



BY COURIER/SPEED POST/EMAIL

Date: 30<sup>th</sup> July 2014

**Submission of Response by Hathway Cable and Datacom Limited, to Telecom Regulatory Authority of India (“TRAI”/ “Authority”) in response to the Consultation Paper (No. 7/2014) on Regulatory Framework for Platform Services (“Consultation Paper”) dated 23<sup>rd</sup> June 2014**

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Telecom Regulatory Authority of India,  
Mahanagar Doorsanchar Bhawan,  
Jawahar Lal Nehru Marg,  
(Old Minto Road),  
Near Dr.Zakir Husain College, New Delhi- 110 002

***Kind attn: Mr. Agheshwar Sen***

**Respected Sir,**

**Enclosed please find our comments on the issues of Consultations raised in the above consultation paper for your kind perusal:**

1. Do you agree with the following definition for Platform Services (PS)? If not, please suggest an alternative definition:

*“Platform services (PS) are programs transmitted by Distribution Platform Operators (DPOs) exclusively to their own subscribers and does not include Doordarshan channels and TV channels permitted under downlinking guidelines.”*

***Hathway’s comment***

The definition of Platform Services should be applicable to cable DPOs and HITS platform only. DTH DPOs should fall under the category of “Satellite Broadcast Regulations”. Hence the definition of PS should as below:

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“Platform services (PS) are programs completely owned & produced by the Cable DPOs & HITS or by its third party agencies, which are transmitted by Cable DPOs & HITS exclusively for their own subscribers.

The Objective of the consultation paper is to develop a better understanding and bring about regulations on the functioning of so called Local channels/services which is currently developed and transmitted mainly by cable Networks in their respective local geographical areas. PS programmes provides content as per need/wants/requirements of subscribers of Cable DPOs & HITS. PS channels are more of social cause/location specific driven channels tailored as per requirements of subscribers of Cable DPOs & HITS.

Hence our submission of restricting Definition of Platform Services for Cable DPOs & HITS. In case of HITS, the last mile transmission is also through Cable only.

2. Kindly provide comments on the following aspects related to programs to be permitted on PS channels:
  1. PS channels cannot transmit/ include
    - 2.1.1 Any news and/or current affairs programs,
    - 2.1.2 Coverage of political events of any nature,
    - 2.1.3 Any program that is/ has been transmitted by any Doordarshan channels or TV channels permitted under Uplinking/downlinking guidelines, including serials and reality shows,
    - 2.1.4 International, National and State level sport events/ tournament/ games like IPL, Ranji trophy, etc.

***Hathway's comment***

Regarding the above programs, we feel that none of the programs have any adverse effect on the society.

Local News channels are the back bone of the society and a very important aspect of public awareness. No satellite channels can cover the local issues

as the Local News Channels does. These News channels are focused on all day to day events that happen in the local vicinity which connects the local population with all important happenings in their city.

PS channels play a very important role in bringing neighborhood news & events to their customers. Many customers look forward to the PS channel news telecasts to know their neighborhood news.

PS News channels convey important messages such as weather, calamity, any warnings from administration in public interest, traffic, Law & Order etc that happen locally, which are conveyed immediately to the local population for better awareness.

As a part of service industry we feel this facility of conveying and connecting the masses in a limited area is very helpful and there are no negative aspects of the same.

News of all nature political/Live is already present in net form hence by not allowing the local news channel, we will be depriving news to reach lowest echelon of society where net accessibility is not there.

Cable DPOs & HITS channels covers views of local political events which is more area specific and more micro level in nature.

It can be noted that newspapers are circulated as local edition, state edition and general edition; so if print media can be allowed at the local level then it is imperative that the electronic media should also be allowed to continue to function at the granular level. The authority in its consultation paper has already acknowledged the fact that Platform services have been very effective and helpful in the times of natural calamities and other national crises; thus putting a ban on such forms of channels and programs will curb national interest in general.

Cable DPOs & HITS channels telecast a lot of local sports events which generate lot of interest among the customers & such telecasts go a long way in promoting local talent also.

They should not be deprived of a chance to bid for telecast rights of bigger sports content also if they are able to do the same. Programs like live sports and devotional events are not covered by registered news channels except in their news bulletins due to lack of time and high cost factor, but a cable network news channel can cover it at a reasonable and affordable cost. For example, daily shidhi vinaya aarti is an important devotional event, which has huge popular demand by certain section in Mumbai, which is currently being provided by Local cable operator to full fill such demand. It has become a very important social service by Cable DPO & HITS and comes to the viewer at no additional cost. There are numerous such examples across the county and hence it is essential that Cable DPOs & HITS be allowed to transmit all the above.

