

**Comments on the Draft Telecommunication (Broadcasting and Cable Services)  
Interconnection (Addressable Systems) Regulations, 2016**

15<sup>th</sup> November 2016

To,  
Mr. S.K. Singhal  
Advisor(B&CS) -III  
Telecom Regulatory Authority of India (TRAI)  
New Delhi

**Sub: Comments on the proposed Draft Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016 (Draft Interconnection Regulation)**

Before we begin with our comments on the Draft Interconnection Regulation, we at Hathway would like to congratulate TRAI for undertaking this mammoth task of review the interconnection between various stake holders and come out with the Draft Interconnection Regulation. The previous interconnection provisions interpretations have led to lot of litigations. This draft Interconnection Regulations to proposes to streamline the broadcasting industry and has taken into consideration the various issues raised by the various stake holders from time to time.

As desired by the authority, we are limiting our response to only those provisions of the ***Draft Interconnection Regulation***, which in our opinion require some modification in order to ensure a level playing field, prevents predatory pricing, protect the interests of consumers and would further help in reducing disputes between the stakeholders.

S. No.	Existing Draft Interconnection Regulations	Modification/Addition/Deletion proposed to the Draft Interconnection Regulations	Detailed Reasons for the proposals
1	<p>Clause 2 1(b) reads as under:</p> <p>“active subscriber” means a subscriber who has been authorized to receive signals of television channels as per the subscriber management system and whose set top box has not been denied signals;</p>	<p>It is proposed to include the below proviso below the definition:</p> <p>“active subscriber” means a subscriber who has been authorized to receive signals of television channels as per the subscriber management system and whose set top box has not been denied signals;</p> <p>It is hereby further provided that for such subscriber not only his STB status is active but also his pack/ plan containing the channel is active.</p>	<p>It is important to draw a difference between an “active STB” and “active pack or plan”. Very often broadcasters take a count of active STBs even if the pack/ plan containing their channel is off on the report date, leading to several discrepancies.</p>
2	Clause 2(1)(r) reads	It is proposed to amend the	

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	<p><b>as under:</b></p> <p>“distribution platform” means distribution network of a DTH operator, multi-system operator, HITS operator or IPTV operator</p>	<p><b>clause 2(1)(r) as below:</b></p> <p><b>“distribution platform” means distribution network of a DTH operator, multi-system operator, HITS operator, IPTV operator, OTT operator or any platform that distributes content to the subscriber</b></p>	
<b>3</b>	<p><b>Clause 2(1) (s) reads as under:</b></p> <p>“distributor of television channels “means any DTH operator, multi system operator, HITS operator or IPTV operator</p>	<p><b>It is proposed to amend the clause 2(1) (s) as below</b></p> <p>“distributor of television channels “means any DTH operator, multi system operator, HITS operator, <b>IPTV operator, OTT operator or any platform that distributes content to the subscriber</b></p>	<p>By leaving out the emerging platform from the ambit of the tariff regime, the authority is leaving it prone to litigation. In near future, various new platforms are going to emerge for distributing content to the subscribers and keeping them in forbearance would again give rise to non-playing field and which in our views must be avoided to otherwise very competitive regime proposed by the authority.</p>
<b>4</b>	<p><b>Clause 2(1)(mm) and (nn) read as under:</b></p> <p>(mm) “subscriber” means a person who receives television broadcasting services, provided by a service provider, at a place indicated by such person without further transmitting it to any other person and each set top box located at such place, for receiving the subscribed television broadcasting services from the service provider, shall constitute one subscriber.</p> <p>(nn) “subscriber base” means the</p>	<p><b>It is proposed that the Clause 2(mm) and (nn) should be amended to the following:</b></p> <p>(mm) “subscriber” <b>for the purposes of this Regulation</b> means a person who receives television broadcasting services, provided by a service provider, at a place indicated by such person without further transmitting it to any other person and each set top box located at such place, for receiving the subscribed television broadcasting services from the service provider, shall constitute one subscriber.</p> <p>(nn) “subscriber base” <b>for the purposes of this Regulation</b> means the number of active subscribers in the addressable system of a distributor of television channels;</p>	<p>Various Statutory authorities including Entertainment Tax have taken view that taxes are payable per Set Top Boxes even if there are multiple set top boxes in the same house in the name of single subscriber based on current subscriber definition. Hence it is important to have this change incorporated</p>

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	number of active subscribers in the addressable system of a distributor of television channels;		
<b>5</b>	<p><b>Clause 2(1)(t) reads as under:</b></p> <p>“electronic programme guide “or “EPG” means a program guide maintained by the distributors of television that lists television channels and programmes, and scheduling and programming information therein and includes any enhanced guide that allows subscribers to navigate and select such available channels and programs.</p>	<p><b>It is proposed to amend the clause 2(1)(t) as below:</b></p> <p>“electronic programme guide “or “EPG” means a program guide maintained by the distributors of television that lists television channels and programmes, <b>subject to furnishing of the information regarding the programmes by the broadcasters to the distributors in a specified standard format</b> and scheduling and programming information therein and includes any enhanced guide that allows subscribers to navigate and select such available channels and programs.</p>	<p>The EPG is maintained by a third party vendor on behalf of the Multisystem operator (MSO) and can be updated only based on the information forwarded by the Broadcasters. In case the Broadcasters do not share the information with the MSO, the EPG cannot be updated by the MSO. Hence it is important to include the addition in the definition requested for.</p>
<b>6</b>	<p><b>Clause 2(1) (ee) reads as under:</b></p> <p>“maximum retail price” or “MRP” with reference to a-la-carte channel or bouquet of channels means the maximum price, excluding taxes, payable by a subscriber for that a-la carte channel or bouquet of channels, declared by the broadcaster;</p>	<p><b>It is proposed to amend the clause 2(1) (ee) as below:</b></p> <p><b>“Customer retail price” or “CRP”</b> with reference to a-la-carte channel or bouquet of channels means the maximum price, excluding taxes, payable by a subscriber for that a-la carte channel or bouquet of channels, declared by the broadcaster;</p>	<p>Under the Consumer Goods (Mandatory Printing of Cost of Production and Maximum Retail Price) Act, 2006, MRP is defined as such price at which the product shall be sold in retail and such price shall include all taxes levied on the product. Hence the proposal to change the MRP to CRP. Accordingly, the retail price can be renamed as “distributor Offer Price”. Further The distribution platform should be given the flexibility to ROUND UP the retail price inclusive of taxes to a higher rupee from ease of</p>

