

15<sup>th</sup> November, 2016

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New Delhi.

**Sub: Consultation Paper on Issues related to Telecommunication (Broadcasting & Cable Services) Interconnection (Addressable Systems) Regulations 2016**

Dear Sir,

At the outset, we, at Asianet Satellite Communications Ltd, would like to congratulate TRAI on successful completion of 3 phases of cable digitalisation spanning the entire country and also the efforts put by the Authority to bring changes in regulations for ensuring the industry growth.

We welcome the consultation paper and the draft regulations on Interconnection in Digital Addressable Systems for a healthy inter connection between Broadcasters and MSOs as well as between MSOs and LCOs. MSOs have been waiting with a great hope that this regulation will stop two decade string of losses of MSOs and turn them around to profitability.

While we have recommended a few changes to the draft regulations, we request you to view them from the perspective of industry growth, providing returns on the investments made by stake holders and a policy which will attract more investments and players, based on the following basic principles :

- 1) Digitalisation has been implemented spanning more than a decade by the MSOs and hard work of LCOs with huge investments and several subsidies to subscribers with a long term view of the industry.

- 2) Such massive investments have not yielded any returns to Distributors in view of the lopsided environment which benefitted broadcasters over MSOs which is evident from the financials of the broadcasters vs MSOs.
- 3) For the long term sustenance of the industry and growth of the sector, all stake holders must get equitable returns on investments.
- 4) In a cost inflationary economy, the ARPUs of the sector must grow which will attract better services and more investments in the sector.

We hope the authority will finalise regulations considering our recommendations below to support the distributors earn fair returns on the investments made:

	Proposed Draft Regulations	Recommended change	Explanation
	Definitions <b>2(r)“distributor of television channels” or “distributor”</b> means any DTH operator, multi system operator, HITS operator or IPTV operator;	<b>2(r)“distributor of television channels” or “distributor”</b> means any DTH operator, multi system operator, HITS operator or IPTV operator <b>including OTT operator / Mobile TV app</b>	While IPTV guidelines state that IPTV covers mobile TV devices, there has been non co-operation from broadcasters to share content as several of them have come with their apps. As this platform is growing very fast, regulation should cover OTT/ Mobile TV application immediately.
<b>CHAPTER II</b>			
	3(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	3(5) Every broadcaster shall, within <b>thirty five</b> 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	As per clause 9(7), since 30 days are prescribed for signing the agreement, it does not require another 30 days to activate the channels.

	<p>the reasons in writing for rejection of request if the signals of television channel(s) are denied to such distributor of television channels.</p> <p>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.</p>	<p>in writing for rejection of request if the signals of television channel(s) are denied to such distributor of television channels.</p> <p>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.</p> <p><i>Provided further that the distributor is free to charge placement fee for a particular LCN on its network from the same broadcaster who charges subscription for its channel.</i></p>	<p>Since placement is a service as per request of broadcaster, distributor may be allowed to charge the placement fee from broadcaster</p>
	<p>3(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</p>	<p>(6) 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) <i>genre wise within a language</i> 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) <i>genre wise within a language</i> and the list of channel(s) in chronological</p>	<p>In view of the local preferences of the subscribers, the network capacity needs to be dynamically allocated by <u>Distributor genre wise and language wise</u></p> <p>Eg.If an MSO in Kerala has capacity of 250 channels and if it receives requests from non</p>

	<p>from the broadcaster(s) for re-transmission and are pending.</p> <p>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.</p>	<p>order for which requests have been received from the broadcaster(s) for re-transmission and are pending.</p> <p>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.</p>	<p>Malayalam news channels first, it may lead to scarcity of bandwidth for Malayalam entertainment channels, if first come first serve condition needs to be followed as per clause 3(11)</p>
	<p>3(12) It shall be open for a distributor of television channels to discontinue carrying of a television channel in case the monthly subscription, in the immediate preceding six consecutive months, for that particular television channel is less than five percent of the subscriber base of that distributor, in the target market specified by the broadcaster in the interconnection agreement, in that particular month.</p>	<p>3(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 <b>preceding two consecutive months</b>, for that particular television channel is less than five percent of the subscriber base of that distributor, in the target market specified by the broadcaster in the interconnection agreement, in that particular month.</p>	<p>The period may be reduced to 2 months in order to avoid blocking network resources for a channel with poor viewership.</p>
	<p>3(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</p>	<p>3(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 <b>a minimum guarantee for period</b> 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.</p>	<p>Since normal period of agreement is 12 months, asking for minimum period of 12 months for agreement is not unreasonable.</p>

