



Telecom Regulatory Authority of India

Recommendations

on

“Renewal of Multi-System Operators (MSOs) Registration”

New Delhi, India

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Contents

Chapter	Topic	Page No.
1	Introduction	3
2	Issues related to Renewal of Multi-System Operators (MSOs) Registration	10
3	Summary of Recommendations	37
Glossary	Acronyms and Description	40

Annexure

Annex.	MIB letter no. N-45001/6/2020- DAS dated 7th February 2022	42
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Chapter - 1

Introduction

- 1.1 The Cable TV industry in India developed in late 1980s as an unregulated service. It became popular soon and emerged as an alternate entertainment option to Doordarshan (DD). The opening up of economy in the late 1980s enabled the entry of few private broadcasters. In 1989, a few entrepreneurs started setting up small Cable TV Networks and started local video channels showing movies and music videos after obtaining rights from film & music distributors. During this period, the pay television segment industry was run by Local Cable TV operators (LCOs), each catering to the needs of local subscribers in a small area ranging from approximately 50 –1000 consumers. These LCOs used dedicated satellite antenna to receive the signals from broadcasters and processed these signals locally before sending it through cable network to the subscriber premises.
- 1.2 These LCOs were operating in unregulated ecosystem. The need for regulation of Cable TV Industry was felt as more and more LCOs started mushrooming across the country., The decision of the Rajasthan High Court¹ in Shiv Cable TV vs State of Rajasthan led to the passage of The Cable TV Act 1995. The object of the Act was to regulate the 'haphazard mushrooming of cable television networks'. The Act laid down the "*responsibilities and obligations in respect of the quality of service both technically as well content wise, regulate use of materials protected under the copyright law, restrict exhibition of uncertified films, and protection of subscribers from anti-national broadcasts from sources inimical to national interests*".
- 1.3 The Broadcasting and Cable Services were brought under the regulatory ambit of Telecom Regulatory Authority of India (TRAI) on 09.01.2004.² TRAI is vested with the responsibility of ensuring orderly growth of the broadcasting sector

¹ Shiv Cable TV System Ltd. Vs State of Rajasthan, Rajasthan High Court, May 1993, AIR 1993 RAJ197

² Ministry of Communications and Information Technology vide Notification No. 39 dated 09.01.2004 bearing S.O. No. 44(E)

while protecting the interests of the consumers. TRAI has been issuing various regulations, tariff orders, directions etc. for achieving these objectives. TRAI's regulatory framework has ensured competition, fair play and equity in the sector.

- 1.4 During the period, 2000 and 2010, number of TV channels witnessed a phenomenal increase leading to operational issues for LCOs as their network could not cater to higher number of television channels. In general, LCOs did not have the sophisticated equipment or enough resources to receive broadcast signals from large number of satellites before sending it to their subscribers. In addition, technological evolutions, like advent of digital technologies and improvement in transmission technology helped in evolution of a large intermediary, the Multi System Operator (MSO).
- 1.5 The MSOs established head-ends in metros and major towns to receive TV signals from different TV broadcasters, aggregate and distribute these signals further to LCOs. MSOs either developed through organic growth whereby large cable operators developed themselves in the eco-system and became MSOs or through direct entry of new player. MSOs downlink the signals of various broadcasters from the Satellite and provide a bundled and encrypted feed comprising of multiple channels to the LCOs who further retransmit it to subscribers through cables. MSOs may also choose to provide the services directly to their consumers.

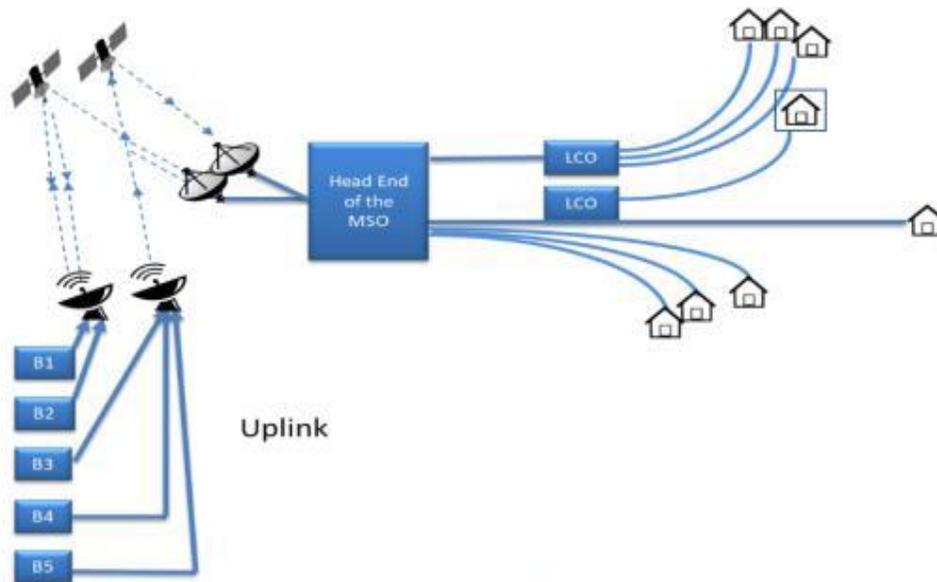


Figure 1: MSO in a Pay Distribution³ Chain

- 1.6 The evolution of technology led to the introduction of Digital Addressable System (DAS), thereby digitalizing the Cable TV network. Consequently, the Government amended the Cable Television Networks Rules, 1994 (CTN Rules) by issuing Cable Television Networks (Amendment) Rules 5, 2012 on 28th April 2012. As per the amended rules, an MSO operating in areas notified for mandatory deployment of DAS is required to take necessary permission from Ministry of Information and Broadcasting (MIB), in addition to registration as a cable operator. Section 4(3) of the CTN Act, states that *“On and from the date of issue of notification under section 4A, no new registration in a state, city, town or area notified under that section shall be granted to any cable operator who does not undertake to transmit or re-transmit channels in an encrypted form through a digital addressable system.”*
- 1.7 TRAI has taken several initiatives in the recent years to increase transparency, non-discrimination, protection of consumer interest and enabling orderly growth of the sector. The provision related to ‘must carry’ and ‘must provide’

³ Figure depicts MSO as a distributor. Obtaining TV channel signals from the broadcaster and further extending the same to LCOs or the end consumer.

have balanced the interest of stakeholders safeguarding smaller players. TRAI's regulatory framework has been quite successful in establishing harmonized business processes in the sector and establishing a level-playing-field. As a result, the television broadcasting sector has flourished, and the level of competition has increased manifold. The Regulatory Framework is quite enabling for Small MSOs. The benefits of the framework are highlighted in TRAI white paper titled 'Benefits of New Framework for Small MSOs'⁴. The regulations provide an enabling environment for aspiring LCOs to move further in their business and become an MSO either on their own or by forming LCO groups (in form of Cooperative or joint associations).

- 1.8 The migration from analogue Cable TV distribution system began in 2012 and got completed in March 2017. In line with the progress of digitization, the number of registered MSOs steadily increased from 2012 to 2022. The number of operational MSOs out of the total registrations has also increased during this period. At present, there are 1753 registered MSOs⁵ out of which around 1100 are operational.

⁴ https://tra.gov.in/sites/default/files/WhitePaper_23042019.pdf .