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			<p>communication and collection point of view.</p> <p>Accordingly, wherever the word maximum retail price excluding taxes comes in the Interconnection Regulation, it should be replaced with Customer retail price excluding taxes.</p>
<b>7</b>	<p><b>Clause 3(6),3(7) &amp; 3 (8) reads as under:</b></p> <p>(6) If a broadcaster, before providing signals to a distributor of television channels, proposes or stipulates, directly or indirectly, for placing the channel(s) in any specified position in the electronic programme guide or assigning a particular number to the channel, as a pre-condition for providing signals, such pre-condition shall also amount to imposition of unreasonable condition.</p> <p>(7) No broadcaster shall, for providing signals of television channel(s) to a distributor of television channels, propose or stipulate, directly or indirectly, for packaging of the channel(s) in any particular bouquet(s) offered by the distributor of</p>	<p><b>It is proposed to include below proviso below clause 3(6),3(7) &amp; 3 (8):</b></p> <p>(6) If a broadcaster, before providing signals to a distributor of television channels, proposes or stipulates, directly or indirectly, for placing the channel(s) in any specified position in the electronic programme guide or assigning a particular number to the channel, as a pre-condition for providing signals, such pre-condition shall also amount to imposition of unreasonable condition.</p> <p>(7) No broadcaster shall, for providing signals of television channel(s) to a distributor of television channels, propose or stipulate, directly or indirectly, for packaging of the channel(s) in any particular bouquet(s) offered by the distributor of television channels to the subscribers.</p> <p>(8) No broadcaster shall, for providing signals of television channel(s) to a distributor of television channels, directly or indirectly, propose, stipulate or demand, for guarantee of a minimum subscriber base or a minimum subscription percentage for its channel(s).</p>	<p>It is generally the tendency of the Broadcasters to push MSO to include their channels in their base packs to the Subscribers to garner eyeballs. Though under the proposed Interconnection Regulation, this situation would change but Broadcasters would still in order to push their various Bouquets under the proposed Regulations would again try and push the MSO's instead of subscriber choosing bouquets as per their wishes and taste. Hence this provision would act as a deterrent to all Broadcasters.</p>

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	<p>television channels to the subscribers.</p> <p>(8) No broadcaster shall, for providing signals of television channel(s) to a distributor of television channels, directly or indirectly, propose, stipulate or demand, for guarantee of a minimum subscriber base or a minimum subscription percentage for its channel(s).</p>	<p><b>“Provided that no broadcaster shall impose a condition on a distributor to mandatorily offer all bouquets formed by such broadcasters to customer, and imposition of such condition shall amount to imposition of unreasonable condition”</b></p>	
<p><b>8</b></p>	<p><b>Clause 3(9) reads as under:</b></p> <p>(9) Every distributor of television channels shall, within thirty days of the commencement of these regulation, publish on its website the total channel carrying capacity of its distribution network(s) in terms of number of standard definition channels, coverage area of the network(s), list of channels available on the network(s), spare capacity available on the network(s) and the list of channel(s) in chronological order for which requests have been received from the</p>	<p>It is proposed that Clause 3(9) should be amended to the following:</p> <p><b>(9) Every distributor of television channels shall, within thirty days of the commencement of these regulation, publish on its website separately the total channel carrying capacity of its distribution network(s) in respect of each geographical area in terms of number of standard definition channels, coverage area of the network(s), list of channels available on the network(s), spare capacity available on the network(s) and the list of channel(s) in chronological order for which requests have been received from the broadcaster(s) for re-transmission and are pending.</b></p>	<p>As far as MSOs are concerned the capacity of carrying channels differs from Network to Network and area to area, depending on a variety of factors. Therefore, there should be no ambiguity at the time of declaration by the distributor of TV channels as to the separate and distinct capacity of each Network. The declaration by the distributor of TV channels for each Network should be separate.</p>

