

TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,  
PART III, SECTION 4

**TELECOM REGULATORY AUTHORITY OF INDIA**  
**NOTIFICATION**

**New Delhi the 30<sup>th</sup> April, 2012**

F. No. 3- 24/2012- B&CS – In exercise of the powers conferred by section 36, read with sub-clauses (ii), (iii), (iv) and (v) of clause (b) of sub-section (1) of section 11 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), read with notification of the Government of India, in the Ministry of Communication and Information Technology (Department of Telecommunication) No.39,-----

(a) issued, in exercise of the powers conferred upon the Central Government under clause (d) of sub-section (1) of section 11 and proviso to clause (k) of sub-section (1) of section 2 of the said Act, and

(b) published under notification No. S.O.44 (E) and 45 (E) dated the 9th January, 2004 in the Gazette of India, Extraordinary, Part III, Section 4, the Telecom Regulatory Authority of India hereby makes the following regulations, namely:-

**THE TELECOMMUNICATION (BROADCASTING AND CABLE SERVICES)**  
**INTERCONNECTION (DIGITAL ADDRESSABLE CABLE TELEVISION SYSTEMS)**  
**REGULATIONS, 2012**

**No. 9 of 2012**

**CHAPTER – I**  
**PRELIMINARY**

**1. Short title and commencement.-** (1) These regulations may be called the Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012.

(2) They shall come into force with effect from the date of their publication in the Official Gazette.

**2. Definitions.-** In these regulations, unless the context otherwise requires : -

(a) "Act" means the Telecom Regulatory Authority of India Act 1997 (24 of 1997);

(b) "addressable system" means an electronic device (which includes hardware and its associated software) or more than one electronic device put in an integrated system through which signals of cable television network can be sent in encrypted form, which can be decoded by the device or devices, having an activated Conditional Access System at the premises of the subscriber within the limits of authorisation made, through the Conditional Access System and the subscriber management system, on the explicit choice and request of such subscriber, by the cable operator to the subscriber;

(c) "agent or intermediary" means any person including an individual, group of persons, public or body corporate, firm or any organization or body authorised by a broadcaster/ multi system operator to make available TV channel/s, to a distributor of TV channels;

(d) "a-la-carte" with reference to offering of a TV channel means offering the channel individually on a standalone basis;

(e) "a-la-carte rate" means the rate at which a standalone individual channel is offered to the distributor of TV channels or to the subscriber, as the case may be;

(f) "Authority" means the Telecom Regulatory Authority of India established under sub-section (1) of section 3 of the Telecom Regulatory Authority of India Act, 1997;

(g) "broadcaster" means a person or a group of persons, or body corporate, or any organisation or body providing programming services and includes his or its authorised distribution agencies;

(h) "broadcasting services" means the dissemination of any form of communication such as signs, signals, writing, pictures, images and sounds of all kinds by transmission of electro magnetic waves through space or through cables intended to be received by the general public either directly or indirectly and all its grammatical variations and cognate expressions shall be construed accordingly;

(i) "bouquet" or "bouquet of channels" means an assortment of distinct channels, offered together as a group or as a bundle;

(j) "bouquet rate" or "rate of bouquet" means the rate at which a bouquet of channels is offered to the distributor of TV channels or to the subscriber, as the case may be;

(k) "cable operator" means any person who provides cable service through a cable television network or otherwise controls or is responsible for the management and operation of a cable television network and fulfils the prescribed eligibility criteria and conditions;

(l) "cable service" means the transmission by cables of programmes including re-transmission by cables of any broadcast television signals;

(m) "cable television network" means any system consisting of a set of closed transmission paths and associated signal generation, control and distribution equipment, designed to provide cable service for reception by multiple subscribers;

(n) "carriage fee" means any fee paid by a broadcaster to a distributor of TV channels, for carriage of the channels or bouquets of channels of that broadcaster on the distribution platform owned or operated by such distributor of TV channels, without specifying the placement of various channels of the broadcaster vis-a-vis channels of other broadcasters;

(o) "commercial subscriber" means any subscriber who receives a programming service at a place indicated by him to a service provider and uses signals of such service for the benefit of his clients, customers, members or any other class or group of persons having access to such place;

(p) "DAS area" means the areas where in terms of notifications issued by the Central Government under sub-section (1) of section 4A of the Cable Television Networks (Regulation) Act, 1995 (7 of 1995), it is obligatory for every cable operator to transmit or re-transmit programmes of any channel in an encrypted form through a digital addressable system;

(q) "distributor of TV channels" means any person including an individual, group of persons, public or body corporate, firm or any organization or body re-transmitting TV channels through electromagnetic waves through cable or through space intended to be received by general public directly or indirectly and such person may include, but is not limited to a multi system operator;

(r) "free-to-air channel", in respect of a cable television network, means a channel for which no subscription fee is to be paid by the cable operator to the broadcaster for its re-transmission on cable;

(s) "Multi-System Operator" means a cable operator who has been granted registration under rule 11C of the Cable Television Networks Rules, 1994, and who receives a programming service from a broadcaster or its authorised agencies and re-transmits the same or transmits his own programming service for simultaneous reception either by multiple subscribers directly or through one or more local cable operators and includes his authorised distribution agencies, by whatever name called;

(t) "ordinary subscriber" means any subscriber who receives a programming service from a multi system operator directly or through his linked local cable operator and uses the same for his domestic purposes;

(u) "pay channel", in respect of a cable television network, means a channel for which subscription fees is to be paid to the broadcaster by the cable operator and due authorisation needs to be taken from the broadcaster for its re-transmission on cable;

(v) "placement fee" means any fee paid by a broadcaster to a distributor of TV channels, for placement of the channels of such broadcaster vis-à-vis channels of other broadcasters on the distribution platform owned or operated by such distributor of TV channels;

(w) "programme" means any television broadcast and includes-

(i) exhibition of films, features, dramas, advertisements and serials through video cassette recorders or video cassette players;

(ii) any audio or visual or audio-visual live performance or presentation and the expression "programming service" shall be construed accordingly;

(x) "RIO" means the Reference Interconnect Offer published by a service provider specifying terms and conditions on which other service provider may seek interconnection from the service provider making the offer;

(y) "service provider" means the Government as a service provider and includes a licensee as well as any broadcaster, multi system operator, cable operator or distributor of TV Channels;

(z) "set top box" means a device, which is connected to, or is part of a television and which allows a subscriber to receive in unencrypted and descrambled form subscribed channels through an addressable system;

(za) "subscriber" means a person who receives the signals of a service provider at a place indicated by him to the service provider without further transmitting it to any other person and includes ordinary subscribers and commercial subscribers unless specifically excluded;

(zb) "subscriber base" means the number of subscribers reflected in the subscriber management system, of the digital addressable systems;

(zc) "subscriber management system" means a system or device which stores the subscriber records and details with respect to name, address and other information regarding the

hardware being utilised by the subscriber, channels or bouquets of channels subscribed to by the subscriber, price of such channels or bouquets of channels as defined in the system, the activation or deactivation dates and time for any channel or bouquets of channels, a log of all actions performed on a subscriber's record, invoices raised on each subscriber and the amounts paid or discount allowed to the subscriber for each billing period;

(zd) "TV channel" means a channel, which has been registered under -----

(i) the guidelines for uplinking from India, issued vide No.1501/2/2002-TV(I)(Pt.) dated the 2nd December, 2005; or

(ii) policy guidelines for downlinking of televisions channels, issued vide No. 13/2/2002-BP&L/BC-IV dated the 11th November, 2005, -----

as amended from time to time, or such other guidelines for uplinking or downlinking of television channels, as may be issued from time to time by Government of India (Ministry of Information and Broadcasting) and reference to the term 'channel' shall be construed as a reference to "TV channel";

(ze ) all other words and expressions used in this regulations but not defined, and defined in the Act and rules and regulations made thereunder or the Cable Television Networks (Regulation) Act, 1995 (7 of 1995) and the rules and regulations made thereunder, shall have the meanings respectively assigned to them in those Acts or the rules or regulations, as the case may be.

