

Consultation Paper No. 4 / 2007



Telecom Regulatory Authority of India

Consultation Paper

on

Issues relating to DTH

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Chapter 1: Introduction

1.1 Direct To Home (DTH) satellite television is an important viewing medium of the satellite broadcast industry as it offers immense opportunities to both broadcasters and viewers. Thanks to the rapid development of digital technology, DTH broadcast operators worldwide have been able to introduce a number of new interactive applications in the television market, besides a large number of entertainment programmes over a single delivery platform. In addition, since digital technology permits a highly efficient exploitation of the frequency spectrum, the number of TV channels that can be broadcast using digital technology is significantly larger than with analog technology. The increased number of television channels enables the operator to satisfy the demand of a number of niche markets with dedicated transmission.

1.2 In general, DTH service is the one in which a large number of channels are digitally compressed, encrypted and beamed from very high power satellites. The programmes can be directly received at homes. This mode of reception requires small dish antennas installed at convenient locations in the buildings. DTH transmission does not need any commercial intermediary, since an individual user is directly connected to the DTH operator. However, a digital receiver (set top box) is needed to receive the multiplexed signals and view them on a TV. DTH, in sharp contrast to non-addressable Cable TV, lends itself to easy monitoring and control.

1.3 At present, the television broadcasts reach the viewers in the country mainly in four ways, viz, terrestrial television, cable TV through addressable system (using set top box), cable TV through non-addressable system and direct to home transmission. The terrestrial television has been around for decades and is presently an exclusive operation of Doordarshan in India. Cable TV through addressable system is at present available only in Chennai and in parts of Delhi, Mumbai and Kolkata. Cable TV through non-addressable system has had a

much wider reach, mainly in urban and semi urban areas. DTH is a comparatively recent entrant as compared to cable transmission. It has several technical advantages over cable operations. DTH can cover the entire country and it is also an addressable system. However, the popularity of DTH will depend on whether it can provide content at par with the cable operations, at comparable prices and with an acceptable level of quality of service. As per the findings of National Readership Study 2006 released by the National Readership Studies Council, there are 112 million TV homes in India, of which 68 million homes receive television broadcasts through cable and satellite. Since the Doordarshan signals are unencrypted and free to air, no accurate assessment is available about the number of viewers. As far as the two DTH operators are concerned, they offer several pay channels and the number of their DTH subscribers in the country is estimated to be about 2.3 million at present. As compared to this, the other addressable delivery platform, namely Conditional Access System (CAS) for cable television has about 5.5 lakh subscribers in the CAS notified areas of the country.

1.4 The authority to issue DTH license vests with the Government of India. Leaving aside the Doordarshan as a public service broadcaster, two DTH operators have commenced their operations after obtaining license from the Government of India. These are M/s ASC Enterprises (under the brand name of Dish TV) and M/s Tata Sky Ltd. Dish TV had launched its services in October 2003 and Tata Sky is a relatively new entrant having launched its services in August 2006. Recently, a license for DTH services has also been given to M/s. Sun TV Ltd. However, they have yet to start their services. One letter of Intent has been issued for DTH services to M/s. Reliance Blue Magic Ltd. The Doordarshan provides free to air channels on its service (called DD Direct) for which the subscribers have to buy the dish and the set top box from the open market.

1.5 Status of Tariff orders in cable networks:

(a) In January 2004, the Authority for the first time issued a tariff order for regulating Tariff of cable television. According to this order, the charges payable by subscribers/ service providers for cable TV signals were to be maintained at the levels prevailing in December 2003. This tariff order was replaced by a subsequent tariff order issued in October 2004. The new tariff order while retaining the requirement of base tariff being kept at the level of December 2003, had provisions for increase / decrease in the number of channels and also changes on account of inflation. Subsequently, the Authority passed The Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Second amendment) Order 2004 on December 1, 2004 which provided for increase in the ceiling on tariffs by 7% of the prices prevailing as on December 23, 2003 to account for inflation. The order was effective from January 1, 2005.

(b) On 31st August, 2006, the Authority issued a separate tariff order for CAS areas in which the ceiling on MRP for all pay channels was fixed at Rs.5/- per channel per subscriber per month on a-la-carte basis. However, it was specifically mentioned that this order would not have any impact on the non CAS areas or DTH operators, notwithstanding provisions for non discriminatory access in the Interconnection Regulation. It was mentioned in para 4.17 of the Explanatory Memorandum appended to the Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff Order, 2006 that the Authority is closely monitoring developments in the DTH market and will consider initiating a separate consultation process on all regulatory issues concerned with DTH in India at an appropriate time.

(c) The TDSAT has also passed three important orders regarding pay channel pricing on DTH platforms. In the case of ASC Enterprises vs. Star India Private Limited (Petition No.136(C) OF 2006) the Hon'ble Tribunal had passed the following order on 14th July, 2006:

"...We have no basis to lay down the actual rates per channel which we feel is the prerogative of the TRAI. However, to begin with we feel that 50 per cent of the rates being charged for cable platform be made applicable to DTH platform. In the instant case for both the bouquets we therefore, direct the respondent to make available all the channels to the petitioner at a rate not more than Rs.27/- per subscriber exclusive of taxes. Respondent is at liberty to introduce slab rate or give volume discount to the petitioner subject to maximum rate of Rs.27/- per subscriber. We hope the TRAI will soon come out with the regulations to lay down the charges for each channel..."

In another case (Petition No.189(C) OF 2006) of M/s Tata Sky Ltd. vs. Zee Turner Ltd., the Hon'ble Tribunal had passed the following interim order on 25.7.2006:

"...For the interim period we are of the view that our order dated 14.7.2006 in Petition No.136(C) of 2006 titled ASC Enterprises Limited Vs. Star India Private Limited should provide the basis for both sides to sit across and come to an agreement in regard to the supply of signals for the DTH platform of the petitioner..."

Subsequently, the Hon'ble Tribunal passed the following interim order in the same case on 20.9.2006:

"..The respondent will supply signals of all the 32 channels to the petitioner subject to the petitioner paying @ 50% of Rs.149.85 per subscriber per month..."

1.6 Apart from pay channels, there is also the issue of regulation of the basic service tier consisting of only free to air (FTA) channels. For basic service tier in

the CAS areas, the tariff currently has been fixed at Rs.77/- per subscriber per month exclusive of tax for a minimum of 30 FTA channels. The subscribers do not require a Set Top Box to receive the FTA channels. The DTH operators are not providing any similar stand alone service. Thus DTH subscribers do not have an option to receive FTA channels only by paying a basic service tier fee. Such an option is available only through Doordarshan's DD Direct service which provides 33 channels with no subscription. However, a Set Top Box is required for receiving the DD Direct service along with a dish antenna.