⁵ <https://mib.gov.in/sites/default/files/List%20of%20Registered%20MSOs%20as%20on%2031.10.2022.pdf> as on 31.10.2022

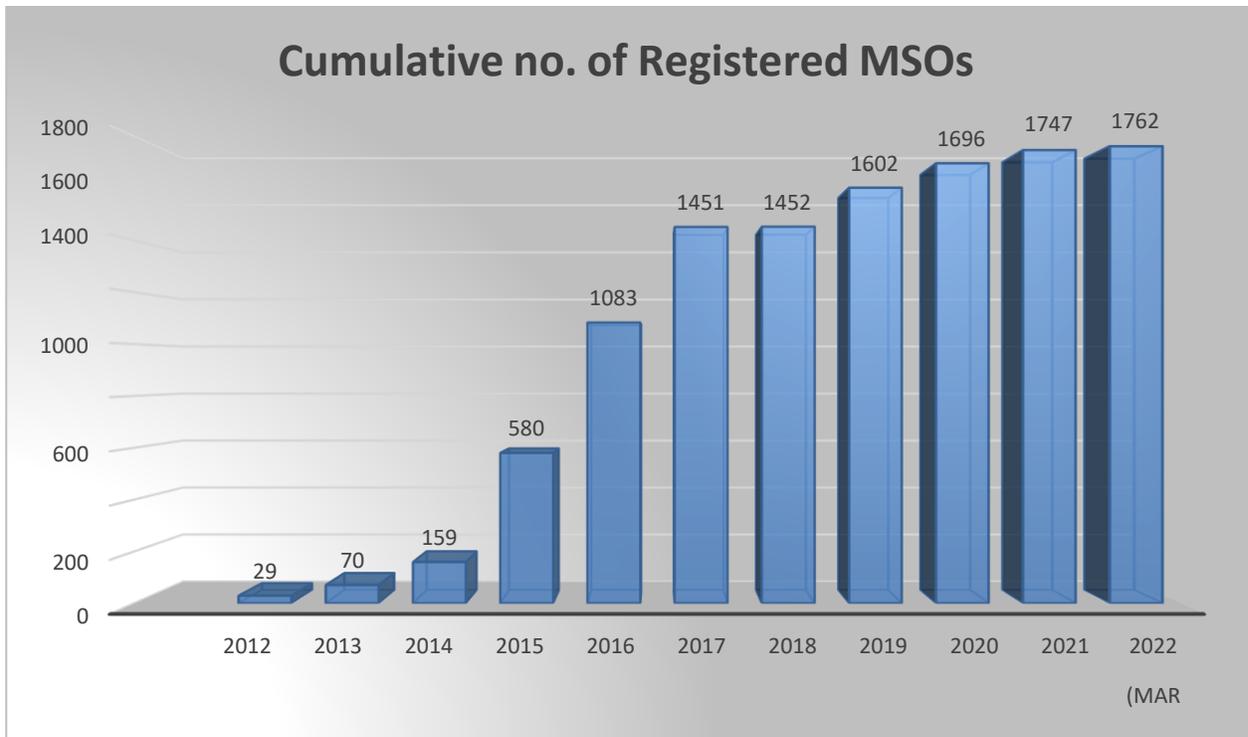


Figure 2: Year-wise Cumulative MSOs registered with MIB⁶

- 1.9 In the initial stages of digitization, MSO registrations were given for specific city, town, state, or PAN India, in DAS notified areas as mentioned by the applicant MSO. However, vide a circular dated 27th January 2017, MIB conveyed that all registered MSOs are free to operate in any part of the country. CTN Act, 1995 and the CTN Rules thereunder do not restrict the number of MSOs/LCOs operating in any specific area. There are a few large MSOs which operate in multiple states/Union territories, while other MSOs operate either on a regional level or in a smaller area.
- 1.10 For registration of MSO, the applicant is required to make an application to MIB by logging on to the Broadcast Seva portal. The eligibility criteria, entry requirements, and list of documents are prescribed on the portal. Post scrutiny of eligibility and documents, security clearance from MHA is obtained before grant of the registration. The security clearance provided by MHA to an entity, or its director(s) has a limited validity of ten years from the date of initial grant

⁶ Source: MIB's website

of security clearance or period of license permission, whichever is earlier, as per MHA O.M. dated 25.06.2018.

1.11 MIB vide its letter no. N-45001/6/2020- DAS dated 7th February 2022 (attached as Annexure) has made a reference to TRAI (hereinafter referred to as MIB Reference), seeking its recommendations on referred aspects of the renewal of MSO registrations. Accordingly, MIB in its reference has requested TRAI under Section 11(1)(a)(ii) of the TRAI Act 1997, to give its recommendations on the following aspects of the renewal of MSO registrations:

(a) As there is no provision for renewal in the CTN Act, whether a provision relating to renewal of MSO registration after every ten years be inserted in the Rules.

(b) Rule 11A of CTN Rules, 1994 prescribe processing fee of Rs. One Lakh to be submitted with the application for MSO registration. The amount of processing fee to be charged for such renewal, which shall also be inserted in the Rules, may also be advised.

1.12 To consider the issue in totality and to seek the suggestions/comments from stakeholders, TRAI issued a consultation paper on “Renewal of Multi System Operators’ Registration” on 20th July 2022 [hereinafter referred to as Consultation Paper]. The last date for submission of the comments was 24th August 2022 and that of the counter comments was 31st August 2022. The Authority received comments from 10 stakeholders and no counter-comments. All the comments⁷ received by the Authority are available on TRAI’s website (www.trai.gov.in). Subsequently, an Open House Discussion (OHD) was held on 19th October 2022 via virtual mode to seek the views of the stakeholders on various issues.

⁷ <https://traai.gov.in/consultation-paper-renewal-multi-system-operators-msos-registration>

- 1.13 Based on the written submissions of the stakeholders and the discussions in the OHD, the issues have been examined in depth and recommendations have been framed.
- 1.14 Chapter 2 discusses issues related to Renewal of Multi-System Operators (MSOs) Registration. Chapter 3 summarizes the Authority's recommendations on the subject.

Chapter – 2

Issues related to Renewal of Multi-System Operators (MSOs) Registration

- 2.1 As per Section 4(1) of the CTN Act, any person who is desirous of operating or is operating a cable television network may apply for registration or renewal of registration, as a cable operator to the registering authority. Section 4(2) provides that *the cable operator shall fulfill such eligibility criteria and conditions as may be prescribed and different eligibility criteria may be prescribed for different categories of cable operators*. Section 4(4) provides that *an application under sub-section (1) shall be made in such form and be accompanied by such documents and fees as may be prescribed*.
- 2.2 Section 22 of the CTN Act empowers the Central Government to frame Rules, by notification in the official Gazette, with regard to inter alia the eligibility criteria for “different categories of cable operators” (thereby implicitly including MSOs) under Section 4(2) of the CTN Act and the terms and conditions of registration under Section 4(6) of the Act. The Central Government had made the CTN Rules in exercise of the powers conferred by sub-section (1) of Section 22 of the Cable Television Networks (Regulation) Ordinance, 1994 (Ordinance No.9 of 1994). However, the rules do not prescribe the procedure of renewal of MSO registrations.
- 2.3 The CTN Rules (as amended), define ‘Multi-System Operator (MSO)’ under Rule 2 (ee) as *“a cable operator who receives a programming service from a broadcaster and/or his authorized agencies and re-transmits the same or transmits his own programming service for simultaneous reception either by multiple subscribers directly or through one or more local cable operators (LCOs) and includes his authorized distribution agencies by whatever name called.”* Further, rules 11A-11F provides for the eligibility criteria, procedure and terms and conditions for the registration as MSOs. However, the said rules do not prescribe any procedure of the renewal of the said registrations.