3. What should be periodicity of review to ensure that the PS is not trespassing into the domain of regular TV broadcasters?

***Hathway's comment***

Because of availability of alternate technology to disseminate information and other services, the question of trespassing into the domain of Regular TV Broadcaster by Cable DPOs & HITS does not arise. It is purely upto viewer/consumer to access various technologies available to consume as per his needs.

At the same time, there are numerous way and means adopted by the Regular TV broadcasters to transmit local news/affairs/events/activities etc.

The area of operations of Cable DPOS & HITS is different from Regular TV broadcaster; however for the sake of Transparency we propose a yearly review.

It is suggested that in this open economy & globalised environment, the MIB should Encourage Cable DPOs & HITS channels to develop their content and provide good content to their customers instead of limiting their reach.

4. Should it be mandatory for all DPOs to be registered as Companies under the Companies Act to be allowed to operate PS? If not, how to ensure uniform legal status for all DPOs?

***Hathway's comment***

Yes, it should be mandatory for all Cable DPO's & HITS to be registered as Company under the Companies Act 2013 to be allowed to operate PS.

However all Cable DPO's & HITS are supposed to be registered with MIB giving the necessary licenses to operate in respective geographical areas, hence no additional registration to operate PS by Cable DPOs & HITS may should be required.

5. Views, if any, on FDI limits?

***Hathway's comment***

The FDI limit should be same as that is applicable to Cable TELEVISION.

6. Should there be any minimum net-worth requirement for offering PS channels? If yes, then what should it be?

***Hathway's comment***

Cable DPOs & HITS have invested huge amounts in setting up digital headends and in set top Boxes for subscribers. This will continue to grow with progress of digitization in Phase III and IV, hence Net worth of the Cable DPOS & HITS is likely to grow in near future. This will also bring in the necessary commitments on transmitting PS Channels. Hence there should not be any minimum net worth Criteria.

7. Do you agree that PS channels should also be subjected to same security clearances/ conditions, as applicable for private satellite TV channels?

***Hathway's comment***

The DAS license has been issued to Cable DPOs & HITS after subjecting them to security clearances & conditions & hence no new security clearance may be sought from the CABLE DPOs & HITS to transmit PS channels.

8. For the PS channels to be registered with MIB through an online process, what should be the period of validity of registration and annual fee per channel?

***Hathway's comment***

Hathway welcomes online registration process; however the registration should be one time and the validity period should be 10 yrs.

We suggest that there should not be any Annual registration fees however there may be one time permission grant fee for the period of registration which we are proposing as 10 yrs.

PS channels have social service purpose in nature (as stipulated in 2.1.1~2.1.3) and money generation is not the main motive, hence imposition of any kind of annual fee will defeat the purpose of PS channel. Digitalization has ensured availability of more bandwidth leading to more channels. PS channels benefits and spreads the fruits of digitalization by giving consumer what consumer wants/aspires/expects at affordable cost. Hence Annual fee should not be applicable as imposing annual fee will defeat the purpose of digitalization.

Any PS channel which is being transmitted with revenue motive, for which subscriber has to pay additional cost, annual fee @Rs. 2,00,000/= per channel should be levied. In case the downlinking of the channel happens from Abroad, the annual fees may be kept @ Rs. 5,00,000/= per channel.

9. What is your proposal for renewal of permission?

***Hathway's comment***

The renewal process should start 6 months before the expiry of term, so that the authorities have time in hand to process the same.

10. Should there be any limits in terms of geographical area for PS channels? If yes what should be these limits.

***Hathway's comment***

We feel that there should not be any restriction on the geographical areas for Cable DPOs & HITS channels, because of following reason:

1. CABLE DPOs & HITS are already governed by notification on Cable Monopoly by MIB with respect to State as geographical area and hence geographical limits are already defined.
  2. Cable DPOs & HITS transmit services over local geographical areas and Hence PS includes local programmes.
  3. Digitization has enabled access by National DPOs & HITS and they have opportunity to provide local PS
  4. Market forces would keep the check as local news/current affairs programme (which was the basis of mushrooming of Local PS) will not be relevant in other areas. For Example Local News/Information announced by BMC in Mumbai relating to rains etc , transmitted by local cable DPOs & HITS would not be of any relevance to consumers in Pune and vice versa. The Cable DPOs & HITS will itself transmit relevant PS for city or the local area, which would be the relevant geographical area for the said PS.
11. Should there be a limit on the number of PS channels which can be operated by a DPO? If yes, then what should be the limit?

***Hathway's comment***

There should be no limit on the number of PS channels as the Cable DPOS & HITS, post digitization are expected to build large capacities and the utilization of the Capacity would be purely market driven, be it city, town, village, district, state, national or global consumption need of the consumers covered by Cable DPOs & HITS. Any Limit would be detrimental to free and fair conduct of business based on market forces.