Tariff regulation for DTH

1.7 The impact of the tariff order for CAS areas and the market developments in CAS needs to be closely watched as these would have a bearing on issues relating to direct-to-home service in view of the fact that both are addressable platforms. The DTH is emerging as an alternative to cable television and there is a certain degree of competition between the CAS service providers and the DTH operators apart from the competition that is existing in the non-CAS areas.

1.8 A framework for regulating tariffs in the matter of provision of DTH services in the country may comprise of fixing retail tariffs for channels – pay and Free To Air –, regulating the wholesale tariffs of pay channels by mandating a revenue share arrangement between broadcasters/ distributors and DTH operators and regulating the commercial terms of supply of Set Top Boxes to consumers. On the issue of regulation of the commercial terms of supply of Set Top Boxes to consumers, a separate section is devoted in this consultation paper under Chapter 4 which also has raised issues for consultation.

1.9 Need for regulating the wholesale tariffs of pay channels payable by DTH operators to broadcasters/ distributors and the retail tariffs applicable to the end consumer for such channels is to be viewed in the context of the competitive

environment prevalent in the market, the industry structure, the present levels of penetration of the service, future potential for penetration in rural and remote areas where the incumbent cable service is yet to reach such areas, etc.

1.10 Provision of satellite TV services through DTH mode of delivery in India is comparatively of a recent origin. In many parts of rural India, cable television is yet to penetrate and DTH service providing pay channels may be one such mode of reaching population in such areas. Any mandate of a-la-carte and its pricing is therefore required to be considered after taking into account the implications for penetration in rural and remote parts of country vis-à-vis the benefits to non-rural consumers of such a regulatory prescription. Further, DTH mode of delivery is the only source of competition to the incumbent cable television services, as large scale commercial launch of services like IP TV have not yet taken place in the country. In large parts of the country, the incumbent cable TV services are not required by regulatory mandate to provide their services through an addressable system. An addressable system has been mandated for cable TV services in notified areas which is a very limited geography of the country and it is too early to obtain the feedback of its implementation and its analysis with respect to the extent of its success, pitfalls if any, and the underlying factors behind such phenomena. However, the Authority would in due course of time consider initiating a process of market analysis of CAS implementation to obtain feedback of implementation which could serve as a critical input for putting in place a roadmap for future roll out of addressable systems in the country and the manner of its regulation. Till such time, throughout the non-CAS areas, the incumbent cable television operators who enjoy the dominance in the market, are not required by any regulatory mandate to introduce an addressable system to the populace. Therefore, mandating a-la-carte channel and regulation of its pricing for DTH services is likely to be interpreted to mean that the new entrant DTH operators are asymmetrically regulated against the incumbent mode of delivery which has dominant market share.

1.11 Needless to say, the retail tariffs payable by the consumers is invariably linked to wholesale tariffs payable by the DTH operators to the broadcasters/distributors. DTH platform by virtue of being inherently an addressable system, competitive play of market forces are likely to lead to discovery of efficient prices in the market in the interest of all stakeholders. To what extent this will become a reality particularly in non-CAS areas will depend upon the pace of penetration of DTH services. Interconnection Regulation already exists which mandates non-discriminatory provision of channels to DTH operators.

1.12 Having said this, the Authority can intervene at any point of time against any retail tariff of DTH operators in any part of the country if such tariff packages are found to be not consumer friendly or are not transparent in the offer. Till such time and till the impact of the roll out of CAS can be assessed, it would be premature to initiate the consultation process on DTH tariff issues both at the retail level as well as the wholesale level.

Regulatory Issues regarding Set Top Boxes (STBs) for DTH services:

1.13 (a) The basic regulatory issue in the case of the Set Top Box is that the consumer is required to make an upfront payment to acquire this piece of equipment. If he /she later finds the service not up to the desired levels there should be some mechanism by which he/she can exit the scheme. This can be done in one of two ways: either through the route of technical interoperability or commercial interoperability. In the DTH platform the License conditions prescribe Technical Interoperability.

(b) In the CAS areas, the Authority has prescribed two standard tariff packages (rental packages) which have to be offered by all service providers to all subscribers in addition to any other scheme that may be offered. There has been no regulation on this aspect in the case of DTH. The DTH service providers have

been providing the Receiver Equipment (Set Top Box along with dish antenna and associated hardware) at a cost of Rs.3000/- to Rs.4000/- with some free/concessional tariff for the channels.

1.14 The issue of tariff for rental schemes for STBs has also to be viewed in the context of interoperability requirements (commercial interoperability means the requirement to provide a rental option to the consumer so that they can exit from the service if they so wish). In the case of Cable TV there is no requirement of technical interoperability. It is a legitimate question as to whether commercial interoperability should also be mandated for DTH services either in substitution or in addition to the existing provision for technical interoperability. These issues are examined in Chapter 4.

1.15 Interconnection Issues:

Apart from the tariff and STB related issues listed above there are interconnection issues on DTH that need attention. These relate to finalising of interconnection agreements (apart from the tariff issues discussed above) and the issues of “must carry” and carriage fees. The DTH licensees are required by the DTH guidelines to provide access to various content providers/ channels on a non-discriminatory basis. The number of channels now available is much more than the capacity of DTH platforms. There have been conflicting demands from content providers and DTH operators on these issues. There have been reports that DTH operators are demanding carriage fee for carrying content on their DTH platform. The DTH operators and content providers have separately requested for regulatory intervention on these issues.

1.16 Quality of Service Issues

The other major issues that need consideration relate to the need for introducing Quality of Service Regulation. The subscribers have a right to get a certain

standard of service as value for his money. For this purpose, there is a need to lay down benchmarks for Quality of Service standards for DTH service such that these benchmarks are well known, measurable/ verifiable and prescribe the response time for various situations as well. Section 11(1)(b)(v) of the TRAI Act, 1997 requires the Authority to discharge the function of laying down the standards of quality of service so as to protect interest of the consumers of telecommunication services. Telecom Regulatory Authority of India has separately issued a Consultation Paper on the Redressal of Consumer Grievances and Consumer Protection in Telecommunication on January 3, 2007 – this provides for an alternative method of addressing the need for Quality of Service Regulation.

