

Consultation Paper No. 07/2014

Response to the Consultation Paper
On
Regulatory Framework for Platform Services
(Consultation Paper No. 07/2014)
Zee Network



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THE WORLD IS MY FAMILY

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Response to the Consultation Paper On Regulatory Framework for Platform Services

Introductory Comments

The Zee Network would like to place its comments on the Consultation Paper on Platform Services, noting that very critical issues have been raised by the Secretary MIB, and reflected in the consultation paper.

PRELIMINARY SUBMISSIONS

1. Reference from MIB only for Regulation of Cable Channels

- 1.1 At the outset, we would like to point out that a perusal of the letter dated 17th January 2013 of Ministry of Information and Broadcasting would reveal that MIB has sent the reference only in respect of local or ground based cable channels. There is no reference whatsoever to any Platform Services/channels provided by DTH platforms. However, the Authority while issuing the said consultation paper has expanded the scope of consultation by including within its ambit, the platform services provided by the DTH operators as well.
- 1.2 In our view, since the reference from MIB was only in respect of cable/ground based channels, there was neither any occasion nor any need for inclusion of the Platform Services/channels provided by DTH platforms in the present consultation process as they are quite distinct and different from the local cable/ground based channels and cannot be treated as same for the purpose of Regulation.

2. Consultation – New breed of Broadcasters (Cable Broadcasters or DTH Broadcasters)

- 2.1 It may be noted that when the MIB grants an uplink /downlink license to a channel, the same is effectively needed for delivering the content to the subscribers through DTH platforms and the MSOs which in turn connect to the Local Cable Operators. The IPTV segment is still very small.
- 2.2 With the availability of connectivity through fiber networks, the major MSOs have networks which are nationwide. The signals can be delivered to various cities/across States from a digital headend located in one city/State. In case of HITS which is a satellite delivery based platform, the MSO can provide signals to nationwide LCOs in accordance with the

footprints of the satellite. Similarly the networks of DTH operators have countrywide reach and collective base of over 50 million HHs.

- 2.3 Hence the License of MIB to uplink or downlink a channel is effectively a license to carry it on Six DTH platforms and on the MSOs Platforms which are agglomerating to about 15-20 in number with 95% viewership coverage. There is no other way to deliver these programs for which an Uplink License fees is paid, and a rigorous procedure is followed in security clearances, teleport applications and WPC clearances, with spectrum license fees.
- 2.4 The questions being asked effectively mean that whether there can be a new breed of broadcasters which bypass all the uplink requirements, WPC clearances, teleports etc. and be just on cable or on DTH. In the United States, there are many channels which are essentially cable channels. These channels primarily comprise of News channels. Similarly there are channels of other genre such as Sports channels, which even bid for sports rights and broadcast them on their cable networks.

Hence essentially this paper should be considered to be a consultation paper on a new breed of broadcasters (Cable Broadcasters or DTH Broadcasters) which may have the same reach as a MIB approved broadcaster with no obligations either to follow the uplinking/downlinking conditions or to share the channel/programming content with other distribution platforms i.e. no obligation to “must provide” or RIO or otherwise.

3. Implications – potential for creation of monopolies

- 3.1 Internationally such cases have led to major distortions in the market and monopolistic practices. A case in point is that of Multichoice DTH in South Africa which controls all sports programming rights and thus the Supersports channels available on the platform to the exclusion of other platforms have led to the platform garnering over 90% market share.
- 3.2 While a movie Channel such as Zee Cinema, which is an MIB approved channel is required to compulsorily provide the channel to all platforms (DTH, Cable, and IPTV), a Cable Platform operator/DTH operator may be able to run a movie channel without sharing the same with any other operator. In such a case, if it buys the C&S rights of any movie, says Chennai Express on exclusive basis, the same will be exclusive to its cable network. It can thus jack up the rates and drive away competition

unless the regulations are properly framed. It will be out of purview of interconnect regime, price caps and other regulatory measures such as advertisement time control.

