

**Responses to Consultation Paper on Ease of Doing Business In Broadcasting Sector**

**Q1. Is there a need for simplification of policy framework to boost growth of satellite TV industry? If yes, what changes do you suggest in present policy framework relating to satellite TV channels and why? Give your comments with justification?**

We are of the view that the current regulatory, licensing, compliance policy framework for satellite broadcast TV industry needs to be simplified, transparent and time-bound and at the same time ease the rules for encouraging more serious players to enter, and operate in the sector; attract more investments; increase revenue; better delivery of services; and move for corporatisation in the long-term basis to make the industry sustainable.

**LICENCING PROCESS:** TRAI, in our view, should look at a single license for broadcasting sector, with two categories – content and carriage. The license for broadcasting content companies would be news and non-news, while for carriage uniform rules should apply for DPOs, such as MSOs and LCOs. In this regard, TRAI should look at global models of issuing national license, and regional licenses. For example in OFCOM, the UK's regulator for communications and broadcasting has two broad set of licenses - one for broadcasting companies, namely Digital TV Programme Service/ Digital TV Additional Service (DTPS) and another for broadcast distribution companies, called Television Licensable Content Services (TLCS).

**NETWORTH AND ELIGIBILITY:** The regulator should also suggest net worth eligibility for a TV license only at the time of application and do away with an annual estimation, since net worth is based on the funding model of the channels, while some may opt for equity infusion which results in positive net worth, some others may opt for debt-model which could show negative net worth. Hence, it is imperative to change the way net worth is looked at and the MIB and government should leave to individual businesses on how they fund and operate the channel.

Also we are of the view that to encourage free market competition, TRAI and other government bodies should refrain from dictating / regulating tariffs for both business-to-business deals and business-to-consumer deals, as each and every TV channel would have their own business model to sustain, and such regulatory orders impacts the ease of doing business and eventually the profitability of channels.

Moreover, we are of the view that archaic laws and rules, time-consuming approval process should be done away with, and move to a specific time-bound self-certification and compliance mechanism from an inspector-raj regulatory approval system by multiple authorities, being followed currently.

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**Q2. Is there a need in present policy framework relating to seeking permission for making changes in the name, logo, language, format, etc. related to an operational satellite TV channel? If so, what changes do you suggest and why? Give your comments with justification?**

We are of the view that TRAI should recommend to move into a self-certification and compliance mechanism from the current guidelines of seeking prior permission from MIB for even minor changes. The MIB could look at a 15-day window, for any concerns / issues to be raised, if there are no issues raised within the 15-day time period, the applications should be deemed as approved.

The following categories should be moved into a self-certification module and if the MIB has any objections

- Change in name and logo of permitted channel:-
- Change in logo of permitted TV channel.
- Change in mode of permitted TV channel.
- Change or addition in language of permitted TV channel.
- Change in satellite of permitted TV channel.
- Change in teleport of permitted TV channel.
- Addition of new directors on board of company having license to operate TV channel in India.

**Q3. Do you agree with some of the stakeholders comment at pre-consultation stage that Annual Renewal process of TV channels needs simplification? Give your comments with justification?**

We are of view that MIB should do away with annual renewal and should seek submission of full fee at LOI stage and before issuance of permission. By doing so, MIB will attract serious players and this will also help MIB to recover full permission fee in advance.

We would like to place on record that as per guidelines issued in 2005 there was no provision for annual renewal process, and the same was also deliberated in November 2006, with MIB notifying that submission of annual fee 60-days prior to the date of expiry would be considered as deemed renewal.

**Q4. Do you agree with stakeholders' comments that coordination with multiple agencies/ Government departments related to starting and operating of a TV channel can be simplified? If so, what should be the mechanism and framework for such single window system? Give your comments with justification?**

We agree with stakeholders' comments that coordination with multiple agencies/ government departments relating to starting and operating of a TV channel can be simplified.

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As a broadcaster, we are required to submit an application only with MIB, however, the multiple agencies / government departments where the application is sent for approval, consumes several months some times as long as 7-9 months for a final outcome, since it involves multiple stakeholders and has a negative impact on the business and operating plans of a TV channel.

We are of the view, the regulator could recommend a single window clearance for new and currently operational channels through an online portal, within a specified timeframe to ease the rules of doing business.

The regulator could set up of a Media and Entertainment Commission, represented by the respective officials of the stakeholder government ministries/ departments involved in the process, to discuss, deliberate and approve the applications in a single meeting at specified period of time.