Need for Regulation on DTH

1.17 In view of the aforementioned reasons there is a need to seek the views of stakeholders regarding scope and spread of regulation of DTH services in the country. In this context the following points need to be kept in mind

- (i) Under the powers vested under section 11 of the Telecom Regulatory Authority of India Act, 1997, the Authority may, among others,
 - (a) issue orders regarding tariff to be charged by the service providers;
 - (b) regulate arrangements amongst service providers for effective interconnection, sharing of revenue etc;
 - (c) lay down the standards of quality of service to be provided by the service providers.

- (ii) Insufficient competition in market place is one of the conditions for introduction of regulation. At present there are two DTH operators in addition to the Doordarshan service – two more DTH operators are likely to become functional soon. DTH also faces competition from cable transmission (CAS and non-CAS) in cable-served areas, and from terrestrial television in non-cable areas. While the DTH offers

services similar to the Cable TV industry, there are certain differences between the two. These relate to :-

- (a) the geographical spread of the service provider,
- (b) the conditions of entry,
- (c) the method of organization,
- (d) the licence fee paid by the operators and
- (e) difference in the business model.

In addition, while DTH is necessarily digital and addressable, cable is mostly analogue and not addressable. The limited area in which addressability in cable industry has been brought in has been only through Government/Court ordered mandate unlike DTH. Thus, the cable consumer in a CAS area is forced to buy a set top box whereas in a non-CAS area the consumer has the option of going to an addressable platform at his/ her discretion.

(iii) The orders/ regulations issued by the Authority, to regulate distribution of TV channels, so far apply mainly to cable operations (both addressable and non-addressable). As far as DTH operations are concerned, no tariff order or quality of service regulation has been issued. However, certain provisions of the Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004, as amended from time to time, cover DTH service providers also. These relate to providing signals of TV channels on non-discriminatory basis (clause 3.2), disconnection of TV channel signals (clause 4), prohibition of minimum guarantee (clause 6), conversion of free to air channels into pay channels and vice-versa (clause 7) and renewal of interconnection agreements (clause 8).

(iv) So far as tariff is concerned it would be more appropriate to undertake this exercise for DTH after some time as indicated in para 1.10 above.

However on the other issues that have emerged it is necessary to examine the extent of regulatory framework for the DTH segment of the industry.

1.18 To sum up, the Authority desires to take a decision at this stage about the need and extent of regulation regarding DTH operations in the country, with specific reference to the following issues:

- (i) Interconnection issues; and
- (ii) Quality of service issues.
- (iii) Regulatory issues regarding Set Top Boxes for DTH services.

These are discussed in more detail in the sections ahead.

Chapter 2: Interconnection Issues

Background

2.1 Till very recently there was only one pay DTH service provider in the country and availability of content on the DTH platform was also limited. Thus, even though DTH services were available in the country, these were not offering any real competition to the cable services. The situation has changed now with the roll out of services by the second pay DTH service provider and two more licensees likely to become functional in near future. The availability of popular content on the DTH platform has also significantly increased. In view of the competition between DTH and cable TV for providing pay TV services, it has become necessary to examine the issues of access to content (must provide), obligations of “must carry”, standard interconnection agreements/ reference interconnection offer, carriage fee etc. to ensure level playing field for the two platforms.

2.2 In response to a consumer complaint regarding increase in subscription charges, one of the DTH service providers has represented that its agreement with the broadcaster required all the channels of the broadcaster to be carried in the basic package and this had resulted in increase in charges for all consumers. The DTH service provider had pointed out that they had to sign the agreement with such clauses with the broadcaster in the consumer interest in the absence of any standard agreement and effective interconnect mechanism. The DTH service provider also requested the Authority to formulate a “standard subscription agreement” for DTH distribution, which is uniformly applicable to all the broadcasters.

Existing Regulatory Framework

2.3 The Interconnection Regulations dated 10.12.2004 as amended from time to time cover arrangements among service providers for interconnection and revenue share, for all Telecommunication (Broadcasting and Cable) Services throughout the territory of India. DTH operators are specifically mentioned in the definition of “distributor of TV channels” given in the Interconnection Regulations dated 10.12.2004. The Authority had adopted the principle of non-discriminatory access to signals for all distributors of TV channels through this regulation.

2.4 As per explanation to clause 3.6 of the Interconnection Regulations dated 10.12.2004 as amended by The Telecommunication (Broadcasting and Cable Services) Interconnection (Third Amendment) Regulation, 2006 (10 of 2006), the distributors of TV channels using addressable systems including DTH, IPTV and such like cannot be said to be similarly based vis-à-vis distributors of TV channels using non addressable systems.

Standard Subscription Agreement/ Reference Interconnect Offer

2.5 The Authority has mandated the standard interconnection agreements between broadcasters and multi system operators (MSOs) and between multi system operators (MSOs) and cable operators in the CAS notified areas through an amendment to the Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004. The objective of having standard interconnection agreements was to facilitate mutually acceptable interconnection agreements through negotiation, with a fallback on the standard provisions of the agreement.

2.6 In the CAS notified areas, the broadcasters are required to make available their channels to consumers on a-la-carte basis. Such an arrangement provides choice to consumers. This is the main advantage of having an addressable

system. DTH platforms are also addressable systems. However, presently the consumers do not have a choice to select the channels that they want to watch. One way of regulating the terms and conditions imposed by broadcasters in the subscription agreements for provision of content is by mandating standard subscription agreements.

2.7 In non CAS areas the broadcasters are required to publish their Reference Interconnect Offers (RIO) describing, inter-alia, the technical and commercial conditions for interconnection for non-addressable systems. The reference interconnect offer so published by the broadcaster shall form the basis for all interconnection agreements to be executed thereafter. As per clause 13.3 of the Interconnection Regulations dated 10.12.2004 as amended on 04.09.2006, the Authority may intervene at any stage to direct amendment or deletion of any clauses of the Reference Interconnect Offers, if the clauses are found to be in violation of the law, regulations, directions or orders. Thus, Reference Interconnect Offer (RIO) is another way of regulating the terms and conditions imposed by broadcasters in the subscription agreements.

2.8 The basic difference between Standard Interconnection Agreement and Reference Interconnect Offer is that in the case of Standard Interconnect Agreements all the terms and conditions of interconnection agreements are laid down by the regulator and in the case of RIO, the service provider specifies the terms and conditions on which it is willing to enter into interconnection agreement with other service providers. In the case of a standard interconnection agreement, if the service providers are not able to arrive at a mutually acceptable interconnection agreement within a specified time period, they are required to enter into the standard interconnection agreement. Whereas in the case of RIO, the service provider who has issued the RIO, is bound to enter into interconnection agreement with any interconnection seeker, on the terms and conditions laid down in the RIO, if they are not able to arrive at a mutually acceptable interconnection agreement. For regulating the terms and conditions

imposed by broadcasters in the subscription agreements there could be provision for prior approval of an RIO by the Regulator. Another possible alternative is for the Authority to intervene at any stage if any of the clauses of the Reference Interconnect Offers are found to be in violation of the law, regulations, directions or orders.