	condition.		
	3(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.	3(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. <i>Provided the local cable operator bears the cost of bandwidth / transport of signal from MSO's head end to the control room of local cable operator</i>	Since the LCO pays per subscriber or STB but a fixed cost of transportation is involved from MSO to LCO, there should be a minimum subscriber base to justify the cost of bandwidth.
	3(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.	3(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. <i>Provided the service provider seeking signals (LCO in MSO platform) bears the cost of bandwidth / cost of transport to transmit the signals.</i>	
<b>CHAPTER III</b>			
	5(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.	5(3)Every broadcaster shall declare a minimum <b>Fifty</b> 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.	It may kindly be noted that: a) Distributors have made huge investments in digitalisation and have incurred huge losses hoping that this regulation will give them lifeline.

			<p>b)Hitherto, while MSO had freedom to fix the retail pricing of a la carte channels to cover its expenses, the margins are now restricted to 20% which again needs to be shared with LCO leaving nothing to MSO.</p> <p>c) The tariff order restricts the subscription to Rs.130 for 100 channels (which we have pleaded for upward revision).</p> <p>d)Ceiling for Broadcaster channel pricing are liberal including allowing premium channels while they were practically charging only 10% of the previous ceiling available.,</p> <p>Restricting distribution related tariff (basic tier/ distribution fee/carriage) will make the MSOs bleed further making the industry further lopsided.</p> <p>Authority is requested to balance profitability of broadcasters vs. MSOs for equitable growth.</p>
	5(4) A broadcaster may offer discounts to distributors of	5(4) A broadcaster may offer discounts to distributors of	To avoid disparity between regional

	<p>television channels, on the maximum retail price of pay television channel(s) or bouquet(s) of pay television channels, which shall not exceed fifteen percent of the respective maximum retail price.</p> <p>Provided that the sum of distribution fee declared by the broadcaster under sub-regulation (3) and discounts offered under this sub-regulation in no case shall exceed thirty five percent of the maximum retail price of pay television channel(s) or bouquet(s) of pay television channels, as the case may be.</p> <p>Provided further that offer of discounts, if any, to distributors of television channels, shall be on the basis of fair, transparent and non-discriminatory terms.</p> <p>Provided also that the parameters of discounts shall be objective, measurable and computable.</p>	<p>television channels, on the maximum retail price of pay television channel(s) or bouquet(s) of pay television channels, which shall not exceed fifteen percent of the respective maximum retail price.</p> <p>Provided that the sum of distribution fee declared by the broadcaster under sub-regulation (3) and discounts offered under this sub-regulation in no case shall exceed thirty five percent of the maximum retail price of pay television channel(s) or bouquet(s) of pay television channels, as the case may be.</p> <p>Provided further that offer of discounts, if any, to distributors of television channels, shall be on the basis of fair, transparent and non-discriminatory terms <b>for each geographical areas mentioned in Appendix 1</b></p> <p>Provided also that the parameters of discounts shall be objective, measurable and computable</p>	<p>MSO and a nation level subscriber base of national MSO, the parameter shall be at each geographical area level.</p>
	<p>6(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,</p>	<p>6(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, <del>rate of carriage fee</del>, subscriber base, discounts, if</p>	<p>It is the vast investments made in digitalisation which enhanced the channel carrying capacity and without commensurate revenues MSOs are</p>