- 3.3 It may be mentioned that these fears are not hypothetical. In fact these are the measures by which DTH and Cable platforms in many overseas countries try to beat competition by carrying unique content which may come by way of Sports rights or movies or other content which is unique to their platform.
- 3.4 In USA, the cable platforms ESPN, Fox, Turner, NBC, and CBS hold the vast majority of the major sports rights for periods of up to 10 years. Customers on one network have no access to sports programming where the rights are held by the other network. The reason why Fox had to bid \$75 Billion for Time Warner in July 2014 was largely a compulsion owing to the sports rights held by TW, and that FoxSports1 could come near ESPN in terms of quality of Sports programming.
- 3.5 The basic question is whether we are going away from an equitable regime of availability of channels via RIOs on discriminatory basis or create monopoly properties. For example Siticable or Hathway or Tata Sky can bid for the C&S movie rights of every major release in 2014-15 on exclusive basis, and then make it available only on its platform service. It will make the movie unavailable on Television for a large percentage unless they opt for a particular network.

Many of these questions have not figured in the issues raised in this consultation paper.

4. Arbitrage Market

- 4.1 A typical broadcaster has to uplink on a satellite which costs a minimum of Rs. 70 Lakhs per annum based on a space segment of 3 Mbps. Even a broadcaster, who wishes to place its channel on a single DTH or MSO platform in order to avoid paying carriage fees will need to spend at least 70 Lakhs per year, for uplinking and in addition carriage fees. Thereafter the wait time is more than a year before permission is granted by MIB, Teleport approval and WPC clearance.

There is an apprehension that a parallel market will open up due to the arbitrage between cost of uplink plus Carriage, the long period of wait before an MIB & WPC license is granted and the ease with which

platform services can be offered by MSOs and DTH operators, unless a similar MIB licensing and security mechanism is created.

- 4.2 A broadcaster wanting to launch a channel will simply go to some of the large MSOs and start services overnight, unless restricted suitably. Moreover there should be a restriction on the number of Platform Services which a DPO may provide, and also a subscription charge regulation.

5. Nature of Platform Services on Cable and DTH

- 5.1 As pointed out hereinabove, the Authority has treated the platform services provided by the DTH operators and by the MSOs as identical services. At present the following type of platform services are provided by these two platforms which would clearly bring out the distinction between the two:

A. MSO – delivery through Cable Networks

- (i) Local cable News channels or News & Current Affairs programs
- (ii) Local cable movie channels showing various movies
- (iii) Local cable channels showing “movie on demand” and “pay per view”
- (iv) Local cable channels showing event based programming

B. DTH – delivery through Satellite

- (i) Movie channels showing various movies throughout the day
 - (ii) Movie on demand service channels where the subscribers of a DTH platform can watch the movies available on the movie on demand service by placing the order for the movie through SMS or through the call centre of DTH operator.
 - (iii) Interactive and gaming services which are not broadcast services and are primarily data services e.g. Barker Channel on DTH platform which is an information channel providing information regarding the platform, its schemes, packages, payment method etc. to its subscribers.
 - (iv) Advertisement slot based services – Home shopping etc.
- 5.2 The first one is the “Movie on Demand” service where the subscribers of a DTH platform can watch the movies available on the Movie on Demand

service by placing the order for the movie through SMS or through the call center of the DTH operator. Under the Movie on Demand Service, presently the DTH operators are showing the movies which are procured from the producers / right holders of the Movies. There is a possibility of making the Movie on Demand Service a linear channel by allotting programs at different slots, which could defeat the entire objective of Downlinking Policy. Such independent offerings by DTH players fundamentally militate against the license conditions of the Ministry of Information and Broadcasting (“MIB”), Government of India. Such formulations have the effect of blurring the distinction between Broadcasters and Distributors. Content should be the sole preserve of broadcasters and distribution should be the turf for operators.

We are of the view that MOD should be treated as an independent channel and a Broadcast service and the Downlinking Policy should be made applicable.