Interconnection Agreements for DTH

2.9 In the context of DTH there is only one set of interconnection agreements that the DTH service provider has with the broadcasters as against cable service where there are two sets of interconnection agreements, one between broadcasters and multi system operators (MSOs) and the other between multi system operators (MSOs) and cable operators. The term of the interconnection agreements for DTH service is usually longer as compared to cable services sector. There are agreements between DTH service providers and broadcasters with terms spanning from 2 to 5 years. In some cases the term extends up to 9 years. The agreements are generally in respect of distribution rights for residential viewing purposes for individual homes in the territory of India and do not cover commercial subscribers. The interconnection agreements in case of DTH services normally cover the following points:-

- Channels/ Removed Channels/ New Channels
- Term/ Termination
- Distribution Rights
- Prices/ Discount/ Payment Terms
- Packaging
- Channel Positioning
- Security/ Anti-Piracy
- Marketing/ Promotion
- Subscriber Reports/ Audit
- Arbitration

Since the issues relating to tariff are not being considered now, it is only the need for regulation of the other elements of the interconnection agreements that are now being considered.

2.10 The issues for consultation are:-

(i) Should the interconnection agreements between broadcasters and DTH service providers be regulated?

(ii) If yes, whether the Authority should formulate and mandate “Standard Interconnection Agreements” for provision of content by the broadcasters to DTH platforms or should the Reference Interconnect Offer (RIO) methodology be adopted for the purpose?

(iii) Is there any other method by which these agreements should be regulated?

Must Carry/ Carriage Fee

2.11 The DTH guidelines require the DTH licensees to provide access to various content providers/channels on a non-discriminatory basis. However, the number of channels has increased over last few years to such an extent that it may not be technically feasible for the DTH service providers to carry all the channels on the DTH platform. The capacity to carry a large number of channels is limited by the capacity of the equipment installed at the Earth Station as well as the number of transponders available on the satellites having their footprint over the country. Since increase in the number of satellite transponders available may take a long time, it may be necessary to address the issue of “must carry”.

2.12 In this context, representations have been received on the issue from media groups involved in creation of content as well as from DTH providers. It has been suggested in a representation that DTH platforms must allocate space for at-least 5 channels per group on their platform and beyond 5 channels it

should be TRAI's responsibility to decide which channels to be carried. On the other hand, another representation suggests that there should not be blanket prohibition on exclusive carriage agreements and the Regulator may intervene where there are concerns of abuse of dominance to access of content or agreements which hinder competition. The Regulator must mandate carriage of Popular Content coupled with "must provide" requirements to all broadcasters on a non-discriminatory basis.

2.13 There have been cases in TDSAT regarding the carriage obligations for DTH service providers. A petition had been filed by M/s. ASC Enterprises Ltd. against M/s. Star India Pvt. Ltd. in TDSAT (Petition No. 136(C) of 2006) with a prayer for "Directing the Respondent Star to discharge its statutory obligations under the interconnection regulation of TRAI dt. 10.12.04 for providing the signals of its Bouquet one(1) to the Petitioner at reasonable terms and conditions which are found to be fair, non-discriminatory, reasonable and justified by this Hon'ble Tribunal". However, the TDSAT held in its order dated 14.7.2006 that

"...This principle of all channels being available will ensure non-discriminatory availability of channels for all the DTH operators from all the broadcasters and the consumer would thereby be able to exercise his choice of channels. In view of this principle, we feel that the petitioner is not justified in asking for only bouquet-1 from the respondent. This will be equally applicable to all the DTH operators asking signals of TV channels from broadcasters and all broadcasters will be obliged to supply all their respective channels to the DTH operators. We, therefore, direct that the petitioner accepts all 14 channels of the respondent..."

Presently, a petition filed by M/s. Tata Sky Ltd. against M/s. Zee Turner Ltd. is pending for adjudication before the TDSAT, wherein the petitioner has sought an interim direction to be issued to the respondents to provide the signals of the channels listed in para 2 of the petition at such rates and terms as the tribunal

may deem reasonable pending final hearing. The Hon Tribunal has through an interim order directed as follows:

“...The respondent will supply signals of all the 32 channels to the petitioner subject to the petitioner paying @ 50% of Rs.149.85 per subscriber per month. The respondents have agreed that supply of signals for all the 32 channels to petitioner in terms of this order will be made within two days from today... ”

A final decision in this matter has not yet been given. In the meanwhile another case has been filed in the TDSAT by a consumer organization regarding the lack of certain channels on a DTH platform.

Carriage Fee

2.14 There is no statutory requirement to provide access to various content providers/ channels on a non-discriminatory basis in the cable sector. Therefore, in the cable sector, limited channel capacity has resulted in a scenario where the FTA channel broadcasters pay carriage fee to the multi system operators for carriage of their channels and for placement in the desired band. Thus the problem of limited capacity of DTH platforms can also lead to carriage fee being the determining factor for access to the platform.

2.15 The issues for consultation are:-

(i) Should the DTH licence conditions be amended to do away with the clause requiring provision of access to various content providers/channels on a non-discriminatory basis ??

(ii) Alternatively, whether carriage of only popular content should be mandated on the basis of viewer ship share as determined by independent monitoring agencies?

(iii) Should the carriage fee for DTH platforms be regulated? If so, how should it be done?

Chapter 3: Quality of Service Standards

Current Status of Quality of Service Standards in DTH platform

3.1 Currently there are two DTH operators offering pay DTH services. Since the operation of DTH services is only a recent phenomenon, the industry is yet to evolve an effective manual for quality of service standards. There is divergence of views as to whether there is a need to mandate standards or to leave it to the service providers to evolve their own standards.

3.2 Section 11(1)(b)(v) of the TRAI Act 1997 (24 of 1997) mandates that the Authority shall lay down the standards of quality of service to be provided by the service providers and ensure the quality of service and conduct of periodical survey of such services provided by the service providers so as to protect the interest of consumers. Articles 7 and 8 of the DTH licensing conditions contain general requirements relating to technical and other obligations and provisions for monitoring and inspection. Article 7.3 provides that the licensee shall ensure subscriber's interests through a Subscriber Management System (SMS) for an efficient, responsive and accurate billing and collection system. Article 7.7 states that the licensee shall adhere to any guidelines/regulations, which may be laid down by the Licensor in the interest of consumer such as pricing of bouquet(s) or tier(s) of channels, etc.