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	<p>broadcaster(s) for re-transmission and are pending. Clause 3(11) reads as under: Subject to the availability of channel carrying capacity on the distribution network, every distributor of television channels shall, within sixty days of receipt of written request from a broadcaster for re-transmission of signals of television channel(s), carry, on non-discriminatory basis, the signals of such television channel(s) or convey the reasons in writing for rejection of request if the re-transmission of such signals of television channel(s) is denied to the broadcaster.</p>	<p>It is proposed that Clause 3(11) should be amended to the following: Subject to the availability of channel carrying capacity on the distribution network, every distributor of television channels shall, within sixty days of receipt of written request from a broadcaster for re-transmission of signals of television channel(s), carry, on non-discriminatory basis, the signals of such television channel(s) or convey the reasons in writing for rejection of request if the re-transmission of such signals of television channel(s) is denied to the broadcaster.</p> <p><b>Provided that in case the number of channels in a genre be filled to the extent of 10% of available capacity, then the distributor should be at liberty to deny carriage of a channel on the "first come first serve basis"</b></p>	<p>This clause is very important to discourage skew towards a single or few genres. For eg. if a distributor has a 300 channel capacity, it is possible that 100 news channels may seek carriage on first come first served basis and thereby deny opportunity for channels from other genres to be carried on the distributor platform and thereby denying adequate choice to consumer.</p>
<p><b>9</b></p>	<p><b>Clause 3(12) reads as under:</b>  (12) It shall be open for a distributor of television channels to discontinue carrying of a television channel in case the monthly subscription, in the immediate preceding six consecutive months, for that particular television channel is less than five</p>	<p><b>It is proposed that Clause 3(12) be amended to the following:</b>  (12) It shall be open for a distributor of television channels to discontinue carrying of a television channel in case the monthly subscription, in the immediate preceding <b>three consecutive months</b>, for that particular television channel is less than <b>twenty percent</b> of the subscriber base of that distributor, in the target market specified by the broadcaster in the interconnection agreement, in that particular month.</p>	<p>In sub clause 3(12) the time period of six consecutive months has been reduced to three consecutive months, as the period of six months is too long and would result in blocking bandwidth by carrying channels which are not popular with the subscriber base. A period of 3 months is sufficient to ascertain whether or not a channel is being well received and/ or demanded by the</p>

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	<p>percent of the subscriber base of that distributor, in the target market specified by the broadcaster in the interconnection agreement, in that particular month.</p>		<p>subscribers. The period of 6 months' casts an excessively onerous obligation on the distributor of TV channels.</p> <p>Further clause 3(20) clearly provides that once the subscription for a channel reaches 20% of the sub base, then the distributor shall not discontinue the channel. Hence, the corollary that the distributor should be permitted to discontinue if the subscription is less than 20% for the preceding 3 month which is sufficient time for a channel to scale up the reach is valid. Further if less popular channels are permitted to block the capacity of a distributor, then new channels with attractive content may be denied opportunity of carriage (given limited capacity of distributors) and thus act as a entry barrier</p> <p>Further, Clause 6(2) read with Schedule 1 provides that no carriage shall be payable by a broadcaster upon subscription reaching 20%. Hence the distributor should have the option to discontinue channel, if reach is less than 20% for preceding 3 months by foregoing the carriage fee.</p>
<p><b>10</b></p>	<p><b>Clause 5(6) reads as under:</b></p> <p>(6) Every broadcaster shall publish on its website final reference interconnection offer after taking into consideration the objections, if</p>	<p><b>It is proposed that Clause 5(6) be amended to the following:</b></p> <p>(6) Every broadcaster shall publish on its website within <b>7 days of receipt of objections</b>, final reference interconnection offer after taking into consideration the objections, if any, received from the distributors, in conformance with the regulations and the tariff</p>	<p>It is proposed that a time limit of 7 days be fixed for publication of the Reference Interconnect Offer after receipt of objections, so that the same remains a time-bound exercise, which is essential to protect the interests of the stakeholders. This would ensure that</p>

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	any, received from the distributors, in conformance with the regulations and the tariff orders notified by the Authority and simultaneously provide, for the purpose of record, a copy of the same to the Authority.	orders notified by the Authority and simultaneously provide, for the purpose of record, a copy of the same to the Authority.	subscriber is not inconvenienced in any way.
11	<p><b>Clause 6(2) reads as under:</b></p> <p>(2) Such draft reference interconnection offer for carrying television channel(s) shall contain the technical and commercial terms and conditions, including but not limited to, rate of carriage fee, subscriber base, discounts, if any, offered on the rate of carriage fee, manner of calculation of carriage fee amount, payment terms, delivery and security, anti-piracy, reports, audit, term, termination and jurisdiction.</p> <p>Provided that the rate of carriage fee per standard definition channel per subscriber per month declared by the distributor of television channels shall not exceed</p>	<p><b>It is proposed that Clause 6(2) be amended to the following:</b></p> <p>(2) Such draft reference interconnection offers for carrying television channel(s) shall contain the technical and commercial terms and conditions, including but not limited to, rate of carriage fee, subscriber base, discounts, if any, offered on the rate of carriage fee, manner of calculation of carriage fee amount, payment terms, delivery and security, anti-piracy, reports, audit, term, termination and jurisdiction.</p> <p>Provided that the rate of carriage fee per standard definition channel per subscriber per month declared by the distributor of television channels shall not exceed twenty paisa</p> <p>Provided further that the rate of carriage fee per high definition channel per subscriber per month declared by the distributor of television channels shall not exceed forty paisa.</p> <p><b>Provided that carriage fee shall be applicable only for pay channels</b></p> <p>Provided also that the terms and conditions mentioned in the</p>	<p>Carriage fee should be provided only for pay channel as distribution fee will offset the carriage income. However, since there is no distribution fee for FTA channels, the grid provided in schedule I should not apply for FTA channels.</p>