**C H A P T E R - I I**  
**I N T E R C O N N E C T I O N**

**3. General Provisions relating to interconnection.**-(1) No broadcaster of TV channels shall engage in any practice or activity or enter into any understanding or arrangement, including exclusive contract with any multi system operator for distribution of its channel which may prevent any other multi system operator from obtaining such TV channels for distribution.

(2) Every broadcaster shall provide signals of its TV channels on non-discriminatory basis to every multi system operator having the prescribed channel capacity and registered under rule 11 of the Cable Television Networks Rules, 1994, making request for the same.

Provided that nothing contained in this sub-regulation shall apply in the case of a multi system operator who is in default of payment.

Provided further that imposition of any term which is unreasonable shall be deemed as a denial of request.

(3) Every broadcaster or his authorized agent shall provide the signals of TV channels to a multi system operator, in accordance with its reference interconnect offer or as may be mutually agreed, within sixty days from the date of receipt of the request and in case the request for providing signals of TV Channels is not agreed to, the reasons for such refusal to provide signals shall be conveyed to the person making a request within sixty days from the date of request.

(4) Every multi system operator while seeking interconnection with the broadcaster, shall ensure that its digital addressable system installed for the distribution of TV channels meets the digital addressable system requirements specified in Schedule I to these regulations:

Provided that in case the broadcaster finds that the digital addressable system being used by the multi system operator for distribution of TV channel does not meet the requirements

specified in the Schedule I, it shall inform such multi system operator who shall get its digital addressable system audited by M/s. Broadcast Engineering Consultants India Ltd., or any other agency as may be specified by the Authority by direction issued from time to time and obtain a certificate from such agency that its system meets the requirements specified in Schedule I to these regulations :

Provided further that the findings of the agency referred to in the first proviso shall be final.

(5) A multi system operator, who seeks signals of a particular TV channel from a broadcaster, shall not demand carriage fee for carrying that channel on its distribution platform.

(6) If a broadcaster before providing signals to a multi system operator insist for placement of its channel in a particular slot as a pre-condition for providing signals, such pre-condition shall amount to imposition of unreasonable terms.

(7) Every broadcaster or his authorised agent who collects payment on behalf of such broadcaster, shall issue monthly invoice to the multi system operator for providing signals to the multi system operator and such invoice/s shall clearly specify the current payment dues and arrears, if any, along with the due date for payment.

(8) Every multi system operator, operating in the areas notified by the Central Government under sub-section (1) of the section 4A of the Cable Television Networks (Regulation) Act, 1995, shall have the capacity to carry a minimum of five hundred channels not later than the date mentioned in the said notification applicable to area in which the multi system operator is operating.

Provided that a multi system operator operating in the Municipal boundary of Greater Mumbai, National Capital Territory of Delhi, Kolkata Metropolitan area and Chennai Metropolitan area shall have a capacity to carry a minimum of two hundred channels as on the 30<sup>th</sup> June, 2012 and such capacity shall be enhanced to a minimum of five hundred channels by 1<sup>st</sup> January, 2013:



Provided further that all multi system operators operating in the area referred to in the first proviso and having subscriber base of less than twenty five thousand shall have the capacity to carry a minimum of five hundred channels by the 1<sup>st</sup> April, 2013.

(9) No multi system operator shall enter into any understanding or arrangement with any broadcaster that may prevent any other broadcaster from obtaining access to the cable network of such multi system operator.

(10) Every multi system operator shall, within sixty days of receipt of request from the broadcaster or its authorised agent or intermediary, provide on non-discriminatory basis, access to its network or convey the reasons for rejection of request if the access is denied to such broadcaster.

Provided that it shall not be mandatory for a multi system operator to carry the channel of a broadcaster if the channel is not in regional language of the region in which the multi system operator is operating or in Hindi or in English language and the broadcaster is not willing to pay the uniform carriage fee published by the multi system operator in its Reference Interconnect Offer.

Provided further that nothing contained in this sub-regulation shall apply in case of a broadcaster who has failed to pay the carriage fee as per the agreement and continues to be in default.

Provided also that imposition of unreasonable terms and conditions for providing access to the cable TV network shall amount to the denial of request for such access.

Provided also that it shall not be mandatory for the multi system operator to carry a channel for a period of next one year from the date of discontinuation of the channel, if the subscription for that particular channel, in the last preceding six months is less than or equal to five per cent. of the subscriber base of that multi system operator taken as an average of subscriber base of the preceding six months.

(11) If a multi system operator before providing access to its network to a broadcaster insist on placement of the channel of such broadcaster in a particular slot or bouquet, such precondition shall amount to imposition of unreasonable terms.

(12) Every multi system operator shall publish in its Reference Interconnect Offer the carriage fee for carrying a channel of a broadcaster for which no request has been made by the multi system operator:

Provided that the carriage fee shall be uniform for all the broadcasters and the same shall not be revised upwards for a minimum period of two years from the date of publication in the Reference Interconnect Offer.

(13) Every multi system operator or his authorised agent who collects on behalf of such multi system operator the carriage fee from a broadcaster shall issue monthly invoice/s to such broadcaster and such invoice/s shall clearly specify the current payment dues and arrears, if any, along with the due date of payment.

(14) Every multi system operator or their authorized agent shall provide the signals of TV Channels to a local cable operator in accordance with its reference interconnect offer or as may be mutually agreed, within sixty days from the date of receipt of the request and in case the request for providing signals of TV Channels is not agreed to, the reasons for such refusal to provide signals shall be conveyed to the person making a request within sixty days from the date of request.

(15) Every multi system operator or his authorised agent who collects on behalf of such multi system operator the payment from the local cable operator for providing signals shall issue monthly invoice/s to such cable operator and such invoice/s shall clearly specify the current payment dues and arrears, if any, along with the due date of payment.

(16) Every demand of arrears under these regulations shall be accompanied by the proof of service of invoices for the period for which the arrears pertain.

**CHAPTER - III**  
**REFERENCE INTERCONNECT OFFER**

**4. General Provisions relating to Reference Interconnection Offer.**--(1) Every broadcaster shall, within thirty days of commencement of these regulations, submit to the Authority its Reference Interconnect Offer specifying the technical and commercial terms and conditions including the terms and conditions as mentioned in Schedule II of this regulation and publish it on its website.

Provided that a broadcaster may submit different interconnect offers for different types of digital addressable system.

(2) No broadcaster shall, directly or indirectly, prohibit any digital addressable cable TV system operator from providing its services to any subscriber.

(3) A broadcaster may specify different Reference Interconnect Offers for supply of signals by the multi system operators to different categories of commercial subscribers such as --

(a) hotels with rating of three stars and above;

(b) heritage hotels, as specified in the guidelines for classifications of hotels issued by the Department of Tourism, Govt. of India ;

(c) any other hotel, motel, inn and other commercial establishments providing boarding and lodging having fifty or more rooms ; and

may also specify different reference interconnect offers for programmes telecast on the occasion of special events and viewed on payment basis by fifty persons or more at a place registered under the applicable law for such viewing:

Provided that the Reference Interconnect Offer applicable for ordinary subscriber shall also apply for the commercial subscribers other than those specified in this sub-regulation.

(4) Every broadcaster shall modify their existing Reference Interconnect Offer within thirty days of commencement of these regulations so as to bring them in conformity with provisions of these regulations.

(5) Any broadcaster, who begins its operation after the commencement of these regulations, shall, thirty days prior to commencement of its operations, submit to the Authority its Reference Interconnect Offer and publish such offer on its website.

(6) Every broadcaster shall submit to the Authority within seven days any amendment made in its Reference Interconnect Offer and simultaneously publish such amendments on its website in the same manner in which the original Reference Interconnect Offer was published.