Quality of Service – Initiatives taken by TRAI for Cable Networks

Non-CAS areas

3.3 The Cable Television Industry had grown over the past one and half decade and according to market information there are over 60000 cable operators and around 6000 MSOs around the country. There are no prescribed codes for providing quality of service. The Authority, in the detailed recommendations of Broadcasting and Distribution of TV channels on 1.10.2004

had suggested codes for quality of service. It was indicated in the Recommendations that the regulations would be issued once the recommendations of decentralized enforcement mechanism at the ground level is put in place.

CAS areas

3.4 As a part of the plan of action for implementation of Conditional Access System, the Authority was required to formulate and notify a standard form of contract between a cable operator and consumers. Given the volume in terms of number of cable operators and number of consumers, it was considered more appropriate to issue regulations setting out the standards of quality of service rather than prescribe a standard form of agreement between a cable operator and a subscriber. Therefore, for CAS areas, which are currently limited to only four metros, the Authority notified detailed QOS regulations on August 23, 2006.

The issues addressed in the regulations broadly cover the following major areas:

- (i) Connection, disconnection, transfer and shifting of cable services
- (ii) Complaint handling and redressal in respect of cable services
- (iii) Billing Procedure and billing related complaints
- (iv) STB related issues and complaints thereof
- (v) Positioning of channels/Taking the channel off air

3.5 Quality of Service for Telecom Sector

(a) Quality of Service Regulations have been issued by TRAI in 2001 for the telecom sector and these have been amended from time to time. The items taken up for regulation are largely related to technical parameters and items that can be monitored at the network level. In the recent past the focus of attention has shifted to regulations that relate to individual subscribers

(b) The TRAI has helped to evolve a common charter of Telecommunication Services for adoption by all the Service Providers. The Charter was finalized in consultation with NGOs/Consumer Advocacy Groups (CAGs) and representatives of various telecom service providers. The charter was released on 24th February, 2005. The salient features of the Common Charter are indicated below:

- Acknowledgement by the Service Providers about the rights of the citizens to have free choice in selecting their Service Providers.
- Agreement on the part of the Service Providers to promote consumers' right to education, representation and redress
- Agreement by the service providers to inform the subscribers of the broad range of services, individual plans, tariff rates applicable to each of these plans, their validity, terms and conditions of payments, etc.
- Agreement to inform the subscribers about the structure within the organization, where information and clarification on consumer redress systems for complaints and billing disputes will be available.
- Provision of basic telephone connection within 7 days and mobile connection immediately after registration, subject to technical feasibility and compliance of all required formalities by the applicant.
- Repair of faults within 24 hours, wherever technically feasible.
- Allowing emergency services like police, fire and ambulance for a period of 15 days even after the telephone connection is suspended.
- Supply of information on directory services
- Provision of satisfactory connectivity and interconnectivity to the extent of their respective legal obligations under relevant interconnection agreement.
- Agreement on the part of the consumers to clear all dues within the specified time.

TRAI had also advised all the service providers to nominate a senior executive as the Nodal Officer in the respective service areas for attending to consumer

complaints. The list of nodal officers responsible for handling consumer grievances in the telecom companies has also been put up on the website of the Authority.

© The Authority has also released on January 3, 2007 a Consultation Paper on Quality of Service for the telecom sector in which a new approach has been proposed.

Relevant Factors

3.6 There can be no two opinions about the need for a set of clearly stated quality of service standards so that the subscribers are aware of the quality of service that they can expect from the service provider. This is true irrespective of the platform of delivery. But the decision whether it be left to voluntary efforts of the service providers or prescribed through mandate is an area for debate and consultation. Laying down the standards through mandate and allowing the implementation of the same by way of self regulation is a possible alternative, which has been done in the case of Telecom Services. An approach being presented by some stakeholders is that since CAS areas with an addressable system have been subjected to QOS regulation, a similar regulation should be notified in the case of DTH also. But there are basic differences between cable platform and DTH platform, which are relevant to the issue. The addressable system in case of DTH would cover the entire country. The option is with the consumers to opt for the DTH service or cable TV, whereas in the case of addressable system in CAS areas it is backed by a Government mandate and subscribers have to necessarily take a set top box to watch pay channels. Secondly there are factors of difference in stage of evolution and the structure thereof. One of them, the cable platform, is one and half decades old and the other is in its initial phase of evolution. Thirdly, the volume in terms of number of operators who are widely scattered and vary in terms of size and possession of wherewithal to put in place the prescribed standards. Fourthly, the legacy of an entrenched state of non-transparent functioning and lack any mandated or self-

imposed codes for quality standards. DTH platform, in comparison, has only a couple of operators, both of whom are comparatively new entrant. No doubt, the licensed DTH operators belong to groups which are experienced in the area of providing broadcasting services and possess the knowledge, skills and resources to adopt and observe the standards of quality of service.

Approaches - Options

Self Regulation

3.7 In this approach the operators are allowed to voluntarily evolve their own minimum standards and self regulate the observance of the same. In this approach, the operators /industry only report the standards including changes and compliance thereof to the Authority. The mandate in this case would be limited to the reporting requirements. This approach gives freedom to the industry to evolve its own minimum norms. The other key considerations are –

- (i) the platform is in its infancy;
- (ii) there are no legacy issues and fait accompli situations as in the case of an unregulated market of Cable Television; and,
- (iii) the compulsion of competition from alternative platforms of delivery by itself is bound to act as a catalyst.

Thus it is likely to effectively address the interests of consumers and the industry. The competition in other words would push the service providers to strive for high quality standards. However it may not meet the expectations of the subscribers and consumer organizations if the service providers fail to evolve a common code resulting in minimal standards of quality. Though this approach may not require the regulator to indicate standards of benchmarks in specific terms, yet there may be a need for a general mandate requiring the service providers to put in place quality service standards within a specified time frame.

Common QoS Charter

3.8 A common QoS charter is a voluntary declaration by the service providers about the various dimensions of service. It educates and informs the consumers to demand specified quality of service. In this approach the charter of QoS standards is promoted by TRAI and the charter is adopted/ followed voluntarily by the operators. As mentioned earlier, the Authority had helped to evolve a common charter for telecom services in 2005. However, as mentioned in the Consultation Paper issued by the Telecom Regulatory Authority of India on the Redressal of Consumer Grievances and Consumer Protection in Telecommunication on January 3, 2007, Service Providers have not effectively implemented the Common Charter. It was emphasized by Consumer Advocacy Groups (CAGs) during the half yearly meet on 27 October 2006 that even some of the nodal officers of the service providers are not aware of the mechanism of Common Charter and their responsibilities. The CAGs expressed their concern about non-implementation of the Complaint Redressal Mechanism (absence of self regulation) and requested for specific regulation from TRAI.