<p>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.</p> <p>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.</p> <p>Provided further that the rate of carriage fee per high definition channel per subscriber per month declared by the distributor of television channels shall not exceed forty paisa.</p> <p>Provided further that the carriage fee amount for television channel(s) shall decrease, as per the provisions specified in the <b>Schedule I</b> of these regulations, with the increase in subscription of such television channel(s).</p> <p>Provided also that the terms and conditions mentioned in the reference interconnection offer shall include all</p>	<p>any, <del>offered on the rate of carriage fee, manner of calculation of carriage fee amount</del>, payment terms, delivery and security, anti-piracy, reports, audit, term, termination and jurisdiction.</p> <p><del>Provided that the rate of carriage fee and related terms like LCN placement etc shall be mutually negotiated between broadcasters and distributors of TV channels</del></p> <p><del>OR</del></p> <p><del>The distributors of TV channels will prescribe a uniform rate per channel per subscriber for all channels</del></p> <p>Provided also that the terms and conditions mentioned in the reference interconnection offer shall include all necessary and sufficient provisions, which make it a complete interconnection agreement for signing by other party, for carrying television channel(s).</p>	<p>the weakest link in the chain with poor financial position as can be seen from the financial reports of MSOs. The carriage fee is the only solace to MSOs which should not be capped at least till MSOs recover their investments.</p>
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	<p>necessary and sufficient provisions, which make it a complete interconnection agreement for signing by other party, for carrying television channel(s).</p>		
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## CHAPTER IV

	<p>9(6) second proviso          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 <b>Schedule III</b> to these regulations.</p>	<p>The proviso appears to be incomplete.</p>	
	<p><i>9(11) 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).</i></p>	<p><i>9(11) 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).  <b>Such discounts based on number of subscribers will include the subscribers of subsidiary</b></i></p>	

		<i>companies of the distributors of TV channels</i>	
	<p><b>10. Territory of interconnection agreement.---</b></p> <p>(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):-</p> <p>(a) the registered area of operation of the multi system operator as mentioned in the registration granted by the Government;</p> <p>(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.</p> <p>(c) The names of the corresponding state(s)/ union territory (is) in which such agreed areas as referred in clause (b) this sub-regulation are located.</p>	<p><b>10.Territory of interconnection agreement.---</b></p> <p>(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):-</p> <p>a) the registered area of operation of the multi system operator as mentioned in the registration granted by the Government;</p> <p>b) the names of specific <b>districts</b> for which distribution of signals of television channel(s) has been agreed, initially, at the time of signing of the interconnection agreement.</p> <p>a. 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.</p>	<p>10b) Several litigations come up because the agreement is signed for a particular city /town and broadcaster raises objection for even minor deviations like suburbs/villages and it is not practical to capture all village names.</p> <p>Since digitalisation breaks boundaries and the subscriber numbers determine the subscription amount, it is sufficient to capture district names so that litigations can be reduced and unnecessary work load can be avoided on Authority and TDSAT.</p>

	<p>10(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;</p>	<p>10(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 <b>seven days</b> to such broadcaster;</p>	<p>Since there is no work needed to be done by broadcaster to activate the signals to the new area, it may be sufficient to reduce the time.</p>
	<p>11(6) 3<sup>rd</sup> proviso:          Provided also that the multi system operator shall, fifteen days prior to the date of expiry of its existing interconnection agreement, inform the subscribers through scrolls on concerned channel(s).---</p> <p>(a) the date of expiry of its existing interconnection agreement; and</p> <p>(b) regarding disconnection of signals of television channels from the said date in the event of its failure to enter into new interconnection agreement.</p>	<p>11(6) 3<sup>rd</sup> proviso:<del>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).---</del></p> <p><del>(a) the date of expiry of its existing interconnection agreement; and</del></p> <p><del>(b) regarding disconnection of signals of television channels from the said date in the event of its failure to enter into new interconnection agreement.</del></p>	<p>This clause may be difficult to implement with accuracy as:</p> <p>a) Some of the STBs may have moved to new LCOs (due to shifting) without updating in SMS</p> <p>b) Since the sub base of each LCO would be in the range of 50-1000, It is cumbersome to send targeted messages to each subscriber of the LCO on specific channels.</p>
<h2>Chapter V</h2>			
	<p>13 (2) 3<sup>rd</sup> proviso:          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</p>	<p>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</p>	<p>As at times, there may be delays in reporting due to technical hitches, 10% compounded</p>

