

Consultation Paper No. 8/ 2006



Telecom Regulatory Authority of India

Consultation Paper

on

Licensing Issues relating to DTH

June 5, 2006

**TRAI HOUSE
A-2/14, SAFDARJUNG ENCLAVE**

NEW DELHI-110 029

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Preface

The Government of India have requested for the recommendations of TRAI on the following three issues.

- i) **Amendment of the license conditions to exclude personal video recorder / digital video recorder from the requirement of interoperability.**
- ii) **The platform services that enable the subscribers to utilize the platform efficiently and inform them of platform functionality and services are exempted or otherwise from the uplink licensing requirement.**
- iii) **The use of Multiple Dwelling Unit (MDU) technology.**

2. Since a decision on these issues will impact a wide range of stakeholders, it has been considered necessary to issue this Consultation Paper. Thus the Authority would have the benefit of the views of the stakeholders before it gives its recommendations to the Government.

3. After giving the background in Section 1, Section 2 deals with the issues relating to change in license conditions for interoperability and non-applicability of uplinking guidelines to platform services and section 3 deals with the issues relating to use of Multi Dwelling Unit technology.

4. Written comments are invited on the issues raised which may please be sent to Secretary TRAI by June 26, 2006. For any further clarification on the

matter Secretary TRAI may be contacted at rstrai@gmail.com (Telephone No. 011-26167448) or Advisor (B&CS) at rkacker@traigov.in (Telephone No. 011-26713291). The fax no. of TRAI is 011-26713442.

(Nripendra Misra)
Chairman

New Delhi
June 5, 2006

Chapter 1 : Introduction

1.1 The Ministry of I&B, Government of India, have written to TRAI requesting for recommendations on the following issues.

- i) Amendment of the license conditions to exclude personal video recorder / digital video recorder from the requirement of interoperability.
- ii) The platform services that enable the subscribers to utilize the platform efficiently and inform them of platform functionality and services are exempted or otherwise from the uplink licensing requirement.
- iii) The use of Multiple Dwelling Unit (MDU) technology.

1.2 The letters of Government of India No. 8/3/2006 – BP&L dated 3.5.2006 and No. 8/5/2006 dated 3.5.2006 are at Annexure I and II respectively. Letters of M/s Tata Sky dated 13.3.2006, 16.3.2006 & 21.3.2006 are at Annexure III, IV and V respectively. This Consultation Paper has been issued to obtain the views of all stakeholders before TRAI sends its recommendations to the Government of India on the issues raised in the aforesaid letters. The Consultation Paper is divided into two sections. Section 2 deals with issues relating to the license conditions of interoperability and non-applicability of uplink license for platform services and Section 3 deals with the issues relating to the multiple dwelling unit technology.

Section – 2: Change in license conditions regarding Interoperability and non-applicability of uplinking guidelines to platform services

2.1 Article-7.1 and 7.2 of the DTH License Agreement lay down the following conditions regarding interoperability.

- “7.1 The Open Architecture (non-proprietary) Set Top Box, which will ensure technical compatibility and effective interoperability among different DTH service providers, shall have such specifications as laid down by the Government from time to time.

- 7.2 The Licensee shall ensure subscribers interests through a Conditional Access System (CAS), which is compatible with an open Architecture (non-proprietary) Set Top Box.”

2.2 The specifications for the Set Top Box have been separately laid down by the Bureau of Indian Standards. These specifications ensure that clause 7.1 and 7.2 of the Agreement is complied with. The major objective of this condition is to ensure competition amongst service providers so that consumers can shift from one service provider to the other.