Mandated QoS Standards

3.9 The Consultation Paper released by the Authority on January 3, 2007 proposes that each service provider shall provide a system of grievance redressal within the organization including forums for appeal. This approach could work for DTH also since there are only a limited number of service providers. The advantage of this approach is that the Authority has to only monitor the establishment of the internal grievance redressal mechanism of the service provider without going into the details of each complaint.

3.10 This approach could be supplemented by prescribing specific standards through a mandate for various aspects of Quality of Service. This would bring in uniformity and the subscribers would be clear about what their rights are. This

approach of mandating standards would also be in line with mandatory requirements of Sections of 11(1)(b)(v) of the TRAI Act 1997. It can be argued that there could be difficulties for the players in the industry to evolve a common code of practice in the take off stage and therefore the need for a mandated QOS codes in the initial stages. A mandate providing for detailed QOS would require an effective monitoring mechanism at the local ground level. An effective decentralized monitoring mechanism therefore is the prerequisite for success. On the other hand the approach depending upon the nature of prescriptions could define threshold levels / caps and these could be used as a base for any voluntary effort. This may not be ideal for innovations and improvements in quality standards and may impact on competition. A different approach other than a mandate as in the case of CAS areas could raise questions of differential treatment to two addressable platforms albeit the inherent differences in factors that may have an influence in the approach to regulation as indicated in para 3.6 above.

3.11 Overview of approaches across the world

(i) **Australia:-** A perusal of the regulatory practices in Australia indicate that the aspects of Quality of Service identified for coverage in para 3.12 particularly commercial and contractual issues such as billing, benchmark for repairs and customer service are not mandated by the Regulator. It is the Industry Association who evolves Standard Codes of Practice, and then get the same registered with the Australian Communication and Media Authority (ACMA). These registered code of practices then becomes a mandate and a consumer is allowed to complain and get his complaint redressed through the appropriate forum depending on the nature of complaint. Some of the important areas which the Australian Subscription & Radio Television Association (ASTRA) covers are, subscriber options to terminate agreement, fault repair, credit management and billing etc.

(ii) **Canada**:- Canadian Radio-television and Telecommunications Commission (CRTC), the media regulator has prescribed broad directions and the service providers have established 'Digital Competitive Standards' for customer service. The Standards represent a formal acknowledgment that the Digital Competitors will guarantee high levels of customer service.

(iii) **Japan**:- The terms of service are governed by the contract between the subscriber and the service provider of pay broadcast services. The standard agreement provides for inclusion of clauses, on the rates to be charged, billing and payment methods.

(iv) **Malaysia**:- The Communications and Multimedia Act 1998 in Malaysia seeks to establish a regime of self-regulation by providing for the creation of industry forums. The converged regulator for telecommunication and broadcasting in Malaysia uses general consumer codes of practice for the communication and multi media industry to regulate quality of service aspects, which are laid down by the Communications and Multimedia Consumer Forum of Malaysia (CFM) (this contains representatives from industry as well). The general codes contain the general principles on quality of service requirements covering areas such as provision of information; protection of personal information, complaints handling etc. The technical standards are laid down by the Technical Standards Board consisting of working groups on specific technical aspects.

(v) **New Zealand**:- In New Zealand the environment is largely deregulated. The Broadcasting Standards Authority (BSA) lays down only standard for content and not commercial or technical aspects of Quality Standards. BSA has prescribed a procedure for redressal of complaint and compensation for non observance of standards set by BSA.

(vi) **UK**:- Office of Communications (Ofcom), the regulator has not set standards for DTH television. The view is that operators are sufficiently incentivised by competition to ensure quality of service.

Scope and Area of Coverage of Quality of Service Issues

3.12 Any benchmark for Quality of Service standards should be viewed in the context of the following criteria:-

- The benchmarks should be well known, i.e. the consumers should know what to expect from the service providers;
- The benchmarks should prescribe the response time for various situations, i.e. the consumers should know the expected time for resolution of their problems;
- The benchmarks should be verifiable, i.e. the consumers should know when the benchmarks are not being met; and
- It should be possible to evaluate the performance of a service provider in regard of compliance with the Quality of Service benchmarks.
- An effective redressal mechanism

In the context of criteria mentioned above, specific areas of Quality of Service whether through voluntary compliance or through mandate can be as under:-

- i. Benchmarks for connection/ disconnection/ Reconnection and Informational requirements of subscribers.
 - a. Procedure for getting connection/ disconnection – Prescribed format of application, what to be included in the application form to facilitate informed decision
 - b. Response time – whether it is feasible or not feasible
 - c. Execution time after completion of formalities
- ii. Benchmarks for services provided and for handling complaints relating to
 - a. Quality of Signals
 - b. Providing information and educating the subscribers.

- c. Repairs and maintenance services
- d. Shifting the position of channels and taking off air of a channels or disruption of service, outages
- e. Requirements of prior notice /information on disruption of service
- f. Electronic Programme Guide
- g. Billing related Issues
 - i. Periodicity of billing
 - ii. Details to be provided in bills
 - iii. Payment method /procedure
- h. Consumer Premise Equipment such as Set Top Box
- i. Complaint handling/ grievance redressal procedures

3.13 Broadly, the Quality of Service standards can be in two groups – Technology Centric standards and Subscriber Centric standards. Technology centric standards such as those relating to Quality of Signals, Shifting the position of channels and taking off air of a channels or disruption of service, outages and Electronic Programme Guide depend upon technology employed for distribution of TV channels, i.e. Cable or DTH. However, the subscriber centric standards such as procedures for connection/ disconnection/ shifting, billing, providing information, requirements of prior notice /information on disruption of service and complaint handling/ grievance redressal procedure are independent of the service platform. Thus, it is possible to have common subscriber centric quality of service standards for cable and DTH whether through voluntary compliance or through mandate while the technology centric quality of service standards can be separate for the two platforms.