Another process which could be simplified is transfer/assignment of licenses at the time of mergers and transfers:

- The present era is that of consolidation and conversion. Transfer of business or undertaking through slump sale, business transfer agreements, etc. are recognized methods of transfer in accordance with applicable law. The existing provisions do not recognize such methods of transfer.
- Further, TRAI should also look at clarifying non requirement of prior approvals in case of merger/demerger/amalgamation/other accepted methods of transfer of business or undertaking. In case of merger/demerger/amalgamation, the permission should be transferred in favour of the Transferee Company so long as it is approved by the Court (a copy of which is filed with the Ministry along with relevant documents) and in case of transfer of business/undertaking through slump sale, business transfer agreements etc, the permission should be transferred in favour of the Transferee Company upon the parties filing the said agreement/arrangement with the Ministry and in case the transfer within the Group Companies. Since, the expression "Group Company" has not been defined in the Guidelines, we have a proposed a definition for the same.

**Q5. Is present framework of seeking permission for temporary uplinking of live coverage of events of national importance including sports events is complicated and restrictive? If yes, what changes do you suggest and why? Give your suggestions with justification.**

We are of the view the present framework of seeking permission for temporary uplinking of coverage of events of national importance including sports events is indeed complicated, time-consuming, restrictive and does not augur well for ease of doing business in broadcasting sector.

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For instance, the teleport/DSNG Vans used for uplinking of the live events from India are anyways cleared by the MIB for carrying out live uplink for news channels. Hence, there should not be any requirement for prior approval for uplinking of the live events, rather it could be moved to a time-bound self-certification system. In this context, TRAI could look at a 7-day window, for the MIB to raise any concerns/issues, and move in a deemed approval system if there are no objections raised. For national events which are termed as breaking-news or which are beyond the control of broadcasters', the MIB should look at a immediate notification on the event coverage, while allowing broadcasters to file a self-certification form within 24-hours.

Also since broadcasters are bound to comply with the provisions of the Programme Code and Advertising Code. Hence any event/content proposed to be aired live on the channel would also need to follow the same principles, thus ensuring any content being aired is not in violation of the applicable guidelines, rules, regulations and laws.

**Q6. Do you feel the need to simplify policy framework for seeking permission/license for starting and running of following services–**

- **Teleport services**
- **DTH service**

**If yes, what changes do you suggest so that process of grant of permission/license can be simplified and expedited? Give your comments with justification.**

In the current scenario operating a teleport is a cumbersome exercise involving series of permissions from MIB, WPC wing, NOCC and Department of Space. Below mentioned is the step wise procedure for setting of Teleport:-

- STEP 1 : Issuance of permission for MI&B.
- STEP 2 : Issuance of Frequency Plan approval from NOCC.
- STEP 3 : Issuance of Decision letter from WPC.
- STEP 4 : Issuance of Import License & SACFA clearance from WPC and MPVT test by NOCC
- STEP 5 : Issuance of Wireless Operating License from WPC.

It will simplify to process if approvals are made time bound.

Post issuance of operating license, teleport operator has seek permission from MIB,WPC and NOCC every time he has to endorse a channel. Endorsement of channel on teleport is a technical change involving modification in teleport or satellite.

Post approval, any changes should be made a 30 days prior intimation to MIB, WPC wing and NOCC, on a self-certification mode to ease compliance mechanism.

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**Q7. As per your understanding, why open sky policy for Ku band has not been adopted when it is permitted for 'C' band? What changes do you suggest to simplify hiring of Ku band transponders for provision of DTH/HITS services? Give your comments with justification.**

We are of the view there should be an open sky policy for Ku band, since this will help broadcasters to get bandwidth in affordable rates and also better efficiency as they can directly coordinate with satellite operators whenever there are issues related to Ku-band satellite.

In the current scenario, users get bandwidth through ISRO where the process are very high. In addition for even minor issues user has to route his problem through Antrix Corp. which during live operations becomes very risky, cumbersome and complicated.

**Q8. What are the operational issues and bottlenecks in the current policy framework related to –**

- **Teleport services**
- **DTH service**

**How these issues can be simplified and expedited? Give your comments with justification.**

One of the biggest bottlenecks currently for operation of teleport and DTH service is scarcity of bandwidth and process of WPC wings of DOT for frequency approval. Below are major operational issues:-

- For any change in technical parameter operator has to seek permission from MIB, WPC wing and NOCC.
- Issue related to WPC wing grant of frequency assignment. Since last 5 years this is one of the biggest problem which all frequency users has to face as there is no define period when WPC will start giving frequency approval and when WPC will stop giving approval. Especially in the scenario where there is a requirement from MIB to make channel operational within period of one year. In the event if channel is not operationalised within one year MIB forfeits the PBG. Because of this very issue many broadcasters has to enter into litigation.
- Review on minimum data rate requirement currently as per TEC guidelines a minimum data rate required to uplink standard definition channel is 1.5 Mbps and for high definition channel is 8.0 Mbps. Since there is advancement of technology this minimum cap needs to be reviewed as an HD channel can be provided with good quality below 8.0 Mbps also.
- Post issuance of operating license, teleport operator has to seek permission from MIB,WPC and NOCC every time he has to endorse a channel. Endorsement of channel on teleport is a technical change involving modification in teleport or satellite and hence we are in view

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that this should be made a 30 days prior intimation to MIB, WPC wing and NOCC.