2.4 In accordance with the MIB reference and with a view to identify and analyze various aspects of Renewal of MSO registration, the Authority raised various pertinent issues in the Consultation Paper (CP) on different relevant aspects covering following sub-heads:

- a. Period of extension/renewal on the expiry of the initial period of permission of MSO registration.**
- b. One-time fee to be levied at the time of renewal of the MSO registration.**
- c. A time window before the expiry of MSO registration, within which the MSO should apply for renewal of the MSO registration.**
- d. Provisions to ensure continuity of service for the consumers between expiry of previous registration and grant of renewal of the registration.**
- e. Provisions if MSO hasn't applied for renewal before the expiry of its registration.**
- f. Necessary documents and requirements for renewal of MSO registration.**

2.5 Responses received from the stakeholders in the form of comments, counter-comments and submissions during the Open House Discussions on the issues listed above have been duly deliberated and analysed in the following sections.

A. Period of extension/renewal on the expiry of the initial period of permission of MSO registration

Comments of the stakeholders

2.6 In the consultation paper on “Renewal of Multi System Operators (MSOs) Registration” dated 20th July 2022, the authority raised the following issue:

“Q1. What should be the period of extension/renewal, to be prescribed in the Cable Television Networks (Regulation) Act, 1995 / Cable Television Networks Rules, 1994, on the expiry of the initial period of permission of MSO registration? Please elaborate your response with justification.”

- 2.7 In response, majority of the stakeholders in their comments have suggested ten years as a period of renewal due to various reasons. The primary justification for the same is that the period should be co-terminus with the period of security clearance obtained from Ministry of Home Affairs (MHA) as per para 7.1 of MHA Guidelines dated 25.06.2018.
- 2.8 A few stakeholders have mentioned that this period of 10 years is suggested taking into consideration the fact that significant amount of investments is made as fixed costs in Digital Headend, Conditional Access System (CAS), Subscriber Management System (SMS), call-centres as well as other infrastructure. In addition, variable costs like set-top boxes, manpower, etc. are also incurred by the MSOs for effectively commencing and provisioning their cable television services. Since the cable industry depends on the terrestrial networks it builds by deploying fibre and coaxial cables which requires significant investments in building and maintaining the network, a longer licence period gives investors the confidence to put resources into the business. The ten year period of the licence or registration gives investors a time frame to look at the return on their investments and make their business plans. This promotes the development of networks and high-quality services. It has been further opined by one of the stakeholders that if a particular MSO is in business for 10 years and is further coming for renewal, this itself is an indicator of the fact that he/she is a serious player and should not be deterred from continuity of his business. Renewal of 10 years will give the networks a long term perspective and keep pace with the technological developments.

- 2.9 Other reasons stated by majority of the stakeholders include that the renewal period should be in line with the HITS provider and other DPOs and thus there should be uniformity among the stakeholders in the industry.
- 2.10 On the other hand, though some of the stakeholders have considered the tenets of ease of doing business and hassle-free approach in running the business but have recommended that the renewal period should be kept as five years only. Another stakeholder has commented to keep the period as three years, as ten years extension period would be too long, and short period will help MIB/TRAI to assess the status of the MSOs in a timely manner.

Analysis

- 2.11 Para 7.1 of MHA guidelines dated 25.06.2018 for assessment of proposals for National Security Clearance states that, *“The validity period of security clearance will be co-terminus with the validity period of license/permission granted by the administrative ministries/departments. In the case of contracts, the security clearance to the bidders will be valid till the contract is valid.* The security clearance provided by MHA to an entity, or its director(s) has a limited validity of ten years from the date of initial grant of security clearance or period of license/permission, whichever is earlier, as clarified in MHA O.M. dated 25.06.2018. Hence, the Ministry, as per the convention, grants MSO registration for a period of ten years.
- 2.12 In its reference, MIB has stated that the policy guidelines for uplinking/downlinking of channels prescribe ten years as the permission period. The renewal period is also mentioned as ten years. In DTH sector, the Guidelines mention the license validity for a period of twenty years, renewable by ten years at a time. To maintain uniformity with DTH and Broadcasting Sector and considering the validity of security clearance, MIB in its reference has proposed to keep renewal period of MSO registration after every ten years.

2.13 Further, the new framework provides an enabling environment for aspiring LCOs to move further in their business and become an MSO either on their own or by forming LCO groups (in form of Cooperative or joint associations). The new framework, in this regard fulfils the policy objectives of the Government of India to promote entrepreneurship and enable small business. The Authority has always been of the view that the opportunities should continue to remain available for such vertical upgradation to the existing last mile players of the industry. And as we know that building of a cable-based network is a time-consuming exercise unlike other platforms. Shorter period of renewal will be counter-productive to such capital-intensive business. Hence, having gone through the majority of the comments of the stakeholders and reference by the MIB, the Authority is of the view that the period of renewal should be kept as 10 years.

Recommendation of the Authority

2.14 The Authority recommends that the renewal of MSO registration should be done for a period of 10 years.

B. One-time fee to be levied at the time of renewal of the MSO registration

2.15 In the consultation paper, the authority raised the following issue;

“Q2. Whether a one-time fee should be levied at the time of renewal of the MSO registration? If yes, please suggest amount of fee for such renewal to be prescribed in the Cable Television Networks (Regulation) Act, 1995 / Cable Television Networks Rules, 1994. Please provide detailed reasoning for your comment.”

2.16 In response, all the stakeholders are in agreement that one-time fee should be levied at the time of the renewal of MSO registration. Majority of them have suggested to keep the one-time renewal fee as Rs. 1 Lakh due to various reasons. Few stakeholders have suggested that renewal fee of Rs. 1 Lakh will

deter the non-serious and unscrupulous applications and only serious service providers will apply for renewal. Further, it is stated that such an amount is sufficient to meet the administrative cost of the renewal procedure.

- 2.17 Some of the stakeholders, though in agreement of levying of the one-time fee at the time of renewal, have not suggested any amount and asked MIB/TRAI to determine the fee.
- 2.18 One of the stakeholders has commented that there should be classification of MSOs on the basis of subscriber base and accordingly fee should be levied. It was suggested that MSO below 5000 subscribers should not be levied any fees, MSO between 5000 to 50000 subscribers should be levied Rs 50000 and MSO above 50000 subscribers should be levied Rs 1 lakh. It was suggested that Rs 1 lakh registration fee was a huge burden on small time MSOs, hence a slab should be fixed to ascertain the renewal fees.
- 2.19 Further, it has been suggested by one of the stakeholders that the requirement to pay any fee toward the renewal of an MSO licence should be eliminated once a thorough mechanism is established with only compliant MSOs being registered and operational, taking into account the sizeable sums that MSOs already spend on fixed expenditures required to set up the necessary infrastructure as well as variable expenditures required to maintain the said infrastructure (including compliance with applicable laws). The stakeholder has suggested so by giving the reasoning that MSOs are solely responsible for covering all costs associated with their respective businesses and network infrastructure, and they do not use any public resources exclusively allotted to them by the Government for provisioning their cable television business operations.
- 2.20 One stakeholder is of the view that parity in fee should be maintained. It was suggested that DTH operators are subjected to a one-time payment of Rs. 10 crores at the time of registration, whereas in case of MSOs, this amount is Rs. 1 Lakh. This is hugely discriminatory and has created a non-level playing

field for DTH players vis-a-vis MSOs. Hence parity in fee should be maintained at the time of registration and also at the time of renewal/extension.