2.3 The request of M/s Tata Sky is that this condition should not apply for the advanced version of the Set Top Boxes which have certain additional features and value added services like video on demand. These value added features cannot be made interoperable for technical reasons. Accordingly, if a

consumer were to buy a STB with these additional features (hereafter referred to a digital video recorder) he / she would lose the value added feature, if and when they migrate from one service provider to the other. Only the basic feature of viewing the Television channel as well as some facility like recording would be retained in such a shift. Thus, a consumer buying a digital video recorder would incur a loss of certain features when he / she shifts from one service provider to the other. The advantage of the proposal of M/s Tata Sky is that consumers would be aware that when they buy such a Box that it cannot be made interoperable and therefore they would take such a Box only if they are clear that they are not switching their operator. The disadvantage of the proposal is that these Boxes will not be interoperable and therefore consumers may not be willing to buy such Boxes. Also the consumers who have already bought such a Box will not be in a position to change his / her service provider without buying a new Box.

2.4 M/s ASC Enterprises Ltd., licensee for DTH had been consulted and they have indicated that they are already supplying digital video recorders with interoperability for the basic functions. Interoperability according to them should be insisted upon even for all digital video recorders (recognizing that only basic functions would be interoperable) so that the consumers can change their service provider for at least the basic service. It would be sufficient if the consumers are made fully aware that in purchasing such a Box they would lose the value added feature whenever they change the service provider. According to M/s Tata Sky the change in the license conditions to exclude digital video recorders will not affect consumers who want interoperability, because the simple STB would always be available and would have the interoperability feature. According to them, as long as the consumer has the choice to choose

between a basic interoperable Box and a value added box which is not interoperable, the consumers' interest would not be adversely affected.

2.5 The issue of interoperability has also to be viewed in the context of similar provisions in other platforms. In the case of IPTV, no such requirement is there either for technical interoperability or commercial interoperability (commercial interoperability means the requirement to provide a rental option to the consumer so that they can exit from the service if they so wish). In the case of Cable TV there is no requirement of technical interoperability and the Authority have also come to the conclusion that this should not be insisted upon. Rather the better route would be to insist upon commercial interoperability for Cable TV. It is, therefore, a legitimate question as to whether commercial interoperability should also be mandated for DTH licensing either in substitution or in addition to the existing provision for technical interoperability. In view of the fact that technical interoperability has already existed, it may be worthwhile to examine this issue after some experience of actual operation of two DTH service providers is available to understand how technical interoperability is working. Such experience may be available in the next few months.

2.6 The Government notified the consolidated uplinking guidelines in supersession of all previous guidelines on the 2nd December 2005. The guidelines came into effect from the date of notification and are applicable to existing channels also. As per these guidelines any company shall uplink only those TV channels which are specifically approved or permitted by the Ministry of I&B for uplinking from India.

2.7 M/s. Tata Sky Ltd. have indicated that they would be launching a number of platform services with the objective of enabling the subscribers to utilize the platform efficiently and inform them of platform functionality and services. M/s. Tata Sky Ltd. have sought confirmation from the Ministry of I&B that these services are exempted from the uplink licensing requirement.

In the light of the above, the following issues are posed for consultation.

- a) **whether the clauses 7.1 and 7.2 of the DTH license conditions should be amended to exclude digital video recorders?**
- b) **If so what safeguards should be provided to ensure that consumers can switch from one service provider to the other?**
- c) **If not whether any safeguards are required to ensure that consumers are fully aware of the limited interoperability of digital video recorders?**
- d) **whether the Guidelines for Uplinking from India should be amended to specifically exclude platform services made available for enabling the subscribers to utilize the platform efficiently and inform them of platform functionality?**

Section – 3 : Use of multiple dwelling unit technology.

3.1 In multi-storied buildings, the DTH licensees are using the Multiple Dwelling Unit (MDU) technology which enables the residents of the building to access the DTH service through a single common dish for the building as a whole rather than using individual dishes for each home. This dish is connected to the individual home through a cable system. For each TV set there will still be a need for a separate STB (it is of course possible for one STB to provide signals to many TVs but there would be no choice of programme for the secondary TV and they can only show those programmes selected from the STB). There is no specific mention of the MDU technology in the DTH license condition. The letter of the Government of India No. 8/3/2006 – BP&L dated 3.5.2006 as well as the letter of M/s Tata Sky dated 21.3.2006 does not also refer to any specific provision of the license conditions.