- 5.3 The second kind of service is the Active services which are not broadcast services as they are primarily data services. Active services are derived from an existing channel which is approved under downlinking policy and accordingly should not be treated as separate channel/broadcasting service. One of the kinds of the active service is the Barker Channel on the DTH platforms which is an information channel, providing the information regarding the platform, its schemes, packages, payment methods etc. to its subscribers which again cannot be treated as Broadcast service.
- 5.4 However, on account of DTH licensing conditions, a DTH operator cannot be a broadcaster. Accordingly suitable amendments are required to be carried out in the licensing conditions so as to permit the DTH operators to run the services like movie on demand, video on demand, pay per view, advertisement slot based channels, home shopping channels etc.

At present certain DTH operators are also selling advertisement space/slots to various content providers which are advertising various products, e.g. the home shopping etc. Since these contents are uplinked to satellite, the DTH operator in effect becomes a Broadcaster. Accordingly, in order to regularize/regulate this kind of broadcast service, the necessary amendment is required to be made in the DTH licensing guidelines/conditions.

Thus we are of the view that movie channels, channels showing the movie on demand, video on demand, pay per view, advertisement slots channels are to be treated as broadcasting channels requiring permission under the Downlinking/Uplinking Guidelines and should also be covered under the realm of “must provide” clause, whereas the provision of other services like active services, gaming, educational content, information based content should be treated as value added/platform services.

5.5 The responsibility for complying with the Programming Code and Advertisement Code should be cast upon the DTH operators/MSOs except where the content has been certified by competent Authority.

6. **Applicability of Tariff Orders and duration of advertisement Regulations**

6.1 The consultation paper is totally silent about the tariff applicable for the provision of these kinds of platform services specially the channels which are akin to linear channels such as movie channels, movie on demand channels, pay per view channels etc.

It is not clear as to whether the tariff orders issued by TRAI from time to time would also govern the rates/pricing of these platform services.

6.2 As per Rule 7(11) of the Cable Television Network Rules 1994

“No programme shall carry advertisements exceeding twelve minutes per hour, which may include up to ten minutes per hour of commercial advertisements, and up to two minutes per hour of a channel’s self-promotional programmes.”

It is not clear as to whether the said stipulation will also apply to various programming services being offered by DTH operators and MSOs specially movie channels, movie on demand etc.

6.3 It is quite well known that in the movie channels transmitted by the MSOs, there is blatant violation of Advertisement Code inasmuch as more than 30% of the lower screen as well as substantial portion of the upper screen is covered by the advertisements and the content is hardly visible.

In the absence of any effective monitoring mechanism at the local level, it is not clear as to how the compliance to Advertisement Code specially

Rule 7(11) as mentioned above and also the TRAI regulation pertaining to the Standard of Quality of Service (Duration of Advertisements in Television Channels) Amendment Regulations, 2013 shall be ensured.

However having brought these to the fore, we would like to proceed to answer the questions posed for consultation

Issue for Consultation

- 1. Do you agree with the definition for platform services proposed in paragraph 1.6? If not, please suggest an alternative definition. Please elaborate your response with full justification.**

The Paragraph 1.6 has given the following definition of Platform services:

“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.”

Zee would like to suggest the following definition:

“Platform services (PS) are programs transmitted by Distribution Platform Operators (DPOs) exclusively to their own subscribers and does not include any content, (including, but not limited to Sports, Movies & Music) for which the C&S rights are held exclusively by the Distribution Platform Operator.

Platform Services can also include on demand content for which exclusive rights are not held by the DPO”.

The reason why the exclusive rights for any content should be excluded from any platform service is that these should be available to larger audiences which may not be addressable via the DPO platform.

As a corollary, if any channel operated by DPO has exclusive content with rights by DPO then such channel shall be considered as a broadcast channel (and not platform service) and would be subject to TRAI Regulations including RIO provisions on equitable & non-discriminatory terms.

- 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,

Zee Comments: Yes, we agree with this restriction.

2.1.2. Coverage of political events of any nature,

Zee Comments: Yes, we agree with this restriction

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,

Zee Comments: DPO should be able to retransmit any programs including events, movies or reality shows for which it has acquired rights from the IPR holder.

2.1.4. International, National and State level sport events/tournament/ games like IPL, Ranji trophy, etc.

Zee Comments: DPO should be able to retransmit any sports events, movies or reality shows for which it has acquired rights from the IPR holder. However these rights must not be exclusive. However they should not be permitted to transmit any live National or International Sports events.