(7) Every multi system operator shall, within thirty days from the date of commencement of these regulations publish its Reference Interconnect Offer specifying the technical and commercial terms and conditions for providing access to its network by the broadcaster and submit a copy to the Authority.

(8) Every person or firm or company who begins its services as multi system operator shall, before providing its services, publish its Reference Interconnect Offer specifying the technical and commercial terms and conditions for providing access to its network by the broadcaster and submit a copy to the Authority.

(9) The Authority may, in order to protect the interest of the consumer and the service provider and to promote and ensure orderly growth of broadcasting and cable services, direct the service provider to modify its Reference Interconnect Offer.

**CHAPTER - IV**  
**INTERCONNECTION AGREEMENTS**

**5. General Provisions relating to interconnection agreements.-** (1) A multi system operator may enter into an agreement with the broadcaster in accordance with the terms and conditions of the Reference Interconnect Offer published by the broadcaster on such non-discriminatory terms and conditions.

(2) Every broadcaster shall, who publishes revised Reference Interconnect Offer after the commencement of these regulations, give an option to all multi system operators to enter into an agreement in accordance with the revised Reference Interconnect Offer and it shall be open to the multi system operator to enter into fresh agreement or continue with the existing agreement.

(3) Every broadcaster shall, within a period of thirty days from the date of receipt of request from the multi system operator, enter into an interconnection agreement or modify the existing interconnect agreement in accordance with the terms and conditions of the Reference Interconnect Offer published under these regulations or as may be mutually agreed.

(4) Every broadcaster shall offer all its channels to the multi system operator on a-la-carte basis :

Provided that the broadcaster may, in addition to offering all its channels on a-la-carte basis, offer its channels in the form of bouquet.

(5) No broadcaster shall compel any multi system operator to include its channels or bouquet of channels in any package or scheme offered by the multi system operator to its subscribers.

(6) It shall be mandatory for the broadcasters of pay channels to reduce the terms and conditions of the interconnection agreements into writing.

(7) No broadcaster of pay channels shall make available signals of TV channels to any multi system operator without entering into a written interconnection agreement.

(8) Nothing contained in regulations (6) or (7) shall apply to any supply of signals or continuance of supply of signals of TV channels by a broadcaster in pursuance of or in compliance with any order or direction or judgment of any court or tribunal, including any order or direction or judgment of any court or tribunal on any proceeding pending before such court or tribunal.

(9) It shall be the responsibility of every broadcaster of pay channels who enters into an interconnection agreement with a multi system operator to hand over a copy of signed interconnection agreement to such multi system operator and obtain an acknowledgement in this regard within a period of 15 days from the date of execution of the agreement.

(10) In case a broadcaster wants to modify its interconnection agreement entered into with a multi system operator, it shall give a notice of thirty days to the multi system operator and any modification in such agreement may be made as per the terms and conditions of the Reference Interconnect Offer published by the broadcaster under these regulations or as may be mutually agreed.

(11) In case the broadcaster and the multi system operator fail to enter into an interconnection agreement, such broadcaster or multi system operator, without prejudice to the provision of section 14 A of the Act or any other law for time being in force, at any time, may make a request to the Authority to facilitate the process of entering into such agreement and the Authority may issue such directions to the broadcaster and the multi-system operator as it may deem fit.

(12) Nothing contained in sub-regulation (11) shall apply to any matter or issue pending adjudication before any court or tribunal or in respect of which a decree, award or an order has been passed by a court or tribunal.

(13) The interconnection agreement between the multi system operator and its linked local cable operator shall have the details of various services rendered by the local cable operator to the multi system operator and the charges to be paid by the multi system operator to the local cable operator for these services.

(14) The interconnection agreement between the multi system operator and its linked local cable operator shall clearly earmark the responsibility of generation of subscribers' bill by the multi system operator and the roles and responsibilities of the multi system operator and its linked local cable operator on conformance to the quality of service regulations issued by the Authority from time to time.

(15) It shall be open to a multi system operator to decide the packaging of the channels offered to the subscribers from bouquet of channels provided to it by the broadcaster :

Provided that in case the multi system operator does not offer to a subscriber the entire bouquet of channels provided to it by the broadcaster but only certain channels of such bouquet or packages the channels of such bouquet in a manner resulting in different subscriber base for different channels of such bouquet, the payment to the broadcaster for such bouquet shall be calculated on the basis of the subscriber base for that channel of the bouquet which has highest subscriber base.

(16) Every service provider shall enter into a new agreement before the expiry of the existing agreement and in case the service provider fails to enter into the new agreement before the expiry of the said agreement, the provisions of the existing agreement shall continue to apply till the new agreement is entered into between the service providers or for the next three months from the date of expiry of existing agreement, whichever is earlier and if the service providers are able to enter into an agreement before the expiry of the said three months, the new agreement shall apply from the date of expiry of earlier agreement:

Provided that if service providers are not able to enter into a new agreement, they may be entitled to disconnect the signals of TV Channels by giving three weeks notice published in two local newspapers, out of which one shall be published in the newspaper of the regional language of the area for which the said agreement is applicable.

(17) It shall be mandatory for the multi system operator to reduce the terms and conditions of the interconnection agreements into writing.

(18) No multi system operator, shall make available signals of TV channels to any linked local cable operator without entering into a written interconnection agreement.

(19) Nothing contained in regulations (17) or (18) shall apply to any supply of signals or continuance of supply of signals of TV channels by a multi system operator in pursuance of or in compliance with any order or direction or judgment of any court or tribunal, including any order or direction or judgment of any court or tribunal on any proceeding pending before such court or tribunal.

(20) It shall be the responsibility of every multi system operator to hand over a copy of signed interconnection agreement who enters into an interconnection agreement with a linked local cable operator/s to hand over a copy of signed interconnection agreement to such cable operator and obtain an acknowledgement in this regard within a period of 15 days from the date of execution of the agreement.

(21) No service provider shall demand from any other service provider a minimum guaranteed amount as subscription fee for the channels provided by such service provider.



**C H A P T E R - V**  
**DISCONNECTION OF SIGNALS OF TV CHANNELS**

**6. Disconnection of signals of TV Channel .-** (1) No broadcaster shall disconnect the signals of a TV Channels of a multi system operator without giving three weeks notice to such multi system operator, clearly specifying the reasons for the proposed disconnection.

(2) No multi system operator shall disconnect the signals of a TV Channels of a linked local cable operator, without giving three weeks notice to such local cable operator, clearly specifying the reasons for the proposed disconnection.

(3) No multi system operator shall disconnect the re-transmission of any TV channel without giving three weeks notice to the broadcaster, clearly specifying the reasons for the proposed disconnection.

(4) No local cable operator shall disconnect the re-transmission of any TV channel without giving three weeks notice to the multi system operator, clearly specifying the reasons for the proposed disconnection.

(5) Every notice of disconnection of signals of TV channel under sub-regulation (1), (2), (3) and (4) and every notice of disconnection of re-transmission of TV channel under sub-regulation (2), (3) and (4) shall be published in two leading local newspapers of the State in which the service provider is providing the services, out of which one notice shall be published in the newspaper in local language.

(6) The period of three weeks specified under sub-regulation (1), (2), (3) and sub-regulation (4) shall start from the date of publication of the notice in newspapers or the date of service of the notice on service provider, whichever is later and in case the notices are published in newspaper on different dates, the period of three weeks shall be counted from the later of the two dates.

**CHAPTER - VI**  
**MISCELLANEOUS**

**7. Conversion of free to air channel into pay channel or a pay channel into free to air channel.-** A channel once declared free to air channel or pay channel shall remain such channel for at least a period of one year and any broadcaster shall, before converting a free to air channel into pay channel or a pay channel into free to air channel, inform the Authority and shall give one month's notice before such conversion in two local newspapers, out of which one shall be published in the newspaper of the regional language of the area in which such conversion takes place.