	<p>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.</p>	<p>broadcaster shall have the right to raise a provisional invoice, for an amount <del>increased by ten percent of the licence fee</del> 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.</p>	<p>increase per month will be a steep burden on the distributor.</p> <p>Hence it is suggested to keep the billing at the previous month levels.</p>
	<p>14(2) In cases where a broadcaster is not satisfied with the audit report received under sub-regulation (1), after communicating the reasons of dissatisfaction in writing to the distributor, such broadcaster may, not more than once in a calendar year, audit the subscriber management system, conditional access system and other related system of the distributor of television channels for the purpose of verifying the information contained in the subscription reports, the amounts payable by the broadcaster or the distributor, as the case may be, and compliance with the terms and conditions of the interconnection agreement.</p>	<p>14(2) <del>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.</del></p>	<p>Such an audit by broadcaster in addition to TRAI empanelled audit may be done away with as some broadcasters use it as a tool to harass the distributor to toe their line.</p> <p><u>OR</u> if the audit is carried out but there is no material difference (less than 5%) found from the reported figures, the broadcaster should pay the distributor an inconvenience fee of 10% of average monthly billing during the previous quarter.</p>

## CHAPTER VI

	<p><b>17. Listing of channels in electronic programme guide.</b></p> <p>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.</p> <p>Provided that the number assigned to a television channel shall not be altered by the distributor for a period of at least one year from the date of such assignment.</p>	<p><b>17. Listing of channels in electronic programme guide.-</b></p> <p>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.</p> <p>Provided that the number assigned to a television channel shall not be altered by the distributor for a period of at least <b>six months</b> from the date of such assignment.</p>	<p>As broadcaster if allowed to reclassify the channel status every six months, Distributor of TV channels should have freedom to change LCNs once in 6 months considering various factors pertaining to the market and requirements.</p>
	<p><b>Schedule I:</b></p> <p>Provision of calculating carriage fee amount :</p> <p>CF: carriage fee per month per sub</p> <p>Sub base: Average sub base for the month</p> <p>If the average active subscriber base is less than 5%: CFXSub base</p> <p>If the average active subscriber base is less than 5%-10%: 0.75x CFXSub base</p>	<p>Schedule 1:</p> <p>It is recommended that distributor of TV channels declares a carriage fee per STB per month uniformly and charges placement fee separately for each channel depending on LCN of the channel.</p>	<p>If the carriage fee which is the lifeline for bleeding MSOs is taken away, it does not do good to MSOs. MSOs have been bleeding for two decades and have been waiting for relief in this new regulation, which is trying to curtail the carriage fee further.</p>

	<p>If the average active subscriber base is 10%-15% per month: 0.5XCFx Sub base</p> <p>If the average active subscriber base is 15%-20%: 0.25xCFXSub base</p> <p>If the average active subscriber base is &gt; 20%: Nil</p>		
	<p><b>Schedule II(Application form for obtaining signals of TV channels):</b> 2) The names of Owners/Directors/PARTNERS of the distributors</p>	<p>2) The names of MD or CEO or Owners or Directors or PARTNERS of the distributors</p>	<p>As in schedule 4 for broadcasters seeking access to networks, MD/CEO details may be sufficient.</p>
	<p><b>Schedule II(Application form for obtaining signals of TV channels):</b> 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:</p>	<p>10)Names of the districts, corresponding State(s)/ UT(s) and details of the Head-end from which the signals of television channels shall be distributed in such areas:</p>	<p>It is difficult to enlist all villages and towns. Should be sufficient to have district names where signals reach so that litigations can be reduced</p>
	<p><b>Schedule III:</b> <b>A8)</b> 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</p>	<p><b>Schedule III:</b> <b>A8)</b> The CAS and the SMS should be able to activate or deactivate services or STBs of at least 10% of the subscriber base of the distributor within 24 hours</p>	<p>50% of activations / deactivations in a day is very large and hypothetical, and calls for IT investments from MSO, it may be reduced to 10% of the sub base.</p>
	<p><b>Schedule III A(12c)</b> The SMS should be capable of: Generating historical data of changes in the subscriptions for</p>	<p>This requirement can be deleted:</p>	<p>This kind of log including capturing source of customer request will be</p>