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	<p>twenty paisa. Provided further that the rate of carriage fee per high definition channel per subscriber per month declared by the distributor of television channels shall not exceed forty paisa. Provided further that the carriage fee amount for television channel(s) shall decrease, as per the provisions specified in the Schedule I of these regulations, with the increase in subscription of such television channel(s). Provided also that the terms and conditions mentioned in the reference interconnection offer shall include all necessary and sufficient provisions, which make it a complete interconnection agreement for signing by other party, for carrying television channel(s).</p>	<p>reference interconnection offer shall include all necessary and sufficient provisions, which make it a complete interconnection agreement for signing by other party, for carrying television channel(s).</p>	
<p><b>12</b></p>	<p><b>Clause 9(6) reads as under:</b></p> <p>(6) If a broadcaster, before providing signals of television channels, is of the opinion that the addressable systems, being used by the</p>	<p><b>It is proposed that Clause 9(6) be amended to the following:</b></p> <p>(6) If a broadcaster, before providing signals of television channels, is of the opinion that the addressable systems, being used by the distributor for distribution of television channels, does not meet the</p>	<p>It is proposed that in the second proviso to Clause 9(6), the time period of one year be increased to two years as there is a substantial cost incurred by the distributor of TV channels in getting its systems audited by</p>

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<p>distributor for distribution of television channels, does not meet the requirements specified in Schedule III to these regulations, without prejudice to the time limit prescribed in sub-regulation (5) of the regulation 3, the broadcaster may cause audit of the addressable systems of the distributor by M/s. Broadcast Engineering Consultants India Limited, or any other auditor empanelled by the Authority for conducting such audit and provide a copy of the report issued by the auditor to the distributor. Provided that the findings of the auditor shall be final. Provided further that if the addressable systems of such distributor have been audited during the last one year by M/s. Broadcast Engineering Consultants India Ltd., or any other auditor empanelled by the Authority for conducting such audit and the distributor produces a report issued by the auditor as a proof of conformance to the requirements specified in Schedule</p>	<p>requirements specified in Schedule II to these regulations, without prejudice to the time limit prescribed in sub-regulation (5) of the regulation 3, the broadcaster may cause audit of the addressable systems of the distributor by M/s. Broadcast Engineering Consultants India Limited, or any other auditor empanelled by the Authority for conducting such audit and provide a copy of the report issued by the auditor to the distributor.</p> <p>Provided that the findings of the auditor shall be final.</p> <p>Provided further that if the addressable systems of such distributor have been audited during the last <b>two years</b> by M/s. Broadcast Engineering Consultants India Ltd., or any other auditor empanelled by the Authority for conducting such audit and the distributor produces a report issued by the auditor as a proof of conformance to the requirements specified in Schedule III to these regulations.</p>	<p>M/s. Broadcast Engineering Consultants India Ltd. or any other empaneled auditor. The Audit Report thus should be valid for a minimum period of 2 years.</p>
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	<p>Ill to these regulations.</p>		
<b>13</b>	<p><b>Clause 9(7) reads as under:</b></p> <p>(7)Every broadcaster of pay television channel(s), within thirty days of receipt of written request from a distributor of television channels, shall enter into a written interconnection agreement with the distributor of television channels for providing signals of its pay television channel(s) in accordance with the terms and conditions of the reference interconnection offer published by the broadcaster. Provided that the licence fee payable by a distributor of television channels to the broadcaster under the interconnection agreement shall be calculated on the basis of the maximum retail price, the distribution fee and the discounts offered in the reference interconnection offer. Provided further that the term of the</p>	<p><b>It is proposed that Clause 9(7) be amended to the following:</b></p> <p>(7) Every broadcaster of pay television channel(s), within thirty days of receipt of written request from a distributor of television channels, shall enter into a written interconnection agreement with the distributor of television channels for providing signals of its pay television channel(s) in accordance with the terms and conditions of the reference interconnection offer published by the broadcaster. Provided that the licence fee payable by a distributor of television channels to the broadcaster under the interconnection agreement shall be calculated on the basis of the maximum retail price, the distribution fee and the discounts offered in the reference interconnection offer. Provided further that the term of the interconnection agreement in no case shall be less than <b>two years</b> from the date of commencement of the agreement. Provided also that in case more than one interconnection agreement are entered with a distributor of television channels in respect of television channel(s) or bouquet(s) of pay television channels, each subsequent interconnection agreement shall contain the details of the earlier agreements in force with that distributor for such channel(s) or bouquet(s).</p>	<p>It is proposed that the second proviso to Clause 9(7) be amended and the minimum duration of the interconnection agreement be increased from one year to two years. The reasons for the same is that the distributor of TV channels requires some certainty with regard to its packaging obligations, as also to plan for its Return on Investment. Even, as on date it is only with MSOs that Interconnection Agreements are executed for a shorter duration whereas with DTH Operators the duration is usually 2-3 years. Furthermore, the execution of a longer duration agreement only ensures availability of channels for a longer period and has nothing to do with pricing of the channel. It is also pertinent to mention that the agreements should for a period of 2 years from the date of signing of the agreement irrespective of the accounting year closing i.e. 31<sup>st</sup> March or 30<sup>th</sup> June of the year as Broadcasters for the sake of their convenience sometimes enter into very short term agreements which end corresponding to their respective companies accounting year closing and then the MSOs are left running from pillar to post to get the agreements renewed and the same also leads to disputes</p>