Issues for Consultation

3.14 The issues that arise for consultation are:-

- i. Should TRAI mandate Quality of Service Standards for DTH Platform as done in the case of Cable Television services for CAS area?**
- ii. In case the answer to (i) is 'yes'**
 - a. Whether the list of areas identified for laying down standards in para 3.12 would be adequate or whether the list needs modification?**
 - b. Can the benchmarks stipulated in the QOS regulations for CAS areas vide notification of 23rd August 2006 be adopted with modifications in some of the areas relating to billing, complaint handling etc or should there be separate benchmarks for DTH service on the identified aspects of quality of service?**
- iii. Alternatively should the approach suggested in the Consultation Paper for Telecom (dated January 3,2007) be followed in which the TRAI only mandates the details of the grievance redressal machinery for each service provider?**
- iv. In case mandated intervention is not preferred:**
 - a. Should the service providers be allowed freedom to prescribe their own quality standards and the extent of regulatory intervention be limited to only prescribing reporting requirements for the purpose of monitoring?**
 - b. Should TRAI in that case identify broad areas for prescription of standards of quality of service and also specify a time frame within which the industry evolved standards comes into operation.**
 - c. Any other methodology for arriving at standards of quality of service/ time frame.**

- v. **In case QOS standards are prescribed through regulations what would the mechanism be for enforcement of these regulations?**

- vi. **Whether the subscriber centric quality of service standards should be common for cable service and DTH whether through voluntary compliance or through mandate.**

Chapter 4: Regulatory Issues regarding Set Top Boxes for DTH services

Issues

4.1 The DTH service is not location specific, meaning thereby that the DTH service provider is in a position to offer services to a migrant without any extra cost. The technical requirement of the use of a Set Top Box for availing DTH services throws up issues of exit option for subscribers and interoperability of Set Top Boxes. The exit option becomes important to protect the interests of the subscribers to give them the choice to select the service provider of their choice. Thus the subscribers should have an option to leave their service provider if they are not satisfied with the services or for any other reason. Moreover, the cost associated with the exit option should not be so high as to render the choice illusory. The choice can be provided to the subscribers by insisting on interoperability. Interoperability can be of two types, i.e. Technical Interoperability or Commercial Interoperability.

Technical Interoperability

4.2. Technical Interoperability is defined as: "*The capability to communicate, execute programs, or transfer data among various functional units in a manner that requires the user to have little or no knowledge of the unique characteristics of those units*". With specific reference to the DTH license conditions in India, this implies that the Set Top Box and Hardware purchased/ leased from one DTH service provider can be used for availing services of another DTH service provider. As mentioned in para 1.13(a), presently technical interoperability is mandated in the DTH license conditions.

Commercial Interoperability

4.3 Commercial Interoperability means a commercial option available to the subscriber whereby the subscriber can return the Set Top Box and Hardware purchased/ leased from one DTH service provider if he wants to discontinue the service. When the consumer returns the Set Top Box he should be able to get back the money he has spent on it after deducting some amount towards depreciation. This may be called as a buy back scheme. Another way to do this is to have a rental scheme with some security deposit which can be returned as and when the Set Top Box is returned. Thus commercial interoperability can be introduced in the form of a mandatory rental scheme or a mandatory buy-back scheme. In both the schemes of buy back and rental there are further options. In one option the licence condition may stipulate that the service provider has to provide the buy back/ rental scheme option. The other option is that these schemes should be specified by the Authority with details of deductions for depreciation, maximum amount of security deposit/monthly rental and other parameters as has been done in the CAS areas. All these options would need to be carefully examined and a decision taken which provides protection to the consumers and at the same time allows for healthy competition.

Scheme in CAS

4.4 In the CAS areas, the Authority has prescribed two standard tariff packages which have to be offered by all service providers to all subscribers in addition to any other scheme that may be offered. The standard tariff packages are rental packages and provide for a monthly rent of Rs.30/- with a one time deposit of Rs.999/- and the second option with a monthly rent of Rs.45/- and a one time deposit of Rs.250/-. Thus, the subscriber can change his service provider as and when he wishes and get a refund of the Deposit (with some

deductions towards the depreciation) by returning the Set Top Box to his service provider.

Changes in DTH License conditions

4.5 In the case of DTH the existing exit scheme is based on the technical interoperability requirement which has been incorporated in the license conditions. This approach has two drawbacks. Firstly it is not easy for consumers to switch from one DTH operator to the other as is envisaged in the licensing conditions. The second is that the license conditions only allow a consumer to switch from one DTH operator to the other. It is not possible for the consumer to get out of the DTH platform and migrate to a cable or IPTV platform. Alternatively it could be argued that the existing licensing conditions provide an effective exit option specially with new service providers coming in and all that needs to be done is to remove the problems in the scheme.

On the issue of rental schemes for Set Top Boxes for DTH services, the Authority had recommended in its recommendations on Licensing Issues relating to DTH sent to the Government on August 25, 2006 that

“...The DTH Service Providers should also be encouraged to provide Basic or Advanced Set Top Boxes to consumers under rental schemes, but there should be no dilution in the technical interoperability conditions as they exist today...”

At present it is seen that the DTH operators are not giving any rental schemes and are only providing a purchase scheme. The question of whether there is need to change the licensing conditions now will need examination as the DTH consumers have a limited option as compared to the CAS consumers.

The specific problems being faced by the consumers can be examined and appropriate solutions found to ensure that the consumers have an effective exit option. Given these alternative options it is necessary to examine these and find

an appropriate solution to the problem of providing an easy and meaningful exit option to the consumer. Accordingly the following issues arise for consultation:

(i) Whether requirement of Technical Interoperability of Set Top Boxes incorporated in the licence conditions gives an effective exit option to the subscribers? If not how can these conditions be made consumer friendly through alternative schemes?

(ii) Whether offering the rental or buy back option for DTH Receiver Equipment (Set Top Box along with dish antenna and associated hardware) should be made compulsory for DTH service providers?

(iii) If so, whether the one time deposit and the monthly rentals or the details of the buy back scheme should be regulated?

(iv) What should be the other conditions regarding such rental options or buy back scheme? Between the rental and the buy back scheme should any order of preference be indicated?

(v) If the rental option or buy back scheme is made compulsory, should the condition of technical interoperability be done away with or suitably modified?

Relevant clauses of the Interconnection Regulations (as amended from time to time) as applicable to DTH services

3. General Provisions relating to Non-Discrimination in Interconnect Agreements

3.1 No broadcaster of TV channels shall engage in any practice or activity or enter into any understanding or arrangement, including exclusive contracts with any distributor of TV channels that prevents any other distributor of TV channels from obtaining such TV channels for distribution.

3.2 Every broadcaster shall provide on request signals of its TV channels on non-discriminatory terms to all distributors of TV channels, which may include, but be not limited to a cable operator, direct to home operator, multi system operator, head ends in the sky operator; Multi system operators shall also on request re-transmit signals received from a broadcaster, on a non-discriminatory basis to cable operators.