**8. Intervention by the Authority .-** The Authority may, in order to protect the interest of the consumer or service provider or to promote and ensure orderly growth of the broadcasting and cable sector or for monitoring and ensuring compliance of these regulations, by order or direction, intervene, from time to time.

**9. Reporting Requirements.-** (1) Every multi system operator shall submit to the Authority information, in the proforma specified in Schedule-III to these regulations, all interconnect agreements entered into by it with the broadcaster and local cable operator and subsequent modifications made therein.

(2) Every existing multi system operator shall submit to the Authority by 31<sup>st</sup> July, 2012, all interconnect agreements entered into by it and amendments made therein prior to the date of notification of these regulations.

(3) Every multi system operator commencing its services after the notifications of these regulations shall submit to Authority its interconnection agreement within thirty days of entering into the agreement or 31<sup>st</sup> July, 2012 whichever is later.

(4) Every broadcaster shall furnish the details of carriage fee paid by him to the multi system operator along with the information furnished by him under the Register of Interconnect Agreements (Broadcasting and Cable Services) Regulation 2004 (15 of 2004),

as amended from time to time. Such information henceforth shall also include details of carriage fee paid to the multi system operator by the broadcaster.

(Wasi Ahmad)  
Advisor (B&CS)

Note.-----The Explanatory Memorandum explains the objects and reasons of the Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulation, 2012.

**Digital Addressable cable TV Systems Requirements**

**A) Conditional Access System (CAS) & Subscriber Management System (SMS) :**

1. The current version of the conditional access system should not have any history of the hacking.
2. The fingerprinting should not get invalidated by use of any device or software.
3. The STB & VC should be paired from head-end to ensure security.
4. The SMS and CA should be integrated for activation and deactivation process from SMS to be simultaneously done through both the systems. Further, the CA system should be independently capable of generating log of all activation and deactivations.
5. The CA company should be known to have capability of upgrading the CA in case of a known incidence of the hacking.
6. The SMS & CAS should be capable of individually addressing subscribers, on a channel by channel and STB by STB basis.
7. The SMS should be computerized and capable to record the vital information and data concerning the subscribers such as:
  - a. Unique Customer Id
  - b. Subscription Contract number
  - c. Name of the subscriber
  - d. Billing Address
  - e. Installation Address
  - f. Landline telephone number
  - g. Mobile telephone number
  - h. Email id
  - i. Service/Package subscribed to
  - j. Unique STB Number
  - k. Unique VC Number
8. The SMS should be able to undertake the:
  - a. Viewing and printing historical data in terms of the activations, deactivations etc
  - b. Location of each and every set top box VC unit
  - c. The SMS should be capable of giving the reporting at any desired time about:

- i. The total no subscribers authorized
  - ii. The total no of subscribers on the network
  - iii. The total no of subscribers subscribing to a particular service at any particular date.
  - iv. The details of channels opted by subscriber on a-la carte basis.
  - v. The package wise details of the channels in the package.
  - vi. The package wise subscriber numbers.
  - vii. The ageing of the subscriber on the particular channel or package
  - viii. The history of all the above mentioned data for the period of the last 2 years
9. The SMS and CAS should be able to handle at least one million subscribers on the system.
  10. Both CA & SMS systems should be of reputed organization and should have been currently in use by other pay television services that have an aggregate of at least one million subscribers in the global pay TV market.
  11. The CAS system provider should be able to provide monthly log of the activations on a particular channel or on the particular package.
  12. The SMS should be able to generate itemized billing such as content cost, rental of the equipments, taxes etc.
  13. The CA & SMS system suppliers should have the technical capability in India to be able to maintain the system on 24x7 basis throughout the year.
  14. CAS & SMS should have provision to tag and blacklist VC numbers and STB numbers that have been involved in piracy in the past to ensure that the VC or the STB can not be re-deployed.

**(B) Fingerprinting:**

1. The finger printing should not be removable by pressing any key on the remote.
2. The Finger printing should be on the top most layer of the video.
3. The Finger printing should be such that it can identify the unique STB number or the unique Viewing Card (VC) number.
4. The Finger printing should appear on all the screens of the STB, such as Menu, EPG etc.
5. The location of the Finger printing should be changeable from the Headend and should be random on the viewing device.
6. The Finger printing should be able to give the numbers of characters as to identify the unique STB and/or the VC.

7. The Finger printing should be possible on global as well as on the individual STB basis.
8. The Overt finger printing and On screen display (OSD) messages of the respective broadcasters should be displayed by the MSO/LCO without any alteration with regard to the time, location, duration and frequency.
9. No common interface Customer Premises Equipment (CPE) to be used.
10. The STB should have a provision that OSD is never disabled.

**(C) Set Top Box (STB) :**

1. All the STBs should have embedded Conditional Access.
2. The STB should be capable of decrypting the Conditional Access inserted by the Headend.
3. The STB should be capable of doing Finger printing. The STB should support both Entitlement Control Message (ECM) & Entitlement Management Message (EMM) based fingerprinting.
4. The STB should be individually addressable from the Headend.
5. The STB should be able to take the messaging from the Headend.
6. The messaging character length should be minimal 120 characters.
7. There should be provision for the global messaging, group messaging and the individual STB messaging.
8. The STB should have forced messaging capability.
9. The STB must be BIS compliant.
10. There should be a system in place to secure content between decryption & decompression within the STB.
11. The STBs should be addressable over the air to facilitate Over The Air (OTA) software upgrade.

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## Schedule II

### Terms and conditions which should compulsorily form part of Reference Interconnect Offers for interconnection between broadcaster and multi system operator for the Digital Addressable Cable TV System platforms.

Licence Fee	<p>For each month or part thereof during the Term of the agreement, the multi system operator shall pay to _____ (name of the Broadcaster) the Monthly Licence Fee which shall be the Rate multiplied by the Monthly Average Subscriber Level.</p> <p>The a-la-carte and bouquet “Rate” per Subscriber is set out in Annexure to this RIO. The rates mentioned in the Annexure to this RIO, as referred to above, are exclusive of all taxes and levies.</p> <p>The “Monthly Average Subscriber Level” is equal to the sum of the number of subscribers on the first and last day of the month in question divided by two.</p> <p>For the purpose of calculation of the Monthly License Fee payable to _____ (name of the Broadcaster), “Subscriber” means, for any calendar month, each Set Top Box, which is availing the Channel(s) of _____ (name of the Broadcaster) through the multi system operator.</p> <p><b>Calculation of License Fee:</b></p> <p>I. In case a multi system operator avails one or more Bouquet(s) of _____ (name of the Broadcaster):</p> <p>(a) If the multi system operator is providing the Bouquet(s) as a whole to its subscribers, the Monthly License Fee for such Bouquet(s) shall be equal to the Bouquet rate as set out in the Anenxure multiplied by the number of monthly average number of subscribers availing the Bouquet(s).</p>
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(b) if the multi system operator does not offer such opted bouquet(s) as a whole to its subscriber but offers only certain channels comprised in such bouquet or packages the channels comprised in such opted bouquet in a manner resulting in different subscriber base for different channels comprised in such opted bouquet, then the payment to \_\_\_\_\_ (name of the Broadcaster) for such entire opted bouquet by the multi system operator, shall be calculated on the basis of subscriber base for the channel which has highest subscriber base amongst the channels comprised in the bouquet.

II In case a multi system operator avails one or more or all channels of \_\_\_\_\_ (name of the Broadcaster) on ala carte rate basis:

(a) If the multi system operator is providing the channels on ala carte basis to its subscribers, the Monthly License Fee for such ala carte channels shall be equal to the ala carte rate as set out in the Annexure multiplied by the number of monthly average number of subscribers availing the channels on ala carte basis.