Analysis

- 2.21 The CTN rules do not prescribe any other fee or charges except the processing fee for the MSO. MIB Reference (Annexure) reiterates that Rule 11A of CTN Rules, 1994 prescribe processing fee of Rs. One Lakh to be submitted with the application for MSO registration. This payment is to be made in Bharat Kosh (www.bharatkosh.gov.in). The CTN Rules do not prescribe any procedure or processing fee for renewal of MSO registration. However, Rule 3 of the said rules does prescribe the renewal of registrations of local cable operator.
- 2.22 Authority is aware of the fact that an MSO incurs upfront cost on the establishment of headend, CAS & SMS installation, STB deployment and laying of the cable. Hence the amount of processing fee for renewal should not be kept too high as it would unnecessarily increase the cost of remaining in the business and thus violate the tenets of ease of doing business.
- 2.23 Further, fixing the processing fee for renewal on the basis of subscriber base is not practical as the number of subscribers per MSO keeps changing. It would not be prudent to levy the fees on the basis of number of subscribers at the time of application of renewal as it would be discriminatory to other MSOs if the number of subscribers changes subsequent to the renewal. Further, in case the renewal fee is levied on the basis of number of subscribers, it may be argued that it will penalize more efficient MSOs.
- 2.24 Also, setting a lower fee or no fee may be counterproductive because of the concerns raised by the stakeholders that non-serious players might enter the industry and resultantly, quality of services may be affected. With respect to

the comments of a stakeholder to maintain parity with DTH operators in respect of renewal fee, the matter of parity and level playing field are to be dealt separately as the same are not part of this consultation process.

- 2.25 Therefore, taking a balanced view, the authority feels that at the time of renewal, which will be for a period of ten years, a processing fee of Rs. 1 lakh may be prescribed.

Recommendation of the Authority

- 2.26 **The Authority recommends that at the time of renewal, the processing fee should be kept as Rs. 1 Lakh.**

C. A time window be prescribed before the expiry of MSO registration, within which the MSO should apply for renewal of the MSO registration

- 2.27 In the consultation paper, the Authority raised the following issue:
“Q 3. Should a time window be prescribed before the expiry of MSO registration, within which the MSO should apply for renewal of the MSO registration?”
- 2.28 Majority of the stakeholders are in agreement for prescribing time window before the expiry of the MSO registration. Most of the stakeholders have suggested that at least 6 months prior to the expiry of the registration, an MSO should apply for renewal so as to ensure that the concerned Authority has sufficient time to examine the documents and get inter-ministerial clearance. This will ensure a smooth renewal procedure and also provide MSO ample time to respond to any query or compliance requirement at the time of such renewal. This will also ensure that the general public do not suffer on account of non-renewal of the MSO registrations. A few stakeholders have suggested to keep 180 days as the time window for applying to the renewal and in case, not later than a period of 30 days, prior to the date of expiry of its existing license as there needs to be sufficient time to obtain the security clearance from MHA. It has been further suggested that there should be a

process of sending an automated message to the MSO from MIB 7 months prior to the expiry of the license stating that the renewal is due on specific date so that the MSO can act as required and no prejudice is caused. One of the stakeholders has commented to keep the time window of 3 months. Another stakeholder has commented that window should be 90 days. Additionally, stakeholders have also given their opinion with respect to the time period by which the process of renewal should be completed by MIB. However, there are mixed opinions of the stakeholders on this subject. Some have commented that process of renewal should be completed within 30 days prior to the expiry while others have commented that it should be completed 3 months prior to the expiry

- 2.29 It is further commented that all decisions where license has not been renewed ought to be made available in public domain and intimated to industry associations. This is important since the broadcaster cannot continue to provide signals to the MSO in case the MSO's registration is not renewed.

Analysis

- 2.30 It has been stated in the previous section that MIB is mandated to obtain the inter-ministerial security clearance from MHA. Also, it is incumbent on the concerned ministry to forward the request with applicable documents and in standard proforma to MHA, at least 90 days in advance, for obtaining security clearance in terms of the MHA Guidelines dated 25.06.2018. The Authority is of the view that sufficient time should be given to MIB and TRAI for properly examining the documents and compliances as specified in Part F of this recommendation and revert in case of any deficiency.
- 2.31 It is in the interest of the consumers as well as the Government and other concerned stakeholders that exact status of the applicant MSO should be known at the time of renewal of registration. Hence the window for application for renewal cannot be opened too long before the date of expiry.

2.32 In order to ensure smooth running and ease of doing business, the Authority is of the view that efforts should be made by MIB to ensure that intimation be given about the due date of expiry. For this, MIB may send an automated message to the concerned MSO(s) within 7 months of the date of expiry. Also, MIB may maintain the list of MSOs whose registration/renewal is due for expiry starting from the latest due date.

2.33 In view of the foregoing, the Authority is of the view that window for applying for renewal of registrations should open not earlier than 7 months from the date of expiry and not later than 2 months prior to the date of expiry. In case, the applicant applies within two months of impending expiry, MIB may decide whether to entertain such application for renewal on consideration of cause of such delayed application.

For example, if the date of expiry of MSO registration is say 31st December of a year, then the MSO should be eligible to apply for renewal from 1st June to 31st October of that year.

Recommendation of the Authority

2.34 **The Authority recommends that:**

- a) Window for applying for renewal of registrations should open not earlier than 7 months from the date of expiry and not later than 2 months prior to the date of expiry.**
- b) MIB should maintain the list of MSOs with due date of expiry on its website starting from the latest due date.**
- c) An automated communication, as a reminder of due date of expiry, should be sent by MIB at least 7 months prior to the date of expiry to the respective MSOs.**
- d) In case, the applicant applies within two months of impending expiry, MIB may decide whether to entertain such application for renewal on consideration of cause of such delayed application.**

e) No application for renewal may be entertained by MIB if made on or after the date of expiry of existing registration.

D. Provision to ensure continuity of service for the consumers between expiry of previous registration and grant of renewal of the registration.

2.35 In the consultation paper, the Authority raised the following issue:

“Q4. In case an MSO has applied for renewal, and the final decision on renewal is pending, what should be the provision to ensure continuity of service for the consumers on expiry of previous registration?”

2.36 Majority of the stakeholders are in agreement with the fact that provisional extension of the period should be given. Most of the stakeholders are of the view that extension of 3 months should be granted or till confirmation of registration by MIB, whichever is later, solely in the interests of the consumers and this fact should be published in public domain.

2.37 One of the stakeholders, who was in agreement with the extension of 3 months, has further commented that this extension should be temporary and non-extendable. If renewal application is found deficient in documents or information, the MIB should revert to the MSO within 30 days of receipt of application and the MSO should revert within 21 days of the information being sought.

2.38 Further, some stakeholders have suggested that if MSO fails to obtain renewal with the stipulated timeline, then MSO should take necessary steps to inform its subscriber regarding non-renewal of its registration, expiry date of registration and possibility of discontinuation of service in the interest of consumers.

Analysis

- 2.39 To facilitate ease of doing business and continuity of services to the consumers, it is pertinent that MIB grants renewal of registration, prior to the expiry period. It should only be in the exceptional circumstances, when the MSO has duly applied for renewal of the registration and the application is under consideration of MIB beyond the period of expiry, without any fault on the part of the MSO. In such a situation, MIB should consider provisional extension subject to the fulfilment of necessary compliances required for the registration to ensure that such MSO should not be deprived of continuing its services to consumers.
- 2.40 With respect to the period of such provisional extension, in the view of authority, it should be the discretion of MIB to decide the period according to the circumstances of each case.
- 2.41 Additionally, in such a situation, MIB should give the information of such pendency in the public domain on its website/ portal.
- 2.42 Further, taking into cognizance the fact that by the time the decision of MIB w.r.t renewal of MSO registrations comes into effect, there would be some registered MSOs whose registration has either already expired or about to expire within next few months. In this backdrop, to ensure equity and level playing field to all the MSOs, the Authority is of the view that the expiry date of such MSOs, whose registration has either already expired or about to expire within next 8 months from the date of implementation of such decision, should be deemed to be construed as 8 months after the implementation of such decision of MIB. This provisional extension should be granted to ensure continuity of services and is desirable in the interest of both service providers and consumers.