2. PS channels can transmit/ include

2.2.1. Movie/Video on demand

Zee Comment- yes, MoD and VoD should be permitted, provided that the DPO does not hold exclusive rights for such content.

Movie channels running continuously on DTH platforms are akin to liner channels and should be regarded as “Broadcasting Services” requiring permission under Uplinking/Downlinking Guidelines. The submissions made in Preliminary Submissions hereinabove are reiterated.

2.2.2. Interactive games,

Zee Comment: Should be permitted.

2.2.3. Coverage of local cultural events and festivals, traffic, weather, educational/ academic programs (such as coaching classes), information regarding examinations,

results, admissions, career counseling, availability of employment opportunities, job placement.

Zee Comment: Should be permitted

2.2.4 Public announcements pertaining to civic amenities like electricity, water supply, natural calamities, health alerts etc. as provided by the local administration.

2.2.5 Information pertaining to sporting events excluding live coverage.

Zee Comment: Should be permitted

2.2.6. Live coverage of sporting events of local nature i.e. sport events played by district level (or below) teams and where no broadcasting rights are required.

Zee Comment: Live events for which no broadcasting rights are required may be permitted on cable so long as the use of DSNGs or VSATS for which MIB permission is needed, are not required.

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

Zee Comment: We suggest quarterly monitoring.

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?

Zee Comment: Yes, all DPOs should be registered as companies.

5. Views, if any, on FDI limits?

Zee Comments:

5.1 It has been rightly observed by the Authority in para 1.3 of the Consultation Paper that

The Authority in its recommendations dated 25 July, 2008 had inter alia recommended that LCOs be permitted to transmit their own ground based channels. However, with the implementation of DAS, only MSOs and not LCOs can receive signals from the broadcasters. MSOs transmit encrypted signals to LCOs from the MSOs are decrypted only at the subscriber's end. Thus, LCOs cannot extract or insert any channel in the feed received from their MSO. MIB in their reference has mentioned that the issue of transmission of local channels at LCO level in DAS regime needs to be looked into. Since in the DAS environment only encrypted signals generated at the MSO headends can be carried on cable networks, the LCOs will no longer be able to transmit their own local ground based channels.

In view of the above in DAS environment the platform services can be provided only by the MSOs so far as the cable based channels are concerned.

5.2 In such a scenario the offering of News and Current Affairs channels by MSO would directly raise the issues relating the FDI in News and Current Affairs segment where 26% of FDI is permitted. Since the FDI limits for MSOs at present is up to 74% with 49% under automatic route, permitting News and Current Affairs Channels may result in breach of 26% FDI stipulation for this segment. Further there are various other restrictions for grant of permission which *inter alia* include:

- (i) Permission will be granted only in cases where equity held by the largest Indian shareholder is at least 51% of the total equity excluding the equity held by Public Sector Banks and Public Financial institutions as defined in Section 4A of the Companies Act, 1956, in the New Entity.
- (ii) The company shall be liable to intimate the names and details of any foreigners/NRIs to be employed/engaged in the company either as Consultants (or in any other capacity) for more than 60 days in a year, or, as regular employees.

- (iii) At least 3/4th of the Directors on the Board of Directors of the company and all key Executives and Editorial staff shall be resident Indians.
- (iv) All appointments of key personnel (executive and editorial) shall be made by the applicant company without any reference on from any other company, Indian or foreign.
- (v) CEO of the applicant company, known by any designation, and /or Head of the channel, shall be a resident India.
- (vi) At least one of the persons occupying a top management position in the applicant company should have a minimum 3 years of prior experience in a top management position in a media company (or media companies) operating News and Current Affairs TV channels. The term “top management position” in this context shall mean the Chairperson or Managing Director or Chief Executive Officer or Chief Operating Officer or Chief Technical Officer or Chief Financial Officer of the Company. The channels which were permitted but could not become operational by the date of issuance of the amended guidelines on 05.12.2011 will also be required to fulfill these criteria.