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<p>interconnection agreement in no case shall be less than one year from the date of commencement of the agreement. Provided also that in case more than one interconnection agreement are entered with a distributor of television channels in respect of television channel(s) or bouquet(s) of pay television channels, each subsequent interconnection agreement shall contain the details of the earlier agreements in force with that distributor for such channel(s) or bouquet(s). Explanation: For the removal of any doubt, it is clarified that on receipt of a written request from a distributor by a broadcaster for obtaining signals of pay television channels, the written interconnection agreement, between the broadcaster and the distributor, shall be entered into within thirty days of receipt of such request. Thereafter, the broadcaster shall provide signals of its pay television channel(s), within thirty days from the date of signing of</p>	<p>Explanation: For the removal of any doubt, it is clarified that on receipt of a written request from a distributor by a broadcaster for obtaining signals of pay television channels, the written interconnection agreement, between the broadcaster and the distributor, shall be entered into within thirty days of receipt of such request. Thereafter, the broadcaster shall provide signals of its pay television channel(s), within thirty days from the date of signing of written interconnection agreement, to the distributor of television channels.</p>	<p>and/or unnecessary litigation.</p>
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	written interconnection agreement, to the distributor of television channels.		
<b>14</b>	<p><b>Clause 9(20) reads as under:</b></p> <p>(20) Every distributor of television channels shall enter into a new written interconnection agreement, for carrying television channels requested by a broadcaster, before the expiry of the existing interconnection agreement. Provided that the distributor of television channels shall, at least sixty days prior to the date of expiry of the existing interconnection agreement, give notice to the broadcaster to enter into new written interconnection agreement. Provided further that in case, the parties fail to enter into new interconnection agreement before the expiry of the existing interconnection agreement, the distributor of television channels may not carry such television channels on expiry of the existing</p>	<p><b>It is proposed that Clause 9(20) be amended to the following:</b></p> <p>(20) Every distributor of television channels shall enter into a new written interconnection agreement, for carrying television channels requested by a broadcaster, before the expiry of the existing interconnection agreement. Provided that the distributor of television channels shall, at least sixty days prior to the date of expiry of the existing interconnection agreement, give notice to the broadcaster to enter into new written interconnection agreement. Provided further that in case, the parties fail to enter into new interconnection agreement before the expiry of the existing interconnection agreement, the distributor of television channels may not carry such television channels on expiry of the existing interconnection agreement. Provided further that a distributor of television channels shall not discontinue carrying a television channel if the signals of such television channel remain available for retransmission and <b>the a-la-carte subscription for that</b> particular television channel is more than twenty percent of the subscriber base in the target market. Provided also that if the distributor of television channels decides to discontinue carrying a television channel due to expiry of the existing interconnection agreement, it shall, fifteen days</p>	<p>It is proposed that the third proviso to Clause 9(20) be amended to reflect that a channel should not be discontinued only in the event the a-la-carte subscription of that channel is more than 20 per cent of the subscriber base, as if on the request of a Broadcaster a channel is placed in the basic service tier or a popular package on receipt of carriage fee by a distributor of TV channels, the distributor of TV channels will never be able to discontinue the channel, even if the carriage fee is stopped by the Broadcaster. The intent of the regulation is that popular channels are not taken off from the network of the distributor of TV channels. Popular channels will satisfy the criteria of 20% of the a-la-carte subscriber base. It will help in balancing the interest of all stakeholders.</p>