(b) if the multi system operator does not offer such opted ala carte channel(s) as ala carte to its subscriber but offers the ala carte channel (s) in packages, then the payment to \_\_\_\_\_ (name of the Broadcaster) for each of the ala carte channels, shall be calculated on the basis of subscriber base of the package in which such opted ala carte channel has been placed.

III In case a multi system operator avails one or more channels on ala carte rate basis and also opts for different Bouquet(s) not comprising of channels opted on ala carte basis of \_\_\_\_\_ (name of the Broadcaster):

(a) For bouquet(s), the monthly license fee shall be calculated on the basis of sub clause I above.

(b) For ala carte channels, the monthly license fee shall be calculated on the basis of sub clause II above.

Payment of the License Fee shall be subject to deduction of any withholding tax/ TDS in accordance with the provisions of the Indian Income Tax Act,



	1961, as amended from time to time.
Payment Terms	<p>The Monthly Licence Fee shall be paid monthly in arrears within fifteen (15) days of receipt of invoice raised on the basis of report of the multi system operator by _____ (name of the Broadcaster) without any deduction except deduction of withholding tax/TDS as provided in this RIO.</p> <p>Within seven days of end of each month, the multi system operator shall provide opening, closing and average number of subscribers for that month, based on which _____ (name of the Broadcaster) shall raise an invoice on the multi system operator. In case the multi system operator fails to send the report within the said period of seven days, _____ (name of the Broadcaster) shall have the right to raise a provisional invoice and the multi system operator shall be under obligation to pay the license fee on the basis of such provisional invoice in accordance with the terms of this clause. However the provisional invoice shall be for an amount not more than the monthly license fee payable by the multi system operator for the immediately preceding month. On receipt of the report from the multi system operator, the parties would conduct reconciliation between the provisional invoice raised by _____ (name of the Broadcaster) and the report sent by the multi system operator.</p> <p>The multi system operator shall be required to make payments by the Due Date in accordance with the terms hereof, and any failure to do so on the part of the multi system operator shall constitute a material breach hereunder. Late payments shall also attract interest calculated from the date payment was due until the date payment is made in full at a pro rata monthly rate of ____%. The imposition and collection of interest on late payments does not constitute a waiver of the multi system operator's obligation to pay the License Fee by the Due Date, and _____ (name of the Broadcaster) shall retain all of its other rights and remedies under the Agreement.</p> <p>All Licence Fee payments hereunder are exclusive of all applicable indirect taxes including all and any service taxes, VAT, works contract taxes, customs duties, excise duties, entertainment taxes and other such taxes. All such taxes</p>

	<p>shall be at multi system operator’s cost and will be charged at the prevailing rates by _____ (name of the Broadcaster) to the multi system operator.</p> <p>If payment of the Licence Fee is subject to deduction of any withholding tax/TDS in accordance with the provisions of the Indian Income Tax Act 1961, as amended, the multi system operator shall provide tax withholding certificates to _____ (name of the Broadcaster) within such period as has been specified in the Income Tax Act/ Rules/ Notifications/ Circulars issued thereunder.</p>
<p>Delivery and Security</p>	<p>All _____ (name of the Broadcaster) Channels must be delivered by multi system operator to subscribers in a securely encrypted manner and without any alteration.</p> <p>The transmission specifications and infrastructure allocated by multi system operator in respect of the broadcast signal of the _____’s (name of the Broadcaster) Channels by multi system operator to its subscribers shall be no worse than that of the cable signal of any other channel within the same genre on its digital addressable cable TV system platform.</p>
<p>Anti-Piracy</p>	<p>In order to prevent theft, piracy, unauthorized retransmissions, redistribution or exhibition, copying or duplication of any Channel, in whole or in part, (hereinafter collectively referred to as “Piracy”), the multi system operator shall, prior to the commencement of the Term of the agreement and at all times during such Term, employ, maintain, and enforce fully effective conditional access delivery and content protection and security systems, and related physical security and operational procedures (hereinafter collectively referred to as the “Security Systems”) as may be specified (security specifications), in a non-discriminatory manner in writing, from time to time, by the _____ (name of the Broadcaster).</p> <p>To ensure the multi system operator’s ongoing compliance with the security requirements set out in the Agreement, _____ (name of the Broadcaster) may require technical audits (“Technical Audit(s)”) conducted by an independent security technology auditor (“Technical Auditor”), approved by _____ (name of the Broadcaster) in writing no more than twice per year</p>

during the Term, at \_\_\_\_\_ (name of the Broadcaster)'s cost and expense. If the results of any Technical Audit are not found to be satisfactory by either the multi system operator or \_\_\_\_\_ (name of the Broadcaster), then \_\_\_\_\_ (name of the Broadcaster) shall work with the multi system operator in resolving this issue in the next fourteen (14) business days. If a solution is not reached at by then, \_\_\_\_\_ (name of Broadcaster) may, in its sole discretion, suspend the multi system operator's right to distribute the Channels or take other actions as provided under the Agreement, until such systems, procedures and security measures have been corrected to \_\_\_\_\_ (name of the Broadcaster)'s satisfaction multi system operator shall bear the cost and expense of any subsequent Technical Audit to verify that the systems, procedures and security measures have been corrected by the multi system operator to \_\_\_\_\_ (name of the Broadcaster)'s satisfaction.

Multi system operator shall deploy finger printing mechanisms to detect any piracy, violation of copyright and unauthorized viewing of the Channels, distributed / transmitted through its Platform at least every 10 minutes on 24 x 7 x 365(6) basis.

Multi system operator shall not authorize, cause or suffer any portion of any of the Channels to be recorded, duplicated, cablecast, exhibited or otherwise used for any purpose other than for distribution by multi system operator at the time the Channels are made available. If multi system operator becomes aware that any unauthorized third party is recording, duplicating, cable casting, exhibiting or otherwise using any or all of the Channels for any other purpose ,multi system operator shall within ten minutes of so becoming aware of such recording, duplicating, cable casting, exhibiting or otherwise using any or all of the Channels for any other purpose, notify \_\_\_\_\_ (name of the Broadcaster) and the multi system operator shall also switch off the concerned Set Top Box to prevent such unauthorized use. However, use of a Set Top Box with Personal Video Recorder/ Digital Video Recorder facility which has been supplied by the multi system operator shall not be treated as unauthorized use, as long as such Set Top Box is used in accordance with the terms and conditions of the subscription agreement between the multi system

	<p>operator and the subscriber.</p> <p>If so instructed by Information (as defined below) by _____ (name of the Broadcaster), the multi system operator shall shut off or de-authorize the transmission to any unauthorized subscriber/ subscriber indulging in piracy, within ten minutes from the time it receives such instruction from _____ (name of the Broadcaster). Any communication under this clause shall be considered as valid Information only if (i) the information is sent through e mail in a format as mutually agreed by the parties and (ii) the information is sent by a person(s) who is designated to send such information. However the “information” may even be provided by _____ (name of the Broadcaster) representatives through other means of communications such as telephonic message, fax etc and the said “information” shall later be confirmed by _____ (name of the Broadcaster) through e mail and the multi system operator shall be under obligation to act upon such information.</p>
<p>Reports</p>	<p>Multi system operator will maintain at its own expense a subscriber management system (“SMS”) which should be fully integrated with the CAS (Conditional Access System).</p> <p>Multi system operator shall provide to _____ (name of the Broadcaster) complete and accurate opening and closing subscriber monthly reports for the _____ (name of the Broadcaster) Channels and the tier and/or package containing the _____ (name of the Broadcaster) Channels within seven (7) days from the end of each month in the format provided by _____ (name of the Broadcaster).</p> <p>Such reports shall specify all information required to calculate the Monthly Average Subscriber Level (including but not limited to the number of Subscribers for each _____ (name of the Broadcaster) Channel and each package in which a _____ (name of the Broadcaster) Channel is included) and the Licence Fees payable to _____ (name of the Broadcaster) and shall be signed and attested by an officer of the multi system operator of a rank not less than Head of Department/Chief Financial Officer who shall certify that all information in the Report is true and correct.</p>