2.43 In view of the foregoing, the Authority is of the view that that all such registrations, which has either expired or about to expire within the next 8 months from the date of implementation of decision of MIB w.r.t. renewal of MSOs registration, should be deemed to expire after 8 months from the implementation of the decision of MIB.

For example let us assume that MIB issues its decision on TRAI's recommendations on 'Renewal of MSO registration' say on 31st March 2023, then the registration of all the MSO(s) expiring till 31st March 2023 should be automatically extended upto 30th November 2023. For such MSOs whose registration is expiring from 1st April 2023 to 30th November 2023, should be deemed to expire on 30th November 2023. Hence for all such MSOs the window for applying for renewal of MSO registration should be from 1st April to 30th September 2023

Recommendation of the Authority

2.44 The Authority recommends that all such registrations, which have either expired or about to expire within the next 8 months from the date of implementation of decision of MIB w.r.t. renewal of MSOs registration, should be deemed to expire after 8 months from the date of implementation of the rules/guidelines for renewal.

2.45 The Authority recommends that list of all the MSOs whose applications that are pending with MIB for renewal should be available on portal in public domain. Further, that if an application by an MSO is under consideration (pending for decision), then such MSO should get deemed provisional extension till a final decision.

E. MSO hasn't applied for renewal before the expiry of its registration

2.46 In the consultation paper, the Authority raised the following issue:

Q5. In case an MSO hasn't applied for renewal before the expiry of its registration:

What should be the status of services by such MSO after the expiry of registration? As per extant guidelines/regulations an MSO with valid registration only can get the signals of a television channel. Should a broadcaster disconnect the television channels for such MSOs whose registration has expired?

Should existing registered operational MSOs be provided with an extended time beyond the original registration period for applying for renewal? What should be the maximum time after expiry up to which an application for renewal can be entertained by MIB?

Should there be an additional fee for such applications that are received after the expiry of registration period?

2.47 In response, majority of the stakeholders are in agreement with the fact that if the MSO has not applied for renewal within the stipulated time, then the registration should be deemed to be cancelled. It has been further commented that MIB should publish the information of such MSOs on monthly basis so that broadcasters can disconnect their signals to such MSOs. This would also be consistent with the extant TRAI Regulations, which provide that the broadcaster cannot provide signals to MSO without a valid license. But, if the intimation by licensing authority for the delay or renewal application proof is given to the broadcasters and the process is pending before the licensing authority, then broadcasters should not disconnect the signals. Further, if any broadcaster is found to be in contravention of the same, strict action in terms of levying penalty/suspension of the concerned broadcaster's license, should be initiated by the Ministry.

2.48 Stakeholders are of the view that MSOs who have not applied are not interested and are non-serious players. It is being opined that only serious players should be allowed to remain in the industry so that there is quality of services rendered to customers.

- 2.49 In the open house discussion, one of the stakeholders have commented that prior notice of one month in the form of automated message should be given by the MIB to the MSO regarding the due expiry of the registration.
- 2.50 On the other hand, one stakeholder has suggested that in case of late application, there should be a late fee of Rs.1,000 per day for late filing of application for renewal. Other stakeholder was of the view that 30 days grace period after expiry of the registration should be given with an additional fee of Rs. 10,00,000 (Rupees Ten Lakh Only). If the MSO does not apply, within the grace period also, then the registration should be deemed to be cancelled.
- 2.51 Another stakeholder opined that a window of 1 month should be given after expiry with a fine of Rs. 5 lakhs and if any request for renewal which is received by the Ministry beyond the prescribed time window, should be construed as a fresh request for registration and accordingly, application fee which is prescribed by the Ministry for fresh MSO registrations should be levied on such requests.

Analysis

- 2.52 In the previous section, it has been suggested that the window for applying for the renewal of registration shall not open earlier than 7 months and not later than 2 months prior to the date of expiry of registration. In effect, the MSO shall have 5 months to apply for the renewal of registration. It has also been recommended earlier that an automated message as a reminder of due date of expiry shall be sent by MIB at least 7 months prior to the date of expiry to the respective MSOs. In case, the MSO does not apply within such window gap as stated above, then it can be very well assumed that such an MSO is not willing to apply or he/she is a non-serious player, until and unless there are some cogent reasons for such non-application for renewal. If the non-serious players are allowed to continue in the market, it would adversely affect the quality of services and interest of consumers consequently. The Authority

is of the view that sufficient time is given for applying for renewal and there seems to be no prudent reason as to why applications post expiry period should be entertained.

- 2.53 Also, as per Section 3 of the CTN Act, “*no person shall operate a cable television network unless he is registered as a cable operator under this Act*”. Further, as per the extant framework, an MSO with valid registration only can get the signals of a television channel. Broadcasters are required to send their signals only to registered MSO. Hence, in the light of rules and regulations and interest of consumers, it is suggested that no further extension post expiry of the registration period shall be granted.
- 2.54 MIB should publish the list of such MSO who have not applied within the time period and their due date of expiry on its website. Post such publication, broadcasters shall be eligible to disconnect the signals of such MSO after the date of expiry.

Recommendation of the Authority

2.55 **The Authority recommends that:**

- a. Extant guidelines for uplinking and downlinking of television channels be appropriately amended to ensure that Broadcasters do not provide signals to such MSOs whose registration has expired.**
- b. MIB should publish the list of such MSOs, who have not applied for renewal within the prescribed time period with their due date of expiry, on its website.**
- c. The registration status of such MSO shall be deemed to be cancelled, post the expiry date.**

F. Necessary documents and requirements for renewal of MSO registration

2.56 In the consultation paper, the Authority raised the following issue:

Q6. Should some qualifying conditions be prescribed for renewal of MSO registration, under which the MSO, along with the application for renewal, shall be required to submit its compliance status with the terms and conditions of registration and the extant regulatory framework?

Please provide the details of:

(i) List of necessary compliances that should be mandatory for considering renewal of MSO registration,

(ii) List of documents, which may include, but may not be limited to, self-certifications, NOCs from TRAI/MIB/licensing authority, audit reports etc. that would be required to be submitted for verification of such compliances at the time of application,

(iii) Any other mandatory requirements for verification of status of compliances of the MSOs before grant of renewal of registration.

Please elaborate your suggestions with reasons for the mandatory requirement of each compliance in tandem with ease of doing business in the television distribution network.

Q7. Should there be any additional terms and conditions for renewal of the permission for MSO registration? Please elaborate.

2.57 Majority of the stakeholders agree that compliance to the extant regulatory framework should be sine qua non for the renewal of registrations. Most of the stakeholders have suggested that the MSOs should submit self-declaration that they are in compliance to the rules and regulations. Annexure-III of the CP contains the list of regulatory compliances to be submitted by MSOs. These include compliances under Interconnection Regulations 2017, Tariff Order 2017 and Quality of Services 2017. Additionally, it has been submitted by one stakeholder that undertaking must state that the parties will abide by the requirements of the MIB/TRAI for submission of the information from time to time. If there are three consecutive defaults, the registration may be suspended or revoked. Another stakeholder

on the other hand in this regard have submitted that 100% Compliance should be a criterion only for PAN India MSO. Small MSO find it hard to understand the process, so it should not deprive them of the opportunity of the right to operate.