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<p>interconnection agreement. Provided further that a distributor of television channels shall not discontinue carrying a television channel if the signals of such television channel remain available for retransmission and subscription for that particular television channel is more than twenty percent of the subscriber base in the target market. Provided also that if the distributor of television channels decides to discontinue carrying a television channel due to expiry of the existing interconnection agreement, it shall, fifteen days prior to the date of expiry of its existing interconnection agreement, inform the subscribers through scrolls on concerned channel(s) --- (a) the date of expiry of its existing interconnection agreement; and (b) regarding disconnection of signals of television channels from the said date in the event of its failure to enter into new interconnection agreement.</p>	<p>prior to the date of expiry of its existing interconnection agreement, inform the subscribers through scrolls on concerned channel(s) --- (a) the date of expiry of its existing interconnection agreement; and (b) regarding disconnection of signals of television channels from the said date in the event of its failure to enter into new interconnection agreement.</p>	
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<p>15</p>	<p><b>Clause 11 reads as under :</b></p> <p><b>Interconnection agreement between distributor of television channels and local cable operator.</b>--- (1) No distributor of television channels shall provide signals of television channels to a local cable operator without entering into a written interconnection agreement with such local cable operator.</p> <p>(2) No local cable operator shall re-transmit signals of television channel(s) of any broadcaster to any subscriber without entering into a written interconnection agreement with a distributor of such television channels.</p> <p>(3) Every multi system operator shall, within thirty days of receipt of written request from a local cable operator, enter into a written interconnection agreement with such local cable operator for providing signals of television channels, on lines of the Model Interconnection Agreement (MIA) as</p>	<p><b>It is proposed that Clause 11 be amended to the following:</b></p> <p><b>Interconnection agreement between distributor of television channels and local cable operator.</b>--- (1) No distributor of television channels shall provide signals of television channels to a local cable operator without entering into interconnection agreement with such local cable operator.</p> <p><b><i>Explanation:Such interconnection agreement can either be in writing or in electronic form</i></b></p> <p>(2) No local cable operator shall re-transmit signals of television channel(s) of any broadcaster to any subscriber without entering into a interconnection agreement with a distributor of such television channels.</p> <p>(3) Every multi system operator shall, within thirty days of receipt of written request from a local cable operator, enter into a interconnection agreement with such local cable operator for providing signals of television channels, on lines of the Model Interconnection Agreement (MIA) as set out in the <b>Schedule V</b> of these regulations, by mutually agreeing on the clauses 10, 11 and 12 of the said agreement: Provided that the multi system operator and the local cable operator, without altering or deleting any clause of the model interconnection agreement, may add, through mutual agreement, clauses to the model interconnection agreement,</p>	<p>TRAI has taken significant steps by incorporating various clauses which promotes transparency by allowing use of technology. Hence to further strengthen the philopshy, we are proposing to have electronic interconnect agreement with LCO.</p>
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<p>set out in the <b>Schedule V</b> of these regulations, by mutually agreeing on the clauses 10, 11 and 12 of the said agreement:</p> <p>Provided that the multi system operator and the local cable operator, without altering or deleting any clause of the model interconnection agreement, may add, through mutual agreement, clauses to the model interconnection agreement, however such addition shall not have the effect of diluting any of the clauses as laid down in the model interconnection agreement:</p> <p>Provided further that in case the multi system operator and the local cable operator fail to enter into interconnection agreement as provided above in this sub-regulation, the multi system operator and the local cable operator shall enter into the Standard Interconnection Agreement (SIA) as specified in <b>Schedule VI</b> of these regulations.</p> <p><b>Explanation:</b> for removal of doubts it is clarified that in the event of any conflict</p>	<p>however such addition shall not have the effect of diluting any of the clauses as laid down in the model interconnection agreement:</p> <p>Provided further that in case the multi system operator and the local cable operator fail to enter into interconnection agreement as provided above in this sub-regulation, the multi system operator and the local cable operator shall enter into the Standard Interconnection Agreement (SIA) as specified in <b>Schedule VI</b> of these regulations.</p> <p><b>Explanation:</b> for removal of doubts it is clarified that in the event of any conflict between the terms and conditions of the prescribed model interconnection agreement and new terms and conditions added through mutual agreement by the parties, the terms and conditions of the prescribed model interconnection agreement shall prevail.</p> <p>(4) Every multi system operator, upon entering into a interconnection agreement with a local cable operator, shall provide signals of television channels, within thirty days of entering into the written/digital interconnection agreement, to such local cable operator.</p> <p>(5) It shall be the responsibility of every multi system operator who enters into an interconnection agreement with a local cable operator to handover a copy of such agreement to that local cable operator within a period of fifteen days from the date of execution of the agreement and retain a copy of an acknowledgement so received from the local cable operator.</p> <p><b>In case of electronic, the same can be provided through email.</b></p>	
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<p><i>between the terms and conditions of the prescribed model interconnection agreement and new terms and conditions added through mutual agreement by the parties, the terms and conditions of the prescribed model interconnection agreement shall prevail.</i></p> <p>(4) Every multi system operator, upon entering into a written interconnection agreement with a local cable operator, shall provide signals of television channels, within thirty days of entering into the written interconnection agreement, to such local cable operator.</p> <p>(5) It shall be the responsibility of every multi system operator who enters into an interconnection agreement with a local cable operator to handover a copy of such agreement to that local cable operator within a period of fifteen days from the date of execution of the agreement and retain a copy of an acknowledgement so received from the local cable operator.</p>	<p>(6) Every multi system operator shall enter into a new interconnection agreement with local cable operator before the expiry of the existing interconnection agreement.</p> <p>Provided that the multi system operator shall, at least sixty days prior to the date of expiry of the existing interconnection agreement, give notice to the local cable operator to enter into new interconnection agreement.</p> <p>Provided further that in case, the parties fail to enter into new interconnection agreement before the expiry of the existing interconnection agreement, the distributor shall not make available the signals of television channels to the local cable operator on expiry of the existing interconnection agreement.</p> <p>Provided also that the multi system operator shall, fifteen days prior to the date of expiry of its existing interconnection agreement, inform the subscribers through scrolls on concerned channel(s).---</p> <p>(a) the date of expiry of its existing interconnection agreement; and</p> <p>(b) regarding disconnection of signals of television channels from the said date in the event of its failure to enter into new interconnection agreement.</p> <p>(7) The settlement of service charges between local cable operator and multi system operator shall be governed by mutual agreement.</p> <p>Provided that in cases where the multi system operator and the local cable operator fails to arrive at a mutual agreement for settlement of service charges, then the rental amount for the channels subscribed and the distribution fee shall be shared in</p>	
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<p>(6) Every multi system operator shall enter into a new written interconnection agreement with local cable operator before the expiry of the existing interconnection agreement.</p> <p>Provided that the multi system operator shall, at least sixty days prior to the date of expiry of the existing interconnection agreement, give notice to the local cable operator to enter into new written interconnection agreement.</p> <p>Provided further that in case, the parties fail to enter into new written interconnection agreement before the expiry of the existing interconnection agreement, the distributor shall not make available the signals of television channels to the local cable operator on expiry of the existing interconnection agreement.</p> <p>Provided also that the multi system operator shall, fifteen days prior to the date of expiry of its existing interconnection agreement, inform</p>	<p>the ratio of 55:45 between multi system operator and local cable operator respectively.</p> <p>(8) The provisions of sub-regulations (3), (4), (5), (6) and (7) of this regulation shall apply, mutatis mutandis, to HITS operator and IPTV operator.</p>	
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<p>the subscribers through scrolls on concerned channel(s).---</p> <p>(a) the date of expiry of its existing interconnection agreement; and</p> <p>(b) regarding disconnection of signals of television channels from the said date in the event of its failure to enter into new interconnection agreement.</p> <p>(7) The settlement of service charges between local cable operator and multi system operator shall be governed by mutual agreement. Provided that in cases where the multi system operator and the local cable operator fails to arrive at a mutual agreement for settlement of service charges, then the rental amount for the channels subscribed and the distribution fee shall be shared in the ratio of 55:45 between multi system operator and local cable operator respectively.</p> <p>(8) The provisions of sub-regulations (3), (4), (5), (6) and (7) of this regulation shall apply, mutatis mutandis, to HITS operator and IPTV operator.</p>		
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16	<p><b>Clause 13 (1) read together with Schedule VII</b></p>		<p>It needs to be amended as schedule VII requires Distributors to provide report 4 times a month and that too the data has to be sourced from the SMS and CAS during 19 hrs to 23 hrs, which are the peak hours. This requirement to procure the report 4 times that too during peak hrs. is not only cumbersome but technically would put strain on the SMS and CAS, impacting the performance of the System. The current procedure of providing data twice (start of the month and end of the month) a month along with report being generated at midnight is working absolutely fine and should not be tinkered with.</p>
17	<p><b>Clause 14(2) reads as under:</b></p> <p>(2) In cases where a broadcaster is not satisfied with the audit report received under sub regulation (1), after communicating the reasons of dissatisfaction in writing to the distributor, such broadcaster may, not more than once in a calendar year, audit the subscriber management system, conditional access system and other related system of the distributor of television channels for the purpose of</p>	<p><b>It is proposed that in Clause 14(2) a second proviso which reads as under be added and Clause 14(2) would read as under:</b></p> <p>(2) In cases where a broadcaster is not satisfied with the audit report received under sub regulation (1), after communicating the reasons of dissatisfaction in writing to the distributor, such broadcaster may, not more than once in a calendar year, audit the subscriber management system, conditional access system and other related system of the distributor of television channels for the purpose of verifying the information contained in the subscription reports, the amounts payable by the broadcaster or the distributor, as the case may be, and compliance with the terms and conditions of the interconnection agreement. Provided that if such audit</p>	<p>It is necessary to add the above mentioned proviso, as it is impossible to maintain perfect harmony between the CAS and the SMS as due to time lag between the report generation from CAS and SMS. The Broadcasters during Audit, use the same as a tool to harass and arm-twist the distributor of TV channels. As it is impossible to maintain perfect harmony, they insist that the difference be not more than 0.5%, which is not technically possible to maintain.</p>