Audit	<p>_____ (name of the Broadcaster)'s representatives shall have the right, not more than twice in a calendar year, to review and / or audit the subscriber management system, conditional access system, other related systems and records of Subscriber Management System of the multi system operator relating to the Channel(s) provided by the broadcaster for the purpose of verifying the amounts properly payable to _____ (name of the Broadcaster) under the Agreement, the information contained in Subscriber Reports and full compliance with the terms and conditions of the Agreement. If such review and or audit reveals that additional fees are payable to _____ (name of the Broadcaster), the multi system operator shall immediately pay such fees, as increased by the -----</p> <p>Late Payment Interest Rate. If any fees due for any period exceed the fees reported by the multi system operator to be due for such period by two (2) percent or more, multi system operator shall pay all of _____ (name of the Broadcaster)'s costs incurred in connection with such review and / or audit, and take any necessary actions to avoid such errors in the future.</p> <p>The multi system operator shall remain the sole owner and holder of all customer databases compiled by the multi system operator under the Agreement.</p> <p>Multi system operator will maintain at its own expense a subscriber management system ("SMS") capable of, at a minimum:</p> <ul style="list-style-type: none"> <li>(i) maintaining a computerised customer database capable of recording adequate details of each Subscriber, including name, address, chosen method of payment and billing;</li> <li>(ii) administering subscriptions of Subscribers by producing and distributing contracts for new Subscribers and setting up and maintaining an infrastructure whereby Subscriber contracts are collected and recorded in the SMS database for ongoing administration;</li> <li>(iii) handling all ongoing administrative functions in relation to Subscribers, including, without limitation, billing and collection of subscription payments,</li> </ul>
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	<p>credit control, sales enquiries and handling of complaints;</p> <p>(iv) administering payments of any commission fees from time to time payable to the multi system operator's authorised agents for the sale to Subscribers of programming packages;</p> <p>(v) obtaining and distributing receivers and smartcards, if applicable, to Subscribers, and issue replacement smartcards from time to time in its discretion; and</p> <p>(vi) enable new Subscribers via the SMS over-the-air addressing system and disable defaulting Subscribers from time to time in its discretion.</p>
Term	<p>As mutually agreed between _____ (name of the Broadcaster) and the multi system operator subject to a minimum of One (1) Year from the date of signing of the Agreement unless terminated earlier in accordance with the Agreement.</p> <p>The Term of the Agreement may be extended on terms and conditions to be mutually agreed and recorded in writing between the parties.</p>
Termination	<p>Either Party has a right to terminate this Agreement by a written notice, subject to applicable Law, to the other in the event of:</p> <ol style="list-style-type: none"> <li>1. material breach of this Agreement by the other Party which has not been cured within thirty (30) days of being required in writing to do so;</li> <li>2. the bankruptcy, insolvency or appointment of receiver over the assets of the other Party;</li> <li>3. The digital addressable cable TV system licence or any other material licence necessary for multi system operator to operate its digital addressable cable TV system service being revoked at anytime other than due to the fault of multi system operator.</li> </ol> <p>_____ (name of the Broadcaster) shall have the right to terminate this Agreement by a written notice to multi system operator if (i) multi system operator breaches any of the Anti Piracy Requirements and fails to cure such</p>

	<p>breach within ten (10) days of being required in writing to do so; or</p> <p>(ii) _____ (name of the Broadcaster) discontinues the _____ (name of the Broadcaster) Channels with respect to all distributors in the Territory and provides multi system operator with at least ninety (90) days prior written notice.</p> <p>Multi system operator shall have the right to terminate this Agreement on written notice to _____ (name of the Broadcaster) if multi system operator discontinues its digital addressable cable TV system business and provides at least ninety (90) days prior written notice.</p>
Jurisdiction	<p>The Governing Law shall be the Indian Law and TDSAT, shall have exclusive jurisdiction in respect of any dispute between the parties, arising out of /in connection with or as a result of the Agreement.</p>





**(B) BOUQUET RATES**

**BOUQUET – 1**

<b>Channels</b>	<b>Rate to multi system operator (Rs)</b>
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	

**BOUQUET- 2**

<b>Channels</b>	<b>Rate to multi system operator (Rs)</b>
1.	
2.	
3.	
4.	
5.	

<b>6.</b>	
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**BOUQUET 3**

<b>Channels</b>	<b>Rate to multi system operator (Rs)</b>
<b>1.</b>	
<b>2.</b>	
<b>3.</b>	
<b>4.</b>	
<b>5.</b>	

**Schedule – III**

<b>Performa for reporting by Multi System Operator of interconnect agreements entered into by them with Broadcasters &amp; Local Cable Operators</b>									
Column →	1	2	3	4	5	6	7	8	9
	S. No	Name of contracting parties	Complete Address of party with District, State, Pin Code and telephone number	Service Area of Operation	Name of the Bouquet with Number of channels	Rate of bouquet	Subscriber Base ( Month wise w.e.f. July of the previous year and upto June of the current year )	Name of a-la-carte Channel & Number of channels	Rate of a-la-carte channel

Column →	10	11	12	13	14	15	16	17	18
	Discount, if any	Subscriber Base ( Month wise w.e.f. July of the previous year and upto June of the current year )	IRD/VC No. - Channel Wise	Term of IRD	Agreement Number with date	Date of Commencement of the agreement	Date of expiry of the agreement	Carriage fee paid by the broadcaster	Remarks, if any

## Explanatory Memorandum

### I. Background

1. On 10.12.2004, TRAI made an interconnection regulation applicable for broadcasting and cable TV sector. The regulation was called the “Telecommunication (Broadcasting and Cable Services) Interconnection Regulation 2004 (13 of 2004)”. There have been six amendments made to this regulation.

2. The interconnection regulations provide for the basic structure on the matters of interconnection. These regulations cover arrangements among service providers for interconnection and revenue share, for all broadcasting and cable services. The main features of the regulations are: provision of ‘must provide’ (i.e. non discriminatory access) for the broadcasters and the provision for ‘disconnection of TV signals’. The regulations prescribe notice period for disconnection. In the notice for disconnection, the reasons for disconnection are to be given. No notice for disconnection is required if there is no written agreement permitting distribution of signals. For the information of the consumers, it has been provided that the notice for disconnection should be published in newspapers in accordance with the relevant provisions of the regulations. These regulations also provide for publishing of Reference Interconnect Offer by broadcasters for non-addressable as well as addressable cable TV systems.

3. In the last few years, the exponential growth in the number of TV channels (both Free To Air and Pay) combined with the inherent limitations of the analogue cable TV systems, has posed several challenges in the cable TV sector, mainly due to capacity constraints and non-addressable nature of the network. With time and evolution of technology, new addressable digital TV platforms like DTH, IPTV etc. were introduced to the masses. The evolution of technology also paved way for bringing about digitization with addressability in the cable TV sector. Accordingly, after studying the subject at length and undertaking a public consultation process, the Authority, on 5<sup>th</sup> August 2010, gave its recommendations on implementation of Digital Addressable Cable TV Systems (DAS) across the country along with a roadmap to achieve the same.

4. The Government, on 25<sup>th</sup> October, 2011, issued an Ordinance amending the Cable Television Networks (Regulation) Act, 1995, paving way for the implementation of digital addressable cable TV systems in India. Thereafter, the Government also issued a notification dated 11<sup>th</sup> November, 2011, which laid down the roadmap for implementation, in a four phased manner, from June 2012 to December, 2014. The Ordinance dated 25<sup>th</sup> October, 2011, subsequently, in December, 2011, became an Act.

