specified in the regulations? If yes, what should be the parameters? Kindly suggest the format also.*

Response: Yes. The existing parameters prescribed in the Interconnection Regulations (DAS), 2012 are adequate to take care interest of all stakeholders.

**13.2** *What should be the method of calculation of subscription numbers for each channel/bouquet? Should subscription numbers for the day be captured at a given time on daily basis?*

Response: The existing provision as given in the Interconnection Regulations (DAS), 2012 are adequate to take care of the interest of all stakeholders.

**13.3** *Whether the subscription audit methodology prescribed in the regulations needs a review?*

Response: No

**13.4** *Whether a common auditor on behalf of all broadcasters be mandated or enabled? What could be the mechanism?*

Response: As stated above in the response of point 12.5, Regulator should publish a list of Auditors, who can conduct the Audit. Broadcaster can nominate any of the auditors from the panel and in case if the DPO is not agreeable to such auditor, the broadcaster may select any other auditor from the panel which is acceptable to the DPO. In case of any dispute, Broadcaster/DPO can request the Authority to select the auditor. The existing mechanism of audit takes care of the interest of all stakeholder and no change is required in the same.

**13.5** *What could be the compensation mechanism for delay in making available subscription figures?*

Response: The existing Regulatory framework is sufficient to take care the interest of all stakeholders wherein broadcaster can issue disconnection notice and take necessary action to disconnect the DPO as per regulations.

**13.6** *What could the penal mechanism for difference be in audited and reported subscription figures?*

Response: Existing Regulatory mechanism adequately covers the interest of all stakeholders and interest of the broadcasters is also well covered in the interconnect agreement. Incorrect Reporting of Subscriber figures by a DPO, is a contractual breach, the penalty for which is prescribed in the contract itself. In real time data there would be always some difference between SMS and CAS figures which should be within the accepted norms.

**13.7** *Should a neutral third party system be evolved for generating subscription reports? Who should manage such system?*

Response: No. It is not required. Sufficient checks and balances are there and the same is also subject to audit. Hence there is no third party system required.

**13.8** Should the responsibility for payment of audit fee be made dependent upon the outcome of audit results?

Response:.. Seeker of audit should normally pay the audit fee, however, in case of default, the DPO audited should bear the burden.

## **DISCONNECTION OF SIGNALS OF TV CHANNELS**

**14.1** *Whether there should be only one notice period for the notice to be given to a service provider prior to disconnection of signals?*

Response: Yes.

**14.2** *If yes, what should be the notice period?*

Response: Existing notice period of 21 days is sufficient.

**14.3** *If not, what should be the time frame for disconnection of channels on account of different reasons?*

Response: N.A.

#### **PUBLICATION OF ON SCREEN DISPLAY FOR ISSUE OF NOTICE FOR DISCONNECTION OF TV SIGNALS**

**15.1** *Whether the regulation should specifically prohibit, the broadcasters and DPOs from displaying the notice of disconnection, through OSD, in full or on a partial part of the screen?*

Response: Yes.

**15.2** *Whether the methodology for issuing notice for disconnection prescribed in the regulations needs a review? If yes, then should notice for disconnection to consumers be issued by distributor only?*

Response: Yes. In DAS regime the notice for disconnection should be sent only via scroll or message to the subscriber and requirement of Public Notice should be removed since the purpose is to inform the subscriber and the best way to inform the subscriber is through screen on which he is connected and available. In any case PN issued via newspaper seldom reaches the subscriber.

**15.3** *Whether requirement for publication of notices for disconnection in the newspapers may be dropped?*

Response: Yes.

#### **PROHIBITION OF DPO AS AGENT OF BROADCASTERS**

**16.1** *Whether the Regulations should specifically prohibit appointment of a MSO, directly or indirectly, as an agent of a broadcaster for distribution of signal?*

Response: Yes.

**16.2** *Whether the Regulations make it mandatory for broadcasters to report their distributor agreements, through which agents are appointed, to the Authority for necessary examination of issue of conflict of interest?*

Response: Yes.