- 2.58 Majority of the stakeholders have submitted that the applications should be forwarded to TRAI for initial review. TRAI would check the compliance of the conditions specified in Annexure III of the CP. One of the stakeholders has commented that such review by the Authority should be completed within 15 days of receipt of application.
- 2.59 Stakeholders have also suggested that no-objection/no dues certificate should be obtained from broadcasters to ensure that there is no amount due or payable by MSO to the broadcasters as on the date of application of renewal of registration.
- 2.60 It is further mentioned by some of the stakeholders that TRAI may decide upon the required net worth value while taking into account the cost of deploying approved standard equipment and the amount of money needed to fund the MSOs' day-to-day operations. The obligation for registered MSOs to maintain a minimum net worth would ensure that they have the resources to keep up the infrastructure necessary to provide effective connectivity to end users in conformity with all applicable laws and regulations. In addition to the aforementioned, having a minimum net worth will enable appropriate installation and prompt maintenance of the infrastructure needed to run the MSOs' business with the best possible customer service facility.
- 2.61 Other requirements stated by majority of the stakeholders include area of operation, Conditional Access System (CAS) and Subscriber Management System (SMS) certificate, subscription and compliance audit report, details of the digital headend, details of the person managing the business, and date of the commencement of business.

2.62 Some other requirements mentioned by other stakeholders include the following:

- a. Last 3 year audit certificates from TRAI empanelled auditors.
- b. Proof that the MSO's system is capable of generating system generated MSR.
- c. Information and details pertaining to cross-media ownership.
- d. Details of auditor.
- e. Valid certificate of registration of the company with the Ministry of Company affairs.
- f. Balance sheet of last three financial years.
- g. There should be a portal within TRAI & MIB which should have all the information about the MSO's filings/defaults.
- h. All platform services of the MSO in separate annexure for renewal application.
- i. Operationalization/sharing of headend certificate.
- j. Website.
- k. Customer care service.
- l. Affidavit for carriage of mandatory channels.
- m. Proof of their tax compliance in addition to audit reports
- n. There should be no serious complaints by the consumers against the MSO.
- o. Should not have indulged in tampering database reports or anti national activities.

Analysis

2.63 TRAI in its Recommendations⁸ on 'Ease of Doing Business in Broadcasting Sector' dated 26th February 2018, inter alia recommended that better usage of Information Communication Technology (ICT) can enable smooth and hassle-free registration/renewal process. It was recommended that the integrated online portal should have the workflow provisions for the entire process of granting licenses/permissions so as to ensure timely registration

⁸ https://trai.gov.in/sites/default/files/Recommendation_EODB_26022018.pdf

of cable operators so as to enhance the ease of doing business. The said recommendations were adopted by MIB and hence the whole process of registration of MSOs is done via online mode through Broadcast Seva Portal. In this backdrop, the Authority is of the view that the whole process of renewal also should be carried out through Broadcast Seva Portal.

2.64 In the aforementioned recommendations dated 26th February 2018, the Authority also opined that to facilitate ease of doing business in the Broadcasting sector, it is imperative that the procedural framework for grant of permission/registration/ licenses is simplified. The processes or even the documents, which do not lead to value addition, or which do not help in meeting the stated objectives of the policy, should not be made part of the process or application. The Authority is of the view that the objectives of the policy framework can be better achieved using simpler and efficient but robust processes. In this backdrop, the Authority has analyzed the necessary conditions and requirements for renewal of MSO registration.

2.65 Section 22(1) of the CTN Act gives power to the Central Government to frame Rules, by notification in the official Gazette, with regard to inter alia the eligibility criteria for “different categories of cable operators” (thereby implicitly including MSOs) under Section 4(2) of the CTN Act and the terms and conditions of registration under Section 4(6) of the Act. Consequently, the Central Government has framed CTN Rules 1994.

2.66 As per Section 11C of the CTN Rules, if the applicant fulfils the requirements under section 11A and 11B, the registering authority shall subject to terms and conditions specified in Section 11D and security clearance from the Central Government, shall issue certificate of registration. The registering authority shall be Central Government as specified in Section 2(e) of the CTN rules.

2.67 Rule 11A of the CTN Rules deals with the application for registration as a multi-system operator and states:

“(1) For the purpose of operation of cable television network services with digital addressable system in a notified area, a person who desires to provide such service shall make an application for registration as Multi-System Operator to the registering authority in Form 6.

(2) Every application under sub-rule (1) shall be accompanied by –

- a processing fee of rupees one lakh;
- declaration in Form 2.

2.68 Rule 11B of the CTN Rules 1994 are as follows: –

“a) where the applicant is a person, he shall be a citizen of India and not less than eighteen years of age;

b) where the applicant is an association of Individuals or body of individuals, whether incorporated or not, the members of such an association or body shall be citizens of India and not less than eighteen years of age;

c) where the applicant is a company, such company shall be a company registered under the Companies Act, 1956 and shall be subject to such conditions relating to foreign direct investment as may be decided by the Central Government;

d) the applicant shall not be an undischarged insolvent;

e) the applicant shall not be a person of unsound mind as declared by a-competent court;

f) the applicant shall not be convicted of any criminal offence”.

2.69 Rule 11D of the CTN rules, 1994 states that ‘a person who has been granted certificate under Rule 11C shall comply with Acts and rules made thereunder and also the rules, regulations and directions issued by the authority’. As per Section 2(e) of the CTN Act, authority means Telecom Regulatory Authority of India.

2.70 The logical corollary that follows is that for renewal of MSO registration, the compliances to the extant regulatory framework of TRAI are sine qua non. In

this backdrop, the Authority is of the view that the application should be referred to TRAI for review on the grounds of compliance, as may be specified, to the extant regulatory framework. TRAI would within 15 days of such reference, revert to MIB with its comments substantiated by reasons. Further, if TRAI recommends for refusal to grant registration on the grounds of non-compliance, then the applicant should be allowed to re-apply to MIB after confirming to the compliances on which the application was earlier rejected by TRAI. Such applications should be considered as fresh application and as such should be again referred to TRAI. If TRAI fails to respond to MIB within the specified time, then the application shall be deemed to be accepted.

- 2.71 For the purposes of transparency and clarity, TRAI will release a detailed circular on its website that will contain the specifics of the review process and grounds of such review by TRAI. Further, TRAI may take appropriate actions for the non-compliance by the referred MSO as the case may be. The authority is of the view that the entire process of seeking confirmation of compliance may be online through Broadcast Seva portal. The regulator will provide explicit instances/ regulations of non-compliance, if such is the case, within fifteen days of online referral.
- 2.72 Some of the stakeholders have also mentioned that No-Objection Certificate (NOC) or No Dues Certificate should be taken from broadcasters. The authority is of the view that this might lead to unnecessary hassles and cause procedural delay. TRAI will examine all issues, including compliance to the regulations vis-à-vis responsibility of MSO towards broadcasters. Hence, to maintain the independence, autonomy and ease of doing business, the Authority is of the view that no such certificate from the broadcasters shall be required for the renewal process.
- 2.73 Some of the stakeholders have mentioned that minimum net worth should be fixed by the government as one of the eligibility criteria. Rule 11(3) of CTN Rules, 1994 prescribes, inter alia, the financial strength of the applicant for grant of MSO registration, without explicitly defining or quantifying it.

Further, Ministry has been granting MSO registration to those applicants who have positive net worth. Previously, vide letter no. 2/31/2016- DAS dated 16th May 2018, MIB requested TRAI to give its recommendations on the appropriate entry level net worth for the MSOs. In response, the Authority in its Recommendations⁹ on Entry Level Net worth requirement of Multi-system Operators in Cable TV services dated 22nd July 2019 had recommended that there is no necessity for fixation of a minimum entry level net worth for MSO registration. This is necessary to promote entrepreneurship and enable existing last mile players of the industry to become MSOs. These recommendations have been accepted by the government. In this backdrop, the Authority is of the view that there should be no requirement of minimum net worth for renewal of MSO registration.