Accordingly, it is imperative that offering of “News & Current Affairs” programming be not permitted as platform services by MSOs. Same would be the position in respect of DTH platforms.

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

Zee Comments:

The networth requirement is linked to the licensing of the DPOs. There cannot be two different criteria- one for Licensing and one for Platform Services, as Platform Services then become part of the License given to the MSO or DTH operator.

Secondly, no downlinking of services is involved in providing Platform Services and hence the network prescribed for downlinking cannot be compared.

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

Zee Comments

Yes, we strongly believe that the PS channels need to have the same security clearance as well as MIB registration/ Licensing as is the case with Broadcast Channels. This is because many of these channels will be operated by MSOs/DTH operators with millions of customers. In effect we are creating a Cable Broadcaster or a DTH Broadcaster, and as such security clearances and MIB permissions are imperative.

A typical broadcaster has to uplink on a satellite which costs a minimum of Rs 70 Lakhs per annum based on a space segment of 3 Mbps.

Even a broadcaster, who wishes to place its channel on a single DTH or MSO platform in order to avoid paying carriage fees will need to spend at least 70 Lakhs per year, for uplinking and in addition carriage fees.

There is an apprehension that a parallel market will open up due to the arbitrage between cost of uplink plus- Carriage, the long period of wait before an MIB, WPC license is granted and the ease with which platform services can be offered by MSOs and DTH operators, unless a similar MIB licensing and security mechanism is created.

Moreover there should be a restriction on the number of Platform Services which a DPO may provide, and subscription charge regulation.

In addition for any platform service serving more than 1 lakh customers, there should be compulsory recording and logging of the platform service for a period as prescribed by MIB for Broadcast services i.e. 90 days.

This is to check any possible violation of content/programme or advertising codes, or to investigate any local disharmony created by these local 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?**

Zee Comments

Reiterating our comments that the Platform Services will operate in an identical manner as any broadcaster channel, these channels with millions of customers viewership each should be registered with the MIB. The registration validity and license fees should be identical to a broadcast channel uplink fees. This is to avoid an escape route via which an intending broadcaster, which is, for example planning to distribute mostly via a DTH operator, tries to become a cable or DTH broadcaster. The registration fees and annual charges should be Rs 10 lakhs and Rs 5 lakhs respectively as is applicable for broadcast channels.

We also believe that the fact that *“PS channels do not attract the provisions related to ‘must carry’ and ‘must provide’ which are applicable to registered channels permitted under downlinking guidelines”* is a serious aberration and may lead to monopolistic content and pricing as we have indicated in our preliminary comments. Hence this is no justification for prescribing any lower fees.

- 9. What is your proposal for renewal of permission?**

Zee Comment: It should be the same as for a broadcast Channel license.

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

Zee Comment:

Zee has recommended that the process of licensing and security clearance should be the same as is applicable for broadcast channel. Also the security clearance, logging and keeping record of content should be the same as that of a broadcast channel.

In view of this we do not suggest any geographical area limits for the PS channels. In any event as already submitted hereinabove, such limits are impractical for DTH operators. With integrated optical network based MSOs, or via HITS, the same national footprint is created.

Hence it is preferable to grant licenses for PS channels on lines similar to Broadcast channels with no geographical limitations imposed.

However the TRAI, which is also entrusted with customer interests, will need to ensure that these PS channels do not proliferate out of proportion to the extent that the viewer is deprived of nationally broadcast channels. Moreover the tariff of such PS channels can be open to question and therefore needs to be regulated

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?

Zee Comment

We agree that the proliferation of platform Service channels will not be in the interests of the customers. Moreover having no limit on such services will create an arbitrage market where potential broadcasters avoid taking an MIB license and just place their content as PS channels.

We suggest that no more than 5% of Platform capacity defined by number of operating channels or 10 channels whichever is lower should be the limit of PS channels.

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;

Zee Comment

We agree, the license for a PS registration should be non-transferable. A new potential provider should take a fresh license.

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

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

Zee Comment

We agree PS channels are platform specific and should not be allowed to reconnect to other platforms as this will defeat the Broadcast Licensing process. At the same time we believe that no PS channel should be allowed to hold exclusive rights for any content.