	<p>each subscriber and the corresponding source of requests made by the subscriber.</p>		<p>voluminous and can be done away with.</p>
	<p>Schedule IV: Application form for access to the network for re-transmission of a television channel(s):</p>	<p>Schedule IV: Application form for access to the network for re-transmission of a television channel(s):<b>Kindly add in the format for request:</b>  17) Is it a newly launched channel?  18) Number of subscribers subscribed for the channel in each geographical area under Appendix I.</p>	<p>This information will enable distributor to decide regarding the relevance as resources need to be allocated.</p>
	<p>Schedule V / VI <u>Model/Standard Interconnect agreement between MSO and LCO:</u>  3) <b>TERMINATION OF AGREEMENT:</b>  Clauses 3.1 to 3.5</p>	<p>Schedule V &amp; VI:  3) <b>TERMINATION OF AGREEMENT:</b> May kindly add:  <b>3.6) MSO may discontinue providing signals to an LCO,</b>    a) if the LCO is not providing proper service to its subscribers damaging reputation of MSO or  b) the subscriber base of LCO is too low to make it unviable for MSO to spend on cost of transport to deliver signals to the LCO.    <b>Provided if LCO bears the cost of transport from MSO including Right of way,</b></p>	<p>Several LCOs come to MSOs seeking signals by promising a particular subscriber base and in some cases MSO agrees to bear the cost of transport (bandwidth cost to reach 250 channels ie., 1 Gbps to an LCO is about Rs.20- 30 lacs pa) and if the LCO does not have sufficient subscriber base, MSO is put to loss and MSO should have an</p>

		network, bandwidth etc, MSO shall not stop providing the signals to LCO.	exit in such a case
	<p><u>Schedule V &amp; VI) Model/Standard Interconnect agreement between MSO and LCO</u></p> <p>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.</p> <p>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.</p> <p>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</p>	<p><u>Schedule V &amp; VI) Model/Standard Interconnect agreement between MSO and LCO</u></p> <p>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.</p> <p>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.</p> <p><del>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</del></p>	MSOs have invested in Set Top Boxes and on rental basis or otherwise on free / subsidised terms and the ownership is with MSOs. LCOs have responsibilities to collect them and return them to MSOs.
	<u>Schedule V &amp; VI) Model/Standard</u>		In view of

	<p><u>Interconnect agreement between MSO and LCO</u></p> <p>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.</p>	<p>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.</p> <p>Provided that it is not the responsibility of MSO to print such bills. MSO shall hand over the soft copy of the generated bills to the LCO who will make arrangements to print them for distribution to subscribers</p>	<p>logistics and cost involved and to reduce time for reaching the bills, MSO shall not be entrusted the printing of monthly bills.</p>
	<p><u>Schedule V &amp; VI) Model/Standard Interconnect agreement between MSO and LCO</u></p> <p>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.</p>	<p><u>Schedule V &amp; VI) Model/Standard Interconnect agreement between MSO and LCO</u></p> <p>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.</p> <p>Provided LCO fulfils its responsibilities including timely payment to MSO and protecting MSO's interests of subscriber base and customer premises equipment.</p>	<p>This clause may be amended so as not to allow misinterpretation for LCO not to fulfil his responsibilities</p>
	<p><u>Schedule V &amp; VI) Model/Standard Interconnect agreement between MSO and LCO</u></p> <p>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</p>	<p><u>Schedule V &amp; VI) Model/Standard Interconnect agreement between MSO and LCO</u></p> <p>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</p>	<p>As it was clarified in TRAI South India meeting of MSOs and LCOs in Bangalore on 15th June 2016, LCOs will take the</p>