5. Considering the amended provisions of the Cable Television Networks (Regulation) Act, 1995, and the notification dated 11.11.2011 mentioned above, the Authority initiated a consultation process on the issues relating to implementation of digital addressable cable TV systems. In this connection a consultation paper titled “Issues related to Implementation of Digital Addressable Cable TV Systems” was issued on 22.12.2011. The issues for consultation related to the amendments to the existing interconnection regulations, the subscription revenue share between the MSO and LCO, whether “must carry” provision should be mandated for the MSOs, whether the carriage fee is to be regulated and whether there should be a specified standard interconnection agreement between service providers applicable for DAS areas. An Open House Discussion (OHD) was also held in New Delhi on 13<sup>th</sup> March, 2012.

## **II. Analysis of issues**

6. The following is a summary of main issues, comments of the stakeholders and analysis thereon.

Note: To make it convenient for ease of reference and understanding by all the stakeholders, the instant regulations consolidate all the earlier interconnection regulations and the regulations now made are applicable for digital addressable cable TV systems.

### **A. Suggested Amendments to Interconnection Regulations**

The issue for consideration was whether any of the existing clauses of the Interconnection Regulations require modifications.

7. During the course of the consultation process, broadcasters/aggregators suggested modifications in certain clauses of the existing interconnection regulations such as reduction in notice period for disconnection of signals, procedure for auditing of the Subscriber Management System (SMS) of the service provider and on the technical side it was suggest that a provision be made in the interconnection regulations for integration of SMS and the Conditional Access System (CAS) so as to ensure complete addressability of the system. It was also suggested that the provisions may be made in the regulations for anti piracy and fingerprinting measures and for making provision for filing of interconnect agreements by MSOs/LCOs and also a provision for minimum period of subscription. It was also suggested that clause 3.2 of the Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004, relating to “must provide” may also be qualified by making it inoperative in cases of service providers who have failed to comply with any of the regulations. It was also suggested by the stakeholders that certain definitions in the existing interconnection regulation may be required to be amended to bring them in line with the provisions of Cable Television Act as amended in 2011. Some MSOs expressed the view that they are not in favor of any modification in existing clauses. Some of the LCOs have suggested that there is a need to amend the clauses of interconnection regulations relating to the notice period for disconnection and for making provisions for revenue sharing arrangements.

8. On the issue of filing of interconnect agreements by the MSOs, the Authority considered the suggestion and decided to incorporate a provision in this regard in this regulation so as to bring in the transparency in the system. A provision has been made in this regulation for reporting the details of interconnect agreements by the MSOs along with the details of carriage fee paid by the broadcasters. The reporting requirement, prescribed in the present regulations, makes a provision for the broadcasters to file the details of carriage fee paid by them. On the issue of amendments to definitions, the definitions such as “addressable system”, “broadcaster”, “cable operator”, “multi system operator”, “pay channel” and "subscriber management system" have been aligned with that of the amended Cable Television Networks (Regulation) Act, 1995 and also the amended Cable Television Networks Rules, 1994. On the issue of minimum period of subscription, a provision has been made in the Telecommunication (Broadcasting and Cable) Services (Digital Addressable Cable TV Areas) Tariff Order, 2012. On the issue of Notice period for disconnection, the Authority considered the fact that the notice period should be sufficient for the affected

parties to be able to approach the appropriate forum to plead for intervention and to give the consumers an opportunity to approach the necessary forum. The Authority, therefore, decided that the existing period of the notice of 21 days is to be retained. On the suggestion of the audit of SMS, the Authority considered the fact that the existing provisions of the interconnect regulations provide for upto two audits in a calendar year. The Authority felt that this is sufficient opportunity for audit and, therefore, decided that there is no need to modify the existing provisions in this regard. On the issue of integration of SMS and CAS, the Authority observed that the existing interconnection framework provides for integration of SMS and CA system for activation and deactivation process from SMS to be simultaneously done through both the systems. The Authority is of the view that this provision is adequate and therefore no change is required. On the issue of Anti Piracy and fingerprinting the Authority observed that the existing framework provides that operator shall deploy finger printing mechanisms to detect any piracy, violation of copyright and unauthorized viewing of the Channels, distributed / transmitted through its platform. The Authority is of the view that this provision is adequate and therefore no change is required on this issue. On the issue of Qualified “Must Provide”, the Authority observed that the violations of regulations are to be dealt with as per the provisions of the TRAI Act, 1997. The Authority is, therefore, of the view that no further qualifications are required in this provision.

#### **B. The “Must Carry” provision**

9. The issue is that should the ‘must carry’ provision be mandated for the MSO. If so, what should be the qualifying conditions and the manner in which an MSO should offer access to its network for the carriage of TV channel. The majority of the broadcasters are in favour of mandating must carry provisions to balance out the ‘must provide’ clause prescribed in the existing interconnect regulations. They have suggested that the manner of offering network access should be on a non-discriminatory basis and the qualifying conditions may include openness to audit & transparency, non-discriminatory listing of channels and all channels should feature genre-wise in the EPG of MSO. One broadcaster has also suggested that the ‘must carry’ provisions need not be mandated.

10. Majority of the MSOs and LCOs have suggested that there should not be any must carry provision. Some of them have suggested that it can be mandated only for DD channels. Regarding the manner, one LCO has suggested that Carriage fee should be the qualifying

condition for all 'must carry' channels except Doordarshan channels. Few LCOs have supported the must carry provision and stated that it should be regulated by TRAI. Other stakeholders who have offered their comments are not in favour of 'must carry' provision.

11. In the digital transmission environment, the capacity to carry the channels is very high. So one of the main advantages of a digital environment to the subscriber is the availability of large number of channels. However, there is a component of cost to carry channels. If the operator is compensated for the cost of carriage of a channel, there should not be any technological or other infrastructural constraints for the operator to carry a channel. Further, as per the Cable Television Networks (Amendment) Rules, 2012, the channel carrying capacity of the multi system operator is to be specified by the Authority.

12. The analysis of the operational channels (Annexure-A attached with this Explanatory Memorandum) shows that the maximum number of channels that are relevant to a State or Union Territory, language-wise, are 473 (in Andhra Pradesh) out of the 650 operational private channels (as on April, 2012). Besides this there are 18 channels of the Prasar Bharati and one Lok Sabha channel (in total 19 channels) that may also be relevant for all the States and the UTs to cater to the infotainment requirements of minority populace of these States and UTs. It is also noted that the Ministry of Information and Broadcasting has granted permission to 831 channels under uplinking/downlinking guidelines, as on 6<sup>th</sup> March, 2012. It is also likely that certain more channels may get operational by 1.1.2013. Thus, it is logical that maximum number of channels that may be required to be carried in a digital addressable cable TV system network, for present, is taken as 500 channels per headend. Therefore, the present regulations provide for creating a capacity of 500 channels per headend by 1.1.2013. Further, it has been seen that there are two types of MSOs viz., large sized MSOs having subscriber base of more than 25,000 subscribers with upper limit running into lakhs of subscribers and smaller MSOs having around 25,000 subscribers or lesser number of subscribers. Due to the larger size of operations, the large sized MSOs are better equipped to have the capacity to set up digital addressable cable TV systems in lesser time than the smaller sized MSOs. Therefore, to provide more time to smaller MSOs to create capacity of 500 channels per head end, the time line has been prescribed as 1<sup>st</sup> April, 2013 and for the large sized MSOs, the time line has been kept as 1<sup>st</sup> January, 2013. However, considering the fact that the four metros of Delhi, Mumbai, Kolkata and Chennai are to go digital on 1<sup>st</sup> July, 2012, and many of the MSOs may not be able to create a capacity



to carry a minimum 500 channels per headend by this date, in the first instant, they have been allowed to operate with a minimum capacity of 200 channels per headend.

13. To allow the multi system operator to provide the access to its cable network smoothly, a time frame of sixty (60) days has been provided for in the regulations which is equivalent to the time frame given to the broadcaster under the must provide provisions. In no case this time period be more than sixty days (60 days) from the date of request seeking access to the network of the multi system operator.