- Infact for any change in name or mode of already endorsed TV channel. There is a requirement for seeking permission from WPC and NOCC. In our view this should be a mere 30 day prior intimation

### **CABLE TV – ISSUES**

**Q9. What are the specific issues affecting ease of doing business in cable TV sector? What modifications are required to be made in the extant framework to address these issues? Give your comments with justification.**

The Government by moving into digitization of cable networks, has attempted to strengthen professional and organised approach to cable sector but still there is a serious need for cable sector to organise themselves into an organised industry, as this could address some of the major issues, including piracy faced by the broadcasters. As per industry estimates, of the Rs.14,000 crore being collected as subscription fee only about Rs4,000 reaches on the hands of the broadcasters, resulting in lower realisation of subscription fee and loss of taxes to government.

*We are of the view that there is an urgent need to form a centralised body who can regulate cable operators across the country just like what MIB has done for MSOs and other distributing platforms.*

**Q10. Is there a need to increase validity of LCO registration from one year? In your view, what should be the validity of LCO registration? Give your comments with justification.**

LCOs should move to a licensing, just like MSOs. For parity, all cable distribution platforms (both LCO and MSOs) should have a single regulation. Hence LCO should move out of registration process to a licensing process and the term of the license should be same as that of MSO.

Also TRAI should recommend that all LCOs convert their existing operations into a formal and organised structure such as an LLP / Private Limited company as per the new Company Act. This would enable transparency in revenue, organised operating structure, enable LCOs to raise funds both through equity/ debt for expansion of services, and also enable Mergers and Acquisitions thus enabling consolidation in the sector.

### **ISSUES RELATED TO PRIVATE FM RADIO/ COMMUNITY RADIO**

**Q11. What are the issues in the extant policy guidelines that are affecting the ease of doing business in FM sector? What changes and modifications are required to address these issues? Give your comments with justification.**

**No comments**

**ISSUES RELATED TO BROADCASTING FREQUENCY CLEARANCES**

**Q12. Is there a need to streamline the process of assignment of frequency by WPC and clearances from NOCC to enhance ease of doing business? What changes do you suggest and why?**

In the current scenario and mechanism the need to review process of assignment of frequency by WPC is required urgently. Currently we need to go through below step by step process for operating frequency in India:-

- MIB permission to operate on particular satellite.
- NOCC frequency approval.
- LOI from WPC for use of particular frequency.
- Decision letter from WPC for use of particular frequency.
- SACFA Clearance for use of particular frequency at particular location.
- Import permission for use of RF equipment.
- Mandatory performance verification test by NOCC.
- Issuance Wireless operating license from WPC wing of DOT
- Final uplinking permission from NOCC.

The above listed 9 process cannot be done simultaneously and for each of process at WPC wing a minimum of 30 working days is required except SACFA where you need a minimum of 60 working days. Before starting the process, you need have a frequency allocation letter from satellite operator wherein ISRO starts charging you from the day they issue you frequency allocation letter and other satellite operators gives you maximum of 3 months free time.

If a user has to use frequency he has to also pay for a period where he is not actually using bandwidth although he has just kept the booking confirmed. This period of paying for bandwidth totally depends on the above process and sometimes even take years, eventually increasing the cost of doing business for broadcasters, even before they operationalize the channels.

Recommendations:- There should be revision in steps as described below:-

- MIB Permission based on ISRO comments. MIB not required to send application for approval in the cases where user is using satellite which are already coordinated. In those cases a intimation may be sent to ISRO from MIB for ISRO records.
- NOCC Frequency Approval
- Permission from WPC:- There should be only one application for below listed to WPC wing:-
  - Issuance of LOI.
  - Issuance of decision letter.
  - SACFA clearance.

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- Import license
- Issuance of Wireless operating license.

We are of the view that TRAI should look at a one single comprehensive application to be submitted to WPC wing of DOT with all details and then WPC wing at their own end should grant permission for all steps together. For more assurance and commitment the license and royalty fee can be taken in advance and in the event there is refusal of permission the fee can be refunded.