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	<p>verifying the information contained in the subscription reports, the amounts payable by the broadcaster or the distributor, as the case may be, and compliance with the terms and conditions of the interconnection agreement.</p> <p>Provided that if such audit reveals that additional amounts are payable to the broadcaster, the distributor shall pay such amounts, along with the late payment interest rate specified by the broadcaster in the interconnection agreement, within ten days and if such amount including interest due for any period exceed the amounts reported by the distributor to be due for such period by two percent or more, the distributor shall pay all of the broadcaster's costs incurred in the conduct of such audit, and take any necessary actions to avoid such errors in the future.</p>	<p>reveals that additional amounts are payable to the broadcaster, the distributor shall pay such amounts, along with the late payment interest rate specified by the broadcaster in the interconnection agreement, within ten days and if such amount including interest due for any period exceed the amounts reported by the distributor to be due for such period by two percent or more, the distributor shall pay all of the broadcaster's costs incurred in the conduct of such audit, and take any necessary actions</p> <p><b>Provided further that no additional amounts shall be payable by the distributor to the Broadcaster if there is a difference of less than or equal to 5 per cent in the subscriber base reflected in the subscriber management system with the subscriber base reflected in the conditional access system.</b></p>	
<p><b>18</b></p>	<p><b>Clause 17 reads as under:</b></p> <p><b>17. Listing of channels in electronic programme guide.---</b></p>	<p><b>It is proposed that Clause 17 be amended to the following:</b></p> <p><b>17. Listing of channels in electronic programme guide ---</b> Every distributor of television channels shall assign a number</p>	<p>Two changes are being proposed to the first proviso to Clause 17. The first is the reduction of time period from</p>

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	<p>Every distributor of television channels shall assign a number for each television channel distributed by him in such a way that the television channels of same genre, as declared by the broadcaster, are placed together consecutively and one channel shall appear at one place only.</p> <p>Provided that the number assigned to a television channel shall not be altered by the distributor for a period of at least one year from the date of such assignment.</p> <p>Provided further that all television channels of same language within the same genre shall appear together consecutively in the electronic programme guide.</p>	<p>for each television channel distributed by him in such a way that the television channels of same genre, as declared by the broadcaster, are placed together consecutively and one channel shall appear at one place only.</p> <p><b>Provided that the number assigned to a television channel shall not be altered by the distributor for a period of at least six months from the date of such assignment, in the event of continuous availability of a television channel on the platform.</b></p> <p>Provided further that all television channels of same language within the same genre shall appear together consecutively in the electronic programme guide.</p>	<p>one year to six months, the period of one year is excessively long. Also, a distributor of TV channels is obliged to maintain packaging for a minimum of 6 months, therefore, once the distributor can recast its packages it should also be free to change the channel numbering accordingly.</p> <p>Secondly, a condition needs to be added that the channel numbering will only be retained in the event that the channel is continuously available on the platform during the said period. If for any reasons, including non-payment of carriage fee the channel is removed from the platform, it cannot insist that upon reconnection it shall be entitled to the same channel number. The distributor of TV channels should be at liberty in such circumstances to replace the channel.</p>
<p><b>19</b></p>	<p><b>Clause 19 reads as under:</b></p> <p><b>19. Appointment of compliance officer and his obligations.</b> -</p> <p>-- (1) Every service provider shall, within thirty days from the date of commencement of these regulations, appoint a compliance officer:</p> <p>Provided that nothing contained in</p>	<p><b>It is proposed that Clause 19 be amended to the following:</b></p> <p><b>19. Appointment of compliance officer and his obligations.</b> --- (1)</p> <p>Every service provider shall, within <b>sixty</b> days from the date of commencement of these regulations, appoint a compliance officer:</p> <p>Provided that nothing contained in this sub-regulation shall apply to a distributor of television channels having average subscribers base, over the immediately preceding calendar</p>	<p>The time period of 30 days in sub-clause (1) has been increased to 60 days, as in most cases new hiring would have to be done by the service providers in terms of the Regulations. Any new hiring in an organization would be difficult to manage within a period of 30 days.</p> <p>The time period of 10 days in sub-clause (4) has been</p>