	<p>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.</p>	<p>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.</p> <p>Provided, LCO takes these STBs from MSO by paying the price as per the prevailing rates.</p> <p>Provided, LCO shall follow the STB replacement policy including warranty / Annual Maintenance Contract as stipulated by MSO</p> <p>Provided LCO shall send the faulty STBs to the MSO or get them repaired as per the arrangement between MSO and LCO.</p>	<p>STBs by paying the prevalent STB prices from MSO.</p> <p>Otherwise, 2% STBs will lead to more money blocked by MSO without shouldering of responsibility by LCO.</p> <p>Inaction on faulty STBs is a loss to MSO and hence LCO who replaces STBs must take necessary steps to rectify the STBs.</p>
	<p><u>Schedule V &amp; VI) Model/Standard Interconnect agreement between MSO and LCO</u></p> <p>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.</p>	<p><u>Schedule V &amp; VI) Model/Standard Interconnect agreement between MSO and LCO</u></p> <p>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, if such an act</p>	<p>This clause should not unreasonably bind MSOs from exercising legal rights as well as rights to increase efficiencies by subcontracting or outsourcing some tasks/ works</p>

		adversely affects the services to LCOs.	
	<p><u>Schedule V &amp; VI) Model/Standard Interconnect agreement between MSO and LCO</u></p> <p>9.1)The LCO shall handover a copy of CAF received from subscribers within 15 days to the MSO;</p>	<p><u>Schedule V &amp; VI) Model/Standard Interconnect agreement between MSO and LCO</u></p> <p>9.1)The LCO shall handover a copy of CAF <b>along with address proof and identity proof of the subscriber</b> received from subscribers within 15 days to the MSO;</p> <p><b>Provided LCO shall enter the CAF details in SMS within 24 hours</b></p> <p><b>Provided further that LCO verifies the address and identity of subscriber and also the contact number before forwarding the same to the MSO</b></p>	<p>Since the STB can not be issued by MSO in pre activated state as per clause 8.4 of Schedule V &amp; VI (Model/Standard Interconnect Agreement), LCO should enter CAF details promptly to avoid delay to subscribers.</p>
	<p><b><u>SCHEDULE V &amp; VI</u></b></p> <p>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.</p>	<p><b><u>SCHEDULE V &amp; VI</u></b></p> <p>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 <b>truly signed by the subscribers along with reasons</b> 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.</p>	<p>The changes proposed are to bring the necessary care among LCOs to handle STBs with care and ensure that previous MSO does not lose his investment in STBs.</p>

		LCO shall return the retrieved STBs along with letter from subscriber to the previous MSO	
	<p><b><u>SCHEDULE V &amp; VI</u></b> 9.6) The LCO shall –</p> <p>(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;</p>	<p><b><u>SCHEDULE V &amp; VI</u></b> 9.6) The LCO shall –</p> <p>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;</p> <p>provided further that where MSO has given consent to mix channel of LCO generated by LCO for transmission to the subscribers, the LCO shall ensure to comply with programming code and rules as per the prevailing laws and does not infringe on copyright and not indulge in piracy of content transmitted on such channels.</p>	This amendment will help in carrying local channels of LCOs while adhering to code of programming and not indulging in piracy of content
	<p><b><u>Schedule V &amp; VI</u></b> <b><u>Clause 9) Obligations of the LCO:</u></b></p> <p>Clauses 9.1 to 9.11</p>	<p><b><u>Schedule V &amp; VI</u></b> <b><u>Clause 9) Obligations of the LCO:</u></b> May kindly add the following :</p> <p>9.12) LCO shall update the addresses of his subscribers from time to time while shifting or otherwise, along with latest contact details like phone number</p>	