## **INTERCONNECTION BETWEEN HITS/IPTV OPERATOR AND LCO**

**17.1** *Whether the framework of MIA and SIA as applicable for cable TV services provided through DAS is made applicable for HITS/IPTV services also.*

Response: Yes. In the interest of transparency and non-discrimination, the same should be applicable to HITS/IPTV as well.

**17.2** If yes, what are the changes, if any, that should be incorporated in the existing framework of MIA and SIA.

Response: Not required.

**17.3** *If no, what could be other method to ensure non-discrimination and level playing field for LCOs seeking interconnection with HITS/IPTV operators?*

Response: N.A.

## **TIME PERIOD FOR PROVIDING SIGNALS OF TV CHANNELS**

**18.1** *Whether the time periods prescribed for interconnection between MSO and LCO should be made applicable to interconnection between HITS/IPTV operator and LCO also? If no, then suggest alternate with justification.*

Response: N.A.

**18.2** *Should the time period of 30 days for entering into interconnection agreement and 30 days for providing signals of TV channels is appropriate for HITS also? If no, what should be the maximum time period for provisioning of signal to LCOs by HITS service provider? Please provide justification for the same.*

Response: YES.

## **REVENUE SHARE BETWEEN HITS/IPTV OPERATOR AND LCO**

**19.1** *Whether the Authority should prescribe a fall back arrangement between HITS/IPTV operator and LCO similar to the framework prescribed in DAS?*

Response: YES. The provisions of DAS should be applicable to HITS/IPTV as well.

**19.2** *Is there any alternate method to decide a revenue share between MSOs/ HITS/IPTV operators and LCOs to provide them a level playing field?*

Response: No.

## **NO-DUES CERTIFICATES**

**20.1** *Whether a service provider should provide on demand a no due certificate or details of dues within a definite time period to another service provider? If yes, then what should be the time period?*

Response: Yes. The period for the same should be 30 days.

## **PROVIDING SIGNALS TO NEW MSOs**

**21.1** *Whether it should be made mandatory for the new MSO to provide the copy of current invoice and payment receipt as a proof of having clear outstanding amount with the last affiliated MSO?*

Response: Yes

**21.2** *Whether the broadcaster should be allowed to deny the request of new MSO on the grounds of outstanding payments of the last affiliated MSO?*

Response: No. The other party default cannot deny a new MSO right of doing business, rather new party should be encouraged to provide service in such defaulter MSO area in the interest off subscribers.

## **SWAPPING OF SET TOP BOX**

**22.1** *Whether, it should be made mandatory for the MSOs to demand a no-dues certificate from the LCOs in respect of their past affiliated MSOs?*

Response: Yes.

**22.2** *Whether it should be made mandatory for the LCOs to provide copy of last invoice/ receipts from the last affiliated MSOs?*

Response: Yes

**ANY OTHER RELEVANT ISSUE THAT THEY MAY DEEM FIT IN RELATION TO THIS CONSULTATION PAPER.**

Till date the pay broadcaster business has worked on the basis of analogue subscription practices wherein a lump sum deal was negotiated irrespective of the subscriber base / connectivity / demand of such channels.

With the advent of DTH, the digital addressable model started kicking in but there was no framework of pricing for such platform and whatever finally emerged after lot of litigation was nothing but a percentage revenue share emanating from analogue pricing only. In the new RIO regime also, broadcasters have given different ala carta rates based on analogue regime only. While TRAI is doing price fixation by separate consultation paper, it is important that additional revenue share issue of LCO is kept in mind while deciding any tariff regulation. This point is more relevant now because earlier while fixing subscription fee broadcasters normally used to claim that they have considered the same while fixing the lump sum fee.

This was used by DTH platforms to agitate that they have not got the fair deal vis a vis analogue deal of MSOs. Now in the transparent regime if MSOs are not given differential pricing vis a vis DTH then their business model will come under severe stress. Broadcasters payment for content are not linked to their cost of content and distribution cost via separate platforms should be taken into account while fixing tariff for end consumers.