If the DPO buys exclusive rights for any program, movie or sports event, then such channel, licensed by MIB should be treated as a Broadcast channel rather than a PS channel and subject to must provide and RIO arrangements.

The objective should be that no MSO or DTH operator should create a monopolistic platform based on unique content which vitiates the market.

12.3 Compliance with the Programme & Advertisement Code and TRAI's Regulations pertaining to QoS and complaint redressal.

Zee Comment

The PS channels must comply with the Programme and Advertisement Code as prescribed, the same goes without saying as otherwise pornographic content, uncensored movies or Liquor Advertisement will appear on such channels.

In regard to QoS and complaint redressal, the issue is linked to the platform channels pricing (if they are priced).

However we suggest that in general, the PS channels should be treated like any other channel and be subject to the same QoS and complaint redressal mechanisms.

- 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?**

Zee Comment

- 14.1 Yes, we agree that subject to suitable agreement with the FM operator, such channels should be permitted for carriage as platform channels.
- 14.2 Normally, the FM Radio licenses are granted for a particular city. In case the DTH operators and HITS operators are allowed to carry the FM channels on their platforms and since these delivery platforms are satellite based having all India footprints, the FM Radio channels would be delivered even beyond the licensed territory which will have the licensing violation implications.
- 14.3 This may also give rise to the issue of license fee by the Radio operators. This is considering the fact that a license which was granted only for a specific geographical location would by virtue of it being on an all India based delivery platform, become a license for operations even in non-licensed territories, thereby affecting the other license holders of FM Radio in various other territories. This would have lot of Regulatory implications.
- 14.4 In the said proposal, it is presumed that the FM operator has the cable or DTH rights- which may or may not be the case for music if these rights have been sold separately. This kind of arrangement will also have IPR implications as most of the content on FM Radio is music based. While procuring the content from the IPR holders, the music rights may have been obtained for a particular geographic territory only. This would also give rise to the litigation between the IPR holders viz. music companies/music societies with the platform owners as well as with FM operators. Same is the position with regard to delivery through cable networks which because of the extensive fiber links and broadband connectivity now carry the channels even from one city to another and even from one State to another State.

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

Zee Comments

The monitoring mechanism under the Cable Television Networks (Regulation) Act, 1995, even though so prescribed, is not functioning properly in the absence of suitable focus and staffing. There is high piracy, under-declaration of customers, poor on the ground service and non-attendance of faults. These cases tend to end up with TRAI due to no local level resolution.

We suggest that the mechanism for monitoring under Cable Television Networks (Regulation) Act, 1995 be suitably put in place else the PS channels will be difficult to monitor, unlike broadcaster channels available nationally.

We agree that the PS channels need to be recorded/ logged for 90 days as is the case for broadcast channels. Such recordings should be available digitally for uploading on MIB or TRAI designated sites.

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.

Zee Comment

Owing to the national footprint of a PS channel, it will be essential to have the same penal provisions for violation of the terms and conditions of the permissions, as are applicable for TV Broadcasters.

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?

Zee Comment

As per Annexure II of the Consultation paper, there is a uniform condition that no operator can carry any channel which has not been granted a broadcast license.

In addition to this, we would like to summarize our comments on the conditions:

- (i) PS channels need to be licensed by MIB subsequent to security clearance due to the national footprint of operators.
- (ii) No PS channel should be allowed if it has exclusive rights to any Sports, Music or movie content.
- (iii) PS channels with a national footprint should be treated similar to any broadcast channel in regard to adherence to QoS and logging requirements.
- (iv) The number of PS channels should be limited to 5% of the total channels on the Platform or 10 channels whichever is lower.
- (v) Subscription to PS channels should not be compulsory for any customer.

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?

Zee Comment

We suggest that first the process of MIB licensing need to be fine-tuned and smoothened. It takes abnormally long time for various reasons. The clearances should be completely on-line and time bound with a limit of 30 days from date of application.

If this is implemented, then a period of 1 year should be granted for all PS channels to get a PS DPO license/permission.