3.2 Nevertheless, the question that arises is whether the use of this technology is in conformity with the license conditions or not. According to M/s Tata Sky the use of this technology is in conformity with the license conditions.

3.3 In the light of the above position, a view needs to be taken whether such technology is in conformity with the license conditions or not. The related question is whether any modification needs to be made to the license conditions to clarify this position either to permit this technology or to prohibit it. Quite clearly the terms and conditions of the license did not visualize the use of such technology.

3.4 Accordingly, the following issues arise for consultation.

- a) **whether the use of MDU technology by DTH licensee is in conformity with the licensing conditions?**
- b) **if not what is the specific clause of the license conditions that is being violated?**
- c) **Should the license conditions be modified either to specifically permit this technology or to prohibit this technology?**

Chapter 4 : Issues for Consultation

1. Whether the clauses 7.1 and 7.2 of the DTH license conditions should be amended to exclude digital video recorders?
2. If so what safeguards should be provided to ensure that consumers can switch from one service provider to the other?
3. If not whether any safeguards are required to ensure that consumers are fully aware of the limited interoperability of digital video recorders?
4. Whether the Guidelines for Uplinking from India should be amended to specifically exclude platform services made available for enabling the subscribers to utilize the platform efficiently and inform them of platform functionality?
5. Whether the use of MDU technology by DTH licensee is in conformity with the licensing conditions?
6. If not what is the specific clause of the license conditions that is being violated?

7. Should the license conditions be modified either to specifically permit this technology or to prohibit this technology?

Annexure-I

No.8/3/2006-BP&L
GOVERNMENT OF INDIA
MINISTRY OF INFORMATION & BROADCASTING
'A' Wing, Shastri Bhawan, New Delhi-110 001.

Dated: 03.05.2006

To:

The Telecom Regulatory Authority of India,
A.2/14 Safdarjung Enclave,
New Delhi – 110 029.

Subject: **Representation received from M/s Tata Sky Limited regarding MDU or Multiple Dwelling Unit Solution through DTH.**

Sir,

I am directed to state that M/s Tata Sky Limited has signed a License Agreement for DTH Service operation on 24.3.2006 with the Government. The Ministry has received a representation dated 21.3.2006 from M/s Tata Sky Limited on the above subject, a copy of which is enclosed.

2. TRAI is requested to examine the issues contained in the representation and forward its recommendations to this Ministry in terms of Section 11(1) of the TRAI Act, 1997.

Yours faithfully,

Sd/-

(G. Chatterjee)
Under Secretary to the Govt. of India
Tel: 23389202

Encl: As above

No.8/5/2006-BP&L
GOVERNMENT OF INDIA
MINISTRY OF INFORMATION & BROADCASTING
'A' Wing, Shastri Bhawan, New Delhi-110 001

Dated: 03.05.2006

To

The Telecom Regulatory Authority of India,
A-2/14 Safdarjung Enclave,
New Delhi – 110 029.

Subject: Representation received from M/s Tata Sky Limited for amendment in license conditions of DTH on requirement for new generation PVRs and non-applicability of uplink license for platform services.

Sir,

I am directed to state that M/s Tata Sky Limited signed the License Agreement for DTH Service operation on 24.3.2006 with the Government. The Ministry has received two representations dated 13.3.2006 and 16.3.2006 from M/s Tata Sky Ltd on the above subject, copies of which are enclosed.

2. TRAI is requested to examine the issues contained in the representations and forward its recommendations to this Ministry in terms of Section 11(1) of the TRAI Act, 1997.

Encl: As above

Yours faithfully,

Sd/-

(G.Chatterjee)

Under Secretary to the Govt. of India

Tel: 23389202

Annexure - III

TATA SKY

March 13, 2006

Shri S.K. Arora,
Secretary,
Ministry of Information & Broadcasting,
Shastri Bhawan, 'A' Wing,
New Delhi-110 001.