12. Do you have any comments on the following obligations/ restrictions on DPOs?
  - 12.1. Non-transferability of registration for PS without prior approval of MIB;
  - 12.2. Prohibition from interconnecting with other distribution networks for re-transmission of PS i.e. cannot share or allow the re-transmission of the PS channel to another DPO; and
  - 12.3. Compliance with the Programme & Advertisement Code and TRAI's Regulations pertaining to QoS and complaint redressal.

***Hathway's comment***

We agree on the obligations as setout in point 12.1., 12.2. & 12.3.

13. What other obligations/ restrictions need to be imposed on DPOs for offering PS?

***Hathway's comment***

By imposing restrictions on PS channels the true benefits of digitalization will be lost. Hence restrictions should not be imposed on Cable DPOs & HITS for offering PS.

Post implementation, Cable DPOs & HITS are likely to be subject to new obligations/restrictions based on submissions made in the CP or the same can be taken up during annual reviews as proposed by us.

14. Should DPO be permitted to re-transmit already permitted and operational FM radio channels under suitable arrangement with FM operator? If yes, then should there be any restrictions including on the number of FM radio channels that may be re-transmitted by a DPO?

***Hathway's comment***

FM radio is already available on internet. Hence we suggest that there should not be any restriction in the retransmission of FM radio channels. If MSO's and FM radio channels as mentioned under suitable arrangements if so, should be permitted.

We find no reason as to why any objection should be raised or why any special permission would have to be taken for the same when FM radio are already transmitting content under stipulated guidelines.

Also FM content is monitored by I & B Ministry so content is also regulated.

15. Please suggest the mechanism for monitoring of PS channel.

***Hathway's comment***

For monitoring of the PS channel, similar mechanism as mentioned in "1.40" (as mentioned above) may also be considered for cable DPOs & HITS.

16. Do you agree that similar penal provisions as imposed on TV Broadcasters for violation of the terms and conditions of their permissions may also be imposed on PS? If not, please suggest alternative provisions.

***Hathway's comment***

Provision should be there for violation; however the same cannot be on par with satellite channel as reach of PS channels/viewership is limited and restricted.

PS channels are more local in nature and are for social cause not for revenue generation. Further Cable DPOs & HITS should be given proper notice and reasonable amount of time to respond to the violations. A committee can be constituted consisting of all relevant stakeholders, which should take all the issues being faced by the DPOs and thereafter frame the Penal Provisions.

17. What amendments and additional terms & conditions are required in the existing registration/ guidelines/ permission/ license agreements w.r.t. DPOs for regulating the PS channels?

***Hathway's comment***

No Additional amendments and additional terms & conditions are required for Cable DPO's & HITS for regulating PS channels

18. What should be the time limit that should be granted to DPOs for registration of the existing PS channels and bring them in conformity with the proposed regulatory framework once it is notified by MIB?

***Hathway's comment***

We suggest a time period of 6 months for registration of existing PS channels and to bring them in conformity with the proposed regulatory framework.

19. Stakeholders may also provide their comments on any other issue relevant to the present consultation including any changes required in the existing regulatory framework.

***Hathway's comment***

We really appreciate the efforts that have been taken to issue the CP on the regulation of PS channel by cable DPOs & HITS, Further the satellite Broadcast Channels are being currently monitored under the current regulatory Framework by MIB. However we would like to highlight here that there are Non satellite Broadcast channels (which could be server based ground channel or channels made available on internet) which are currently non regulated and their numbers are growing day by day. Hence there is a

need to monitor the same and in this regard would request TRAI to come out with necessary relevant regulations.

Very truly yours,

**For HATHWAY CABLE & DATACOM LIMITED**

A handwritten signature in black ink, appearing to read 'Ajay Singh', written in a cursive style.

**AJAY SINGH**

*Company Secretary & Compliance Officer*

<b>List of Acronyms Abbreviation</b>	<b>Description</b>
CP	Consultation Paper
DAS	Digital Addressable Systems
DPO	Distribution Platform Operators
DTH	Direct-to-Home
FDI	Foreign Direct Investments
FIPB	Foreign Investment Promotion Board
HITS	Headend-in-the-Sky
IPTV	Internet Protocol Television
LCO	Local Cable Operators
MIB	Ministry of Information & Broadcasting
MoD	Movie-on-Demand,
MSO	Multi System Operators
OTT	Over the Top
PPV	Pay per View
PS	Platform Service
RIO	Reference Interconnect Offer
TRAI	Telecom Regulatory Authority of India
TSP	Telecom Service Provider
USP	Unique Selling Proposition
VoD	Video on Demand