2.74 It has been mentioned by some of the stakeholders that areas of operation should also be specified by the concerned MSOs. It may be noted here that initially, the MSO registration was issued for a specific city or town or a state or on a pan-India basis as per the request of the applicant. However, vide circular dated 27th January 2017, the Ministry of Information and Broadcasting (MIB) conveyed that all the MSOs with a valid registration are free to operate in any part of the country. Therefore, while applying for renewal, an MSO should inform the area of operations (state-wise and district-wise within the states). This will enable licensor/ regulator to have exact information of area of operation of an MSO at the time of renewal.

2.75 As per regulation 15 of the Interconnection Regulations, it is mandatory for each and every DPO, including the MSOs, to carry out CAS and SMS audit once in every calendar year. It states that every distributor of television channels shall, once in a calendar year, cause audit of its subscriber management system, conditional access system and other related systems by an auditor to verify that the monthly subscription reports made available by

⁹ https://tra.gov.in/sites/default/files/Recommendation_MS0_22072019_0.pdf

the distributor to the broadcasters are complete, true and correct, and issue an audit report to this effect to each broadcaster with whom it has entered into an interconnection agreement. As already mentioned, compliance to the extant framework apart from others is sine qua non. The MSO should self-certify that its system has been audited for the entire period as per extant Interconnection Regulation 2017 (as amended) up to the previous financial year.

2.76 The Government has enabled the citizens by promoting use of self-attestation and self-certification and doing away with hassle of submitting affidavits. In a similar approach, the companies while submitting the registration/permission request can be allowed to self-certify the information. In this light, in place of any affidavit, self-certification by the concerned MSO w.r.t following shall be required:

- A. Self-certify to 'comply by the rules and regulations as may be issued by the Authority from time to time'.
- B. Self-certify that they 'have been complying with rules and regulations issued by the Authority till date'.

2.77 As mentioned previously, MIB has developed a new Broadcast Seva portal (Figure 3) for submitting the applications online for MSO registration. The portal provides a single point facility to the stakeholders to request for required permission, registrations, licenses, etc. issued by MIB for broadcast related activities. After perusing the documents and requirements enlisted on the broadcast seva portal, the Authority is of the view that such documents and requirements as enlisted for the registration of LCOs as MSOs shall also be necessary for the renewal of the registration.

2.78 Other requirements as mentioned by the stakeholders, in view of the authority, are found to be not sine qua non for the process of renewal. As stated earlier that in order to promote ease of doing business and hassle free

procedure, only those requirements shall be included which are absolutely necessary.

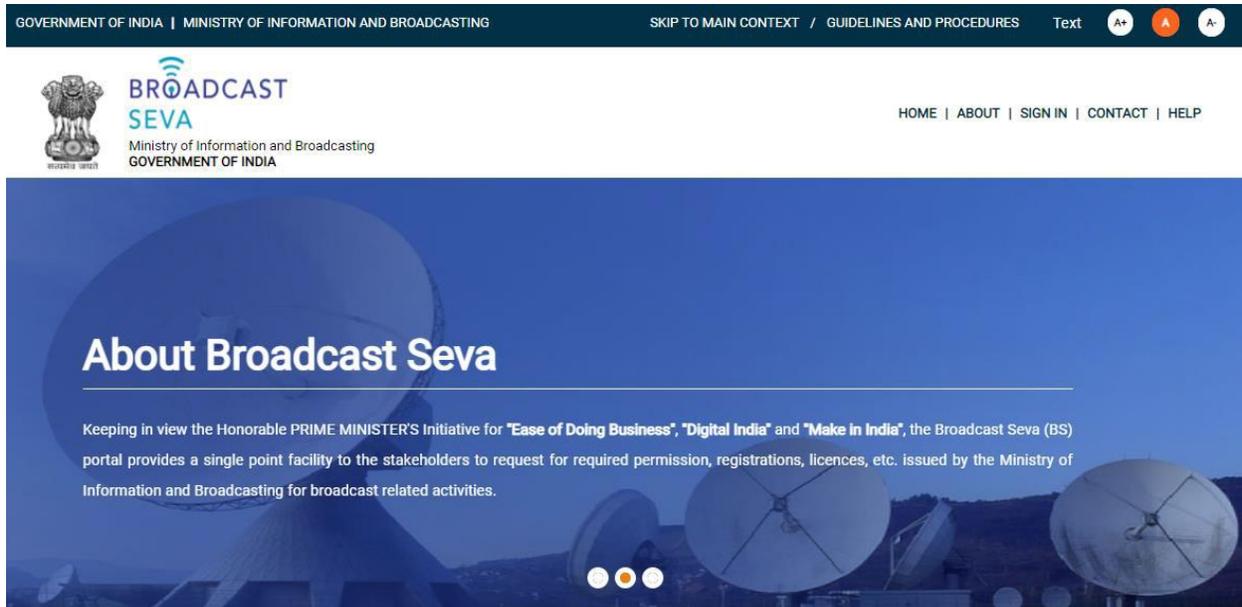


Figure 3: Broadcast Seva Portal of MIB¹⁰

Recommendation of the Authority

2.79 The Authority recommends that:

- a. The application process for renewal shall be made end-to-end online with facility to upload all the documents in digital mode via single point facility i.e., Broadcast Seva Portal.**
- b. All the documents enlisted on the Broadcast Seva Portal which are necessary for registration as an MSO shall also be required for renewal of such registration.**
- c. While applying for renewal, an MSO should inform the area of operations (state-wise and district-wise within the states). This will**

¹⁰ <https://new.broadcastseva.gov.in/digigov-portal-web-app/#>.

enable the licensor/regulator to have exact information of the area of operation of an MSO at the time of renewal.

- d. Self-declaration shall be submitted certifying that the concerned MSO is complying to the orders and regulations stipulated by the Authority and that the MSO has got its systems audited as per extant regulations up to the previous year.**
- e. Every renewal application shall be referred to the Authority for confirmation to compliance of extant rules and regulations. The process of seeking confirmation of compliance may be online through Broadcast Seva portal. The Authority will provide explicit instances of non-compliance, if such is the case, within fifteen days of online referral. For the purposes of transparency and clarity, TRAI shall release a detailed circular on its website which shall contain the specifics of the review process and grounds of such review by TRAI. If the Authority does not respond within fifteen days of such referral, then the compliance from regulator may be considered as deemed confirmation.**

G. Other issues

2.80 As per extant Cable TV Rules, a cable operator, desirous of providing cable TV services has to apply for registration/renewal of registration to the Head Post Master of the Head Post Office of the area concerned. At present the process of registration as well as renewal of registration are manual. The Cable operator is required to fill-up a physical application form and to submit it to the concerned Head Post Office along with the requisite documents and requisite fee as provided in the Cable TV Rules for registration/ renewal of registration. The process of issue of duplicate registration, wherever required, is also done manually.

2.81 As mentioned in TRAI's recommendations on "Ease of Doing Business in Broadcasting Sector" dated 26th February 2018, the manual process of registration and renewal of registration is quite cumbersome. It has inherent inefficiency and it causes delays in issuance of registration and renewal of registration to the cable operators. This has led to situations where cable operators run their network without valid registrations. The Interconnection Regulations made by TRAI prescribes that multi system operator shall enter into interconnection agreement only with those cable operators who have valid registration. Better usage of ICT can enable smooth and hassle-free registration. Accordingly, TRAI had recommended that the registration of LCO and its renewal should be carried out through online portal. These recommendations are yet to implemented by MIB. TRAI is of the view that these recommendations should be implemented by MIB at the earliest.