Dear Shri Arora

Re: **PVRs**

I am pleased to attach a representation to the TRAI seeking an amendment in the license conditions for DTH platforms so that technical interoperability requirements can be waived for new generation PVRs that will be launched in India.

I would be grateful for your kind consideration on this matter.

With kind regards,

Sd/-
(Vikram Kaushik)
CEO
Tata Sky Limited

TATA SKY

Subject: **Launch of PVR's in India**

1. **PURPOSE :** The objective of this note is to present the case for the launch of high-end PVR's in India on our DTH platform. We have set out the issues involved in a brief presentation that is attached with this note.

2. **PRODUCT:** The PVR is a premium product (around four times more expensive than standard set top boxes) meant for discerning consumers who are willing to pay higher prices for a variety of new services and better functionalities while viewing television. The consumer who will buy this product will do so out of choice, understanding that interoperability is not available with PVR's.

PVR's come with a hard drive of 40 GB to 160 GB, 1 to 4 tuners and higher specification chipsets. They allow consumers to pause live television, record one programme while watching another, allow skipping and review of programmes among other features.

3. **TECHNOLOGY:** PVR's are new, high-end technology devices that are not meant for the mass market. The technical specifications vary with the models that are introduced and these were not envisaged when STB specs were drawn up by BIS. Besides, the Common Interface Specification (EN 50221) was created in 1997 and only supports basic TV viewing and not products with a hard drive and/or advanced services.

PROPOSAL: Since the hard drive is the key resource in a PVR and standard, linear TV viewing is only a small part of the usage for such a set top box the Common Interface has little relevance in this device.

We would urge the Authority to kindly amend the license conditions for DTH platforms and waive interoperability requirements for PVR's. This will allow the free flow of global technology to India.

The basic set top boxes would be available to the mass market consumer and provide the interoperability required under the license conditions.

Annexure - IV

TATA SKY

March 16, 2006

Shri S.K. Arora
Secretary
Ministry of Information & Broadcasting
Shastri Bhavan, 'A' Wing,
New Delhi-110 001.

Subject: Non applicability of uplink license for Platform services

Dear Shri Arora,

Tata Sky has represented on several occasions that as a part of its DTH service it proposes to launch a number of platform services which is intrinsic to the DTH service and whose sole aim is to enable subscribers to utilize the platform efficiently and inform them of platform functionality and services. These platform services are:

1. Subscriber help channel
2. Barker channel (describing platform services)
3. Home
4. Helpdesk
5. Guide
6. News Desk

During our conversation on February 20 we had discussed this and you had indicated that uplink licenses might not be required for such platform services.

We are enclosing an annexure that provides a brief description of the functionality and purpose of each of these platform services. From a review of these services it will be clear that these are meant to facilitate the viewing experience of the Tata Sky platform by providing easily accessible information. Therefore, these services are not in the nature of routine commercial broadcaster activity and we believe, should not be treated as such.

In view of the above, we would like to request the Ministry of I&B to kindly confirm that these platform services are exempted from the uplink licensing requirements.

With kind regards,

Yours sincerely,

Sd/-
(Vikram Kaushik)
CEO
Tata Sky Limited.

DESCRIPTION OF THE PLATFORM SERVICES

1. Subscriber help channel

This is an audio video channel that will have 2-3 short films looped continuously. The purpose is to inform the subscriber of platform services and their functionality. The content will be updated no more than once a month and will cover:

- How to use the remote
- How to use IVR / send SMSs / order PPV
- New platform functionality, if any
- Short promos of existing duly registered and licensed 3rd party broadcaster channels, interactive services and PPV events.

The subscriber help channel will be listed as part of the EPG but will not have any programme schedule listing. The channel will not support any form of interactivity.