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<p>this sub-regulation shall apply to a distributor of television channels having average subscribers base, over the immediately preceding calendar quarter, less than two lakh or such other number of subscribers which may be prescribed by the Authority through direction from time to time: Provided further that this sub-regulation shall also not apply to a free-to-air broadcaster and a local cable operator.</p> <p>(2) Every service provider which is a company shall, within ten days from the date of appointment of the compliance officer under sub-regulation (1), furnish to the Authority the name, full address, contact number and e-mail address of the compliance officer along with authenticated copy of the board's resolution authorizing the appointment of such compliance officer.</p> <p>Explanation: For the purpose of this regulation, the definition of "company" shall be the same as assigned to it in the</p>	<p>quarter, less than two lakh or such other number of subscribers which may be prescribed by the Authority through direction from time to time:</p> <p>Provided further that this sub-regulation shall also not apply to a free-to-air broadcaster and a local cable operator.</p> <p>(2) Every service provider which is a company shall, within ten days from the date of appointment of the compliance officer under sub-regulation (1), furnish to the Authority the name, full address, contact number and e-mail address of the compliance officer along with authenticated copy of the board's resolution authorizing the appointment of such compliance officer.</p> <p>Explanation: For the purpose of this regulation, the definition of "company" shall be the same as assigned to it in the Companies Act, 2013(18 of 2013).</p> <p>(3) Every service provider which is not a company shall, within ten days from the date of appointment of the compliance officer under sub-regulation (1), furnish to the Authority the name, full address, contact number and e-mail address of the compliance officer along with authenticated copy of the authorization letter authorizing the appointment of such compliance officer.</p> <p>(4) In the event of any change in the name of the compliance officer so appointed under sub regulation (1), the same shall be reported to the Authority by the service provider within <b>thirty</b> days from the date of occurrence of such change along with authenticated copy of board's resolution or authorization</p>	<p>increased to 30 days. The same is on account of the fact that in the event of any change in the compliance officer, 10 days is not sufficient to recruit a replacement. Furthermore, at times employees can resign at very short notice period and therefore, sufficient time is required to appoint a replacement.</p>
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<p>Companies Act, 2013(18 of 2013).          (3) Every service provider which is not a company shall, within ten days from the date of appointment of the compliance officer under sub-regulation (1), furnish to the Authority the name, full address, contact number and e-mail address of the compliance officer along with authenticated copy of the authorization letter authorizing the appointment of such compliance officer.          (4) In the event of any change in the name of the compliance officer so appointed under sub regulation (1), the same shall be reported to the Authority by the service provider within ten days from the date of occurrence of such change along with authenticated copy of board's resolution or authorization letter, as the case may be.          (5) In the event of any change in the address or contact number or email address of the compliance officer, the same shall be reported to the Authority by the service provider</p>	<p>letter, as the case may be.          (5) In the event of any change in the address or contact number or email address of the compliance officer, the same shall be reported to the Authority by the service provider within ten days from the date of occurrence of such change.          (6) The compliance officer shall be responsible for-          (a) ensuring conformity with the provisions of these regulations applicable to the service provider.          (b) reporting to the Authority, with respect to compliance with these regulations and other directions of the Authority issued under these regulations.          (c) ensuring that proper procedures have been established and followed by the service provider that would result in the correctness, authenticity and completeness of the information, statements and reports filed by the service provider under these regulations.</p>	
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	<p>within ten days from the date of occurrence of such change.</p> <p>(6) The compliance officer shall be responsible for-</p> <p>(a) ensuring conformity with the provisions of these regulations applicable to the service provider.</p> <p>(b) reporting to the Authority, with respect to compliance with these regulations and other directions of the Authority issued under these regulations.</p> <p>(c) ensuring that proper procedures have been established and followed by the service provider that would result in the correctness, authenticity and completeness of the information, statements and reports filed by the service provider under these regulations.</p>		
<p><b>20</b></p>	<p><b>Clause 9.5 of the Model /Standard Interconnect agreement reads as under:</b></p> <p>9.5 The LCO shall not replace the STBs of the MSO with the STBs of any other MSO without receiving the</p>	<p><b>It is proposed to modify clause 9.5 as under:</b></p> <p>9.5 The LCO shall not replace the STBs of the MSO with the STBs of any other MSO unless he has received communication from his existing MSO of having received request from the subscribers</p>	<p>This is to ensure that the subscriber interest with regard to choice is safeguarded. This would further bring transparency and reduce litigation between the</p>

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requests from the subscribers through application forms for returning the STB of the existing connections and for providing new connections through Customer Application Form. The new Set Top Box shall be activated only after entry of the details, as provided in new Customer Application Form, into the Subscriber Management System of the new MSO.	through sms from his registered mobile number of disconnection with application forms for returning the STB of the existing connections and for providing new connections through Customer Application Form. The new Set Top Box shall be activated only after entry of the details, as provided in new Customer Application Form, into the Subscriber Management System of the new MSO.	stakeholders.
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At the end, we would like to once again compliment TRAI for such an extensive work undertaken by it, which would resolve the various contentious issues that has been there between various stakeholders in the past and usher a new era of growth for the sector while meeting the long standing demands of subscribers to decide what they want, when they want and at what price they want.

Thanking you,

Yours faithfully

**For Hathway Cable and Datacom Limited**



**(Ajay Singh)**

**Head Legal, Company Secretary & Chief Compliance officer**