Chapter – 3
Summary of Recommendations

- 3.1 The Authority recommends that the renewal of MSO registration should be done for a period of 10 years.**
- 3.2 The Authority recommends that at the time of renewal, the processing fee should be kept as Rs. 1 Lakh.**
- 3.3 The Authority recommends that:**
- a) Window for applying for renewal of registrations should open not earlier than 7 months from the date of expiry and not later than 2 months prior to the date of expiry.**
 - b) MIB should maintain the list of MSOs with due date of expiry on its website starting from the latest due date.**
 - c) An automated communication, as a reminder of due date of expiry, should be sent by MIB at least 7 months prior to the date of expiry to the respective MSOs.**
 - d) In case, the applicant applies within two months of impending expiry, MIB may decide whether to entertain such application for renewal on consideration of cause of such delayed application.**
 - e) No application for renewal may be entertained by MIB if made on or after the date of expiry of existing registration.**
- 3.4 The Authority recommends that all such registrations, which have either expired or about to expire within the next 8 months from the date of implementation of decision of MIB w.r.t. renewal of MSOs registration, should be deemed to expire after 8 months from the date of implementation of the rules/guidelines for renewal.**

3.5 The Authority recommends that list of all the MSOs whose applications that are pending with MIB for renewal should be available on portal in public domain. Further, that if an application by an MSO is under consideration (pending for decision), then such MSO should get deemed provisional extension till a final decision.

3.6 The Authority recommends that:

- a. Extant guidelines for uplinking and downlinking of television channels be appropriately amended to ensure that Broadcasters do not provide signals to such MSOs whose registration has expired.**
- b. MIB should publish the list of such MSOs, who have not applied for renewal within the prescribed time period with their due date of expiry, on its website.**
- c. The registration status of such MSO shall be deemed to be cancelled, post the expiry date.**

3.7 The Authority recommends that:

- a. The application process for renewal shall be made end-to-end online with facility to upload all the documents in digital mode via single point facility i.e., Broadcast Seva Portal.**
- b. All the documents enlisted on the Broadcast Seva Portal which are necessary for registration as an MSO shall also be required for renewal of such registration.**
- c. While applying for renewal, an MSO should inform the area of operations (state-wise and district-wise within the states). This will enable the licensor/regulator to have exact information of the area of operation of an MSO at the time of renewal.**
- d. Self-declaration shall be submitted certifying that the concerned MSO is complying to the orders and regulations**

stipulated by the Authority and that the MSO has got its systems audited as per extant regulations up to the previous year.

- e. Every renewal application shall be referred to the Authority for confirmation to compliance of extant rules and regulations. The process of seeking confirmation of compliance may be online through Broadcast Seva portal. The Authority will provide explicit instances of non-compliance, if such is the case, within fifteen days of online referral. For the purposes of transparency and clarity, TRAI shall release a detailed circular on its website which shall contain the specifics of the review process and grounds of such review by TRAI. If the Authority does not respond within fifteen days of such referral, then the compliance from regulator may be considered as deemed confirmation.**

Acronyms and Description

S.No	Abbreviations	Description
1.	BS	Broadcast Seva
2.	CTN Act	Cable Television Networks (Regulation) Act, 1995
3.	CTN Rules	Cable Television Networks Rules, 1994
4.	DAS	Digital Addressable System
5.	DTH	Direct-to-Home Systems
6.	GOPA	Grant of Permission Agreement
7.	HITS	Head-End in The Sky
8.	IPTV	Internet Protocol TV
9.	LCO	Local Cable Operator
10.	MIB / I&B	Ministry of Information and Broadcasting
11.	MSO	Multi System Operator
12.	MHA	Ministry of Home Affairs
13.	PBG	Performance Bank Guarantee
14.	SMS	Subscriber Management System
15.	SACFA	Standing Advisory Committee on Radio Frequency Allocation
16.	INR	Indian Rupee
17.	SP	Service Provider
18.	WPC	Wireless Planning and Coordination
19.	TRAI	Telecom Regulatory Authority of India
20.	NCF	Network Capacity Fee
21.	MIA	Model Interconnection Agreement
22.	SIA	Standard Interconnection Agreement
23.	CPE	Customer Premises Equipment
24.	MRP	Maximum Retail Price
25.	DRP	Distributor Retail Price

26.	FTA	Free To Air
27.	STB	Set To Box
28.	RIO	Reference Interconnection Offer

Annexure

N-45001/6/2020-DAS
Government of India
Ministry of Information and Broadcasting
Shastri Bhawan, New Delhi-110001

Dated 07/02/2022

To

Shri V. Raghunandan
Secretary
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan,
New Delhi

Subject: MSO Renewal procedure - regarding

Sir,

I am directed to say that this Ministry grants registrations to operate as Multi-system Operators (MSO) under the Rule 11A-11F of The Cable Television Rules, 1994. The applicant deposits a processing fee of Rs. One lakh online on Bharatkosh portal, and then along with the fee receipt and other requisite documents applies online on Broadcastseva portal for MSO registration. Post scrutiny of eligibility and documents, security clearance from MHA is obtained before grant of the registration. The registration, as per convention, is granted for a period of ten years. However, it is also informed that the security clearance provided by MHA to an entity or its director(s) has a limited validity of ten years from the date of initial grant of security clearance or period of licence / permission, whichever is earlier, as clarified in MHA O.M. dated 25/06/2018 (copy enclosed).

2. Section 4(5) of the CTN Act, 1995 deals with the renewal of registration of a Cable Operator subject to terms and conditions prescribed under Sections 4(6) of the Act. Further, Section 22 of the Act gives power to the Central Government to frame Rules, by notification in the official Gazette, with regard to Section 4(6) of the Act. The Central government has made the Cable Television Networks Rules, 1994 in exercise of the powers so conferred.

3. The Cable Television Networks Rules, 1994, however, do not mention provision about renewal of MSO registrations. In the absence of such provision in the Rules it is proposed to insert a provision relating to the same.

4. Policy guidelines for uplinking / downlinking of channels prescribe ten years as the permission period. The renewal period is also mentioned as ten years. In DTH sector, the Guidelines mention the license validity for a period of twenty years, renewable by ten years at a time. A copy of each guideline is enclosed for reference. In order to maintain uniformity with DTH and Broadcasting Sector, and also considering the validity of

security clearance, it is proposed to keep renewal period of MSO registration after every ten years. The processing fee to be charged for such renewal also needs to be decided.

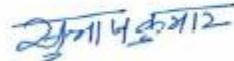
5. Accordingly, TRAI is requested under Section 11(1)(a)(ii) of the TRAI Act 1997, to give its recommendations on the following aspects of the renewal of MSO registrations :

- a) As there is no provision for renewal in the CTN Act, whether a provision relating to renewal of MSO registration after every ten years be inserted in the Rules ?
- b) Rule 11A of the CTN Rules, 1994 prescribe processing fee of Rs. One Lakh to be submitted with the application for MSO registration. The amount of processing fee to be charged for such renewal, which shall also be inserted in the Rules, may also be advised.

6. The first of new registrations granted during the implementation of Digital Addressable System in Cable TV sector i.e. in the June, 2012, shall become due for renewal / extension in June 2022. As such, it is requested to forward its recommendations at the earliest.

7. This issues with the approval of the Competent Authority

Yours faithfully,



(Subhash Kumar)

Deputy Secretary to the Govt. of India