		<p>and email id in SMS for proper communication from MSO regarding billing, schemes etc</p> <p>9.13) LCO shall make necessary arrangements to carry the signal from MSO to the subscribers of LCO at his cost including bandwidth, right of way, network maintenance etc.</p>	
	<p><u>Schedule V and VI:</u>  <u>(10). ROLES AND RESPONSIBILITIES OF THE MSO AND THE LCO:</u></p>		
	<p>10(1)Publicizing schemes for obtaining and returning the Set Top Boxes (STBs) by the subscriber and the warranty/repairing policy applicable thereof.</p>	<p>10(1)Devising schemes and procedures for obtaining and returning the Set Top Boxes (STBs) by the subscriber and the warranty/repairing policy applicable thereof and updating on the website and informing LCOs</p>	
	<p>10(5a) Establishment of Customer care center for</p> <p>i) addressing service requests of subscribers</p> <p>ii) redressal of complaints of subscribers – responsibility MSO</p>	<p>10(5a) Establishment of Customer care center for</p> <p>i) receiving service requests of subscribers</p> <p>ii) redressal of complaints of subscribers – responsibility MSO / LCO based on nature of complaint</p>	
	<p>5g) Providing Toll free Consumer number</p>	<p>5g) Providing Toll free Consumer number or Mobile app</p>	
	<p>10) Providing rebate to the subscriber for delay in installation and activation of STB. Responsibility - MSO</p>	<p>10) Providing rebate to the subscriber for delay in installation and activation of STB. Responsibility – MSO for delays related to SMS/ Headend.</p>	

		Responsibility : LCO for cabling / installation delays	
	15 and 18) Reponse to the consumer complaints as per norms of the QOS regulations. Responsibility: MSO	15 and 18) Response to the consumer complaints as per norms of the QOS regulations. Responsibility: MSO provided LCO updates the customer care module about the rectification	
	19) Printing and delivery of system generated itemised bills to subscribers. Responsibility: MSO	19) generating of system generated itemised bills to subscribers Responsibility: MSO  Delivery of system generated printed itemised bills to subscribers Responsibility: LCO  Provided MSO can charge additional amount for delivering printed invoices to subscribers and subscribers will get invoices by email to the registered email id free of cost	It is recommended to discourage printed bills to promote online billing and transactions to transition to cashless economy.
	23) Payment of Taxes to the Government  Responsibility: MSO /LCO	23) Payment of Taxes to the Government  Responsibility: It is recommended to bring clarity on tax responsibilities between MSO/LCO in consultation with the government to avoid litigations – especially in view of roll out of GST soon.	As a guiding principle, the service tax shall be borne by MSO /LCO in the ratio of their share revenue and collection.  On state taxes like entertainment taxes, where applicable, LCO shall be responsible for collection and remittance at

			LCO level.
	<p>10) Roles and Responsibilities of MSO and the LCO.</p> <p>Additional points</p>	<p>The following may kindly be added:</p> <p>24) Online Collection and remittance :</p> <p>MSO shall provide online facility for subscribers to pay the subscription – for prepaid and post paid subscription as well as any other services availed provided MSO can collect a deposit of 3 months subscription for post paid service</p> <p>25) Manual collections: LCO will be responsible for timely collections from subscribers as per the invoice generated for post paid and prepaid provided LCO can collect a deposit of 3 months subscription for post paid service and remit to MSO in subscriber account.</p> <p>26) Remittance of Manual Collections: LCO shall remit the payments collected by him within 24 hours to MSO account subscriber wise which will generate electronic receipt to subscriber by SMS and email.</p>	
	<p>Schedule VI:</p> <p>12.1 The rental amount for channels subscribed and distribution fee shall be shared</p>	<p>Schedule VI:</p> <p>12.2 The rental amount for channels subscribed and distribution fee shall be shared</p>	<p>The recommended ratio is as per the TRAI tariff regulations dated</p>

	in the ratio of 55:45 between multi system operator and local cable operator respectively.	in the ratio of 65:35 between multi system operator and local cable operator respectively for Free to air channels and the distribution fee shall be shared in the ratio of 55:45 between MSO and LCO	30 <sup>th</sup> April 2012.
	<p>Schedule VII: Subscription Reports:</p> <p>The format suggests reporting of weekly data of subscriber count from SMS and CAS (on 7<sup>th</sup>, 14<sup>th</sup>, 21<sup>st</sup> and 28<sup>th</sup> of the month)</p>	<p>Schedule VII: Subscription Reports:</p> <p>It is recommended that the same be limited to average of opening and closing subscriber counts for simplifying operations</p>	Since the subscriber has to subscribe to a channel for a minimum period of one month, it does not affect the subscriber count.

Yours Sincerely,

For Asianet Satellite Communications Ltd,

G.Sankaranarayana

President & COO.