2. Barker channel (describing platform services)

This is an audio video channel that will have 2-3 short films looped continuously. It is an information service for potential subscribers and can be viewed in retail outlets and other points of sale. It will be available in two languages Hindi and English.

The content will be updated no more than once a month. The content will include material that will be used to highlight the salient features of the service.

It will be listed as part of the EPG but will not have any programme schedule listing. The channel will not support any form of interactivity.

3. Home Service

This is an interactive service that is a navigational service. It is a pictorial listing of all the 3rd party broadcasters' channel logos that allows easy navigation to 3rd party services.

It will be accessed in 3 ways:

- Default service at power-on of the STB
- Direct access through a dedicated remote button
- Listed in the EPG Interactive Menu

Key Functionality of the service are:

- Navigator homepage will provide easy access to the channel genres
- The Navigator will provide a quarter-screen video window in which the video feed of any selected channel can be viewed. The subscriber can view the title of the current program being broadcast on each channel and the lapsed time indicator. If the subscriber has viewing rights to the channel, the quarter screen video can be expanded to full screen.
- If a viewer tries to access a channel that has been blocked by the user through

the EPG or a programme that is blocked by parental control, the navigator application will be able to block the viewer from viewing the channel/ programme.

4. Help Desk:

A text based interactive service that is a help application to provide easy answers to platform service questions, without the subscriber having to call the call centre.

- It will be accessed in 3 ways:
 - Direct access through a dedicated remote button
 - Navigator home page
 - Interactive Services menu

Key Functionality is:

- Designed to inform and aid the subscriber, the subscriber help screens will carry answers to frequently asked subscriber questions. It will cover topics like product packages, billing, how to order PPV, basic hardware diagnostics, promotions etc.
- Wrapped around the subscriber help channel which is broadcast in ¼ screen.

March 21, 2006

Shri S.K. Arora
Secretary,
Ministry of Information & Broadcasting
Shastri Bhavan, 'A' Wing,
New Delhi-110 001.

Dear Shri Arora,

Re: MDU or Multiple Dwelling Unit Solution through DTH

In the recent weeks several reports have appeared in the press regarding the MDU solution offered by DTH platforms and what these entail.

From the contents of an article in The Hindustan Times the key issue seems to be that “by providing wiring from the dish to multiple consumers in a common residential area indicates that Tata Sky is trying to step into the shoes of the cable operator”.

In order that there should be clear and accurate information with the Ministry we are pleased to clarify this issue.

Our comments are as follows:

1. Providing consumers with the option of receiving their television signals via a DTH dish is in line with the DTH guidelines set down by the Government. It is also **in consonance with the license conditions** for DTH operators.
2. A DTH television service **provides consumers with the choice** to upgrade to a digital service. Every single subscriber has to purchase hardware and pay a monthly subscription for the service.

What is an MDU solution?

All over the world every major DTH operation provides an MDU or “**multiple dwelling unit**” solution to multi-storied buildings.

This is done by installing a single, slightly larger dish in the “line of sight” of the satellite. This dish services various individual set-top-boxes that subscribers in the building might own.

How does it work?

This solution is provided for two reasons:

- 1) apartments that face other buildings might not be in the **“line of sight”** to the satellite and hence the dish antenna needs to be located on top of the building so that it can receive signals from the satellite without any obstruction from neighbouring structures.
- 2) The **solution minimizes the number of dish antennae** emanating from various apartments. This also minimizes maintenance costs and reduces the “visual pollution” so common in our cities. Many building societies prefer this mode of delivery to individual homes.
3. The MDU solution neither entails the creation of “an headend” for the building as a whole nor does it in any way take away **the freedom of individual subscribers to buy or not buy a digital set-top-box** to subscribe to the DTH service. Needless to add, the MDU solution is only provided if the building society asks for it and gives written permission.

Should you require any further information we would be happy to provide it.

With kind regards,

Yours sincerely,

Sd/-
(Vikram Kaushik)
CEO
Tata Sky Limited