We are also of the view that actual operation should start after grant of MPVT test certificate issued by NOCC and to be submitted in WPC wing within one week from the date of issuance of MPVT test certificate.

- MPVT TEST by NOCC: - this should be the final step and permission for beginning of uplinking on particular bandwidth. Applicant should require to submit import license, sacfa clearance and all other required commercial documents along with application for MPVT.

Once MPVT certificate is issued then an operator can began their uplinking.

**Q13. What are the reasons for delay for allocation of frequencies by WPC? What changes do you suggest to streamline the process? Give your comments with justification.**

Below listed are prime reasons for delay in allocation of frequencies:-

- Cumbersome and time consuming, complicated processes:- *We have given our comments in our response to question no. 12 about how we can streamline this.*
- There is no clarity at WPC wing of DOT regarding satellite spectrum because of which most of the delay in happening in the current scenario:- *Since the spectrum relating to satellite communication is manmade and artificially created there should not be any restriction in its allocation. It should be left to the prerogative of satellite operator and its customers.*

### **ISSUES RELATED TO INDIGENOUS MANUFACTURING**

**Q14. What are the key issues affecting the indigenous manufacturing of various broadcasting equipment's and systems. How these issues can be addressed?**

Broadcasting equipment's used in Indian broadcasting sectors are primarily being imported and sold in India. The main reason behind this is lack of Indian manufacturers relating to quality broadcasting equipment's.

Government should work out attractive tax policies and other plans which attracts investment in setting up manufacturing of broadcasting equipment within India.



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Below are few recommendations in this regards:-

- Setting up of research unit at IITs to explore broadcasting equipment's.
- Tax relaxation for indigenous broadcasting manufactures.
- Setting special broadcasting zones for various broadcasting companies.
- Minimal regulatory requirements for setting up broadcasting manufacturing units.

**Q15. Is there any other issue which will be relevant to ease of doing business in broadcasting sector? Give your suggestions with justification.**

We are of the view that TRAI should engage in light-touch regulations on the broadcasting industry and refrain from the commercials and operational aspects of the business since it creates an obstacle for the companies and acts against the principles of free market competition and level-playing field.

**Ad-Cap Regulation:** We are of the view that TRAI should drop its regulation on placing caps on the number of minutes of advertising on free-to-air and news television channels, as advertising is the mainstay revenue for sustainability of a TV channel in news genre.

**Cap on Content :** There should not be any price cap on content or restrictions on how to sell and offer content

### ISSUES RELATED TO TRIALS FOR NEW TECHNOLOGIES

**Q16. Are there any issues in conducting trial projects to assess suitability of a new technology in broadcasting sector? Give your comments with justification.**

*Point-wise Comments are submitted as below:*

Technology in broadcasting media industry is moving in hugely brisk pace and innovations in tech-solutions have become routine and mandatory requirement to survive in competitive environment.

- Few of the technologies that have either been delayed or unable to be progressed for evaluation and adoption in Indian industry are:
  - NS3/NS4 modulation for satellite communication allowing much higher efficient usage
  - Carrier in Carrier(CnC) and two way IP connectivity in DSNG vans operations
  - DVB-H Television distribution – India could not adopt this and now it is obsolete
  - Use of next-gen compression techniques is only sub-optimally permissible as currently channel transmission parameters are also governed under regulation whereas the same can be driven by market forces.

**Q17. What should the policy framework and process for consideration and approval of such trial projects?**

The Broadcasting industry is reeling under immense pressure to sustain itself and requires support from all its stakeholder. The adoption of newer technology need to keep pace with that of technology transformation and this can be only possible if regulatory support system, its policies and practices remain in alignment.

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- **Frequency Spectrum** is a national resource and is completely regulated and current policy do not differentiate between free air waves and satellite space segments.
- As multiple regulatory bodies are involved for according of permissions, it has become practically impossible to go through the process of seeking permissions for new technologies.
- Technology convergence calls for unified approach in technology solutions and regulation thereof as business models globally look towards synergies between Telecom and broadcast sectors.
- There is need for much active focussed intent and progress to allow newer and innovative solutions particularly for Back-hauling and contribution links would help the industry – eg: Use of V & E band of spectrum. Even Ka band of spectrum is far from being realised for field application.

*We are of the view that TRAI should recommend a joint working group with representations from industry and regulatory bodies (MIB/NOCC/ISRO/WPC/TRAI) who can identify, evaluate and adopt newer technology standards and solutions in a structured and time-bound manner.*

**Q18. Stakeholders may also provide their comments with justification on any other issue relevant to the present consultation paper.**

**No comments**

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