Provided that this provision shall not apply in the case of a distributor of TV channels having defaulted in payment.

Provided further that any imposition of terms which are unreasonable shall be deemed to constitute a denial of request

Explanation

The applicant distributors of TV channels intending to get signal feed from any multi-system operator other than the presently-affiliated multi system operator, or from any agent/ any other intermediary of the broadcaster/multi system operator, or directly from broadcasters shall produce along with their request for services, a copy of the latest monthly invoice showing the dues, if any, from the presently-affiliated multi system operator, or from any agent/ any other intermediary of the broadcaster/multi system operator who collects the payment for providing TV channel signals.

3.3 Any broadcaster/multi system operator or any agent/ any other intermediary of the broadcaster/multi system operator, who collects the payment for providing TV channel signals to any distributor of TV

channels, shall issue monthly invoices to the distributor of TV channels. The monthly invoice shall clearly specify the arrears and current dues along with the due date for payment of the same.

Explanation

Any claim for arrears should be accompanied by proof of service of invoices for the period to which the arrears pertain.”

3.4 A broadcaster or his/her authorised distribution agency would be free to provide signals of TV channels either directly or through a particular designated agent or any other intermediary. A broadcaster shall not be held to be in violation of clauses 3.1 and 3.2 if it is ensured that the signals are provided through a particular designated agent or any other intermediary and not directly. Similarly a multi system operator shall not be held to be in violation of clause 3.1 and 3.2 if it is ensured that signals are provided through a particular designated agent or any other intermediary and not directly.

Provided that where the signals are provided through an agent or intermediary the broadcaster/multi system operator should ensure that the agent/intermediary acts in a manner that is (a) consistent with the obligations placed under this regulation and (b) not prejudicial to competition.

3.5 Any broadcaster/multi system operator or any agent/ any other intermediary of the broadcaster/multi system operator to whom a request for providing TV channel signals is made, should either provide the signals on mutually agreed terms to the distributor of TV channels who is seeking signals, or specify the terms and conditions on which they are willing to provide TV channel signals, in a reasonable time period but not exceeding sixty days from the date of the request. In case, the broadcaster/multi system operator or any agent/ any other intermediary of the broadcaster/multi system operator to whom a request for providing TV channel signals is made, turns down the request for TV channel signals, the reasons for such refusal must also be conveyed within sixty days from the date of the request for providing TV channel signals so as to enable the distributor of TV channels to agitate the matter at the appropriate forum.

Explanation

The time limit of sixty days shall also include time taken by the broadcaster to refer the distributor of TV channels, who has made a request for signals, to its agent or intermediary and vice versa.

3.6 The volume related scheme to establish price differentials based on number of subscribers shall not amount to discrimination if there is a

standard scheme equally applicable to all similarly based distributors of TV channel(s).

Explanation

“Similarly based distributor of TV channels” means distributors of TV channels operating under similar conditions. The analysis of whether distributors of TV channels are similarly based includes consideration of, but is not limited to, such factors as whether distributors of TV channels operate within a geographical region and neighbourhood, have roughly the same number of subscribers, purchase a similar service, use the same distribution technology.

For the removal of doubts, it is further clarified that the distributors of TV channels using addressable systems including DTH, IPTV and such like cannot be said to be similarly based vis-à-vis distributors of TV channels using non addressable systems.

3.7 The provisions of clauses 3.1 to 3.6 shall apply to the contracts already entered into, after 120 days from the date of this regulation coming into force.

4. Disconnection of TV channel signals

4.1 No broadcaster or multi system operator shall disconnect the TV channel signals to a distributor of TV channels without giving three weeks notice to the distributor clearly giving the reasons for the proposed action.

Provided that a notice would also be required before disconnection of signals to a distributor of TV channels if there was an agreement, written or oral, permitting the distribution of the broadcasting service, which has expired due to efflux of time.

Provided further that no notice would be required if there is no agreement, written or oral, permitting the distribution of the signals.

4.2 No distributor of TV channels shall disconnect the re-transmission of any TV channel without giving three weeks notice to the broadcaster or multi system operator clearly giving the reasons for the proposed action.

4.3 A broadcaster/ multi system operator/ distributor of TV channels shall inform the consumers about such dispute to enable them to protect their interests. Accordingly, the notice to disconnect signals shall also be given in two local newspapers out of which at least one notice shall be

given in local language in a newspaper which is published in the local language, in case the distributor of TV channels is operating in one district and in two national newspapers in case the distributor of TV channels is providing services in more than one district. The period of three weeks mentioned in sub-clauses 4.1 and 4.2 of this regulation shall start from the date of publication of the notice in the newspapers or the date of service of the notice on the service provider, whichever is later.

Explanation

1. *In case the notice is published in two newspapers on different dates then the period of three weeks shall start from the latter of the two dates.*

2. *Broadcaster/multi system operator/ distributor of TV channels may also inform the consumers through scrolls on the concerned channel(s). However, issue of notice in newspapers shall be compulsory.*

4.4 The notice in the newspapers must give the reasons in brief for the disconnection.”

6. Prohibition of minimum guarantee clause

Where a distributor of TV channels is using a technology by which pay channels can only be seen through an addressable system, then no service provider shall stipulate, insist or provide for any clause in an interconnection agreement with such a distributor which would require such distributor to pay a minimum guaranteed amount as subscription fee for the services provided.

7. Conversion of a Free To Air channel/ Pay Channel

7.1 The nature of any channel, i.e., Free To Air or Pay will normally remain the same for a period of one year. Any broadcaster of a Free To Air channel intending to convert the channel into a Pay Channel or any broadcaster of a Pay channel intending to convert the channel into a Free To Air channel shall inform the Authority and give public notice in the manner specified in clause 4.3, one month before the scheduled date of conversion.

8. Time Period for Renewal of existing agreements

8.1 Parties to an interconnection agreement for supply of TV channel signals shall begin the process of negotiations for renewal of existing agreement at least two months before the due date of expiry of the existing agreement.

Provided that if the negotiations for renewal of the interconnection agreement continue beyond the due date of expiry of the existing agreement then the terms and conditions of the existing agreement shall continue to apply till a new agreement is reached or for the next three months from the date of expiry of the original agreement, whichever is earlier. However, once the parties reach an agreement, the new commercial terms shall become applicable from the date of expiry of the original agreement.

Provided further that if the parties are not able to arrive at a mutually acceptable new agreement, then any party may disconnect the retransmission of TV channel signals at any time after the expiry of the original agreement after giving a three weeks notice in the manner specified in clause 4.3. The commercial terms of the original agreement shall apply till the date of disconnection of signals.