14. A responsibility has also been cast upon the broadcaster or the access seeker to the cable network of the MSO under the provisions of 'must carry' to ensure the subscription of the channel at a minimum level of more than or equal to five per cent. (5%) of the subscriber base of that MSO taken on an average of subscriber base for the preceding six months. In case of failure to maintain this subscriber base, the network provider, in his discretion, can refuse to grant further access to the network for a period of next one year. Such a refusal would not be considered a violation of the "Must carry" provision.

### **C. "Carriage fee"**

15. The issues are should the carriage fee be regulated and if so, should its quantum be linked to some parameters. News Broadcaster Association is of the view that carriage fee should be regulated. This Association is of the view that if must carry is mandated, the question of carriage fee does not arise. Majority of the broadcasters and one association of broadcasters are not in favor of regulating the carriage fee and have suggested that it should be based on the mutual negotiation between the broadcaster and MSO. Few who favored suggested that the parameters can be the subscriber base of the MSO, number of STB installed etc. One of the broadcaster suggested that carriage fee should not exceed 10% of the subscription fee collected for the channels not covered under the must carry mandatory clause.

16. MSOs are not in favor of any kind of regulatory intervention on carriage fee. Most of the LCOs are not in favor of regulating the carriage fee. Some of the LCOs suggested that the carriage fee should be regulated and can be linked with the no. of STBs installed, gross collection of subscription amount, size and locality of the network etc. Some LCOs are suggesting that LCO should also get a part from the carriage fee.

17. In the addressable systems, due to transparency in ascertaining the number of subscribers, the subscription revenue is expected to go up. Therefore, the dependence of MSOs on the carriage fee, as a source of revenue, is likely to be reduced. Considering all the aspects, the Authority is of the view that there is a need to regulate the carriage fee. Accordingly, the following scheme has been worked out. The MSOs who charge carriage fee are required to declare the carriage fee for carrying a TV channel. The carriage fee shall be charged in a non-discriminatory and transparent manner. Also the carriage fee can not be revised upward for a minimum period of 2 years. The details of the carriage fee is to be filed with the Authority. In case the Authority finds it necessary, it shall intervene and ask for appropriate modifications in the carriage fee.

#### **D. Standard Interconnect Agreement (SIA)**

18. The issue is whether TRAI prescribe a standard interconnection agreement between service providers. Nearly half of the broadcasters who offered their comments on the issue are not in favour of prescribing SIA by the Authority whereas others are in favour of SIA prescription by the Authority. Those who favoured, suggested that the piracy and termination clauses should be reviewed.

19. MSOs are in favour of SIA prescription by the Authority except for one MSO who has suggested that RIO based mechanism, has worked well for DTH sector, so it should be extended to DAS. Majority of LCOs are in favour of SIA whereas some of them have suggested that there is no immediate requirement of SIA.

20. The Authority is of the view that as the interconnection regulations already provide for the necessary regulatory framework for addressable systems, in the form of RIO, which were not there in the year 2006 when SIA was prescribed for CAS, there is no need for prescribing Standard Interconnect Agreement between Broadcaster and MSO and also between MSO and LCO in the Digital Addressable Cable TV System. The Authority is of the view that the RIO based prescription should prevail in DAS also.

#### **E. Advertisement free (ad-free) channels**

21. The issues are what should be the provisions in the interconnection regulations in respect of advertisement free channels and what should be the revenue sharing arrangement between the broadcasters and distributors in respect of such channels. Some broadcasters and an MSO

stated that existing requirements/stipulations of Interconnect Regulations, viz. ‘must provide’ should not apply to advertisement free channels and the broadcasters & respective service providers should be free to enter into agreements on mutually acceptable terms in order to provide incentives to all the players in the value chain to create, develop and market new innovative and non-mass-market advertisement based television content. Majority of other stakeholders, who have responded to these issues, say that the provisions of the existing interconnection regulations should be applicable to advertisement free channels also so that consumers are not deprived of such channels. Some cable operators are of the view that provisions of the interconnection regulations as applicable to the notified CAS areas should be applied for the advertisement free channels. As far as the sharing of the subscription revenue of the ad-free channels is concerned, all the broadcasters have expressed the views that it should be left for the commercial negotiations between the service providers. Some of the other stakeholders have suggested that revenue share be decided in the same way as any other pay channel while others have suggested different percentages for broadcaster, MSO and LCO, however, without any justification for this suggestion.

22. The issue of rates of advertisement free channels and sharing of subscription revenues of such channels has been dealt with by separately in the provisions of the Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff (First Amendment) Order, 2012. Authority is of the view that there is no need to change the existing policy of leaving it to the market forces. To prevent denial of the signals of the channels by the broadcaster to the MSO or denial by the MSO to carry the channels, such channels can not be mandated to be outside of the purview of the clauses on ‘must provide’ and ‘must carry’ of the interconnection regulations as this would not be in the interests of the consumers.

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### Annexure-A

<b>State-wise/UT-wise maximum number of TV channels language-wise relevant to the particular state or UT out of operational 650 private channels granted permission by the Ministry of Information and Broadcasting under the downlinking guidelines (data as on April, 2012)</b>			
<b>Sl. No.</b>	<b>States</b>	<b>Number of channels</b>	<b>Languages</b>
1	Andhra Pradesh	473	Hindi/ English/Telgu+19 channels*
2	Arunachal Pradesh	425	Hindi/ English/NE and Assamese+19 channels
3	Assam	425	Hindi/ English/NE and Assamese+19 channels
4	Bihar	428	Hindi/ English/Bhojpuri+19 channels
5	Chhattisgarh	420	Hindi/ English+19 channels
6	Goa	438	Hindi/ English/Marathi+19 channels
7	Gujarat	428	Hindi/ English/Gujrati+19 channels
8	Haryana	441	Hindi/ English/Punjabi+19 channels
9	Himachal Pradesh	441	Hindi/ English/Punjabi+19 channels
10	Jammu and Kashmir	424	Hindi/ English/Urdu+19 channels
11	Jharkhand	428	Hindi/ English/Bhojpuri+19 channels
12	Karnataka	437	Hindi/ English/Kannada+19 channels
13	Kerala	451	Hindi/ English/Malyalam+19 channels
14	Madhya Pradesh	420	Hindi/ English/+19 channels
15	Maharashtra	438	Hindi/ English/Marathi+19 channels
16	Manipur	425	Hindi/ English/NE and Assamese+19 channels
17	Meghalaya	425	Hindi/ English/NE and Assamese+19 channels
18	Mizoram	425	Hindi/ English/NE and Assamese+19 channels
19	Nagaland	425	Hindi/ English/NE and Assamese+19 channels
20	Orissa	434	Hindi/ English/Oriya+19 channels
21	Punjab	441	Hindi/ English/Punjabi+19 channels
22	Rajasthan	420	Hindi/ English+19 channels
23	Sikkim	446	Hindi/ English/Bengali+19 channels
24	Tamil Nadu	462	Hindi/ English/Tamil+19 channels
25	Tripura	425	Hindi/ English/NE and Assamese + 19 channels
26	Uttaranchal	424	Hindi/ English/Urdu+19 channels
27	Uttar Pradesh	424	Hindi/ English/Urdu+19 channels
28	West Bengal	446	Hindi/ English/Bengali+19 channels
29	Andaman and Nicobar Islands	420	Hindi/ English+19 channels
30	Dadar and Nagar Haveli	420	Hindi/ English+19 channels
31	Daman and Diu	420	Hindi/ English+19 channels

32	Lakshadweep	420	Hindi/ English+19 channels
33	Delhi	441	Hindi/ English/Punjabi+19 channels
34	Chandigarh	441	Hindi/ English/Punjabi+19 channels
35	Pondicherry	441	Hindi/English/ Tamil/ French+19 channels

\* 19 channels includes 8 channels to be carried as per the provisions of the Cable Television Networks (Regulation) Act, 1995 and 11 regional Prasar Bharati channels.

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